

**BARTOW COUNTY
BOARD OF EDUCATION**

**ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED JUNE 30, 2022**

BARTOW COUNTY BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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I. FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the **Bartow County Board of Education** as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Bartow County Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund information of the Bartow County Board of Education as of June 30, 2022, and the respective changes in financial position and the budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bartow County Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bartow County Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bartow County Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bartow County Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Proportionate Share of Net Pension Liability – TRS, the Schedule of Contributions – TRS, the Schedule of Proportionate Share of Net Pension Liability – PSERS, the Schedule of Proportionate Share of Net OPEB Liability – School OPEB Fund, and the Schedule of Contributions – School OPEB Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bartow County Board of Education's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023 on our consideration of the Bartow County 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 Bartow County 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 Bartow County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 28, 2023

**BARTOW COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

INTRODUCTION

Our discussion and analysis of the Bartow County Board of Education's financial performance provides an overview of the School District financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the basic financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are as follows:

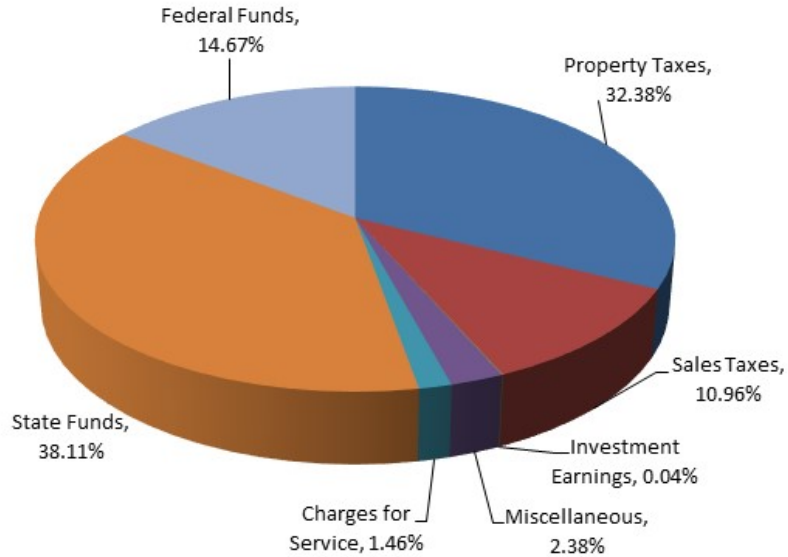
In total, net position increased \$51.9 million which represents a 42% increase from the prior year.

- Combined general revenues for governmental activities accounted for \$92.9 million or approximately 43% of all revenues. Program specific revenues – charges for services, grants and contributions accounted for \$121.3 million of \$214.6 million. Total combined revenues were \$27.8 million more than the prior year.
- Combined general and program revenues for the 2022 year were from federal, state, and local sources, with the State QBE appropriation, proceeds from the Educational Local Option Sales Tax, and local property tax assessments providing the bulk of the resources. The percentage breakdown by source is as follows: Property Taxes 32.38%, Sales and Other Taxes 10.96%, State funds 38.11%, Federal funds 14.67%, Charges for services 1.46%, Investment earnings .04% and Miscellaneous 2.38%.
- The School District had \$162.3 million in expenses related to governmental activities and \$121.3 million of these expenses were offset by program specific charges for services, grants and contributions. General revenues provided the remaining support for these programs.
- Among major funds, the General Fund had \$190.3 million in revenues and \$173.0 million in expenditures; the Capital Project Fund had \$24.4 million in revenues and \$5.6 million in expenditures and the Debt Service Fund had no revenues recorded as SPLOST funds. The Capital Projects Funds pays the debt service \$10 million in expenditures (excluding other financing sources and uses). Fund balance increased for the General Fund by \$17.4 million and \$14 million has been assigned for capital projects; the fund balance decreased for the Debt Service Fund by \$424 and the fund balance increased for capital projects \$58.7 million which also included bond issuance funds of \$50 million. The decreases in Debt Service funds are due to the Debt Service obligation payments that are being made. These expenses are offset by the issuance of the SPLOST proceeds.

