



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

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2019

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

**THE CITY OF CARTERSVILLE
BOARD OF EDUCATION**

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

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

INTRODUCTORY SECTION

CITY OF CARTERSVILLE BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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CITY OF CARTERSVILLE BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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October 23, 2019

Members of the Cartersville School Board
Cartersville, Georgia

The Comprehensive Annual Financial Report of the Cartersville School Board (the “Board”), Cartersville, Georgia, for the fiscal year ending June 30, 2019, 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 Board 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 Board 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 Board 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 Board 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, they 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 Board 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 2019 fiscal year improved. Austerity cuts to the QBE funding formula were removed. As a result of the additional state funds, the School Board decided to not give a salary increase, although step raises were given. Additional revenue was used to fund the overall operations of the Board.

Major Initiatives

Cartersville School System has served the students of the City of Cartersville for 129 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 8% from 4,119 students to over 4,460 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.

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 AdvancED, the largest accrediting agency in the world. In 2011 and again in 2016 that level of District Accreditation was renewed through a process of self-evaluation and an external review. In July 2010, the Georgia State Board of Education approved the district's application for "System Charter" status for an initial 5-year period. In March 2015 the district was approved for a renewal of the system charter for an additional 10 years. The System Charter gives the Board 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 Advanced Ed accreditation.

The Board 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 qualification” and are assigned to positions where they are considered to be “in-field”. Currently 75% of the PK-12 instructional staff have advance degrees, including 33% with degrees beyond the masters level.

Because of the significant use of educational technology to support classroom instruction, the district has added instructional technologists at each school to enhance and support effective technology strategies in the classroom. The significant impact of technology on classroom instruction demands this type of on-going support. The growing necessity for increased access to technology devices and services will be an ongoing challenge for the district and its schools.

Over the past 4 years, the Board 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 Board as evidenced by the passage of the four consecutive Special Purpose Local Options Sales Tax (SPLOST) votes in 1997, 2002, 2007, 2010 and 2016. The next SPLOST vote is scheduled for 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 Board 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 Board 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 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)
- Increased Honors and Advanced Placement Courses (Grades 6-12)
- Ombudsman Alternative Education Program (Grades 6-12)

- Character Education (K-12)
- Use of instructional lead teachers (K-8) and Instructional Technologists (K-8) to support teachers with classroom instruction and interventions
- Use of Instructional Technologists (K-12) to support teachers in the effective use of instructional technology
- Job-embedded professional learning expectations and requirements
- New Teacher induction and mentor program
- Early release days for remediation and enrichment (Grades 9-12)
- STEM Initiative
- Gatekey Scholarship Program

Financial Information

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

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

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

As part of the School Board's single audit, tests were made of the internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs. The audit for the year ended June 30, 2019, 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 \$12.5 million in fund balance. The balance will be used to fund planned summer projects and also future land purchases. SPLOST revenue has increased in fiscal year 2019 by 8.2%. This was a result of the economy getting better in the State of Georgia.

The system continues to monitor budget related activity in the Georgia General Assembly. State revenues have risen over the past year. The State has removed all austerity reductions to the QBE formula. This additional revenue assisted in rolling back the millage rate for our property owners and businesses. The System continues to review several aspects of operations to identify areas for improvement in efficiency including personnel allocation, employee benefits, student transportation services, and document production practices. Sustainability is becoming a key phrase when budget issues are discussed. Budget items proposed for inclusion or modification are viewed in terms of the system's ability to sustain the item into the future. Adequate, available fund reserves are key to preserving the Board'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, LLC, was selected by the School Board's finance committee. In addition to meeting the requirements set forth in state statutes, including the Official Code of Georgia's Section 48-8-121 pertaining to Special Local Option Sales Tax, the audit was designed to meet the requirements of the federal Single Audit Act of 1984 and the related Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in the compliance section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cartersville Board of Education for its comprehensive annual report (CAFR) for the fiscal year ending June 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements.

Acknowledgements

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

**City of Cartersville Board of Education
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

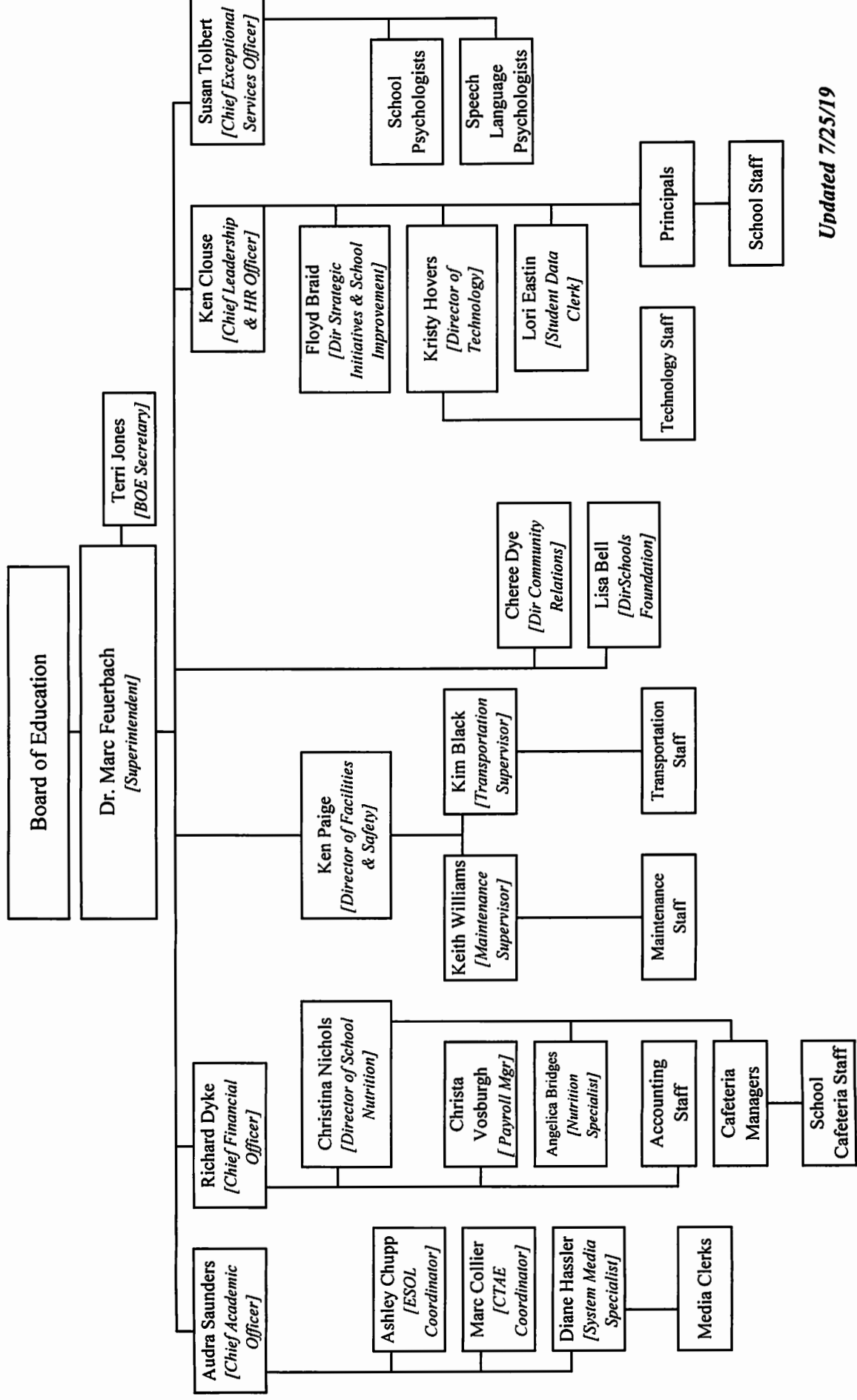
Executive Director/CEO



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) cjohnson1955@gmail.com	1/18 - 12/21
2	Kathi White 201 Arrowhead Dr. Cartersville, GA 30120	(H) 770-386-2404 (cell) 770-606-4130 (email) whitejandk@hotmail.com	3/19 - 12/21
3	Travis Popham 428 Waterford Dr. Cartersville, GA 30120	(cell) 770-387-6372 (w) 770-387-1706 (email) prgi@mindspring.com	1/16 - 12/19
4	S. Pat Broadnax 14 Wofford St. Cartersville, GA 30120	(H) 770-382-3184 (cell) 770-833-0978 (email) pattybroadnax@gmail.com	1/16 - 12/19
5	Louise Panter 23 Brookland Dr. Cartersville, GA 30120	(cell) 706-540-2936 (email) louisemorris@yahoo.com	1/18 - 12/21
6	Mrs. Kelley A. Dial 4 Mimosa Terrace Cartersville, GA 30120	(H) 770-382-3373 (cell) 404-408-6918 (email) kelledial@yahoo.com	1/18 - 12/21
At Large	Tim Chason 40 Westchester Drive Cartersville, GA 30120	(cell) 404-735-0540 (email) tchason@cartersvilleschools.org	7/17 - 12/19
Superintendent	Dr. Marc Feuerbach 45 Galway Drive Cartersville, GA 30120	(cell) 770-547-3453 (B) 770-382-5880 (F) 770-387-7476 (email) mfeuerbach@cartersvilleschools.org	
Assistant Superintendent	Mr. Ken Clouse 96 Planters Drive Cartersville, GA 30120	(cell) 404-401-6777 (B) 770-382-5880 (F) 770-387-7476 (email) kclouse@cartersvilleschools.org	

Cartersville City Schools Organizational Chart



Updated 7/25/19

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, 2019, 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, 2019, 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 October 23, 2019 on our consideration of the City of Cartersville Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Cartersville Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cartersville Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
October 23, 2019

CITY OF CARTERSVILLE BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

The discussion and analysis of the City of Cartersville Board of Education's (the "Board") financial performance provides an overall review of the Board's financial activities for the fiscal year ended June 30, 2019. 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 2019 are as follows:

