

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, 2017

Richard Dyke, C.P.A.
Director of Finance

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, 2017

Prepared By City of Cartersville Board of Education
Richard Dyke, C.P.A.
Director of Finance

INTRODUCTORY SECTION

CITY OF CARTERSVILLE BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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CITY OF CARTERSVILLE BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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KELLEY A. DIAL, *PRESIDENT*
TRAVIS POPHAM, *VICE PRESIDENT*
S. PAT BROADNAX, *SECRETARY*

J. HOWARD HINESLEY, Ed.D
SUPERINTENDENT

Cartersville School System

DAVID APPLE
FLOYD BRAID
TIM CHASON
CAROLYN JOHNSON

KENNETH CLOUSE, Ed.S
ASSISTANT SUPERINTENDENT

October 16, 2017

Members of the Cartersville School Board
Cartersville, Georgia

The Comprehensive Annual Financial Report of the Cartersville School Board, Cartersville, Georgia, for the fiscal year ending June 30, 2017, is submitted herewith. The Superintendent and Director of Finance prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. It is our opinion that the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the school system as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the School Board's financial affairs have been included.

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

Economic Condition and Outlook

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

Section 1.

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

"Sec. 5.07.
Budget, tax levy, etc.

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

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

Section 2.

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

Section 3.

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

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

Incorporated in 1854 and established as the county seat following the Civil War, Cartersville has thrived as an important city located approximately 40 miles north of Atlanta along the 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 changes of the future.

With a current population of over 19,000 residents and ranking 36th 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.

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

The District encountered significant financial challenges in past years due to austerity cuts in state funding. Conservative budgeting practices allowed the District to absorb these substantial state funding cuts by recognizing additional local revenues and not filling position vacancies during the year. State funding for the 2017 fiscal year improved, which allowed some relief. As a result of the additional state funds, the School Board gave 6% salary increase to all employees along with additional step raises. This was a significant budgetary initiative that the Board felt was necessary to retain and recruit the best employees for the school system

Major Initiatives

Cartersville School System has served the students of the City of Cartersville for 127 years. It is one of the most senior school systems in Georgia, serving children of the City of Cartersville as well as a limited 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 10 years the Cartersville School System has grown from 3,819 students to over 4,254 students. All indications are that enrollment will continue to increase in future years.

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 major P-12 accrediting agency in the world, after an onsite Quality Assurance Review visit. In 2011 and again in 2016 that level of District Accreditation was renewed through a process of self-evaluation and an external review. In July 2010, the Georgia State Board of Education approved the district's application for "System Charter" status for an initial 5–year period. In March 2015 the district was approved for a renewal of the system charter for an additional 10 years. The System Charter gives the school system and its schools flexibility in its operation and exemption of most all State Board rules and Georgia education laws in exchange for higher student performance goals over the period of the charter.

The school system is committed to having the best available staff in each position. For the past ten years Cartersville had all its teachers and paraprofessionals meet the "highly qualified" or equivalent requirements of the Georgia Professional Standards Commission and Federal legislation. Currently 81% of the teaching staff have advance degrees, including 36% with degrees beyond the masters level.

Realizing the increase use of educational technology to support classroom instruction, the district has added instructional technologists at each school to enhance and enrich effective technology strategies in the classroom. The significant impact of technology on classroom instruction demands this type of support.

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

The citizenry of Cartersville and surrounding Bartow County have been especially supportive of the school system as evidenced by the passage of the four consecutive Special Purpose Local Options Sales Tax (SPLOST) votes in 1997, 2002, 2007, 2010 and 2016. Additionally, city residents have approved several school bond referenda through the years to fund school construction and renovation efforts in the city schools as well as eliminate debt. Surveys of parent stakeholders show that citizens widely support and have confidence in the school system and its schools.

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

The 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 initiatives in place in Cartersville City schools include:

- 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 Classworks 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 (3-8) 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 development
- New Teacher induction and mentor program
- Improved and expanded use in instructional technology at all grade levels
- Early release days for remediation and enrichment (Grades 9-12)

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, 2017, 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 $9.6 million in fund balance. The balance will be used to fund planned summer projects and also future land purchases. SPLOST revenue has increased in FY 2017 by 4.1%. 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 modestly over the past year. However, funding cuts continue to be passed to local school systems by the state and are expected for the foreseeable future. The System is reviewing several aspects of operations to identify areas for cost reduction and improvement in efficiency including personnel allocation, employee benefits, student transportation services, and document production practices. Sustainability is becoming a key phrase when budget issues are discussed. Budget items proposed for inclusion or modification are viewed in terms of the system's ability to sustain the item into the future. Adequate, available fund reserves are key to preserving the school system's ability to operate free of short-term borrowing to fund daily operations.

OTHER INFORMATION

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cartersville Board of Education for its comprehensive annual report (CAFR) for the fiscal year ending June 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

Acknowledgements

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

Respectfully submitted,

J. Howard Hinesley, Ed. D
J. Howard Hinesley, Ed.D
Superintendent of Schools

Richard L. Dyke Jr., CPA
Richard L. Dyke Jr., CPA
Director of Finance

Government Finance Officers Association

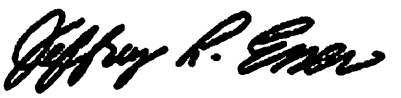
Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cartersville Board of Education Georgia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2016