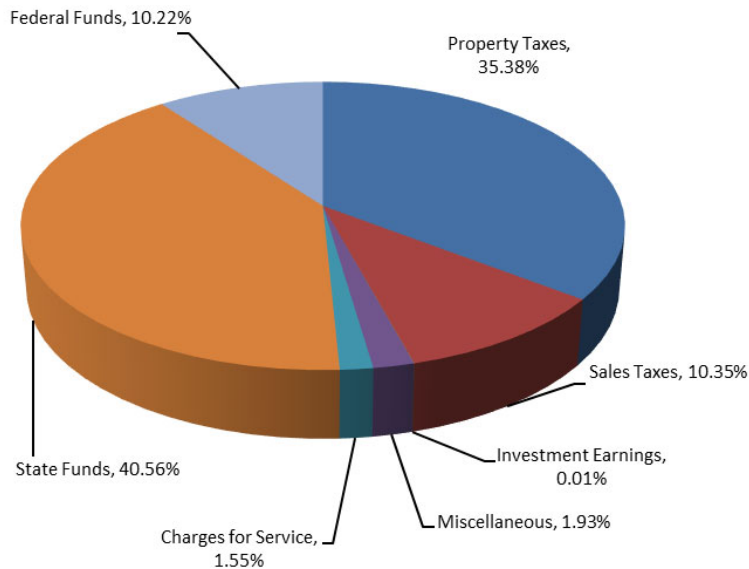
**BARTOW COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The following charts show the source of governmental activities revenue for the current and prior fiscal years:

Revenue By Source FY 2022



Revenue By Source Fiscal Year 2021



**BARTOW COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include a series of statements and notes to the statements. These statements are presented so the reader can understand the School District as a financial whole or its individual fund level.

The District-wide financial statements include the statement of net positions and statement of activities and the supporting notes to these statements. These statements provide aggregated information about the activities of the School District and a longer-term view of those activities.

At the next level, the fund financial statements focus on individual parts of the School District, reporting operations in more detail and includes the supporting notes to these statements. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fiduciary fund statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others. The fund financial statements reflect the School District's most significant funds. In the case of the Bartow County School District, the General Fund, District-Wide Capital Projects Fund, and Debt Service Fund are the most significant funds. These funds are reported as major funds and therefore are not non-major funds.

The notes to the financial statements provide additional detailed information that is essential to understanding data provided in the system-wide and fund level statements. The notes can be found on pages 22-56 of this report.

District-Wide Statements

The district-wide statements are designed to provide readers with a broad overview of the finances. This view of the School District looks at financial transactions and asks these questions, "How did we do financially in fiscal year 2022 and are we in a better financial position this year than last?"

The Statement of Net Position and Statement of Activities provide the basis for answering this question. These statements are presented using the accrual basis of accounting, similar to the accounting used by most private-sector businesses. This basis of accounting includes all of the current year's revenues and expenditures regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether our financial position is improving or deteriorating.

**BARTOW COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The Statement of Activities presents information showing how the School District's net position changed during the fiscal year. The causes of this change may be the result of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs, and other factors.

In the Statements of Net Position and Statement of Activities the School District has one type of activity-governmental. Governmental activities includes all programs of instruction, support services, operating and maintenance of plant, administration, pupil transportation, school nutrition, after school and school activity accounts.

Fund Financial Statements

The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds.

Governmental Funds – Most of the School District'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 the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental funds statements provide a detailed short-term view of the School District's general operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the financial statements.

**BARTOW COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE SCHOOL SYSTEM AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net positions for the current and prior fiscal years:

**Table 1
Condensed Statement of Net Position
June 30**

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Assets and Deferred Outflows of Resources		
Current and Other Assets	\$ 176,764,970	\$ 105,183,594
Capital Assets	<u>281,734,074</u>	<u>283,665,382</u>
Total Assets	<u>458,499,044</u>	<u>388,848,976</u>
Deferred Outflow of Resources	<u>71,432,911</u>	<u>69,744,099</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 529,931,955</u>	<u>\$ 458,593,075</u>
Liabilities		
Current and Other Liabilities	22,948,629	36,704,527
Long-term Liabilities	<u>201,537,314</u>	<u>269,255,622</u>
Total Liabilities	<u>224,485,943</u>	<u>305,960,149</u>
Deferred Inflows of Resources	<u>130,407,172</u>	<u>29,497,331</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 354,893,115</u>	<u>\$ 335,457,480</u>
Net Position		
Net Investment in Capital Assets	271,034,123	263,467,659
Restricted	30,734,795	20,445,049
Unrestricted	<u>(126,730,078)</u>	<u>(160,777,113)</u>
Total Net Position	<u>\$ 175,038,840</u>	<u>\$ 123,135,595</u>