- In total, net position increased approximately \$3 million during fiscal year 2019. This increase was more than the increase in fiscal year 2018 due to a decrease in revenues and an increase in expenses as compared to fiscal year 2018 for governmental activities.
- General revenues accounted for approximately \$22.6 million in revenue or approximately 42% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for approximately \$31.3 million or approximately 58% of total revenues of approximately \$53.9 million.
- The Board had approximately \$50.9 million in expenses related to governmental activities; only approximately \$31.3 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of approximately \$22.6 million were used to provide for these programs.
- Among major funds, the General Fund had approximately \$41.1 million in revenues and approximately \$39.9 million in expenditures. The General Fund's fund balance increased to approximately \$14.5 million from approximately \$13.3 million. Additional fund balance will be used to build a new 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, 2019

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 2019?” 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, 2019

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 2019:

	Governmental Activities		%
	2019	2018	Change
Assets			
Current and other assets	\$ 35,133,109	\$ 33,601,324	4.6%
Capital assets, net	4,928,523	4,884,172	0.9%
Total assets	40,061,632	38,485,496	4.1%
Deferred outflows of resources			
Pension related items	8,547,318	6,930,165	23.3%
OPEB related items	1,070,346	1,009,128	6.1%
Total deferred outflows of resources	9,617,664	7,939,293	21.1%
Liabilities			
Current and other liabilities	6,697,970	6,579,985	1.8%
Net pension liability	36,075,523	36,023,159	0.1%
OPEB liability	24,548,645	27,548,459	-10.9%
Total liabilities	67,322,138	70,151,603	-4.0%
Deferred inflows of resources			
Pension related items	1,860,079	1,680,794	10.7%
OPEB related items	5,802,122	2,964,084	100.0%
Total deferred inflows of resources	7,662,201	4,644,878	65.0%
Net position			
Investment in capital assets	4,689,944	4,870,437	-3.7%
Restricted	13,194,487	12,919,012	2.1%
Unrestricted	(43,189,474)	(46,161,141)	-6.4%
Total net position	\$ (25,305,043)	\$ (28,371,692)	-10.8%

As previously stated, the total net position for fiscal year 2019 was a deficit of approximately \$25.3 million, which represents an approximate \$3.1 million decrease over fiscal year 2018. The Board's net position increase over the prior year was primarily due to revenues continuing to exceed expenses, as a result of an increase in state and local funding.

CITY OF CARTERSVILLE BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

Table 2 shows the changes in net position for fiscal year 2019:

**Table 2
Changes in Net Position**

	Governmental Activities		%
	2019	2018	Change
Revenues			
Program Revenues			
Charges for Services and Sales	\$ 1,468,000	\$ 1,407,765	4.3%
Operating Grants and Contributions	29,618,806	28,707,024	3.2%
Capital Grants and Contributions	231,660	128,315	80.5%
Total Program Revenues	31,318,466	30,243,104	3.6%
General Revenues			
Property Taxes for Maintenance and Operations	17,104,763	16,314,094	4.8%
Special Purpose Local Option Sales Tax for Capital Projects	5,446,245	5,034,791	8.2%
Investment Earnings	58,222	25,113	131.8%
Total General Revenues	22,609,230	21,373,998	5.8%
Total Revenues	53,927,696	51,617,102	4.5%
Program Expenses			
Instruction	29,375,247	30,503,660	-3.7%
Support Services			
Pupil Services	2,805,007	2,520,370	11.3%
Improvement of Instructional Services	959,773	825,651	16.2%
Educational Media Services	302,104	290,619	4.0%
General Administration	750,756	832,610	-9.8%
School Administration	2,274,638	2,400,255	-5.2%
Business Administration	562,634	666,903	-15.6%
Maintenance and Operation of Plant	7,751,017	5,468,391	41.7%
Student Transportation Services	1,707,566	1,730,471	-1.3%
Central Support Services	562,133	572,602	-1.8%
Other Support Services	351,239	325,951	7.8%
Operations of Non-Instructional Services			
Community Services	242,814	310,172	-21.7%
Food Services	3,216,119	3,541,353	-9.2%
Total Expenses	50,861,047	49,989,008	1.7%
Increase in Net Position	3,066,649	1,628,094	88.4%
Net Position, July 1	(28,371,692)	(29,999,786)	-5.4%
Net Position, June 30	\$ (25,305,043)	\$ (28,371,692)	-10.8%

CITY OF CARTERSVILLE BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

Changes in Net Position from Operating Results

Revenues

The Board's total revenue for fiscal year 2019 was approximately \$53.9 million, which represents an approximate 4.5% increase or approximately \$2.3 million from fiscal year 2018. Revenue from state sources accounted for the majority of the Board's revenue. Operating grants and contributions revenue in fiscal year 2019 increased approximately 3.2% or approximately \$900 thousand. Increased state revenue is attributable to enrollment changes and elimination of austerity cuts to QBE. Capital grants and contribution increased to approximately \$232 thousand.

Local revenue sources including property taxes, sales taxes and interest income increased approximately \$1.2 million or approximately 5.8%. The increase in property tax revenue of approximately 4.8% was due to an increase in ad valorem taxes on vehicles and additional payment in lieu of taxes (PILOT) received. Sales tax revenue increased by 8.2% or \$411 thousand in 2019. This increase was due to an improving local economy.

Expenses

The Board's total expenses increased 1.7% over fiscal year 2018. Pupil Services went up by 11.3%. This was to hiring more experienced speech pathologist. Improvement of Instructional Services went up by 16.2%. This was due to all the staff development funds being moved to the general fund that was previously paid by a federal grant. Business Administration went down by 15.6%. This was due to additional training and maintenance of the new fund accounting system that implemented in fiscal year 2018. Maintenance and Operation of Plant went up significantly by 41.7%. This was due to construction of a new athletic facility at Cartersville High School. Community services went down by 21.7%. This was due to reducing labor cost for the after school program. Each of the other major functions increased and/or decreased as noted in Table 2.

Instruction comprises 58% 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, 2019

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		%
	2019	2018	Change	2019	2018	Change
Instruction	\$ 29,375,247	\$ 30,503,660	-3.7%	\$ 6,794,369	\$ 8,904,273	-23.7%
Support Services						
Pupil Services	2,805,007	2,520,370	11.3%	2,325,375	2,079,746	11.8%
Improvement of Instructional Services	959,773	825,651	16.2%	663,135	537,857	23.3%
Educational Media Services	302,104	290,619	4.0%	(306,768)	(315,787)	-2.9%
General Administration	750,756	832,610	-9.8%	(492,432)	(112,067)	339.4%
School Administration	2,274,638	2,400,255	-5.2%	1,226,623	1,374,404	-10.8%
Business Administration	562,634	666,903	-15.6%	560,120	664,567	-15.7%
Maintenance and Operation of Plant	7,751,017	5,468,391	41.7%	6,329,149	3,919,755	61.5%
Student Transportation Services	1,707,566	1,730,471	-1.3%	1,172,891	1,449,057	-19.1%
Central Support Services	562,133	572,602	-1.8%	557,199	569,007	-2.1%
Other Support Services	351,239	325,951	7.8%	349,007	322,506	8.2%
Operation of Non-Instructional Services						
Community Services	242,814	310,172	-21.7%	203,547	202,548	0.5%
Food Services	3,216,119	3,541,353	-9.2%	160,366	150,038	6.9%
Total Expenses	\$ 50,861,047	\$ 49,989,008	1.7%	\$ 19,542,581	\$ 19,745,904	-1.0%

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, 2019

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 2019 was approximately \$50.9 million. Users of the district's programs financed approximately \$1.5 million of costs. Federal and State grants subsidized programs and contributions financed approximately \$29.6 million of the cost. The district taxpayers financed the other portion of the Board's cost, which was approximately \$19.5 million for fiscal year 2019.

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 \$53.9 million and expenditures and other financing uses of approximately \$52.5 million. The General Fund had a increase in fund balance of approximately \$1.2 million; the Special Purpose Local Option Sales Tax Capital Projects Fund Balance had an increase of approximately \$161 thousand. The increase in the General Fund was due to additional revenues from Title Ad Valorem Tax (TAVT) and Payment in Lieu of Taxes (PILOT). The SPLOST Fund's increase was a result of the timing of SPLOST projects.

General Fund Budgeting Highlights

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

Prior to April 1st of each year, the Superintendent and the School Board have work sessions to prepare the new upcoming budget. As soon as the School Board receives the budgeted allocations from the State of Georgia, the Board adopts the budget on or before the regular June meeting. The Board can then submit to the Cartersville City Council an estimate of the local revenue that will be required for the maintenance and operation of the Board 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 Board for the succeeding school year.

For the General Fund, the final budgeted revenues and other financing sources of approximately \$38.7 million was an increase from the original budgeted amount of approximately \$38.2 million. The actual revenues and other financing sources of approximately \$40.3 million was more than the budgeted amount by approximately \$1.6 million. This is a result of additional Title Ad Valorem Taxes (TAVT) and Payment in Lieu of Taxes (PILOT) received. Neither of these were budgeted fully in fiscal year 2019.

CITY OF CARTERSVILLE BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

The final budgeted expenditures and other financing uses of approximately \$41.7 million exceeded the original budgeted amount of approximately \$41.1 million by approximately \$600 thousand. The actual expenditures and other financing uses per budget basis of approximately \$39.1 million was approximately \$2.6 million less than budgeted. A portion of the difference was due to on behalf payments by the Georgia Department of Education for Health Insurance of non-certified personnel and also conservative spending based on revenues received.

General Fund revenues and other financing sources were less than the expenditures and other financing uses by approximately \$1.2 million. The 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 2019 the Board had approximately \$4.9 million invested in capital assets, all in governmental activities. Table 4 shows fiscal year 2019 balances.

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

	Governmental Activities 2019	2018	% Change
Building and Improvements	\$ 171,957	\$ 226,926	-24.2%
Vehicles	898,212	860,658	4.4%
Computers	2,137,909	2,280,945	-6.3%
Furniture and Equipment	1,720,445	1,515,643	13.5%
Total	\$ 4,928,523	\$ 4,884,172	0.9%

The primary increases occurred in furniture and equipment. The Board purchased new furniture and equipment for the elementary school. Building and Improvements went down because signs for the front of the school were retired and new signs were moved to computers. Additional information on the City of Cartersville Board of Education's capital assets can be found in Note 5 of this report.