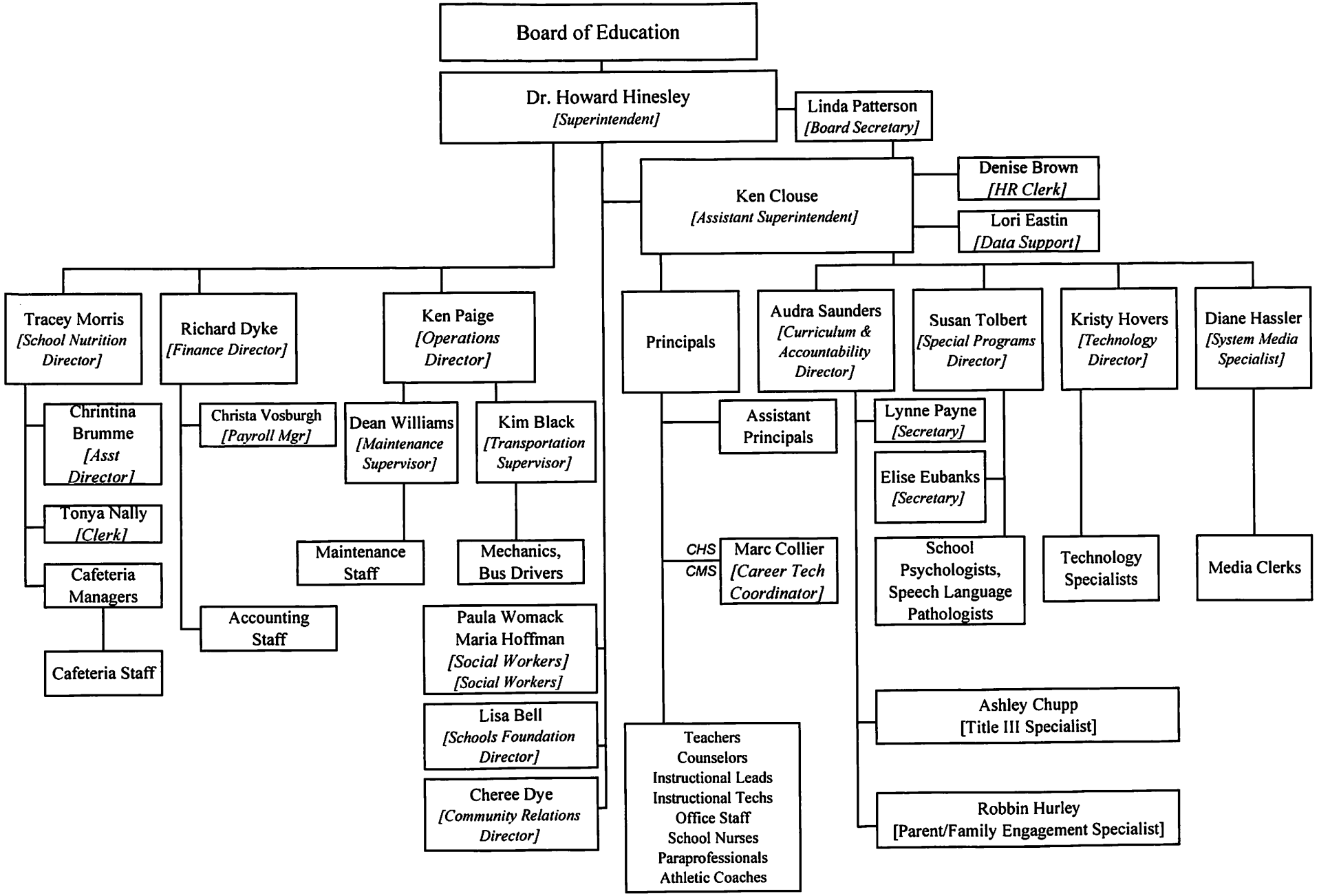


Executive Director/CEO

Cartersville School Board

Ward	Name/Address	Telephone/Cell No.	Member Since	Current Term
1	**Carolyn Johnson** 16 Dove Court Cartersville, GA 30120	(H) 770-386-4333 (e-mail) crjohnson1955@gmail.com (cell) 770-289-3106	3/12	1/14 – 12/17
2	**Floyd Braid** 15 South Avenue Cartersville, GA 30120	(e-mail) fbraid@gmail.com (cell) 678-777-4814	1/14	1/14 – 12/17
3	**Travis Popham** 428 Waterford Dr. Cartersville, GA 30120	(e-mail) prgi@mindspring.com (cell) 770-387-6372 (W) 770-387-1706	1/12	1/16 – 12/19
4	**S. Pat Broadnax** 14 Wofford Street Cartersville, GA 30120	(H) 770-382-3184 (e-mail) pattybroadnax@gmail.com (cell) 678-231-5284	5/09	1/16 – 12/19
5	**David Apple** 47 Mission Hills Dr. Cartersville, GA 30120	(e-mail) dlapple100@gmail.com (cell) 770-328-0802	1/10	1/14 – 12/17
6	**Kelley A. Dial** 4 Mimosa Terrace Cartersville, GA 30120	(H) 770-382-3373 (e-mail) kelleydial@gmail.com (cell) 404-408-6918	7/00	1/14 – 12/17
At Large	**Tim Chason** 40 Westchester Drive Cartersville, GA 30120	(cell) 404-735-0540 (e-mail) tchason@thechasongroup.com tchason@bellsouth.net	7/17	7/17 – 12/19
Superintendent	**Dr. Howard Hinesley** 17 Hepworth Lane Cartersville, GA 30120	(H) 770-607-3551 (B) 770-382-5880 (F) 770-387-7476 (e-mail) hhinesley@cartersville.k12.ga.us (cell) 404-285-0568		
Assistant Superintendent	**Ken Clouse** 96 Planters Drive Cartersville, GA 30120	(B) 770-382-5880 (F) 770-387-7476 (e-mail) kclouse@cartersville.k12.ga.us (cell) 404-401-6777		

Cartersville City Schools Organizational Chart



FINANCIAL SECTION

MAULDIN & JENKINS

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, 2017, 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, 2017, 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, and Schedule of Proportionate Share of Net Pension Liability – Public Schools Employee Retirement System on pages 4 through 12, and 44, 45 and 46 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 16, 2017 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 16, 2017

CITY OF CARTERSVILLE BOARD OF EDUCATION

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

The discussion and analysis of the City of Cartersville Board of Education's financial performance provides an overall review of the Board's financial activities for the fiscal year ended June 30, 2017. 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 2017 are as follows:

- In total, net position increased $4 million during 2017. This increase was due to an increase in revenues and a decrease in expenses as compared to 2016 for governmental activities.
- General revenues accounted for $20.2 million in revenue or 39% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for $31.6 million or 61% of total revenues of $51.9 million.
- The Board had $47.9 million in expenses related to governmental activities; only $31.6 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $20.2 million were used to provide for these programs.
- Among major funds, the General Fund had $37.5 million in revenues and $37.2 million in expenditures. The General Fund's fund balance increased to $13.5 million from $13.2 million.

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.

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 2017?" 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 intflows 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.

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 2017:

Table 1
Statement of Net Position

	Governmental Activities		%
	2017	2016	Change
Assets			
Current and Other Assets	$ 32,036,712	$ 25,821,549	24.1%
Capital Assets, Net	4,808,949	4,477,174	7.4%
Total Assets	36,845,661	30,298,723	21.6%
Deferred Outflows of Resources			
Pension Related Items	9,640,444	2,935,438	228.4%
Total deferred outflows of resources	9,640,444	2,935,438	228.4%
Liabilities			
Current and Other Liabilities	6,792,248	4,703,726	44.4%
Net Pension Liability	38,649,299	29,947,449	29.1%
Total Liabilities	45,441,547	34,651,175	31.1%
Deferred Inflows of Resources			
Pension Related Items	1,985,661	3,521,109	-43.6%
Total deferred inflows of resources	1,985,661	3,521,109	-43.6%
Net Position			
Investment in Capital Assets	4,808,949	4,477,174	7.4%
Restricted	10,867,976	7,293,701	49.0%
Unrestricted	(16,618,028)	(16,708,998)	-0.5%
Total Net Position	$ (941,103)	$ (4,938,123)	-80.9%

As previously stated, the total net position for 2017 was a deficit of $941 thousand which represents a $4 million or 81% increase over 2016. The Board's net position increase over the prior year was due to an increase in assets for the SPLOST Capital Project Fund.

Table 2 shows the changes in net position for fiscal year 2017:

Table 2
Changes in Net Position

	Governmental Activites		%
	2017	2016	Change
Revenues			
Program Revenues			
Charges for Services and Sales	$ 1,423,308	$ 1,275,956	11.5%
Operating Grants and Contributions	28,448,165	26,326,500	8.1%
Capital Grants and Contributions	1,743,056	14,378	12023.1%
Total Program Revenues	31,614,529	27,616,834	14.5%
General Revenues			
Property Taxes for Maintenance and Operations	15,908,795	15,829,893	0.5%
Special Purpose Local Option Sales Tax for Capital Projects	4,326,514	4,157,621	4.1%
Investment Earnings	12,239	8,004	52.9%
Gain on sale of capital assets	355	-	100.0%
Total General Revenues	20,247,903	19,995,518	1.3%
Total Revenues	51,862,432	47,612,352	8.9%
Program Expenses			
Instruction	28,880,464	26,574,370	8.7%
Support Services			
Pupil Services	2,039,216	1,717,681	18.7%
Improvement of Instructional Services	1,204,973	956,982	25.9%
Educational Media Services	302,984	278,279	8.9%
General Administration	856,175	802,079	6.7%
School Administration	2,453,017	2,109,713	16.3%
Business Administration	591,280	484,342	22.1%
Maintenance and Operation of Plant	4,870,444	12,996,965	-62.5%
Student Transportation Services	1,628,379	1,510,084	7.8%
Central Support Services	743,753	379,438	96.0%
Other Support Services	278,251	381,789	-27.1%
Operations of Non-Instructional Services			
Community Services	223,267	200,800	11.2%
Food Services	3,793,209	3,368,006	12.6%
Total Expenses	47,865,412	51,760,528	-7.5%
Increase in Net Position	3,997,020	(4,148,176)	-196.4%
Net Position, July 1	(4,938,123)	(789,947)	525.1%
Net Position, June 30	$ (941,103)	$ (4,938,123)	-80.9%

Changes in Net Position from Operating Results

Revenues

The district's total revenue for 2017 was $51.9 million which represents an 8.9% increase or 4.3 million over 2016. Revenue from state sources accounted for the majority of the school district's revenue. Operating grants and contributions revenue in 2017 increased 8.1% or $2.1 million. Increased state revenue is attributable to enrollment changes. Capital grants and contribution increased to $1.7 million. This is attributed the sale of property that was no longer needed by the school system.

Local revenue sources including property taxes, sales taxes and interest income increased $252 thousand or 1.3%. The increase in property tax revenue of .5% was due to very little change in the tax digest. Sales tax revenue increased by 4.1% or $169 thousand in 2017.

Expenses

The school district's total expenses decreased 7.5% over fiscal year 2016. Maintenance and Operation went down by 62.5% due to no longer paying to the City for City's bonds debt service. Central support services increased by 96% due to a new marketing position created for the school system. Student Transportation Services increased by 7.8% due to additional bus drivers and buses needed for student growth. Each of the other major functions increased and/or decreased as noted in Table 2.

Instruction comprises 60% of governmental program expenses.

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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		%
	2017	2016	Change	2017	2016	Change
Instruction	$ 28,880,464	$ 26,574,370	8.7%	$ 7,330,972	$ 7,460,903	-1.7%
Support Services						
Pupil Services	2,039,216	1,717,681	18.7%	1,635,350	1,350,953	21.1%
Improvement of Instructional Services	1,204,973	956,982	25.9%	791,264	202,942	289.9%
Educational Media Services	302,984	278,279	8.9%	(265,141)	(270,645)	-2.0%
General Administration	856,175	802,079	6.7%	97,987	8,408	1065.4%
School Administration	2,453,017	2,109,713	16.3%	1,491,410	1,144,810	30.3%
Business Administration	591,280	484,342	22.1%	589,550	482,502	22.2%
Maintenance and Operation of Plant	4,870,444	12,996,965	-62.5%	1,738,743	11,627,558	-85.0%
Student Transportation Services	1,628,379	1,510,084	7.8%	1,337,265	1,254,130	6.6%
Central Support Services	743,753	379,438	96.0%	740,451	377,535	96.1%
Other Support Services	278,251	381,789	-27.1%	272,502	327,401	-16.8%
Operation of Non-Instructional Services						
Community Services	223,267	200,800	11.2%	223,267	200,800	11.2%
Food Services	3,793,209	3,368,006	12.6%	267,263	(23,603)	-1232.3%
Total Expenses	$ 47,865,412	$ 51,760,528	-7.5%	$ 16,250,883	$ 24,143,694	-32.7%

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.