**BARTOW COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Table 2 shows the changes in net position for the current and prior fiscal years:

**Table 2
Changes in Net Position
For the Fiscal Year Ended June 30, 2022**

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues:		
Charges for Services and Sales	\$ 3,125,211	\$ 2,883,175
Operating Grants and Contributions	117,378,031	96,349,555
Capital Grants and Contributions	<u>794,688</u>	<u>657,760</u>
Total Program Revenues	<u>121,297,930</u>	<u>99,890,490</u>
General Revenues:		
Taxes		
Property Taxes	69,294,746	65,846,517
Sales Taxes	23,524,143	19,269,398
Grants and Contributions not Restricted to		
Specific Programs	-	1,080,976
Investment Earnings	<u>48,615</u>	<u>21,682</u>
Total General Revenues	<u>92,867,504</u>	<u>86,218,573</u>
Total Revenues	<u>214,165,434</u>	<u>186,109,063</u>
Program Expenses		
Instruction	102,360,804	113,833,177
Support Services		
Pupil Services	6,278,016	6,469,048
Improvement of Instructional Services	3,287,095	3,438,548
Educational Media Services	1,927,294	2,132,133
Federal Grant Administration	264,307	332,590
General Administration	1,043,777	1,278,792
School Administration	9,529,486	11,157,024
Business Administration	1,349,070	1,376,525
Maintenance and Operations of Plant	12,880,423	12,414,485
Student Transportation Services	8,994,643	8,988,439
Central Support Services	2,121,880	2,195,644
Other Support Services	165,215	145,427
Operations of Non-Instructional Services		
Food Services	11,097,828	9,722,376
Interest on Long-Term Debt	<u>962,351</u>	<u>266,347</u>
Total Expenses	<u>162,262,189</u>	<u>173,750,555</u>
Change in Net Position	51,903,245	12,358,508
Net Position, Beginning of Year	<u>123,135,595</u>	<u>110,777,087</u>
Net Position, End of Year	<u>\$ 175,038,840</u>	<u>\$ 123,135,595</u>

**BARTOW COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Governmental Activities

As reported in the statement of activities, the cost of all our governmental activities this year was \$162,262,189. Instructional program expenses of \$102,360,804 represent 63.1% of the total expenses. Interest expense was attributable to the various outstanding bond issues and represents less than 1% of total expenses.

Although program revenues make up a majority of the combined revenues, the School District is dependent upon general revenues (property tax, sales tax and other non-restricted revenues) to cover the net cost of services. For the fiscal year 2022, general revenues in the amount of \$92,867,504 represented 43% of total revenues.

The statement of activities, on page 16, shows the cost of program services and the charges for services and grants offsetting these 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 federal and state entitlements.

**Table 3
Statement of Activities
For the Fiscal Year Ended June 30**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction	\$102,360,804	\$113,833,177	\$(16,186,994)	\$(43,688,631)
Support Services				
Pupil Services	6,278,016	6,469,048	(4,188,393)	(4,742,615)
Improvement of				
Instructional Services	3,287,095	3,438,548	514,052	139,537
Educational Media Services	1,927,294	2,132,133	58,445	(254,992)
Federal Grant Administration	264,307	332,590	(264,307)	(332,590)
General Administration	1,043,777	1,278,792	1,210,116	980,673
School Administration	9,529,486	11,157,024	(5,242,990)	(7,122,099)
Business Administration	1,349,070	1,376,525	(1,328,083)	(1,362,010)
Maintenance and Operation				
of Plant	12,880,423	12,414,485	(8,184,435)	(8,152,163)
Student Transportation				
Services	8,994,643	8,988,439	(3,872,460)	(3,827,106)
Central Support Services	2,121,880	2,195,644	(2,093,221)	(2,175,755)
Other Support Services	165,215	145,427	(164,617)	(144,824)
Food Services	11,097,828	9,722,376	(259,021)	(2,911,143)
Interest on Short-term and				
Long-term Debt	<u>962,351</u>	<u>266,347</u>	<u>(962,351)</u>	<u>(266,347)</u>
Total Program Expenses	<u>\$162,262,189</u>	<u>\$173,750,555</u>	<u>\$(40,964,259)</u>	<u>\$(73,860,065)</u>