CITY OF CARTERSVILLE BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

Economic Factors and Next Year's Budgets

The local economy experienced a change in property tax revenue, an approximate 4.8% increase in Property Tax revenue, and an approximate 8% increase in the Special Purpose Local Option Sales tax revenue. Property tax had only an increase due to PILOT money received. The Special Purpose Local Option Sales Tax revenue increased by approximately \$400 thousand or 8% which is a direct result of an improving economy in Georgia.

The City of Cartersville Board of Education adopted its fiscal year 2020 budget on June 10, 2019. The General Fund budget for fiscal year 2020 reflected revenues of \$41,277,633 and expenditures of \$43,078,920. Unreserved fund balance in the amount of \$1,801,287 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 2020 budget is 14.58 mills. This budget reflects an increase from the fiscal year 2019 budget of \$2 million or 4.8% of expenditures.

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, 2019

ASSETS	Governmental Activities
Cash and cash equivalents	\$ 30,390,617
Receivables:	
Intergovernmental	4,025,772
Taxes	655,528
Inventory	61,192
Capital assets, net of accumulated depreciation	<u>4,928,523</u>
Total assets	<u>40,061,632</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	8,547,318
OPEB related items	<u>1,070,346</u>
Total deferred outflows of resources	<u>9,617,664</u>
LIABILITIES	
Accounts payable	485,110
Salaries payable	5,884,771
Retainage payable	238,579
Unearned revenue	89,510
Noncurrent liabilities due in more than one year	
Net pension liability	36,075,523
Net OPEB liability	<u>24,548,645</u>
Total liabilities	<u>67,322,138</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	1,860,079
OPEB related items	<u>5,802,122</u>
Total deferred inflows of resources	<u>7,662,201</u>
NET POSITION	
Net investment in capital assets	4,689,944
Restricted for:	
Capital projects	12,201,327
School nutrition	993,160
Unrestricted	<u>(43,189,474)</u>
Total net position	<u><u>\$ (25,305,043)</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, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 29,375,247	\$ 565,931	\$ 22,014,947	\$ -	\$ (6,794,369)
Support services:					
Pupil services	2,805,007	-	479,632	-	(2,325,375)
Improvement of instructional services	959,773	-	296,638	-	(663,135)
Educational media services	302,104	-	608,872	-	306,768
General administration	750,756	-	1,243,188	-	492,432
School administration	2,274,638	-	1,048,015	-	(1,226,623)
Business administration	562,634	-	2,514	-	(560,120)
Maintenance and operation of plant services	7,751,017	27,431	1,394,437	-	(6,329,149)
Student transportation services	1,707,566	-	303,015	231,660	(1,172,891)
Central support services	562,133	-	4,934	-	(557,199)
Other support services	351,239	-	2,232	-	(349,007)
Food services operation	3,216,119	835,371	2,220,382	-	(160,366)
Community services operation	242,814	39,267	-	-	(203,547)
Total governmental activities	<u>\$ 50,861,047</u>	<u>\$ 1,468,000</u>	<u>\$ 29,618,806</u>	<u>\$ 231,660</u>	<u>\$ (19,542,581)</u>
General revenues:					
Property taxes					17,104,763
Sales taxes					5,446,245
Unrestricted investment earnings					58,222
Total general revenues					<u>22,609,230</u>
Change in net position					3,066,649
Net position, beginning of year					<u>(28,371,692)</u>
Net position, end of year					<u>\$ (25,305,043)</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, 2019

		SPLOST	Other	Total
	General	Capital	Governmental	Governmental
ASSETS		Projects	Funds	Funds
Cash and cash equivalents	\$ 16,345,254	\$ 12,035,652	\$ 2,009,711	\$ 30,390,617
Receivables:				
Intergovernmental	3,429,229	-	596,543	4,025,772
Taxes	181,299	474,229	-	655,528
Due from other funds	427,492	-	-	427,492
Inventory	-	-	61,192	61,192
Total assets	<u>\$ 20,383,274</u>	<u>\$ 12,509,881</u>	<u>\$ 2,667,446</u>	<u>\$ 35,560,601</u>
LIABILITIES				
Accounts payable	\$ 152,262	\$ 308,554	\$ 24,294	\$ 485,110
Salaries and benefits payable	5,626,582	-	258,189	5,884,771
Retainage payable	-	238,579	-	238,579
Due to other funds	-	-	427,492	427,492
Unearned revenue	62,886	-	26,624	89,510
Total liabilities	<u>5,841,730</u>	<u>547,133</u>	<u>736,599</u>	<u>7,125,462</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	39,059	-	-	39,059
Total deferred inflows of resources	<u>39,059</u>	<u>-</u>	<u>-</u>	<u>39,059</u>
FUND BALANCES				
Fund balances:				
Nonspendable:				
Inventory	-	-	61,192	61,192
Restricted:				
Capital projects	-	11,962,748	-	11,962,748
School nutrition	-	-	931,968	931,968
Committed:				
After school programs	-	-	194,681	194,681
Student activities	-	-	743,006	743,006
Assigned:				
2020 fiscal year appropriations of fund balance	1,801,287	-	-	1,801,287
SS - School administration	2,431	-	-	2,431
Capital projects	5,500,000	-	-	5,500,000
Maintenance projects	300,000	-	-	300,000
Unassigned:	6,898,767	-	-	6,898,767
Total fund balances	<u>14,502,485</u>	<u>11,962,748</u>	<u>1,930,847</u>	<u>28,396,080</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,383,274</u>	<u>\$ 12,509,881</u>	<u>\$ 2,667,446</u>	<u>\$ 35,560,601</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

Total fund balances - governmental funds	\$	28,396,080
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Cost	\$	13,231,353	
Less accumulated depreciation		<u>(8,302,830)</u>	4,928,523

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

Net pension liability	(36,075,523)	
Pension related deferred outflows of resources	8,547,318	
Pension related deferred inflows of resources	<u>(1,860,079)</u>	(29,388,284)

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

Net OPEB liability	(24,548,645)	
OPEB related deferred outflows of resources	1,070,346	
OPEB related deferred inflows of resources	<u>(5,802,122)</u>	(29,280,421)

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

Property taxes		<u>39,059</u>
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Net position - governmental activities	\$	<u><u>(25,305,043)</u></u>
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The accompanying notes are an integral part of these financial statements.

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

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	General	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 17,115,318	\$ 5,446,245	\$ -	\$ 22,561,563
Federal sources	45,000	-	4,101,736	4,146,736
State sources	23,374,599	-	615,753	23,990,352
Local sources	319,866	67,310	2,010,943	2,398,119
Interest income	58,193	265,250	29	323,472
Charges for services	99,800	-	291,317	391,117
On behalf payments	71,033	-	-	71,033
Total revenues	41,083,809	5,778,805	7,019,778	53,882,392
EXPENDITURES				
Current:				
Instruction	26,503,128	-	2,836,864	29,339,992
Support services:				
Pupil services	2,507,547	-	392,750	2,900,297
Improvement of instructional services	850,948	-	155,870	1,006,818
Educational media services	306,784	-	8,646	315,430
General administration	708,533	-	56,475	765,008
School administration	2,425,559	-	755	2,426,314
Business administration	580,720	-	-	580,720
Maintenance and operation of plant	3,345,000	-	46,612	3,391,612
Student transportation services	1,915,191	-	32,360	1,947,551
Central support services	402,147	-	-	402,147
Other support services	366,208	-	158	366,366
Food services operation	24,549	-	3,150,268	3,174,817
Community services operation	-	-	231,937	231,937
Capital outlay	-	5,617,379	-	5,617,379
Total expenditures	39,936,314	5,617,379	6,912,695	52,466,388
Excess of revenues over expenditures	1,147,495	161,426	107,083	1,416,004
OTHER FINANCING SOURCES (USES)				
Transfers in	61,233	-	7,672	68,905
Transfers out	(7,672)	-	(61,233)	(68,905)
Sale of capital assets	8,351	-	-	8,351
Total other financing sources (uses)	61,912	-	(53,561)	8,351
Net change in fund balances	1,209,407	161,426	53,522	1,424,355
FUND BALANCE, beginning of year	13,293,078	11,801,322	1,877,325	26,971,725
FUND BALANCE, end of year	\$ 14,502,485	\$ 11,962,748	\$ 1,930,847	\$ 28,396,080

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, 2019**

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

Net change in fund balances - total governmental funds	\$	1,424,355
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay	\$ 1,887,219		
Depreciation expense	<u>(1,760,689)</u>		126,530

The net effect of the disposal of capital assets is to decrease net position.		(82,179)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(10,555)
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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.		1,385,504
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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.		<u>222,994</u>
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Changes in net position - governmental activities	\$	<u><u>3,066,649</u></u>
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The accompanying notes are an integral part of these financial statements.

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

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 15,110,708	\$ 15,110,708	\$ 17,115,318	\$ 2,004,610
Federal sources	45,000	45,000	45,000	-
State sources	23,021,272	23,518,294	22,607,193	(911,101)
Local sources	-	-	319,866	319,866
Interest income	6,000	6,000	58,193	52,193
Charges for services	-	-	99,800	99,800
Total revenues	38,182,980	38,680,002	40,245,370	1,565,368
EXPENDITURES				
Current:				
Instruction	27,884,918	27,553,186	25,735,722	1,817,464
Support services:				
Pupil services	2,385,415	2,780,871	2,507,547	273,324
Improvement of instructional services	816,603	910,713	850,948	59,765
Educational media services	315,119	315,119	306,784	8,335
General administration	763,028	761,528	708,533	52,995
School administration	2,433,473	2,447,989	2,425,559	22,430
Business administration	783,053	783,053	578,206	204,847
Maintenance and operation of plant	3,422,564	3,708,578	3,336,090	372,488
Student transportation services	1,630,485	1,662,718	1,887,139	(224,421)
Central support services	438,142	479,338	397,213	82,125
Other support services	236,200	248,635	364,134	(115,499)
Total expenditures	41,109,000	41,651,728	39,097,875	2,553,853
Excess (deficiency) of revenues over expenditures	(2,926,020)	(2,971,726)	1,147,495	4,119,221
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	61,233	61,233
Transfers out	-	-	(7,672)	(7,672)
Sale of capital assets	-	-	8,351	8,351
Total other financing sources (uses)	-	-	61,912	61,912
Net change in fund balances	(2,926,020)	(2,971,726)	1,209,407	4,181,133
FUND BALANCE, beginning of year	13,293,078	13,293,078	13,293,078	-
FUND BALANCE, end of year	\$ 10,367,058	\$ 10,321,352	\$ 14,502,485	\$ 4,181,133

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2019

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, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The Board has one blended component unit, the Cartersville School Capital Improvement Foundation, Inc. (the “Foundation”). The Foundation was formed as a nonprofit corporation to engage and assist the Board in the development, financing, construction, acquisition, and reconstruction of capital projects and equipment. There was no activity for the Foundation during the year ended June 30, 2019. Members of the Board serve as directors of the Foundation.