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 2017 was $47.9 million. Users of the district's programs financed $1.4 million of costs. Federal and State grants subsidized programs, and contributions financed $30.2 million of the cost. The district taxpayers financed the other portion of the school district's cost, which was $16.3 million for 2017.

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 $51.8 million and expenditures and other financing uses of $47.7 million. The General Fund had an increase in fund balance of $323 thousand; the Special Purpose Local Option Sales Tax Capital Projects Fund had a increase of $3.8 million. The increase in the General Fund was due to tax revenue and State funding revenues which came in greater than anticipated. Conservative budgeting and spending allowed for the increase in fund balance. The SPLOST Fund's increase was a result of the timing of SPLOST projects as the revenues continued to exceed the current year SPLOST expenditures. At the end of 2017, the district has a increase of $4.1 million in fund balance as a result of decreased intergovernmental payments to the City for debt service on the City's 2010 bonds.

General Fund Budgeting Highlights

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

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

For the General Fund, the final budgeted revenues and other financing sources of $35.5 million was an increase from the original budgeted amount of $35.3 million. The actual revenues and other financing sources of $36.1 million was more than the budgeted amount by $618 thousand.

The final budgeted expenditures and other financing uses of $38.8 million exceeded the original budgeted amount of $37.2 million by $1.6 million. The actual expenditures and other financing uses per budget basis of $35.9 million was $2.9 million less than spent. A portion of the difference was due to on behalf payments by the Georgia Department of Education for Health Insurance of non-certified personnel and also conservative spending based on revenues received.

General Fund revenues and other financing sources were more than the expenditures and other financing uses by $323 thousand. The school board has made a concerted effort to watch spending and this is evidence of their work.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2017 the Board had $4.8 million invested in capital assets, all in governmental activities. Table 4 shows fiscal 2017 balances.

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

	Governmental Activities 2017	2016	% Change
Building and Land Improvements	$ 226,926	$ 233,704	-2.9%
Vehicles	972,674	792,833	22.7%
Computers	1,966,927	1,938,117	1.5%
Furniture and Equipment	1,642,422	1,512,520	8.6%
Total	$ 4,808,949	$ 4,477,174	7.4%

The primary increases occurred in vehicles. The Board purchased additional buses and other vehicles. Additional information on the City of Cartersville Board of Education's capital assets can be found in Note 5 on page 31 of this report.

Economic Factors and Next Year's Budgets

The local economy experienced a change in property tax revenue, a .5% increase in Property Tax revenue, a 4.1% increase in the Special Purpose Local Option Sales tax revenue. Property tax remained the same due to the millage rate being rolled back to 16.546. The Special Purpose Local Option Sales Tax revenue increased by $169 thousand or 4.1% which is a direct result of an improving economy in Georgia.

The City of Cartersville Board of Education adopted its 2018 budget on June 12, 2017. The General Fund budget for 2018 reflected revenues of $36,172,692 and expenditures of $39,105,200. Unreserved fund balance in the amount of $2,932,508 was used to make up the difference. The Board decided to roll back the millage rate. The approved millage rate to fund the 2017 budget is 16.2 mills. This budget reflects an increase from the 2017 budget of $1.9 million or 5.1%.

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, Director of Finance at the City of Cartersville Board of Education, P.O. Box 3310, Cartersville, Georgia 30120. You may also email your questions to rd@cartersville.k12.ga.us.

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

STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 27,598,384
Receivables:	
Intergovernmental	3,758,314
Taxes	553,970
Inventory	126,044
Capital assets, net of accumulated depreciation	4,808,949
Total assets	36,845,661
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	9,640,444
Total deferred outflows of resources	9,640,444
LIABILITIES	
Accounts payable	975,598
Salaries payable	5,580,652
Retainage payable	155,634
Unearned revenue	80,364
Net pension liability	38,649,299
Total liabilities	45,441,547
DEFERRED INFLOWS OF RESOURCES	
Pension related items	1,985,661
Total deferred inflows of resources	1,985,661
NET POSITION	
Investment in capital assets	4,808,949
Restricted for:	
Capital projects	9,590,228
School nutrition	1,277,748
Unrestricted	(16,618,028)
Total net position	$ (941,103)

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, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 28,880,464	$ 598,084	$ 20,951,408	$ -	$ (7,330,972)
Support services:					
Pupil services	2,039,216	-	403,866	-	(1,635,350)
Improvement of instructional services	1,204,973	-	413,709	-	(791,264)
Educational media services	302,984	-	568,125	-	265,141
General administration	856,175	-	758,188	-	(97,987)
School administration	2,453,017	-	961,607	-	(1,491,410)
Business administration	591,280	-	1,730	-	(589,550)
Maintenance and operation of plant services	4,870,444	34,892	1,353,753	1,743,056	(1,738,743)
Student transportation services	1,628,379	-	291,114	-	(1,337,265)
Central support services	743,753	-	3,302	-	(740,451)
Other support services	278,251	-	5,749	-	(272,502)
Food services operation	3,793,209	790,332	2,735,614	-	(267,263)
Community services operation	223,267	-	-	-	(223,267)
Total governmental activities	$ 47,865,412	$ 1,423,308	$ 28,448,165	$ 1,743,056	$ (16,250,883)
General revenues:					
Property taxes					15,908,795
Sales taxes					4,326,514
Unrestricted investment earnings					12,239
Gain on sale of capital assets					355
Total general revenues					20,247,903
Change in net position					3,997,020
Net position, beginning of year					(4,938,123)
Net position, end of year					$ (941,103)

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, 2017

ASSETS	General	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 15,730,959	$ 10,040,853	$ 1,826,572	$ 27,598,384
Receivables:				
Intergovernmental	3,000,085	-	758,229	3,758,314
Taxes	168,030	385,940	-	553,970
Due from other funds	504,637	-	-	504,637
Inventory	-	-	126,044	126,044
Total assets	$ 19,403,711	$ 10,426,793	$ 2,710,845	$ 32,541,349
LIABILITIES				
Accounts payable	$ 204,493	$ 680,931	$ 90,174	$ 975,598
Salaries and benefits payable	5,580,652	-	-	5,580,652
Retainage payable	-	155,634	-	155,634
Due to other funds	-	-	504,637	504,637
Unearned revenue	56,695	-	23,669	80,364
Total liabilities	5,841,840	836,565	618,480	7,296,885
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	54,057	-	-	54,057
Total deferred inflows of resources	54,057	-	-	54,057
FUND BALANCES				
Fund balances:				
Nonspendable:				
Inventory	-	-	126,044	126,044
Restricted:				
Capital projects	-	9,590,228	-	9,590,228
School nutrition	-	-	1,151,704	1,151,704
Committed:				
After school programs	-	-	173,149	173,149
Student activities	-	-	641,468	641,468
Assigned:				
2018 fiscal year appropriations of fund balance	2,932,508	-	-	2,932,508
Maintenance and operation of plant	34,531	-	-	34,531
Central support services	666,128	-	-	666,128
Capital projects	5,500,000	-	-	5,500,000
Maintenance projects	300,000	-	-	300,000
Unassigned:	4,074,647	-	-	4,074,647
Total fund balances	13,507,814	9,590,228	2,092,365	25,190,407
Total liabilities, deferred inflows of resources, and fund balances	$ 19,403,711	$ 10,426,793	$ 2,710,845	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.				
Cost			$ 10,108,046	
Less accumulated depreciation			(5,299,097)	4,808,949
The net pension liability is not a financial liability in governmental fund activities and is therefore not reported in governmental funds.				
Net pension liability			(38,649,299)	
Pension related deferred outflows of resources			9,640,444	
Pension related deferred inflows of resources			(1,985,661)	(30,994,516)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				
Property taxes				54,057
Net position of governmental activities				$ (941,103)

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, 2017

	General	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 15,904,799	$ 4,326,514	$ -	$ 20,231,313
Federal sources	45,500	-	5,270,728	5,316,228
State sources	21,023,664	-	604,057	21,627,721
Local sources	317,028	1,701,000	2,139,328	4,157,356
Interest income	12,204	42,056	35	54,295
Charges for services	99,600	-	255,978	355,578
On behalf payments	55,480	-	-	55,480
Total revenues	37,458,275	6,069,570	8,270,126	51,797,971
EXPENDITURES				
Current:				
Instruction	24,942,646	-	3,512,718	28,455,364
Support services:				
Pupil services	1,693,494	-	325,650	2,019,144
Improvement of instructional services	1,059,827	-	131,340	1,191,167
Educational media services	292,177	-	11,579	303,756
General administration	689,569	-	158,440	848,009
School administration	2,374,872	-	51,920	2,426,792
Business administration	573,494	-	-	573,494
Maintenance and operation of plant	3,025,721	-	50,905	3,076,626
Student transportation services	1,549,873	-	42,602	1,592,475
Central support services	674,373	-	160	674,533
Other support services	273,225	-	-	273,225
Food services operation	18,108	-	3,752,268	3,770,376
Community services operation	-	-	208,988	208,988
Capital outlay	-	2,262,758	-	2,262,758
Total expenditures	37,167,379	2,262,758	8,246,570	47,676,707
Excess (deficiency) of revenues over expenditures	290,896	3,806,812	23,556	4,121,264
OTHER FINANCING SOURCES (USES)				
Transfers in	31,217	-	-	31,217
Transfers out	-	-	(31,217)	(31,217)
Sale of general capital assets	1,381	-	-	1,381
Total other financing sources (uses)	32,598	-	(31,217)	1,381
Net change in fund balances	323,494	3,806,812	(7,661)	4,122,645
FUND BALANCE, beginning of year	13,184,320	5,783,416	2,100,026	21,067,762
FUND BALANCE, end of year	$ 13,507,814	$ 9,590,228	$ 2,092,365	$ 25,190,407