**BARTOW COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE SCHOOL SYSTEM'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources (excluding transfers) of \$214,637,268 and expenditures and other financing uses (excluding transfers) of \$188,622,132. There was a total increase in fund balance in the amount of \$76 million, with \$50 million of the increase attributed to the bond issuance. \$3.5 million of the increase attributed to food service and increase federal funding in that area. The total governmental fund balance for 2022 is comprised of the following:

**Table 4
Governmental Fund Balances
June 30**

	<u>2022</u>	<u>2021</u>
General Fund	\$ 77,093,262	\$ 59,668,104
Capital Projects Fund	76,915,292	18,254,456
Debt Service Fund	<u>4,902</u>	<u>5,326</u>
Total Fund Balance	<u>\$ 154,013,456</u>	<u>\$ 77,927,886</u>

The \$17.4 million increase for the fund balance in the General Fund was the result of revenues exceeding expenditures. The district has continued to significantly reduce the deficit in prior fiscal years as the funding levels have begun to increase with the reduction of austerity and the recovering tax digest. These have contributed to the increase of the fund balance in the General Fund. Historical high TAVT and intangible taxes were also collected in FY2022. Also increase bus funds were received that will spent in FY2023. Additional miscellaneous revenue was received for the sale of assets (computers), additional grant funds, and taxes generated from the County approved PILOT program.

The increase of fund balance for District-Wide Capital Project Fund balance is due to the SPLOST expenditures related to capital projects throughout the district were less than the revenue generated from SPLOST V. The district also received bond funds and capital interest in 2022 in the amount of \$50 million which attributed to a significant amount of the increase. The district is continuing to evaluate the SPLOST budget and adjust projects as needed to reflect the revenue received.

**BARTOW COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia Law.

- The most significant budgeted fund is the General Fund. During fiscal year 2022, the School District amended its General Fund budget as needed.
- For the General Fund, the final actual revenues and other financing sources on the GAAP basis of \$190,274,481 were less than the final budgeted amount of \$201,119,259 by \$10,844,778. This difference was due largely to federal revenue budgeted but not yet spent and will be carried over to 2023. The district did receive increased local funding from the Bartow County Pilot program, historically high collections of the TAVT, increase in the County tax digest, Medicaid reimbursements, and the increase in other Local School Miscellaneous Revenues. The district also sold assets (computers) in 2021, which generated additional funding.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year, June 30, 2022, the School District had \$281,734,074 invested in capital assets, all in governmental activities. Additional information about capital assets can be found in the notes to the financial statements. Table 5 reflects these balances.

**Table 5
Capital Assets (net of depreciation)
June 30**

	<u>2022</u>	<u>2021</u>
Land	\$ 16,631,988	\$ 16,631,988
Construction in Progress	3,058,663	3,208,623
Land Improvements	5,990,246	5,277,400
Buildings	242,171,497	248,116,012
Equipment	<u>13,881,680</u>	<u>10,431,359</u>
Total Capital Assets	<u>\$ 281,734,074</u>	<u>\$ 283,665,382</u>

Debt

At the end of fiscal year June 30, 2022, the School District had \$54,830,000 in general obligation bonds outstanding, with \$9,360,000 due within one year. Debt service payments are made from the proceeds of the Educational Local Option Sales Tax. Table 6 summarizes general obligation bonds outstanding. Additional information about long-term debt can be found in the notes to the financial statements.