Government-wide and Fund Financial Statements

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

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

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

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. 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, 2019**

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 agency fund accounts for assets held by the Board as an agent 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, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

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

Interfund Receivables and Payables

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

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

Capital Assets

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

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

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

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019**

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, 2019**

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 six (6) 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, 2019 which are subsequent to the measurement date of the net pension liability and will be recognized in fiscal year 2020; (2) a deferred outflow of resources for experience gains or losses related to the pension plan which will be amortized over the remaining service period; (3) a deferred outflow of resources for the changes in actuarial assumptions which will be amortized over the remaining service period; (4) a deferred outflow of resources for the change in the Board's proportionate share based on actual contributions towards the pension plan, which will be amortized over the remaining service period; (5) a deferred outflow of resources for the Board's actual contributions to the OPEB plan during the fiscal year ended June 30, 2019 which are subsequent to the measurement date of the net OPEB liability and will be recognized in fiscal year 2020; and (6) a deferred outflow of resources for the net difference between projected and actual investment earnings on the OPEB assets, which will be amortized over a five year period.

**CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

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

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**CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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 2019 revenues and expenditures for certain personnel are budgeted in June 2018, 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, 2019, the July and August 2019 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
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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	\$ 41,083,809	
Revenues Receivable Decrease	(767,406)	
On-Behalf Benefit Contribution	(71,033)	
Budgeted Revenues, Budgetary Basis		\$ 40,245,370
Expenditures GAAP Basis	\$ 39,936,314	
Accrued Salary Decrease	(767,406)	
On-Behalf Benefits Expenditure	(71,033)	
Budgeted Expenditures, Budgetary Basis		39,097,875
Other Financing Sources, Net		61,912
Revenues Over Expenditures and Other Financing Uses, Budgetary Basis		\$ 1,209,407
Revenues Over Expenditures and Other Financing Uses, GAAP Basis		\$ 1,209,407

The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2019:

General Fund:	
Support services:	
Student transportation services	\$ 224,421
Other support services	115,499

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

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - DEPOSITS AND INVESTMENTS

Composition

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

Interest rate risk. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. The Board is authorized by state statutes to invest in the securities of the United States Treasury, United States agencies and instrumentalities, repurchase agreements and the Georgia Fund 1 administered by the State of Georgia. It is the government's policy to limit any investments in these to the top rating issued by NRSROs. At June 30, 2019, 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 \$13,616,640 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 AAAs 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, 2019, the Board had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Georgia Fund 1	39 day weighted average	AAAs	\$ 13,616,640

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.

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, the financial institution holding some of the Board's deposits is a participant in the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of June 30, 2019, the Board's cash accounts were insured and/or collateralized as defined by GASB Standards.

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, 2019.

Property taxes are levied on property values assessed as of January 1. The City of Cartersville Board of Education approved a millage rate of 15.674 mills for tax year 2018. 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. Leins 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	\$ 198,929	\$ 474,229	\$ -	\$ 673,158
Accounts	-	-	-	-
Other	-	-	-	-
Intergovernmental	3,429,229	-	596,543	4,025,772
Gross receivables	3,628,158	474,229	596,543	4,698,930
Less allowance for uncollectibles	(17,630)	-	-	(17,630)
Net total receivables	<u>\$ 3,610,528</u>	<u>\$ 474,229</u>	<u>\$ 596,543</u>	<u>\$ 4,681,300</u>

CITY OF CARTERSVILLE BOARD OF EDUCATION
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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, 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Building and improvements	\$ 271,125	\$ -	\$ (70,871)	\$ 200,254
Vehicles	3,290,192	302,385	(140,092)	3,452,485
Computers	5,167,090	1,094,475	(245,832)	6,015,733
Furniture and equipment	3,112,552	490,359	(40,030)	3,562,881
Total depreciable	<u>11,840,959</u>	<u>1,887,219</u>	<u>(496,825)</u>	<u>13,231,353</u>
Accumulated depreciation:				
Building and improvements	44,199	-	(15,902)	28,297
Vehicles	2,429,534	264,827	(140,088)	2,554,273
Computers	2,886,145	1,213,783	(222,104)	3,877,824
Furniture and equipment	1,596,909	282,079	(36,552)	1,842,436
Total depreciable	<u>6,956,787</u>	<u>1,760,689</u>	<u>(414,646)</u>	<u>8,302,830</u>
Governmental activities capital assets, net	<u>\$ 4,884,172</u>	<u>\$ 126,530</u>	<u>\$ (82,179)</u>	<u>\$ 4,928,523</u>

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

Governmental activities:	
Instruction	\$ 1,384,681
Pupil services	204
Educational media services	3,182
General administration	8,639
School administration	2,544
Business administration	5,685
Maintenance and operations of plant services	41,971
Student transportation services	33,558
Central support services	166,182
Other support services	17,957
School nutrition program	85,209
Community services operations	10,877
Total depreciation expense	<u>\$ 1,760,689</u>

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NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Non-major Governmental Funds	\$ 427,492

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, 2019 are as follows:

<u>Transfer In</u>	<u>Transfer out</u>	<u>Amount</u>
General Fund	Non-major Governmental Funds	\$ 61,233
Non-Major Governmental Funds	General Fund	7,672

NOTE 7 - RISK MANAGEMENT

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

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NOTE 8 - RETIREMENT PLANS

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

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

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 2019. The Board's contractually required contribution rate for the year ended June 30, 2019 was 20.90% of annual Board payroll. District contributions to TRS were \$4,858,392 for the year ended June 30, 2019.

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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, 2019, 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	\$ 36,075,523
State of Georgia's proportionate share of the net pension liability associated with the Board	<u>241,679</u>
Total	<u><u>\$ 36,317,202</u></u>

The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 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, 2018. At June 30 2018, the Board's proportion was 0.194350%, which was an increase of 0.000524% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Board recognized pension expense of \$3,472,890 and revenue of \$378 for support provided by the State of Georgia for certain support personnel. At June 30, 2019, 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	\$ -	\$ 986,375
Changes in proportion and differences between Board contributions and proportionate share of contributions	756,308	799,352
Assumption changes	544,367	-
Experience differences between expected and actual	2,388,251	74,352
Board contributions subsequent to the measurement date	4,858,392	-
Total	<u><u>\$ 8,547,318</u></u>	<u><u>\$ 1,860,079</u></u>

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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 \$4,858,392 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, 2020. 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:	
2020	\$ 1,686,591
2021	864,192
2022	(782,340)
2023	24,496
2024	35,908
Total	<u>\$ 1,828,847</u>

Actuarial assumptions: The total pension liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25 – 9.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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NOTE 8 - RETIREMENT PLANS (Continued)

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

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

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

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

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

**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)

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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Board's proportionate share of the net pension liability	\$ 60,220,378	\$ 36,075,523	\$ 16,178,934

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

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NOTE 8 - RETIREMENT PLANS (Continued)

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

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

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

Pension Liabilities and Pension Expense

At June 30, 2019, 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>239,620</u>
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The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 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, 2018.

For the year ended June 30, 2019, the Board recognized pension expense of \$55,481 and revenue of \$55,481 for support provided by the State of Georgia.

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

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

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NOTE 8 - RETIREMENT PLANS (Continued)

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

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

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

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

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NOTE 8 - RETIREMENT PLANS (Continued)

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

Discount rate: The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Grant Programs

The Board participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies.

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

Litigation

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

Outstanding Construction Contracts

As of June 30, 2019 there were outstanding construction contracts executed by the Board for the Cartersville High School Sports Complex Renovation project in the amount of \$588,063.

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NOTE 9 - COMMITMENTS AND CONTINGENCIES (Continued)

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, 2019 the General Fund's encumbrances expected to be honored upon performance by vendor in the next year are \$15,472.

NOTE 10 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The Board has recognized revenue and expenditures in the amount of \$71,033 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 \$40,406.

Paid by the Georgia Department of Education to the Teachers Retirement System for Teachers Retirement (TRS) in the amount of \$30,627.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Georgia School Personnel Employees Postemployment Health Benefit Fund

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

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NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

Contributions: As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the Board were \$1,037,131 for the year ended June 30, 2019. 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, 2019, the Board reported a liability of \$24,548,645 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability as of June 30, 2018 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, 2018. At June 30 2018, the Board's proportion was 0.193149%, which was a decrease of 0.002926% from its proportion measured as of June 30, 2017.

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NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

For the year ended June 30, 2019, the Board recognized OPEB expense of \$814,137. At June 30, 2019, 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	\$ -	\$ 558,385
Net difference between projected and actual earnings on OPEB plan investments	33,215	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	1,085,078
Changes in plan assumptions	-	4,158,659
Board contributions subsequent to the measurement date	1,037,131	-
Total	<u>\$ 1,070,346</u>	<u>\$ 5,802,122</u>

Board contributions subsequent to the measurement date of \$1,037,131 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, 2020. 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:	
2020	\$ (1,132,933)
2021	(1,132,933)
2022	(1,132,933)
2023	(1,134,918)
2024	(909,639)
2025	(325,551)
Total	<u>\$ (5,768,907)</u>

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NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

Actuarial assumptions:

The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 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, 2018:

Inflation	2.75%
Salary Increases	TRS – 3.25-9.00%, 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	7.50%
Medicare eligible	5.50%
Ultimate trend rate:	
Pre-Medicare eligible	4.75%
Medicare eligible	4.75%
Year of ultimate trend rate:	
Pre-Medicare eligible	2028
Medicare eligible	2022

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

- For TRS Members: The RP-2000 White Collar Mortality Table projected to 2025 with projection scale BB (set forward 1 year for males) was used for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 2 years for males and four years for females) was used for death after disability retirement.
- For PSERS Members: The RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) was used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for the period after disability retirement.