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, 2017

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 4,122,645
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	$ 1,426,701	
Depreciation expense	(1,093,900)	332,801
The net effect of the disposal of capital assets is to decrease net position.		(1,026)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		3,996
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.		(461,396)
Changes in net position - governmental activities		$ 3,997,020

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, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 15,087,973	$ 15,087,973	$ 15,904,799	$ 816,826
Federal sources	45,000	45,000	45,500	500
State sources	20,172,312	20,346,414	19,766,694	(579,720)
Local sources	-	41,943	317,028	275,085
Interest income	6,000	6,000	12,204	6,204
Charges for services	-	-	99,600	99,600
Total revenues	35,311,285	35,527,330	36,145,825	618,495
EXPENDITURES				
Current:				
Instruction	25,432,000	25,120,180	23,685,676	1,434,504
Support services:				
Pupil services	1,670,808	1,742,689	1,693,494	49,195
Improvement of instructional services	585,113	1,118,533	1,059,827	58,706
Educational media services	293,976	293,976	292,177	1,799
General administration	710,544	721,541	689,569	31,972
School administration	2,390,251	2,390,251	2,374,872	15,379
Business administration	695,013	698,156	571,764	126,392
Maintenance and operation of plant	3,329,621	3,507,453	3,018,280	489,173
Student transportation services	1,573,191	1,620,592	1,530,563	90,029
Central support services	396,498	1,385,410	671,231	714,179
Other support services	145,200	165,295	267,476	(102,181)
Total expenditures	37,222,215	38,764,076	35,854,929	2,909,147
Excess (deficiency) of revenues over expenditures	(1,910,930)	(3,236,746)	290,896	3,527,642
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	31,217	31,217
Sale of capital assets	-	-	1,381	1,381
Total other financing sources (uses)	-	-	32,598	32,598
Net change in fund balances	(1,910,930)	(3,236,746)	323,494	3,560,240
FUND BALANCE, beginning of year	13,184,320	13,184,320	13,184,320	-
FUND BALANCE, end of year	$ 11,273,390	$ 9,947,574	$ 13,507,814	$ 3,560,240

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

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2017

	Agency Fund
ASSETS	
Cash	$ 122,951
LIABILITIES	
Due to others	$ 122,951

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

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 School System 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, 2017. 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for 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.

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 availiability criteria is met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 school district.

The effect of interfund activity has been eliminated from the government-wide financial statements.

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.

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:

Assets	Years
Building and Land Improvements	40
Vehicles	8-15
Computers	5
Furniture and Equipment	5-15

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.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity/Net Position (Continued)

- ***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.

- ***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

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and liabilities 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 four 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, 2017 which are subsequent to the measurement date of the net pension liability and will be recognized in fiscal year 2018; (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; and (4) a deferred outflow 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.

In addition to liablities, 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 two 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 difference between the Board's actual contributions towards the pension plan and the Board's proportionate share of contributions, which will be amortized over the remaining service period; and (2) a deferred inflow of resources for experience gains or losses from periodic studies by the actuary, which will be amortized over the remaining service period.

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 2017 revenues and expenditures for certain personnel are budgeted in June 2016, 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, 2017, the July and August 2017 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.

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	$ 37,458,275	
Revenues Receivable Increase	(1,256,970)	
On-Behalf Benefit Contribution	(55,480)	
Budgeted Revenues, Budgetary Basis		$ 36,145,825
Expenditures GAAP Basis	$ 37,167,379	
Accrued Salary Increase	(1,256,970)	
On-Behalf Benefits Expenditure	(55,480)	
Budgeted Expenditures, Budgetary Basis		35,854,929
Other Financing Sources, Net		32,598
Revenues Over Expenditures and Other Financing Uses, Budgetary Basis		$ 323,494
Revenues Over Expenditures and Other Financing Uses, GAAP Basis		$ 323,494

The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2017:

General Fund:	
Support services:	
Other support services	$ 102,181

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, 2017, 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 $11,018,849 is at fair value, which is the same as the value of pool shares.

The investment in the local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market 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, 2017, the Board had the following investments:

Investment	Maturities	Credit Rating	Fair Value
Georgia Fund 1	26 day weighted average	AAAf	$ 11,018,849

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.

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) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2017, the 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, 2017.

Property taxes are levied on property values assessed as of January 1. 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 Novmeber 15. Leins are enforceable on March 2 of the following year.

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

NOTE 5 - CAPITAL ASSETS

Changes in capital assets used in the Board's governmental activities during the year ended June 30, 2017 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Building and land improvements	$ 271,125	$ -	$ -	$ 271,125
Vehicles	2,860,871	414,059	(125,303)	3,149,627
Computers	3,391,546	679,819	(367,122)	3,704,243
Furniture and equipment	2,841,086	332,823	(190,858)	2,983,051
Total depreciable	9,364,628	1,426,701	(683,283)	10,108,046
Accumulated depreciation:				
Building and land improvements	37,421	6,778	-	44,199
Vehicles	2,068,038	234,216	(125,301)	2,176,953
Computers	1,453,429	650,994	(367,107)	1,737,316
Furniture and equipment	1,328,566	201,912	(189,849)	1,340,629
Total depreciable	4,887,454	1,093,900	(682,257)	5,299,097
Governmental activities capital assets, net	$ 4,477,174	$ 332,801	$ (1,026)	$ 4,808,949

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

Governmental activities:	
Instruction	$ 849,372
Pupil services	463
Educational media services	2,525
General administration	1,909
School administration	2,076
Business administration	11,636
Maintenance and operations of plant services	4,489
Student transportation services	59,957
Central support services	68,666
Other support services	5,026
School nutrition program	73,502
Community services operations	14,279
Total depreciation expense	$ 1,093,900

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Interfund Receivable	Interfund Payable	Amount
General Fund	Non-major Governmental Funds	$ 504,637

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, 2017 are as follows:

Transfer In	Transfer out	Amount
General Fund	Non-major Governmental Funds	$ 31,217

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.

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 2017. The school district's contractually required contribution rate for the year ended June 30, 2017 was 14.27% of annual school district payroll. District contributions to TRS were $3,173,642 for the year ended June 30, 2017.

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, 2017, 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	$ 38,649,299
State of Georgia's proportionate share of the net pension liability associated with the Board	305,134
Total	$ 38,954,433

The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 was determined using standard roll-forward techniques. The Board's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2016. At June 30 2016, the Board's proportion was 0.187335%, which was a decrease of 0.009377% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Board recognized pension expense of $3,645,920 and revenue of $14,018 for support provided by the State of Georgia for certain support personnel. At June 30, 2017, 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	$ 4,889,296	$ -
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	1,794,540
Assumption changes	1,001,736	-
Experience differences between expected and actual	575,770	191,121
Board contributions subsequent to the measurement date	3,173,642	-
Total	$ 9,640,444	$ 1,985,661

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 $3,173,642 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	$ 245,643
2019	245,641
2020	2,381,770
2021	1,592,992
2022	15,095
Total	$ 4,481,141

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

Inflation	2.75%
Salary increases	3.25 – 9.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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

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.

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%)
District's proportionate share of the net pension liability	$ 60,158,111	$ 38,649,299	$ 20,940,338

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/formspubs/formspubs.

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

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.

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, 2017, 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	$ 281,158

The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the Board was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2016.

For the year ended June 30, 2017, the Board recognized pension expense of $46,092 and revenue of $46,092 for support provided by the State of Georgia.

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

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

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

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

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 7.50%. 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 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, 2017 there were outstanding construction contracts executed by the School District for the Cartersville Primary School Renovation project in the amount of $1,473,278.

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, 2017 the General Fund's encumbrances expected to be honored upon performance by vendor in the next year are $700,660.

NOTE 10 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The Board has recognized revenue and expenditures in the amount of $55,480 for retirement contributions paid on the Board's behalf as follows:

Paid by the Office the State Treasurer of the State of Georiga to the Public School Employees Retirement System for Public School Employees Retirement (PSERS) in the amount of $33,487.

Paid by the Georgia Department of Education to the Teachers Retirement System for Teachers Retirement (TRS) in the amount of $21,993.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Georgia School Personnel Employees Postemployment Health Benefit Fund

Plan Description. The Georgia School Personnel Postemployment Health Benefit Fund (School OPEB Fund) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers eligible former employees of public school systems, libraries and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Benefit Plan administered by the Department of Community Health. The Official Code of Georgia Annotated (O.C.G.A.) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board). Additional information about the School OPEB Fund is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This report can be obtained from the Georgia Department of Audits and Accounts at www.audits.ga.gov/SGD/CAFR.html.