**BARTOW COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Compensated absences outstanding at June 30, 2022 were \$911,283 compared to \$850,611 in the prior year.

**Table 6
General Obligation Debt
June 30**

	<u>2022</u>	<u>2021</u>
Series 2016 G.O. Bonds	\$ 9,830,000	\$ 19,190,000
Series 2022 G.O. Bonds	<u>45,000,000</u>	<u>-</u>
Total General Obligation bonds	<u><u>\$ 54,830,000</u></u>	<u><u>\$ 19,190,000</u></u>

The School District maintains an “AA+” bond rating as determined by the Standard and Poor’s Ratings Services.

CURRENT ISSUES

- As The School District’s gross tax digest experienced an increase in FY22. This growth has helped stabilize the effect on General Fund fund balance.
- Capital Improvements – The School District has completed the various projects throughout the District in 2022. Projects during the 2022 fiscal year included the following: new intercom systems were installed at various schools in the District. Adairsville High, Cass High School, and Woodland High School all had improvements to the magnet labs. New construction began on the new Mission Road Elementary School. Other capital projects throughout the district were also completed. All capital projects were completed with SPLOST funds. SPLOST IV expired as it was voted by taxpayers in November 2015. The ballot was approved to extend the for another 5-year term. In 2016 the district issued bonds in the amount of \$45,000,000 which will be paid in full in FY2023. Another \$45,000,000 bond issuance was completed to be paid with the SPLOST that began July 1, 2023. These funds will be used to further enhance capital projects throughout the District. The debt will be paid off within the 5-year period of the current SPLOST referendum.

CONTACTING THE SCHOOL SYSTEM’S FINANCIAL MANAGEMENT

This financial report is designed to provide our taxpayers, investors, and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have questions about this report or need additional financial information contact Megan Brown, CFO at Bartow County Schools, 65 Gilreath Road, Cartersville, GA 30120, or 770-606-5800.

BASIC FINANCIAL STATEMENTS

BARTOW COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 151,212,096
Receivables:	
Taxes, net of allowances	3,991,515
Intergovernmental:	
State	11,444,023
Federal	9,801,925
Other	50,100
Inventory	265,311
Capital assets (nondepreciable)	19,690,651
Capital assets (depreciable, net of accumulated depreciation)	262,043,423
Total assets	458,499,044
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	47,113,972
Other postemployment benefits related items	24,318,939
Total deferred outflows of resources	71,432,911
LIABILITIES	
Accounts payable	815,791
Salaries and benefits payable	20,513,573
Contracts payable	762,384
Accrued interest payable	618,875
Retainage payable	132,900
Unearned revenue	105,106
Claims payable due within one year	131,972
Claims payable due in more than one year	43,990
Bonds payable due within one year	9,830,000
Bonds payable due in more than one year	50,122,812
Compensated absences due within one year	307,050
Compensated absences due in more than one year	604,233
Net pension liability due in more than one year	55,000,873
Net other postemployment benefits liability due in more than one year	85,496,384
Total liabilities	224,485,943
DEFERRED INFLOWS OF RESOURCES	
Pension related items	81,354,352
Other postemployment benefits related items	49,052,820
Total deferred inflows of resources	130,407,172
NET POSITION	
Net investment in capital assets	271,034,123
Restricted for:	
Federal programs	4,072,364
Capital projects	27,662,431
Unrestricted	(127,730,078)
Total net position	\$ 175,038,840