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NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the pension system, which covered the five-year period ending June 30, 2014.

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, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

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

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

Asset class	Target allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	(0.50)%
Domestic Stocks -- Large Cap	37.20%	9.00%
Domestic Stocks -- Mid Cap	3.40%	12.00%
Domestic Stocks -- Small Cap	1.40%	13.50%
Int'l Stocks - Developed Mkt	17.80%	8.00%
Int'l Stocks - Emerging Mkt	5.20%	12.00%
Alternatives	5.00%	10.50%
Total	100.00%	

*Net of Inflation

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

Discount rate:

The discount rate has changed since the prior measurement date from 3.58% to 3.87%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.87% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.87% 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 2018. Therefore, the calculated discount rate of 3.87% was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the Board's proportionate share of the net OPEB liability calculated using the discount rate of 3.87%, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Current discount rate (3.87%)	1% Increase (4.87%)
Board's proportionate share of the net OPEB liability	\$ 28,665,121	\$ 24,548,645	\$ 21,229,138

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

	1% Decrease (4.00% to 6.75%)	Current discount rate (5.00% to 7.75%)	1% Increase (6.00% to 8.75%)
Board's proportionate share of the net OPEB liability	\$ 20,638,244	\$ 24,548,645	\$ 29,545,994

OPEB plan fiduciary net position:

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

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contributions	\$ 4,858,392	\$ 3,891,232	\$ 3,173,642	\$ 2,935,438	\$ 2,732,088	\$ 2,493,157	\$ 2,333,282	\$ 2,199,278	\$ 2,208,067	\$ 2,109,902
Contributions in relation to the contractually required contributions	4,858,392	3,891,232	3,173,642	2,935,438	2,732,088	2,493,157	2,333,282	2,199,278	2,208,067	2,109,902
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 23,245,895	\$ 23,148,316	\$ 22,239,958	\$ 20,570,694	\$ 20,766,335	\$ 20,302,581	\$ 20,449,448	N/A	N/A	N/A
Contributions as a percentage of covered payroll	20.900%	16.810%	14.270%	14.270%	13.156%	12.280%	11.410%	N/A	N/A	N/A

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 PENSION LIABILITY
PUBLIC SCHOOLS EMPLOYEE RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

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

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

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

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

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

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

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).

Public Schools Employees Retirement System of Georgia:

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

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement and withdrawal. The expectation of retired life mortality was changed to the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

School OPEB Fund:

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

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

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

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

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue					Total Nonmajor Governmental Funds
	School Food Services	Federal Programs	Lottery Programs	After School Program	Student Activities	
ASSETS						
Cash and cash equivalents	\$ 1,018,300	\$ -	\$ 53,658	\$ 194,747	\$ 743,006	\$ 2,009,711
Intergovernmental receivables	109,988	486,555	-	-	-	596,543
Inventory	61,192	-	-	-	-	61,192
Total assets	<u>\$ 1,189,480</u>	<u>\$ 486,555</u>	<u>\$ 53,658</u>	<u>\$ 194,747</u>	<u>\$ 743,006</u>	<u>\$ 2,667,446</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 23,947	\$ 281	\$ -	\$ 66	\$ -	\$ 24,294
Salaries and benefits payable	145,749	58,782	53,658	-	-	258,189
Unearned revenue	26,624	-	-	-	-	26,624
Due to other funds	-	427,492	-	-	-	427,492
Total liabilities	<u>196,320</u>	<u>486,555</u>	<u>53,658</u>	<u>66</u>	<u>-</u>	<u>736,599</u>
FUND BALANCES						
Nonspendable:						
Inventory	61,192	-	-	-	-	61,192
Restricted:						
School nutrition	931,968	-	-	-	-	931,968
Committed:						
After school programs	-	-	-	194,681	-	194,681
Student activities	-	-	-	-	743,006	743,006
Total fund balances	<u>993,160</u>	<u>-</u>	<u>-</u>	<u>194,681</u>	<u>743,006</u>	<u>1,930,847</u>
Total liabilities and fund balances	<u>\$ 1,189,480</u>	<u>\$ 486,555</u>	<u>\$ 53,658</u>	<u>\$ 194,747</u>	<u>\$ 743,006</u>	<u>\$ 2,667,446</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, 2019**

	Special Revenue					Total Nonmajor Governmental Funds
	School Food Services	Federal Programs	Lottery Programs	After School Program	Student Activities	
REVENUES						
Federal sources	\$ 2,116,095	\$ 1,985,641	\$ -	\$ -	\$ -	\$ 4,101,736
State sources	81,164	-	534,589	-	-	615,753
Local sources	840,978	-	-	-	1,169,965	2,010,943
Interest income	-	-	-	-	29	29
Charges for services	-	-	-	291,317	-	291,317
Total revenues	<u>3,038,237</u>	<u>1,985,641</u>	<u>534,589</u>	<u>291,317</u>	<u>1,169,994</u>	<u>7,019,778</u>
EXPENDITURES						
Instruction	-	1,371,352	461,688	-	1,003,824	2,836,864
Support services:						
Pupil services	-	392,190	560	-	-	392,750
Improvement of instructional services	-	154,082	1,788	-	-	155,870
Educational media services	-	8,646	-	-	-	8,646
General administration	-	49,351	7,124	-	-	56,475
School administration	-	-	755	-	-	755
Maintenance and operation of plant	-	-	46,612	-	-	46,612
Student transportation services	-	17,692	14,668	-	-	32,360
Other support services	-	-	158	-	-	158
Food services operation	3,149,032	-	1,236	-	-	3,150,268
Community services operation	-	-	-	231,937	-	231,937
Total expenditures	<u>3,149,032</u>	<u>1,993,313</u>	<u>534,589</u>	<u>231,937</u>	<u>1,003,824</u>	<u>6,912,695</u>
Excess (deficiency) of revenues over expenditures	(110,795)	(7,672)	-	59,380	166,170	107,083
OTHER FINANCING SOURCES (USES)						
Transfers in	-	7,672	-	-	-	7,672
Transfers out	-	-	-	-	(61,233)	(61,233)
Total other financing sources (uses)	-	<u>7,672</u>	-	-	<u>(61,233)</u>	<u>(53,561)</u>
Net change in fund balances	(110,795)	-	-	59,380	104,937	53,522
FUND BALANCE, beginning of year	<u>1,103,955</u>	-	-	<u>135,301</u>	<u>638,069</u>	<u>1,877,325</u>
FUND BALANCE, end of year	<u>\$ 993,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,681</u>	<u>\$ 743,006</u>	<u>\$ 1,930,847</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets - cash	\$ 219,357	\$ 615,978	\$ 575,511	\$ 259,824
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities - due to others	\$ 219,357	\$ 615,978	\$ 575,511	\$ 259,824
	<u> </u>	<u> </u>	<u> </u>	<u> </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, 2019

	Pre-Kindergarten Program
EXPENDITURES	
Salaries/benefits:	
Pre-K teacher salaries/benefits	\$ 322,275
Paraprofessional	126,336
Substitute	3,064
Total salaries/benefits	<u>451,675</u>
Operating costs:	
Supplies	15,164
Other expenditures	<u>67,750</u>
Total operating costs	<u>82,914</u>
Total expenditures	<u><u>\$ 534,589</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, 2019**

<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>
2012 SPLOST						
City of Cartersville General Obligation 2010 School Serial & Term Bond Debt	\$ 13,900,000	\$ 13,900,000	\$ -	\$ 13,900,000	\$ 13,900,000	Complete
Acquisition, Renovation, and Equipping of School Buildings, Acquisition of School Transportation Vehicles, and Acquisition of Sites for Future Schools	17,270,000	7,530,282	1,770,544	5,759,738	7,530,282	Complete
Total 2012 SPLOST	<u>\$ 31,170,000</u>	<u>\$ 21,430,282</u>	<u>1,770,544</u>	<u>\$ 19,659,738</u>	<u>\$ 21,430,282</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	34,000,000	34,000,000	3,846,835	-	3,846,835	Ongoing
Total 2017 SPLOST	<u>\$ 34,000,000</u>	<u>\$ 34,000,000</u>	<u>3,846,835</u>	<u>\$ -</u>	<u>\$ 3,846,835</u>	
Total SPLOST Expenditures			<u>\$ 5,617,379</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 comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board’s overall financial health.

	<u>Page</u>
Financial Trends	61
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	65
These schedules contain information to help the reader assess the Board’s most significant local revenue source, property tax.	
Debt Capacity	69
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	71
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.....	79
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 comprehensive annual financial report for the relevant year.