NOTE 11 - POSTEMPLOYMENT BENEFITS (CONTINUED)

Georgia School Personnel Employees Postemployment Health Benefit Fund (Continued)

Funding Policy. The contribution requirements of Plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of Plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. For members with fewer than five years of service as of January 1, 2012, contributions also vary based on years of service. On average, members with five years or more of service as of January 1, 2012, pay approximately 25 percent of the cost of the health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the State provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option. The Board of Community Health sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy.

Participating employers are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rates are established to fund all benefits due under the health insurance plans for both active and retired employees based on projected "pay-as-you-go" financing requirements. Contributions are not based on the actuarially calculated annual required contribution (ARC) which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund were as follows for the fiscal year ended June 30, 2017:

For certificated teachers, librarians and regional educational service agencies and certain other eligible participants:

July 1, 2016 – June 30, 2017	$945.00 per member per month

For non-certificated school personnel:

July 1, 2016 – December 31, 2016	$746.20 per member per month
January 1, 2017 – June 30, 2017	$846.20 per member per month

NOTE 11 - POSTEMPLOYMENT BENEFITS (CONTINUED)

Georgia School Personnel Employees Postemployment Health Benefit Fund (Continued)

No additional contribution was required by the Department of Community Health for fiscal year 2017 nor contributed to the Benefit Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board of the State of Georgia Department of Community Health in accordance with the State plan for other postemployment benefits and are subject to appropriation.

The Board's combined active and retiree contributions to the health insurance plans, which equaled the required contribution, for the current fiscal year and the preceding two fiscal years were as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2017	100%	$ 3,639,331
2016	100%	3,473,139
2015	100%	3,360,439

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 LIABLITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2017	2016	2015
District's proportion of the net pension liability	0.187335%	0.196712%	0.199006%
District's proportionate share of the net pension liability	$ 38,649,299	$ 29,947,449	$ 25,141,783
State of Georgia's proportionate share of the net pension liability associated with the District	305,134	325,642	256,843
Total	$ 38,954,433	$ 30,273,091	$ 25,398,626
District's covered-employee payroll	$ 20,570,694	$ 20,766,335	$ 20,302,581
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	187.89%	144.21%	123.84%
Plan fiduciary net position as a percentage of the total pension liability	76.06%	81.44%	84.03%

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contributions	$ 3,173,642	$ 2,935,438	$ 2,732,088	$ 2,493,157	$ 2,333,282	$ 2,199,278	$ 2,208,067	$ 2,109,902	$ 2,003,868	$ 1,932,405
Contributions in relation to the contractually required contributions	3,173,642	2,935,438	2,732,088	2,493,157	2,333,282	2,199,278	2,208,067	2,109,902	2,003,868	1,932,405
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 22,239,958	$ 20,570,694	$ 20,766,335	$ 20,302,581	$ 20,449,448	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	14.270%	14.270%	13.156%	12.280%	11.410%	N/A	N/A	N/A	N/A	N/A

N/A - Information not 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 LIABLITY
PUBLIC SCHOOLS EMPLOYEE RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2017	2016	2015
District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the District	281,158	187,254	170,734
Total	$ 281,158	$ 187,254	$ 170,734
District's covered-employee payroll	$ 701,516	$ 697,463	$ 694,237
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	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.

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).

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

Valuation date	June 30, 2014
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Seven-year smoothed market
Inflation rate	2.75%
Salary increases	3.75 – 9.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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).

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, 2017

	Special Revenue					
ASSETS	School Food Services	Federal Programs	Lottery Programs	After School Program	Student Activities	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 955,360	$ -	$ 54,086	$ 175,658	$ 641,468	$ 1,826,572
Intergovernmental receivables	411,238	346,991	-	-	-	758,229
Inventory	126,044	-	-	-	-	126,044
Total assets	$ 1,492,642	$ 346,991	$ 54,086	$ 175,658	$ 641,468	$ 2,710,845
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 48,863	$ 38,802	$ -	$ 2,509	$ -	$ 90,174
Unearned revenue	23,669	-	-	-	-	23,669
Due to other funds	142,362	308,189	54,086	-	-	504,637
Total liabilities	214,894	346,991	54,086	2,509	-	618,480
FUND BALANCES						
Nonspendable:						
Inventory	126,044	-	-	-	-	126,044
Restricted:						
School nutrition	1,151,704	-	-	-	-	1,151,704
Committed:						
After school programs	-	-	-	173,149	-	173,149
Student activities	-	-	-	-	641,468	641,468
Total fund balances	1,277,748	-	-	173,149	641,468	2,092,365
Total liabilities and fund balances	$ 1,492,642	$ 346,991	$ 54,086	$ 175,658	$ 641,468	$ 2,710,845

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, 2017

	Special Revenue					
	School Food Services	Federal Programs	Lottery Programs	After School Program	Student Activities	Total Nonmajor Governmental Funds
REVENUES						
Federal sources	$ 2,663,324	$ 2,607,404	$ -	$ -	$ -	$ 5,270,728
State sources	72,290	-	531,767	-	-	604,057
Local sources	783,618	-	-	-	1,355,710	2,139,328
Interest income	-	-	-	-	35	35
Charges for services	-	-	-	255,978	-	255,978
Total revenues	3,519,232	2,607,404	531,767	255,978	1,355,745	8,270,126
EXPENDITURES						
Instruction	-	1,973,244	452,082	-	1,087,392	3,512,718
Support services:						
Pupil services	-	321,651	445	-	3,554	325,650
Improvement of instructional services	-	129,690	1,650	-	-	131,340
Educational media services	-	7,761	-	-	3,818	11,579
General administration	-	152,762	5,678	-	-	158,440
School administration	-	-	42	-	51,878	51,920
Maintenance and operation of plant	-	-	50,905	-	-	50,905
Student transportation services	-	22,136	20,466	-	-	42,602
Central support services	-	160	-	-	-	160
Food services operation	3,751,769	-	499	-	-	3,752,268
Community services operation	-	-	-	208,988	-	208,988
Total expenditures	3,751,769	2,607,404	531,767	208,988	1,146,642	8,246,570
Excess (deficiency) of revenues over expenditures	(232,537)	-	-	46,990	209,103	23,556
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	-	(31,217)	(31,217)
Total other financing sources (uses)	-	-	-	-	(31,217)	(31,217)
Net change in fund balances	(232,537)	-	-	46,990	177,886	(7,661)
FUND BALANCE, beginning of year	1,510,285	-	-	126,159	463,582	2,100,026
FUND BALANCE, end of year	$ 1,277,748	$ -	$ -	$ 173,149	$ 641,468	$ 2,092,365

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, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Assets - cash	$ 191,408	$ 672,640	$ 741,097	$ 122,951
Liabilities - due to others	$ 191,408	$ 672,640	$ 741,097	$ 122,951

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, 2017

	Pre-Kindergarten Program
EXPENDITURES	
Salaries/benefits:	
Pre-K teacher salaries/benefits	$ 322,436
Paraprofessional	114,287
Substitute	2,611
Total salaries/benefits	439,334
Operating costs:	
Supplies	11,826
Other expenditures	80,607
Total operating costs	92,433
Total expenditures	$ 531,767

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, 2017

Project	Original Estimated Cost(1)	Current Estimated Costs(2)	Expended In Current Year (3)	Expended In Prior Years (3)	Total Expended	Project Status
2007 SPLOST						
City of Cartersville General Obligation 1992, 2001 and 2002 School Serial & Term Bond Debt Reduction	$ 12,671,443	$ 12,457,083	$ -	$ 12,457,083	$ 12,457,083	Complete
Acquisition, Renovation, and Equipping of School Buildings, Acquisition of School Transportation Vehicles, and Acquisition of Sites for Future Schools	19,932,617	9,771,077	-	9,771,077	9,771,077	Complete
	$ 32,604,060	$ 22,228,160		$ 22,228,160	$ 22,228,160	
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	12,397,954	2,262,758	544,968	2,807,726	Ongoing
	$ 31,170,000	$ 26,297,954		$ 14,444,968	$ 16,707,726	
Total SPLOST Expenditures			$ 2,262,758			

(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.

Note: The balances of expenditures reported in prior years have been corrected to appropriately reflect the actual balances of SPLOST funds expended in accordance with the voter approved referendums.

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.

Page

Financial Trends **53**

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 **57**

These schedules contain information to help the reader assess the Board's most significant local revenue source, property tax.