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

BARTOW COUNTY BOARD OF EDUCATION

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 102,360,804	\$ 2,768,664	\$ 82,801,446	\$ 603,700	\$ (16,186,994)
Support services:					
Pupil services	6,278,016	-	2,086,954	2,669	(4,188,393)
Improvement of instructional services	3,287,095	-	3,801,147	-	514,052
Educational media services	1,927,294	-	1,985,703	36	58,445
Federal grant administration	264,307	-	-	-	(264,307)
General administration	1,043,777	-	2,242,959	10,934	1,210,116
School administration	9,529,486	-	4,275,011	11,485	(5,242,990)
Business administration	1,349,070	-	20,987	-	(1,328,083)
Maintenance and operation of facilities	12,880,423	-	4,582,543	113,445	(8,184,435)
Student transportation services	8,994,643	-	5,078,268	43,915	(3,872,460)
Central support services	2,121,880	-	28,659	-	(2,093,221)
Other support services	165,215	-	598	-	(164,617)
Operations of non-instructional services:					
Food services operation	11,097,828	356,547	10,473,756	8,504	(259,021)
Interest on long-term debt	962,351	-	-	-	(962,351)
Total governmental activities	<u>\$ 162,262,189</u>	<u>\$ 3,125,211</u>	<u>\$ 117,378,031</u>	<u>\$ 794,688</u>	<u>(40,964,259)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					69,294,746
Sales taxes					23,524,143
Unrestricted investment earnings					48,615
Total general revenues					<u>92,867,504</u>
Change in net position					51,903,245
Net position, beginning of year					123,135,595
Net position, end of year					<u>\$ 175,038,840</u>

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

BARTOW COUNTY BOARD OF EDUCATION

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

ASSETS	General	District-Wide Capital Projects	Debt Service	Total Governmental Funds
Cash and cash equivalents	\$ 75,753,693	\$ 75,453,501	\$ 4,902	\$ 151,212,096
Receivables:				
Taxes, net of allowances	1,634,440	2,357,075	-	3,991,515
Intergovernmental:				
State	11,444,023	-	-	11,444,023
Federal	9,801,925	-	-	9,801,925
Other	50,100	-	-	50,100
Inventory	265,311	-	-	265,311
 Total assets	 <u>\$ 98,949,492</u>	 <u>\$ 77,810,576</u>	 <u>\$ 4,902</u>	 <u>\$ 176,764,970</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 815,791	\$ -	\$ -	\$ 815,791
Contracts payable	-	762,384	-	762,384
Salaries and benefits payable	20,513,573	-	-	20,513,573
Retainage payable	-	132,900	-	132,900
Unearned revenue	105,106	-	-	105,106
 Total liabilities	 <u>21,434,470</u>	 <u>895,284</u>	 <u>-</u>	 <u>22,329,754</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	421,760	-	-	421,760
 Total deferred inflows of resources	 <u>421,760</u>	 <u>-</u>	 <u>-</u>	 <u>421,760</u>
FUND BALANCES				
Nonspendable:				
Inventory	265,311	-	-	265,311
Restricted for:				
Federal programs	3,807,053	-	-	3,807,053
Capital projects	-	76,915,292	-	76,915,292
Debt service	-	-	4,902	4,902
Assigned:				
2023 fiscal year appropriations of fund balance	1,561,754	-	-	1,561,754
Capital projects	14,000,000	-	-	14,000,000
Unassigned:				
General fund	57,459,144	-	-	57,459,144
 Total fund balances	 <u>77,093,262</u>	 <u>76,915,292</u>	 <u>4,902</u>	 <u>154,013,456</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 98,949,492</u>	 <u>\$ 77,810,576</u>	 <u>\$ 4,902</u>	 <u>\$ 176,764,970</u>

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

BARTOW COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS

BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2022

Total fund balances - governmental funds		\$	154,013,456
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	\$	426,227,393	
Less accumulated depreciation		<u>(144,493,319)</u>	281,734,074
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			
Property taxes			421,760
The net pension liability is not expected to be paid with current financial resources and is therefore not reported in governmental funds.			
Net pension liability		(55,000,873)	
Deferred outflows of resources		47,113,972	
Deferred inflows of resources		<u>(81,354,352)</u>	(89,241,253)
The net other postemployment benefits liability is not expected to be paid with current financial resources and is therefore not reported in governmental funds.			
Net other postemployment benefits liability		(85,496,384)	
Deferred outflows of resources		24,318,939	
Deferred inflows of resources		<u>(49,052,820)</u>	(110,230,265)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Bonds payable		(54,830,000)	
Premium, net of amortization		(5,122,812)	
Accrued interest		(618,875)	
Compensated absences		(911,283)	
Claims liability		<u>(175,962)</u>	(61,658,932)
Net position of governmental activities		\$	<u>175,038,840</u>