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

	2010	2011	2012	2013	2014	2015 (1)	2016	2017	2018 (2)	2019
Governmental activities:										
Net investment in capital assets	\$ 1,842,444	\$ 2,378,347	\$ 2,554,000	\$ 3,046,194	\$ 3,408,555	\$ 4,130,717	\$ 4,477,174	\$ 4,808,949	\$ 4,870,437	\$ 4,689,944
Restricted	6,095,560	8,148,578	7,305,466	9,561,809	10,057,780	13,123,855	7,293,701	10,867,976	12,919,012	13,194,487
Unrestricted	10,630,346	12,262,011	11,515,221	13,312,746	12,684,258	(18,044,519)	(16,708,998)	(16,618,028)	(46,161,141)	(43,189,474)
Total governmental activities	\$ 18,568,350	\$ 22,788,936	\$ 21,374,687	\$ 25,920,749	\$ 26,150,593	\$ (789,947)	\$ (4,938,123)	\$ (941,103)	\$ (28,371,692)	\$ (25,305,043)
net position										

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

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

CITY OF CARTERSVILLE BOARD OF EDUCATION

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
Instruction	\$ 25,036,295	\$ 25,245,277	\$ 25,951,241	\$ 25,617,850	\$ 25,464,194	\$ 25,038,245	\$ 26,574,370	\$ 28,880,464	\$ 30,503,660	\$ 29,375,247
Support Services:										
Pupil services	1,381,914	1,293,166	1,255,932	1,218,309	1,253,982	1,577,700	1,717,681	2,039,216	2,520,370	2,805,007
Improvement of Instruction	1,402,770	1,346,535	1,569,840	1,376,105	1,286,064	1,020,909	956,982	1,204,973	825,651	959,773
Educational media services	544,402	500,258	458,667	262,242	264,048	275,210	278,279	302,984	290,619	302,104
General administration	819,952	811,620	820,273	808,889	779,080	824,456	802,079	856,175	832,610	750,756
School administration	1,794,910	1,896,584	1,920,090	2,003,017	1,987,418	1,972,110	2,109,713	2,453,017	2,400,255	2,274,638
Business administration	504,276	522,523	525,608	618,102	490,976	532,111	484,342	591,280	666,903	562,634
Maintenance and operation of plant	6,058,460	6,062,740	7,812,148	4,419,615	6,508,509	5,089,040	12,996,965 (2)	4,870,444	5,468,391	7,751,017
Student transportation service	1,123,307	1,280,390	1,217,782	1,162,442	1,364,926	1,269,390	1,510,084	1,628,379	1,730,471	1,707,566
Support services - central	114,599	152,916	208,895	351,401	323,495	291,362	379,438	743,753	572,602	562,133
Other support services	174,968	206,346	169,737	166,563	267,924	358,673	381,789	278,251	325,951	351,239
Total Support Services	13,919,558	14,073,078	15,958,972	12,386,685	14,526,422	13,210,961	21,617,352	14,968,472	15,633,823	18,026,867
Operations of non-instructional services										
Food services operation	2,532,216		3,062,448	3,099,196	3,422,217	3,289,424	3,368,006	3,793,209	3,541,353	3,216,119
Community service operations	104,283	3,071,864	136,518	167,842	177,371	179,680	200,800	223,267	310,172	242,814
Interest and fees	7,961	109,014	-	-	-	-	-	-	-	-
Other Miscellaneous Expenses	-	4,054	-	-	-	-	-	-	-	-
	2,644,460	3,184,932	3,198,966	3,267,038	3,599,588	3,469,104	3,568,806	4,016,476	3,851,525	3,458,933
Total Expenses	41,600,313	42,503,287	45,109,179	41,271,573	43,590,204	41,718,310	51,760,528	47,865,412	49,989,008	50,861,047
Program revenues										
Governmental activities:										
Charges for services and sales:										
Instruction	15,200	211,700 (1)	194,236	375,207	329,440	396,815	494,790	598,084	446,753	565,931
Support services	-	33,873	36,246	36,470	35,102	30,422	34,539	34,892	34,847	27,431
Food services operation	908,782	907,099	918,766	946,451	898,091	774,693	748,625	790,332	818,541	835,371
Community services operation	123,635	199,182	-	-	-	-	-	-	107,624	39,267
Operating grants, contributions and interest	21,058,944	23,817,658	22,340,252	24,219,378	23,003,502	25,140,437	26,324,502	28,448,165	28,707,024	29,618,806
Capital grants and contributions	-	161,921	83,064	9,747	9,749	1,194,912	14,378	1,743,056	128,315	231,660
Total governmental activities program revenues	22,106,561	25,331,433	23,572,564	25,587,253	24,275,884	27,537,279	27,616,834	31,614,529	30,243,104	31,318,466
Net Expense	(19,493,752)	(17,171,854)	(21,536,615)	(15,684,320)	(19,314,320)	(14,181,031)	(24,143,694)	(16,250,883)	(19,745,904)	(19,542,581)
General revenues										
Governmental activities:										
Property taxes	16,558,682	16,445,865	15,580,291	16,003,431	15,237,287	15,634,009	15,829,893	15,908,795	16,314,094	17,104,763
Special purpose local option sales taxes	4,928,006	4,904,104	4,529,806	4,214,954	4,297,269	4,436,961	4,157,621	4,326,514	5,034,791	5,446,245
Investment earnings	54,800	30,350	12,269	11,997	9,608	9,758	8,004	12,239	25,113	58,222
Other miscellaneous revenues	1,083,439	- (1)	-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	12,121	-	-	-	3,740	-	355	-	-
Total governmental activities general revenues and other changes in net position	22,624,927	21,392,440	20,122,366	20,230,382	19,544,164	20,084,468	19,995,518	20,247,903	21,373,998	22,609,230
Change in net position										
Governmental activities	3,131,175	4,220,586	(1,414,249)	4,546,062	229,844	5,903,437	(4,148,176)	3,997,020	1,628,094	3,066,649
Total primary government change in net position	\$ 3,131,175	\$ 4,220,586	\$ (1,414,249)	\$ 4,546,062	\$ 229,844	\$ 5,903,437	\$ (4,148,176)	\$ 3,997,020	\$ 1,628,094	\$ 3,066,649

Source: City of Cartersville Board of Education available records.

(1) The change in the revenues represents a change in the classification of the revenues from the prior year.

(2) Increase represents additional payments to City.

CITY OF CARTERSVILLE BOARD OF EDUCATION

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	2010	2011 **	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 5,842,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Undesignated	3,309,362	-	-	-	-	-	-	-	-	-
Assigned	-	8,420,946	6,818,148	8,186,880	8,105,354	8,864,787	8,757,710	9,433,167	8,759,712	7,603,718
Unassigned	-	3,015,008	3,839,099	4,216,974	4,132,837	4,198,353	4,426,610	4,074,647	4,533,366	6,898,767
Total general fund	\$ 9,151,774	\$ 11,435,954	\$ 10,657,247	\$ 12,403,854	\$ 12,238,191	\$ 13,063,140	\$ 13,184,320	\$ 13,507,814	\$ 13,293,078	\$ 14,502,485
All Other Governmental Funds										
Reserved										
Special Revenue Funds	\$ 79,341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Undesignated, reported in:										
Special Purpose Local Option Sales Tax Fund	5,182,142	-	-	-	-	-	-	-	-	-
Capital Projects Funds	355,631	-	-	-	-	-	-	-	-	-
Unreserved, Designated, reported in:										
Capital Projects Funds	1,497,697	-	-	-	-	-	-	-	-	-
Nonspendable	-	113,747	101,220	113,754	144,533	129,410	133,618	126,044	113,997	61,192
Restricted	-	8,148,578	7,305,466	9,561,809	9,913,247	12,994,445	7,160,083	10,741,932	12,791,280	12,894,716
Committed	-	281,106	338,453	476,426	395,586	526,606	589,741	814,617	773,370	937,687
Unassigned	-	-	-	-	(95)	-	-	-	-	-
Total all other governmental funds	\$ 7,114,811	\$ 8,543,431	\$ 7,745,139	\$ 10,151,989	\$ 10,453,271	\$ 13,650,461	\$ 7,883,442	\$ 11,682,593	\$ 13,678,647	\$ 13,893,595

Source: City of Cartersville Board of Education available records.

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

CITY OF CARTERSVILLE BOARD OF EDUCATION

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ -	\$ 16,473,982 (1)	\$ 15,593,194	\$ 16,103,020	\$ 15,505,423	\$ 15,605,948	\$ 15,858,469	\$ 15,904,799	\$ 16,318,537	\$ 17,115,318
Local sources	16,373,868	1,807,737 (1)	1,965,194	2,229,102	2,069,228	2,201,037	2,367,178	4,157,356	2,231,873	2,398,119
State sources	14,642,810	17,607,466	16,706,406	17,577,839	17,203,498	20,293,707	20,038,590	21,627,721	23,101,186	23,990,352
Federal sources	6,416,134	5,626,456	4,650,280	5,455,554	4,666,347	4,640,779	4,778,194	5,316,228	4,303,494	4,146,736
Special purpose local option sales tax	4,928,006	4,904,104	4,529,806	4,214,954	4,297,269	4,436,961	4,157,621	4,326,514	5,034,791	5,446,245
School receipts	1,047,617	191,090	196,708	253,908	256,918	281,672	316,475	355,578	361,071	391,117
Interest income	54,800	39,687	19,113	21,744	19,357	23,467	22,382	54,295	153,428	323,472
Other sources	1,083,439	89,347 (1)	47,132	61,103	70,144	74,879	67,099	55,480	67,673	71,033
Total revenues	44,546,674	46,739,869	43,707,833	45,917,224	44,088,184	47,558,450	47,606,008	51,797,971	51,572,053	53,882,392
Expenditures:										
Current:										
Instruction	24,983,358	25,195,660	25,899,470	25,589,969	25,827,724	26,119,029	27,649,797	28,455,364	29,308,149	29,339,992
Pupil services	1,379,914	1,291,166	1,253,932	1,216,309	1,253,982	1,621,631	1,766,389	2,019,144	2,526,778	2,900,297
Improvement of instructional services	1,402,770	1,346,535	1,569,840	1,376,105	1,286,064	1,054,309	989,405	1,191,167	833,984	1,006,818
Educational media services	543,562	499,418	457,827	261,402	263,208	277,560	285,665	303,756	296,572	315,430
General administration	819,952	811,620	820,273	808,889	779,080	820,373	816,772	848,009	829,955	765,008
School administration	1,794,910	1,896,584	1,920,090	2,003,017	1,987,418	2,048,553	2,204,045	2,426,792	2,404,696	2,426,314
Business administration	491,167	511,543	514,628	608,386	482,108	475,034	488,785	573,494	643,327	580,720
Maintenance and operation of plant	2,826,442	2,792,360	2,754,693	2,856,097	2,903,257	3,090,797	3,090,321	3,076,626	3,157,978	3,391,612
Student transportation service	1,001,889	1,440,021	1,249,939	1,201,237	1,254,298	1,268,275	1,465,947	1,592,475	1,659,835	1,947,551
Support services - central	112,112	147,641	200,132	325,291	348,965	304,777	329,627	674,533	1,004,050	402,147
Other support services	169,942	201,320	164,711	161,537	262,898	351,382	378,672	273,225	313,658	366,366
Food services operation	2,508,182	3,041,238	3,017,612	3,046,485	3,446,821	3,118,519	3,363,532	3,770,376	3,574,035	3,174,817
Community service operations	102,577	107,309	134,812	164,952	171,998	191,435	187,426	208,988	291,019	231,937
Intergovernmental	-	2,518,768	2,377,677	1,147,975	1,487,450	1,455,475	9,809,100	- (2)	-	-
Capital outlay	3,262,160	1,128,297	2,949,196	996,116	2,197,294	1,345,162	429,857	2,262,758	2,952,012	5,617,379
Debt service:										
Principal retirement	103,628	107,535	-	-	-	-	-	-	-	-
Interest and fiscal charges	7,961	4,054	-	-	-	-	-	-	-	-
Total expenditures	41,510,526	43,041,069	45,284,832	41,763,767	43,952,565	43,542,311	53,255,340	47,676,707	49,796,048	52,466,388
Excess (deficiency) of revenues over expenditures	3,036,148	3,698,800	(1,576,999)	4,153,457	135,619	4,016,139	(5,649,332)	4,121,264	1,776,005	1,416,004
Other financing sources (uses)										
Proceeds from sale of capital assets	-	14,000	-	-	-	6,000	3,493	1,381	11,313	8,351
Transfers in	36,484	358,554	22,497	4,127	31,696	34,346	238,617	31,217	57,195	68,905
Transfers out	(36,484)	(358,554)	(22,497)	(4,127)	(31,696)	(34,346)	(238,617)	(31,217)	(57,195)	(68,905)
Total other financing sources (uses)	-	14,000	-	-	-	6,000	3,493	1,381	11,313	8,351
Net change in fund balances	\$ 3,036,148	\$ 3,712,800	\$ (1,576,999)	\$ 4,153,457	\$ 135,619	\$ 4,022,139	\$ (5,645,839)	\$ 4,122,645	\$ 1,787,318	\$ 1,424,355
Debt service as a percentage of non-capital expenditures	0.27%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Cartersville Board of Education available records.