Debt Capacity **61**

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 **63**

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 **71**

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)

	2008	2009	2010	2011	2012	2013	2014	2015 (1)	2016	2017
Governmental activities:										
Net investment in capital assets	$ 1,731,879	$ 1,932,231	$ 1,842,444	$ 2,378,347	$ 2,554,000	$ 3,046,194	$ 3,408,555	$ 4,130,717	$ 4,477,174	$ 4,808,949
Restricted	2,690,862	3,108,494	6,095,560	8,148,578	7,305,466	9,561,809	10,057,780	13,123,855	7,293,701	10,867,976
Unrestricted	9,107,126	10,396,450	10,630,346	12,262,011	11,515,221	13,312,746	12,684,258	(18,044,519)	(16,708,998)	(16,618,028)
Total governmental activities net position	$ 13,529,867	$ 15,437,175	$ 18,568,350	$ 22,788,936	$ 21,374,687	$ 25,920,749	$ 26,150,593	$ (789,947)	$ (4,938,123)	$ (941,103)

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

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
Instruction	$ 25,007,093	$ 25,729,605	$ 25,036,295	$ 25,245,277	$ 25,951,241	$ 25,617,850	$ 25,464,194	$ 25,038,245	$ 26,574,370	$ 28,880,464
Support Services:										
Pupil services	1,427,977	1,444,029	1,381,914	1,293,166	1,255,932	1,218,309	1,253,982	1,577,700	1,717,681	2,039,216
Improvement of Instruction	1,842,833	791,317	1,402,770	1,346,535	1,569,840	1,376,105	1,286,064	1,020,909	956,982	1,204,973
Educational media services	655,995	659,982	544,402	500,258	458,667	262,242	264,048	275,210	278,279	302,984
General administration	796,181	801,301	819,952	811,620	820,273	808,889	779,080	824,456	802,079	856,175
School administration	1,862,583	1,861,421	1,794,910	1,896,584	1,920,090	2,003,017	1,987,418	1,972,110	2,109,713	2,453,017
Business administration	561,155	514,054	504,276	522,523	525,608	618,102	490,976	532,111	484,342	591,280
Maintenance and operation of plant	9,702,069	6,057,732	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
Student transportation service	1,011,230	1,183,741	1,123,307	1,280,390	1,217,782	1,162,442	1,364,926	1,269,390	1,510,084	1,628,379
Support services - central	95,500	130,650	114,599	152,916	208,895	351,401	323,495	291,362	379,438	743,753
Other support services	130,925	165,108	174,968	206,346	169,737	166,563	267,924	358,673	381,789	278,251
Total Support Services	18,086,448	13,609,335	13,919,558	14,073,078	15,958,972	12,386,685	14,526,422	13,210,961	21,617,352	14,968,472
Operations of non-instructional services										
Food services operation	2,478,321	2,513,898	2,532,216		3,062,448	3,099,196	3,422,217	3,289,424	3,368,006	3,793,209
Community service operations	188,770	148,969	104,283	3,071,864	136,518	167,842	177,371	179,680	200,800	223,267
Interest and fees	15,354	11,726	7,961	109,014	-	-	-	-	-	-
Other Miscellaneous Expenses	-	-	-	4,054	-	-	-	-	-	-
	2,682,445	2,674,593	2,644,460	3,184,932	3,198,966	3,267,038	3,599,588	3,469,104	3,568,806	4,016,476
Total Expenses	45,775,986	42,013,533	41,600,313	42,503,287	45,109,179	41,271,573	43,590,204	41,718,310	51,760,528	47,865,412
Program revenues										
Governmental activities:										
Charges for services and sales:										
Instruction	159,325	145,070	15,200	211,700 (1)	194,236	375,207	329,440	396,815	494,790	598,084
Support services	-	-	-	33,873	36,246	36,470	35,102	30,422	34,539	34,892
Food services operation	900,680	975,485	908,782	907,099	918,766	946,451	898,091	774,693	748,625	790,332
Community services operation	174,416	154,393	123,635	199,182	-	-	-	-	-	-
Operating grants, contributions and interest	22,681,210	19,975,041	21,058,944	23,817,658	22,340,252	24,219,378	23,003,502	25,140,437	26,324,502	28,448,165
Capital grants and contributions	-	42,412	-	161,921	83,064	9,747	9,749	1,194,912	14,378	1,743,056
Total governmental activities program revenues	23,915,631	21,292,401	22,106,561	25,331,433	23,572,564	25,587,253	24,275,884	27,537,279	27,616,834	31,614,529
Net Expense	(21,860,355)	(20,721,132)	(19,493,752)	(17,171,854)	(21,536,615)	(15,684,320)	(19,314,320)	(14,181,031)	(24,143,694)	(16,250,883)
General revenues										
Governmental activities:										
Property taxes	16,039,781	16,583,430	16,558,682	16,445,865	15,580,291	16,003,431	15,237,287	15,634,009	15,829,893	15,908,795
Special purpose local option sales taxes	4,750,031	4,427,986	4,928,006	4,904,104	4,529,806	4,214,954	4,297,269	4,436,961	4,157,621	4,326,514
Investment earnings	514,965	120,026	54,800	30,350	12,269	11,997	9,608	9,758	8,004	12,239
Other miscellaneous revenues	-	1,176,926	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	21,304,777	22,308,368	22,624,927	21,392,440	20,122,366	20,230,382	19,544,164	20,084,468	19,995,518	20,247,903
Change in net position										
Governmental activities	(555,578)	1,587,236	3,131,175	4,220,586	(1,414,249)	4,546,062	229,844	5,903,437	(4,148,176)	3,997,020
Total primary government change in net position	$ (555,578)	$ 1,587,236	$ 3,131,175	$ 4,220,586	$ (1,414,249)	$ 4,546,062	$ 229,844	$ 5,903,437	$ (4,148,176)	$ 3,997,020

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)

	2008	2009	2010	2011 **	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	$ 64,948	$ 5,842,212	$ 5,842,412	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, Undesignated	2,796,107	2,406,760	3,309,362	-	-	-	-	-	-	-
Unreserved, Designated	5,831,871	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	8,420,946	6,818,148	8,186,880	8,105,354	8,864,787	8,757,710	9,433,167
Unassigned	-	-	-	3,015,008	3,839,099	4,216,974	4,132,837	4,198,353	4,426,610	4,074,647
Total general fund	$ 8,692,926	$ 8,248,972	$ 9,151,774	$ 11,435,954	$ 10,657,247	$ 12,403,854	$ 12,238,191	$ 13,063,140	$ 13,184,320	$ 13,507,814
All Other Governmental Funds										
Reserved										
Special Revenue Funds	$ -	$ 107,292	$ 79,341	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, Undesignated, reported in:										
Special Purpose Local Option Sales Tax Fund	-	1,017,107	5,182,142	-	-	-	-	-	-	-
Special Revenue Funds	171,785	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	350,305	355,631	-	-	-	-	-	-	-
Unreserved, Designated, reported in:										
Special Purpose Local Option Sales Tax Fund	2,690,862	3,506,761	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	1,497,697	-	-	-	-	-	-	-
Nonspendable	-	-	-	113,747	101,220	113,754	144,533	129,410	133,618	126,044
Restricted	-	-	-	8,148,578	7,305,466	9,561,809	9,913,247	12,994,445	7,160,083	10,741,932
Committed	-	-	-	281,106	338,453	476,426	395,586	526,606	589,741	814,617
Unassigned	-	-	-	-	-	-	(95)	-	-	-
Total all other governmental funds	$ 2,862,647	$ 4,981,465	$ 7,114,811	$ 8,543,431	$ 7,745,139	$ 10,151,989	$ 10,453,271	$ 13,650,461	$ 7,883,442	$ 11,682,593

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes	$ -	$ -	$ -	$ 16,473,982 (1)	$ 15,593,194	$ 16,103,020	$ 15,505,423	$ 15,605,948	$ 15,858,469	$ 15,904,799
Local sources	15,915,731	16,551,338	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
State sources	16,989,923	15,807,816	14,642,810	17,607,466	16,706,406	17,577,839	17,203,498	20,293,707	20,038,590	21,627,721
Federal sources	2,990,392	3,913,662	6,416,134	5,626,456	4,650,280	5,455,554	4,666,347	4,640,779	4,778,194	5,316,228
Special purpose local option sales tax	4,750,031	4,427,986	4,928,006	4,904,104	4,529,806	4,214,954	4,297,269	4,436,961	4,157,621	4,326,514
School receipts	2,167,500	1,274,948	1,047,617	191,090	196,708	253,908	256,918	281,672	316,475	355,578
Commodities contributed	118,202	-	-	-	-	-	-	-	-	-
State lottery	562,592	-	-	-	-	-	-	-	-	-
Interest income	514,965	120,026	54,800	39,687	19,113	21,744	19,357	23,467	22,382	54,295
Other sources	1,087,022	1,472,901	1,083,439	89,347 (1)	47,132	61,103	70,144	74,879	67,099	55,480
Total revenues	45,096,358	43,568,677	44,546,674	46,739,869	43,707,833	45,917,224	44,088,184	47,558,450	47,606,008	51,797,971
Expenditures:										
Current:										
Instruction	25,120,575	25,562,352	24,983,358	25,195,660	25,899,470	25,589,969	25,827,724	26,119,029	27,649,797	28,455,364
Pupil services	1,425,977	1,442,029	1,379,914	1,291,166	1,253,932	1,216,309	1,253,982	1,621,631	1,766,389	2,019,144
Improvement of instructional services	1,842,833	791,317	1,402,770	1,346,535	1,569,840	1,376,105	1,286,064	1,054,309	989,405	1,191,167
Educational media services	655,155	659,142	543,562	499,418	457,827	261,402	263,208	277,560	285,665	303,756
General administration	796,181	801,301	819,952	811,620	820,273	808,889	779,080	820,373	816,772	848,009
School administration	1,862,583	1,861,421	1,794,910	1,896,584	1,920,090	2,003,017	1,987,418	2,048,553	2,204,045	2,426,792
Business administration	581,856	500,885	491,167	511,543	514,628	608,386	482,108	475,034	488,785	573,494
Maintenance and operation of plant	3,009,550	2,865,545	2,826,442	2,792,360	2,754,693	2,856,097	2,903,257	3,090,797	3,090,321	3,076,626
Student transportation service	992,084	1,051,316	1,001,889	1,440,021	1,249,939	1,201,237	1,254,298	1,268,275	1,465,947	1,592,475
Support services - central	93,163	127,222	112,112	147,641	200,132	325,291	348,965	304,777	329,627	674,533
Other support services	130,506	160,082	169,942	201,320	164,711	161,537	262,898	351,382	378,672	273,225
Food services operation	2,609,215	2,489,521	2,508,182	3,041,238	3,017,612	3,046,485	3,446,821	3,118,519	3,363,532	3,770,376
Community service operations	188,770	148,258	102,577	107,309	134,812	164,952	171,998	191,435	187,426	208,988
Intergovernmental	6,259,894	-	-	2,518,768	2,377,677	1,147,975	1,487,450	1,455,475	9,809,100 (2)	-
Capital outlay	443,317	3,641,905	3,262,160	1,128,297	2,949,196	996,116	2,197,294	1,345,162	429,857	2,262,758
Debt service:										
Principal retirement	96,235	99,863	103,628	107,535	-	-	-	-	-	-
Interest and fiscal charges	15,354	11,726	7,961	4,054	-	-	-	-	-	-
Total expenditures	46,123,248	42,213,885	41,510,526	43,041,069	45,284,832	41,763,767	43,952,565	43,542,311	53,255,340	47,676,707
Excess (deficiency) of revenues over expenditures	(1,026,890)	1,354,792	3,036,148	3,698,800	(1,576,999)	4,153,457	135,619	4,016,139	(5,649,332)	4,121,264
Other financing sources (uses)										
Proceeds from sale of capital assets	-	-	-	14,000	-	-	-	6,000	3,493	1,381
Transfers in	10,929,753	8	36,484	358,554	22,497	4,127	31,696	34,346	238,617	31,217
Transfers out	(10,929,753)	(8)	(36,484)	(358,554)	(22,497)	(4,127)	(31,696)	(34,346)	(238,617)	(31,217)
Total other financing sources (uses)	-	-	-	14,000	-	-	-	6,000	3,493	1,381
Net change in fund balances	$ (1,026,890)	$ 1,354,792	$ 3,036,148	$ 3,712,800	$ (1,576,999)	$ 4,153,457	$ 135,619	$ 4,022,139	$ (5,645,839)	$ 4,122,645
Debt service as a percentage of non-capital expenditures	0.24%	0.28%	0.27%	0.26%	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 PROPERTY [1]
LAST TEN FISCAL YEARS

Digest 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
2008	$ 555,601,743	$ 1,389,004,358	$ 392,740,207	$ 981,850,518	$ 948,341,950	17.23	$ 2,370,854,875	40%
2009	953,324,016	2,383,310,040	48,363,488	120,908,720	1,001,687,504	17.23	2,504,218,760	40%
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	851,462,240	2,128,655,600	40,476,969	101,192,423	891,939,209	18.23	2,229,848,023	40%
2013	878,423,199	2,196,057,998	42,435,067	106,087,668	920,858,266	18.23	2,302,145,665	40%
2014	837,910,653	2,094,776,633	47,466,078	118,665,195	885,376,731	17.93	2,213,441,828	40%
2015	861,291,902	2,153,229,755	39,460,084	98,650,210	900,751,986	16.82	2,251,879,965	40%
2016	943,941,105	2,359,852,763	28,304,946	70,762,365	972,246,051	16.55	2,430,615,128	40%
2017	*	*	*	*	*	*	*	*

[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.

* The information for the digest year 2017 from the City of Cartersville, Georgia is not available.

CITY OF CARTERSVILLE BOARD OF EDUCATION

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	Direct Rate (1)	Overlapping Rates				
Fiscal Year	Cartersville School Board	City of Cartersville Operating	Bartow County	State of Georgia	Parks & Recreation Bond	Total Direct & Overlapping Rates
2008	17.23	1.40	9.30	0.25	-	28.18
2009	17.23	1.38	9.07	0.25	-	27.93
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

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

	2016 *			2008		
Employer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Anheuser Busch	$ 114,512,998	1	11.78%	$ 143,686,730	1	15.15%
Shaw Industries	32,742,984	2	3.37%	12,557,850	3	1.32%
Continental Pet	11,256,582	3	1.16%	6,672,670	7	0.70%
Trinity Rail	11,210,302	4	1.15%			
Aquafil USA	10,111,916	5	1.04%			
Forty One Connector	9,373,440	6	0.96%	9,987,220	6	1.05%
TI Group Automotive Systems	6,697,189	7	0.69%			
Colloid	6,608,981	8	0.68%	6,015,750	9	0.63%
Ampacet	5,136,519	9	0.53%			
AT&T / Bellsouth	4,951,762	10	0.51%	16,287,298	2	1.72%
VKEP-A, LLC				12,130,800	4	1.28%
Thrall Manufacturing				11,013,050	5	1.16%
Mill Road Partners, LLC				6,110,580	8	0.64%
H D Development of Marland				5,427,330	10	0.57%
	$ 212,602,673		21.87%	$ 229,889,278		24.24%

Sources: City Tax Digest

* The Statistical information for the fiscal year ended June 30, 2017 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
2008	$ 15,828,096	$ 14,598,808	92.2%	$ 635,558	$ 15,234,366	96.2%
2009	16,701,807	15,103,072	90.4%	1,031,916	16,134,988	96.6%
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%	481,769	14,399,655	96.4%
2015	14,837,508	13,943,670	94.0%	156,244	14,099,914	95.0%
2016	14,192,665	14,047,904	99.0%	116,998	14,164,902	99.8%
2017	14,130,538	13,993,799	99.0%	-	13,993,799	99.0%

[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
2008	$ 311,026	0.01%	3
2009	211,163	0.01%	2
2010	107,535	0.00%	1
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
City of Cartersville, Georgia	$ 7,455,000	100%	$ 7,455,000
Bartow County, Georgia	30,770,000	25%	7,692,500
Total overlapping debt	$ 38,225,000		$ 15,147,500

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, 2017 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

	2016*			2008		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Shaw Industries	2,562	1	2.52%	2,100	1	N/A
Toyo Tire North America	1,675	2	1.65%	555	7	N/A
Bartow County	882	3	0.87%	850	4	N/A
Anheuser-Busch	571	4	0.56%	750	5	N/A
Cartersville Schools	500	5	0.49%	575	6	N/A
Quest Global	500	6	0.49%	-		-
Kennesaw Transportation	400	7	0.39%	-		-
Georgia Power Company	396	8	0.39%	400	8	N/A
City of Cartersville	356	9	0.35%	-		-
Gerdau Ameristeel	330	10	0.32%	390	10	N/A
Bartow County Schools	-		-	1,618	2	N/A
Cartersville Medical Center	-		-	1,140	3	N/A
Walmart	-		-	397	9	N/A
	8,172		8.03%	8,775		N/A

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

* The Statistical information for the fiscal year ended June 30, 2017 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
2008	Cartersville	3,819	$ 15,915,731	$ 883,661,725	1.80%	$ 4,168
2009	Cartersville	3,803	16,551,338	948,341,950	1.75%	4,352
2010	Cartersville	4,036	16,373,868	1,001,687,504	1.63%	4,057
2011	Cartersville	4,159	16,473,982	1,013,929,346	1.62%	3,961
2012	Cartersville	4,162	15,593,194	953,229,075	1.64%	3,747
2013	Cartersville	4,046	16,103,020	891,939,209	1.81%	3,980
2014	Cartersville	4,046	15,505,423	920,858,266	1.68%	3,832
2015	Cartersville	4,119	15,605,948	885,376,731	1.76%	3,789
2016	Cartersville	4,128	15,858,469	900,751,986	1.76%	3,842
2017	Cartersville	4,254	15,904,799	972,246,051	1.64%	3,739

** 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***
2008	Cartersville	3,819	$ 11,857	$ 231,386	5.12%	$ 883,661,725
2009	Cartersville	3,803	10,711	249,367	4.30%	948,341,950
2010	Cartersville	4,036	10,285	248,188	4.14%	1,001,687,504
2011	Cartersville	4,159	10,349	243,792	4.24%	1,013,929,346
2012	Cartersville	4,162	10,881	229,031	4.75%	953,229,075
2013	Cartersville	4,046	10,322	220,450	4.68%	891,939,209
2014	Cartersville	4,046	10,866	227,597	4.77%	920,858,266
2015	Cartersville	4,119	10,571	214,949	4.92%	885,376,731
2016	Cartersville	4,128	12,901	218,205	5.91%	900,751,986
2017	Cartersville	4,254	11,208	228,549	4.90%	972,246,051