(1) The change in the revenues represents a change in the classification of the revenues from the prior year.

(2) Increase represents additional payments to City.

CITY OF CARTERSVILLE BOARD OF EDUCATION

CITY OF CARTERSVILLE, GEORGIA - ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE

PROPERTY¹ 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
2010	\$ 964,385,464	\$ 2,410,963,660	\$ 49,543,882	\$ 123,859,705	\$ 1,013,929,346	17.23	\$ 2,534,823,365	40%
2011	911,146,045	2,277,865,113	42,083,030	105,207,575	953,229,075	17.23	2,383,072,688	40%
2012	886,844,858	2,217,112,145	40,476,969	101,192,423	927,321,827	17.23	2,318,304,568	40%
2013	863,454,644	2,158,636,610	42,435,067	106,087,668	905,889,711	18.23	2,264,724,278	40%
2014	808,755,701	2,021,889,253	47,466,078	118,665,195	856,221,779	18.23	2,140,554,448	40%
2015	820,041,858	2,050,104,645	39,460,084	98,650,210	859,501,942	17.93	2,148,754,855	40%
2016	879,440,598	2,198,601,495	28,304,946	70,762,365	907,745,544	16.82	2,269,363,860	40%
2017	889,042,188	2,222,605,470	21,574,175	53,935,438	910,616,363	16.55	2,276,540,908	40%
2018	932,130,080	2,330,325,200	16,426,046	41,065,115	948,556,126	16.19	2,371,390,315	40%
2019	985,452,637	2,463,631,593	12,918,589	32,296,473	998,371,226	15.67	2,495,928,065	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
2010	17.23	1.38	9.07	0.25	-	27.93
2011	17.23	1.38	9.05	0.25	-	27.91
2012	17.23	1.38	9.05	0.20	-	27.86
2013	18.23	1.38	10.97	0.15	-	30.73
2014	18.23	1.38	10.97	0.10	-	30.68
2015	17.93	1.38	10.30	0.05	1.10	30.76
2016	16.82	2.38	10.30	0.00	1.08	30.58
2017	16.55	2.33	10.30	0.00	1.00	30.18
2018	16.19	2.33	10.30	0.00	1.00	29.82
2019	15.67	2.26	10.30	0.00	0.97	29.20

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>	2018 *				2010			
			Rank	Percentage of Total Taxable Assessed Value			Rank	Percentage of Total Taxable Assessed Value
	Taxable Assessed Value				Taxable Assessed Value			
Anheuser Busch	\$ 112,576,800	1	12.36%		\$ 126,400,488	1	12.47%	
Shaw Industries	69,388,022	2	7.62%		39,716,512	2	3.92%	
Aquafil USA	16,969,459	3	1.86%		6,614,702	8	0.65%	
Trinity Rail	10,628,734	4	1.17%		23,948,712	3	2.36%	
Continental Pet	10,485,612	5	1.15%		13,003,198	4	1.28%	
Colloid	5,138,530	6	0.56%		9,680,065	6	0.95%	
TI Group Automotive Systems	5,296,876	7	0.58%		7,606,425	7	0.75%	
Eco-Energy Distributors	4,965,109	8	0.55%					
ARCP Academy Sports & Red Lobst	4,659,672	9	0.51%					
Komatsu	4,805,162	10	0.53%					
Forty-one Connector, LLC					10,083,880	5	0.99%	
Bellsouth Communications					6,458,609	9	0.64%	
Monitor Manufacturing Co.					6,344,575	10	0.63%	
	<u>\$ 244,913,976</u>		<u>26.90%</u>		<u>\$ 249,857,166</u>		<u>24.64%</u>	

Sources: City Tax Digest

* The Statistical information for the fiscal year ended June 30, 2019 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	
		Amount	Percent of Levy		Amount	Percent of Levy
2010	\$ 16,934,634	\$ 15,575,438	92.0%	\$ 1,359,196	\$ 16,934,634	100.0%
2011	16,701,807	15,045,085	90.1%	1,112,658	16,157,743	96.7%
2012	15,362,432	14,613,806	95.1%	748,626	15,362,432	100.0%
2013	15,893,971	14,847,832	93.4%	766,655	15,614,487	98.2%
2014	14,930,001	13,917,886	93.2%	492,409	14,410,295	96.5%
2015	14,837,508	13,943,670	94.0%	206,536	14,150,206	95.4%
2016	14,192,665	14,047,904	99.0%	144,761	14,192,665	100.0%
2017	14,130,538	13,993,799	99.0%	101,333	14,095,132	99.7%
2018	14,515,543	14,283,070	98.4%	75,440	14,358,510	98.9%
2019	14,875,090	14,755,468	99.2%	-	14,755,468	99.2%

¹ Source: Bartow County Tax Commissioner's Office

CITY OF CARTERSVILLE BOARD OF EDUCATION

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Capital Leases	Percentage of Personal Income	Per Capita
2010	\$ 107,535	0.00%	1
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-

Source: City of Cartersville Board of Education available records.

CITY OF CARTERSVILLE BOARD OF EDUCATION

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2019 *

<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	\$ 5,930,000	100%	\$ 5,930,000
Bartow County, Georgia	21,055,000	25%	5,263,750
Total overlapping debt	<u>\$ 26,985,000</u>		<u>\$ 11,193,750</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, 2019 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

Employer	2018*			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Shaw Industries	2,562	1	2.43%	2,562	1	2.58%
Bartow County Schools	2,108	2	2.00%	1,618	2	1.63%
Toyo Tire North America	1,675	3	1.59%	470	7	0.47%
Bartow County	882	4	0.84%	715	4	0.72%
Anheuser-Busch	571	5	0.54%	535	5	0.54%
Quest Global	500	6	0.47%			
Cartersville Schools	500	7	0.47%	503	6	0.51%
Kennesaw Transportation	400	8	0.38%			
Georgia Power Company	396	9	0.38%	400	8	0.40%
City of Cartersville	356	10	0.34%			
Trinity Rail				750	3	0.75%
Gerdau Ameristeel				380	10	0.38%
Walmart				390	9	0.39%
	<u>9,950</u>		<u>9.43%</u>	<u>8,323</u>		<u>8.37%</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, 2019 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
2010	Cartersville	4,036	\$ 16,373,868	\$ 1,013,929,346	1.63%	\$ 4,057
2011	Cartersville	4,159	16,473,982	953,229,075	1.62%	3,961
2012	Cartersville	4,162	15,593,194	927,321,827	1.64%	3,747
2013	Cartersville	4,046	16,103,020	905,889,711	1.81%	3,980
2014	Cartersville	4,046	15,505,423	856,221,779	1.68%	3,832
2015	Cartersville	4,119	15,605,948	859,501,942	1.76%	3,789
2016	Cartersville	4,128	15,858,469	907,745,544	1.76%	3,842
2017	Cartersville	4,254	15,904,799	910,616,363	1.75%	3,739
2018	Cartersville	4,361	16,318,537	948,556,126	1.72%	3,742
2019	Cartersville	4,460	17,115,318	998,371,226	1.71%	3,838

Source: Bartow County Tax Commissioner.

** City of Cartersville Board of Education

*** City of Cartersville, Georgia

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

CITY OF CARTERSVILLE BOARD OF EDUCATION

COST/TAX ASSESSMENT PER CHILD DATA LAST TEN FISCAL YEARS

Fiscal Year	School System	Total ADA/FEE**	Total Cost Per Child	Tax Base Per Child	Cost/Tax Base Percentage	Cartersville City Assessed Value of Taxable Property***
2010	Cartersville	4,036	\$ 10,285	\$ 251,221	4.09%	\$ 1,013,929,346
2011	Cartersville	4,159	10,349	229,197	4.52%	953,229,075
2012	Cartersville	4,162	10,881	222,807	4.88%	927,321,827
2013	Cartersville	4,046	10,322	223,898	4.61%	905,889,711
2014	Cartersville	4,046	10,866	211,622	5.13%	856,221,779
2015	Cartersville	4,119	10,571	208,668	5.07%	859,501,942
2016	Cartersville	4,128	12,901	219,900	5.87%	907,745,544
2017	Cartersville	4,254	11,208	214,061	5.62%	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

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)
2010	99,484	\$ 2,190,438,712	\$ 22,018	35.90	4,036
2011	100,157	2,317,132,195	23,135	37.30	4,159
2012	100,968	2,335,894,680	23,135	35.90	4,162
2013	101,282	2,381,342,384	23,512	36.30	4,046
2014	102,000	2,256,138,000	22,119	36.10	4,046
2015	101,740	2,142,135,700	21,055	37.30	4,119
2016	101,740	2,142,135,700	21,055	37.30	4,128
2017	103,862	2,407,313,436	23,178	37.70	4,254
2018	105,484	2,728,660,112	25,868	36.90	4,361
2019	*	*	*	*	4,460

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, 2019 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
2010	301	193	45	539	4,036	13.41
2011	297	181	43	521	4,159	14.00
2012	298	178	44	520	4,162	13.97
2013	280	89	44	413	4,046	14.45
2014	280	89	44	413	4,046	14.45
2015	281	88	43	412	4,119	14.66
2016	283	90	42	415	4,128	14.59
2017	287	85	42	414	4,254	14.82
2018	290	90	42	422	4,361	15.04
2019	287	90	42	426	4,460	15.54

(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
2010	69%	482	-	489	477	1,448	1,453	1,509
2011	70%	485	-	487	473	1,445	1,445	1,500
2012	68%	519	-	522	504	1,545	1,452	1,498
2013	67%	497	-	492	474	1,463	1,452	1,498
2014	56%	497	-	489	478	1,464	1,450	1,490
2015	59%	478	-	480	461	1,419	1,445	1,490
2016	58%	479	-	475	463	1,417	1,434	1,478
2017	**	**	-	**	**	1,070	1,051	1,010
2018	62%	**	587	566	***	1,088	1,054	1,060
2019	68%	***	557	549	***	1,075	1,048	1,039

* 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cartersville Primary School										
Classroom Teachers	92	91	88	83	83	81	79	78	78	77
Support Personnel	63	60	58	21 (1)	19	20	20	17	17	17
Administrators	2	3	3	3	3	3	3	3	3	3
Cartersville Elementary School										
Classroom Teachers	70	69	67	65	64	63	61	62	62	62
Support Personnel	36	35	38	18 (1)	16	16	17	17	19	19
Administrators	2	2	2	3	3	3	2	2	2	2
Cartersville Middle School										
Classroom Teachers	61	59	61	57	59	61	63	66	68	63
Support Personnel	30	28	31	21 (1)	19	18	18	17	18	18
Administrators	3	3	3	3	3	3	3	3	3	3
Cartersville High School										
Classroom Teachers	62	61	61	58	58	60	61	62	63	67
Support Personnel	35	31	30	18 (1)	17	18	18	18	20	20
Administrators	4	4	4	3	3	3	4	4	4	4
Central Office										
Support Personnel	18	16	14	13	12	11	13	12	12	12
Administrators	5	5	5	4	4	4	6	6	6	5
Maintenance Facility	8	7	7	7	7	7	6	5	5	6
Other Auxiliary Facility										
Support Personnel	4	4	4	3	3	4	4	4	4	4
Administrators	-	-	-	1	1	1	1	1	1	1
Transportation	37	36	37	34	34	36	36	37	37	36
School Board Members	7	7	7	7	7	7	7	7	7	7
	539	521	520	422	415	419	422	421	429	426

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
2010	\$ 36,766	\$ 79,783	0.0%	\$ 53,138
2011	36,766	79,783	0.0%	52,871
2012	36,766	79,783	0.0%	N/A
2013	36,766	79,783	0.0%	N/A
2014	36,766	79,783	0.0%	N/A
2015	36,766	79,783	0.0%	N/A
2016	36,766	79,783	0.0%	N/A
2017	39,273	85,223	6.8%	N/A
2018	37,856	86,927	2.0%	N/A
2019	37,856	86,927	0.0%	N/A

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, 2019.

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
2010	\$ 41,510,526	4,036	\$ 10,285	-3.98%	301	13.41
2011	43,041,069	4,159	10,349	0.62%	297	14.00
2012	45,284,832	4,162	10,881	5.14%	298	13.97
2013	41,763,767	4,046	10,322	-5.13%	280	14.45
2014	43,952,565	4,046	10,866	5.27%	280	14.45
2015	43,542,311	4,119	10,571	-2.71%	281	14.66
2016	53,255,340	4,128	12,901	22.04%	283	14.59
2017	47,676,707	4,254	11,208	-13.12%	287	15.20
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

Source: City of Cartersville Board of Education available records.

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

CITY OF CARTERSVILLE BOARD OF EDUCATION

SCHOOL NUTRITION PROGRAM * LAST TEN FISCAL YEARS

Fiscal Year	Average # of Lunches Served Daily	Student Lunch Prices			Student Breakfast Prices				Free and Reduced Eligibility
		Elementary & Primary School	Middle & High School		Average # of Breakfasts Served Daily	Elementary, Middle & Primary School		High School	
2010	2,734	\$ 2.00	\$ 2.25	\$ 1,492	\$ 1.25	\$ 1.50	4	52.00%	
2011	2,784	2.00	2.25	1,576	1.25	1.50	4	55.00%	
2012	2,781	2.00	2.25	1,596	1.25	1.50	4	56.00%	
2013	2,748	2.25	2.50	1,915	1.25	1.50	4	57.52%	
2014	2,714	2.25	2.50	1,838	1.25	1.50	4	56.43%	
2015	2,758	2.25	2.50	1,721	1.25	1.50	4	57.72%	
2016	2,863	2.25	2.50	1,916	1.25	1.50	4	56.27%	
2017	2,815	2.25	2.50	1,891	1.25	1.50	4	54.83%	
2018	2,783	2.25	2.50	1,892	1.25	1.50	4	51.92%	
2019	2,825	2.25	2.50	1,664	1.25	1.50	4	51.59%	

** 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cartersville Primary School (1967)										
Square Feet	125,193	125,193	125,193	125,193	125,193	125,193	125,193	125,193	133,949	133,949
Capacity*										
Enrollment	1,186	991	992	1,112	1,070	889	897	942	933	937
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	912	996	996	1,035	1,003	987	977	954	952	939
Cartersville Middle School (1993)										
Square Feet	149,120	149,120	169,972	169,972	169,972	169,972	169,972	169,972	169,972	169,972
Capacity*										
Enrollment	876	938	939	915	990	1,024	1,056	1,098	1,116	1,127
Cartersville High School (1953)										
Square Feet	239,587	239,587	239,587	239,587	239,587	239,587	23,587	239,587	239,587	249,621
Capacity*										
Enrollment	1,062	1,102	1,103	1,065	1,114	1,147	1,198	1,260	1,360	1,457

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, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated October 23, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
October 23, 2019



**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, 2019. 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, 2019.

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
October 23, 2019

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, 2019

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
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	18185GA324N1100	\$ 1,703,254
Non-Cash Assistance (Commodities) (2)	10.555	18185GA324N1100	118,474
National School Lunch Program			<u>1,821,728</u>
Summer Food Service Program for Children	10.559	18185GA324N1099	297,029
Total Child Nutrition Cluster			<u>2,118,757</u>
Total U.S. Department of Agriculture			<u>2,118,757</u>
U.S. Department of Defense			
Junior R.O.T.C	12.112	N/A	<u>4,839</u>
Total U.S. Department of Defense			<u>4,839</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	H027A170073	93,121
Flow Through	84.027	H027A180073	710,975
Preschool	84.173	H173A180081	18,815
High Cost Grant	84.027	H027A180073	10,504
Total Special Education Cluster (IDEA)			<u>833,415</u>
Title I Part A			
Pass-Through From Georgia Department of Education:			
Title I Part A			
Grants to Local Educational Agencies	84.010	S010A170010	37,452
Grants to Local Educational Agencies	84.010	S010A180010	800,496
			<u>837,948</u>
Education of Homeless Children and Youth			
Pass-Through From Georgia Department of Education:			
Stewart B. McKinney Homeless Assistance Act			
Education for Homeless Children and Youth	84.196	S196A160011	<u>39,247</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, 2019

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Other Programs			
Pass-Through From Georgia Department of Education:			
Title II			
Improving Teacher Quality	84.367	S367A170001	20,858
Improving Teacher Quality	84.367	S367A180001	105,370
			<u>126,228</u>
Title III			
Limited English Proficient	84.365	S365A170010	1,553
Limited English Proficient	84.365	S365A180010	45,871
Immigrant	84.365	S365A170010	40
Immigrant	84.365	S365A180010	2,517
			<u>49,981</u>
Title IV Part A			
Student Support and Academic Enrichment	84.424	S42A170011	501
Student Support and Academic Enrichment	84.424	S42A180011	58,404
			<u>58,905</u>
Vocational Education-Basic Grants to States			
Perkins Plus	84.048	V048A180010	3,888
Perkins IV Carryover	84.048	V048A180010	1,689
Program Improvement	84.048	V048A180010	29,501
Total Vocational Education			<u>35,078</u>
Total U.S. Department of Education			<u>1,980,802</u>
Total Expenditures of Federal Awards			<u><u>\$ 4,104,398</u></u>

Notes to the Schedule of Expenditures of Federal Awards

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

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

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

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

Title I, Part A - Grants to Local Educational Agencies	\$ 837,948
Title II - Improving Teacher Quality	126,228
Title III - Limited English Proficient	47,424
Title III - Immigrant	2,557
Title IV, Part A - Student Support and Academic Enrichment	58,905

(1) Expenditures for the School Breakfast Program were not maintained separately and are included in the National School Lunch Program.

(2) The amounts shown for the Food Distribution Program represents the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the District during the current fiscal year.

CITY OF CARTERSVILLE BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

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

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

_____ yes X no

Significant deficiencies identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal Control over major federal programs:
Material weaknesses identified?

_____ yes X no

Significant deficiencies identified?

_____yes X none reported

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

Unmodified

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

_____ yes X no

Identification of major federal programs:

Name of Federal Program or Cluster

CFDA Number

Title I, Part A

84.010

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, 2019

Section II – Financial Statement Findings and Responses

None noted

Section III – Federal Award Findings and Questioned Costs

None noted