** 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)
2008	92,834	$1,762,824,826	$ 18,989	34.00	3,819
2009	97,900	2,184,442,700	22,313	35.70	3,803
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	*	*	*	*	4,254

(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, 2017 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
2008	298	235	42	575	3,819	13.05
2009	332	187	44	563	3,803	11.87
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

(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	Math	Writing	Composite	Georgia	National
2008	71%	503	509	493	1,505	1,466	1,511
2009	70%	493	487	486	1,466	1,460	1,509
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	**	**	**	**	**	**	**

*City of Cartersville Board of Education's Curriculum Department.
** Information not available

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

Positions	2008	2009	2010	2011	2012	2013		2014	2015	2016	2017
Cartersville Primary School											
Classroom Teachers	89	91	92	91	88	83		83	81	79	78
Support Personnel	85	75	63	60	58	21	(1)	19	20	20	17
Administrators	3	2	2	3	3	3		3	3	3	3
Cartersville Elementary School											
Classroom Teachers	64	70	70	69	67	65		64	63	61	62
Support Personnel	47	45	36	35	38	18	(1)	16	16	17	17
Administrators	2	2	2	2	2	3		3	3	2	2
Cartersville Middle School											
Classroom Teachers	64	63	61	59	61	57		59	61	63	66
Support Personnel	33	28	30	28	31	21	(1)	19	18	18	17
Administrators	3	3	3	3	3	3		3	3	3	3
Cartersville High School											
Classroom Teachers	64	67	62	61	61	58		58	60	61	62
Support Personnel	42	37	35	31	30	18	(1)	17	18	18	18
Administrators	4	4	4	4	4	3		3	3	4	4
Central Office											
Support Personnel	16	16	18	16	14	13		12	11	13	12
Administrators	5	5	5	5	5	4		4	4	6	6
Maintenance Facility	7	8	8	7	7	7		7	7	6	5
Other Auxiliary Facility											
Support Personnel	5	4	4	4	4	3		3	4	4	4
Administrators	-	-	-	-	-	1		1	1	1	1
Transportation	35	36	37	36	37	34		34	36	36	37
School Board Members	7	7	7	7	7	7		7	7	7	7
	575	563	539	521	520	422		415	419	422	421

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

(1) During the fiscal year ended June 30, 2013 the District eliminated numerous suppport 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
2008	$ 35,870	$ 77,837	3.0%	$ 51,466
2009	36,766	79,783	2.5%	52,823
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

*CCS Salary Schedule for Minimum and Maximum
**Minimum - T-4 Certification; Maximum - Doctorate
N/A - Information is not available as of June 30, 2017.

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
2008	$ 46,123,248	3,819	$ 11,857	9.86%	298	12.82
2009	42,213,885	3,803	10,711	-9.66%	332	11.45
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	-13.13%	287	14.82

(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

		Student Lunch Prices			Student Breakfast Prices			
Fiscal Year	Average # of Lunches Served Daily	Elementary & Primary School	Middle & High School	Average # of Breakfasts Served Daily	Elementary, Middle & Primary School	High School	Breakfast Sites	Free and Reduced Eligibility
2008	2,589	$ 1.75	$ 2.00	1,391	$ 1.00	$ 1.25	4	46.00%
2009	2,544	2.00	2.25	1,423	1.25	1.50	4	49.00%
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%

**City of Cartersville Board of Education's School Nutrition Office

CITY OF CARTERSVILLE BOARD OF EDUCATION

SCHOOL BUILDINGS **
LAST TEN FISCAL YEARS

School Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Cartersville Primary School (1967)										
Square Feet	125,193	125,193	125,193	125,193	125,193	125,193	125,193	125,193	125,193	125,193
Capacity*										
Enrollment	1,116	1,093	1,186	991	992	1,112	1,070	889	897	942
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	860	926	912	996	996	1,035	1,003	987	977	954
Cartersville Middle School (1993)										
Square Feet	149,120	149,120	149,120	149,120	169,972	169,972	169,972	169,972	169,972	169,972
Capacity*										
Enrollment	863	873	876	938	939	915	990	1,024	1,056	1,098
Cartersville High School (1953)										
Square Feet	239,587	239,587	239,587	239,587	239,587	239,587	239,587	239,587	23,587	239,587
Capacity*										
Enrollment	1,115	1,049	1,062	1,102	1,103	1,065	1,114	1,147	1,198	1,260

*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

MAULDIN & JENKINS

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, 2017, 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 16, 2017.

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 16, 2017

MAULDIN & JENKINS

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, 2017. 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 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, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to this matter.

The City of Cartersville Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The City of Cartersville Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a significant deficiency.

The City of Cartersville Board of Education's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The City of Cartersville Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 16, 2017

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, 2017

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	N/A	$ 1,840,393
Non-Cash Assistance (Commodities) (2)	10.555	N/A	169,859
National School Lunch Program			2,010,252
Summer Food Service Program for Children	10.559	N/A	653,072
Total Child Nutrition Cluster			2,663,324
Total U.S. Department of Agriculture			2,663,324
U.S. Department of Education			
Special Education Cluster (IDEA)			
Pass-Through From Georgia Department of Education:			
Part B-Exceptional Student			
Flow Through	84.027	N/A	733,938
Preschool	84.173	N/A	17,888
High Cost Grant	84.027	N/A	18,308
Total Special Education Cluster (IDEA)			770,134
Title I Part A			
Pass-Through From Georgia Department of Education:			
Title I Part A			
Grants to Local Educational Agencies	84.010	N/A	923,684
Schoolwide Fund Consolidated Pilot	84.010	N/A	9,582
			933,266

(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, 2017

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
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	N/A	39,775
Other Programs			
Pass-Through From Georgia Department of Education:			
Title II			
Improving Teacher Quality	84.367	N/A	145,074
Title III			
Limited English Proficient	84.365	N/A	48,169
Immigrant	84.365	N/A	2,064
			50,233
Vocational Education-Basic Grants to States			
Perkins Plus	84.048	N/A	3,613
Perkins IV Carryover	84.048	N/A	2,078
Program Improvement	84.048	N/A	25,087
Total Vocational Education			30,778
Striving Readers Grant	84.371	N/A	638,143
Total U.S. Department of Education			2,607,403
Total Expenditures of Federal Awards			$ 5,270,727

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	$ 831,722
Title II - Improving Teacher Quality	108,991
Title III - Limited English Progicient	44,297
Title III - Immigrant	2,064

(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, 2017

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?	__X__ yes ____ 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) ?	__X__ yes ___ no

Identification of major federal programs:

Name of Federal Program or Cluster	CFDA Number
Special Education Cluster (IDEA)	84.027 and 84.173
Title I, Part A Program	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, 2017

Section II – Financial Statement Findings and Responses

None noted

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

Section III – Federal Award Findings and Questioned Costs

2017-001 Cash Management and Reporting

Program Information: **CFDA #84.010 – Title I, Part A Program**

Criteria: The grant agreements for this program require the School District to request cash drawdowns on a reimbursement basis. The grant agreements also require each recipient to report program outlays and program income to the awarding agency. Federal requirements also require Federal grant recipients establish an effective internal control structure which would ensure compliance with direct and material compliance requirements of Federal programs.

Condition: During our testing of the Title I, Part A federal program, the School District's internal controls over the cash management and reporting process did not timely detect an error in the calculation of the Title I, Part A allocation of consolidated schoolwide expenditures. This error was not detected prior to the drawdown of reimbursement from Georgia Department of Education. However, the error was detected prior to the end of the fiscal year. The process calls for preparation of the drawdown request by one individual and review and approval of the drawdown by a separate individual.

Context/Cause: One (1) drawdown request, of the fifteen (15) drawdown requests tested, requested reimbursement in excess of the Title I Part A program expenditures due to an error in the allocation of consolidated expenditures between federal, state and local programs based on participation in the consolidated funding pool. The School District expended approximately $152,700 less than was reported for reimbursement. Subsequent reimbursement requests were reduced to correct the error.

Effects: The School District was not in compliance with Federal requirements, related to cash management and reporting, due to the error in the allocation of consolidated expenditures to Title I, Part A program during the fiscal year. However, this error was corrected prior to fiscal year end through subsequent drawdowns.

Questioned Costs: None noted.

Recommendation: We recommend the School District follow its review and approval policies for all grant drawdown requests and allocation of consolidated expenditures to ensure compliance with cash management and reporting requirements.

Auditee's Response: We concur with the finding and have instituted additional controls to ensure the allocation of consolidated federal, state and local expenditures is calculated correctly and drawdown requests are properly reviewed and approved prior to submission. As noted in the Context/Cause section, the issue was discovered and corrected prior to year-end.

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

Section IV – Status of Prior Audit Findings

None Reported

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

2017-001 Cash Management and Reporting

Program Information: **CFDA #84.010 – Title I, Part A Program**

***Name of the Contact Person Responsible for the Corrective Action Plan*:** Richard Dyke, Director of Finance

Corrective Action Plan: The Board will monitor Title I Consolidation allocations to ensure Federal drawdowns do not exceed actual expenditures for the period requested.

Anticipated Completion Date: July 1, 2017