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

BARTOW COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	District - Wide Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	\$ 69,500,026	\$ -	\$ -	\$ 69,500,026
Sales taxes	-	23,524,143	-	23,524,143
State funds	81,008,035	794,688	-	81,802,723
Federal funds	31,493,183	-	-	31,493,183
Investment income	48,595	43,936	20	92,551
Charges for services	3,125,211	-	-	3,125,211
Miscellaneous	5,099,431	-	-	5,099,431
Total revenues	<u>190,274,481</u>	<u>24,362,767</u>	<u>20</u>	<u>214,637,268</u>
EXPENDITURES				
Current:				
Instruction	113,352,002	-	-	113,352,002
Support services:				
Pupil services	6,905,167	-	-	6,905,167
Improvement of instructional services	3,628,152	-	-	3,628,152
Educational media services	2,232,807	-	-	2,232,807
Federal grant administration	303,774	-	-	303,774
General administration	986,038	-	-	986,038
School administration	10,867,914	-	-	10,867,914
Business administration	1,450,797	-	-	1,450,797
Maintenance and operation of facilities	11,340,636	-	-	11,340,636
Student transportation services	8,313,194	146,672	-	8,459,866
Central support services	2,245,048	-	-	2,245,048
Other support services	165,215	-	-	165,215
Food services operation	11,161,799	-	-	11,161,799
Capital outlay	-	5,128,173	-	5,128,173
Debt service:				
Principal retirement	-	-	9,360,000	9,360,000
Interest and fees	-	-	688,944	688,944
Cost of issuance	-	345,800	-	345,800
Total expenditures	<u>172,952,543</u>	<u>5,620,645</u>	<u>10,048,944</u>	<u>188,622,132</u>
Excess (deficiency) of revenues over expenditures	<u>17,321,938</u>	<u>18,742,122</u>	<u>(10,048,924)</u>	<u>26,015,136</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	10,048,500	10,048,500
Transfers out	-	(10,048,500)	-	(10,048,500)
Proceeds from sale of capital assets	103,220	-	-	103,220
Issuance of bonds	-	45,000,000	-	45,000,000
Premium on issuance of bonds	-	4,967,214	-	4,967,214
Total other financing sources (uses)	<u>103,220</u>	<u>39,918,714</u>	<u>10,048,500</u>	<u>50,070,434</u>
Net change in fund balances	17,425,158	58,660,836	(424)	76,085,570
FUND BALANCES, beginning of year	<u>59,668,104</u>	<u>18,254,456</u>	<u>5,326</u>	<u>77,927,886</u>
FUND BALANCES, end of year	<u>\$ 77,093,262</u>	<u>\$ 76,915,292</u>	<u>\$ 4,902</u>	<u>\$ 154,013,456</u>

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

BARTOW COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Net change in fund balances - total governmental funds	\$	76,085,570
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeded capital outlay in the current period is as follows:

Capital outlay	\$	10,988,176	
Depreciation expense		<u>(12,875,913)</u>	(1,887,737)

The net effect of miscellaneous transactions involving capital assets is as follows:

Net book value of capital assets disposed		<u>(43,571)</u>	(43,571)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Property taxes			(205,280)
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In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.

14,876,233

In the governmental funds, current year expenditures related to other postemployment benefits are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to other postemployment benefits include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of other postemployment benefits and related items.

3,575,772

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the principal repayment of long-term debt.

Payment of bonds	9,360,000		
Issuance of bonds	(45,000,000)		
Premium on issuance of bonds	(4,967,214)		(40,607,214)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of bond premium	462,768		
Change in claims payable	97,751		
Change in compensated absences	(60,672)		
Change in accrued interest	<u>(390,375)</u>		<u>109,472</u>

Change in net position of governmental activities	\$	<u>51,903,245</u>
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The accompanying notes are an integral part of these financial statements.

BARTOW COUNTY BOARD OF EDUCATION
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 63,340,000	\$ 68,724,000	\$ 69,500,026	\$ 776,026
State funds	73,276,269	79,563,120	81,008,035	1,444,915
Federal funds	24,439,960	49,552,513	31,493,183	(18,059,330)
Charges for services	721,376	630,926	3,125,211	2,494,285
Investment income	15,000	10,700	48,595	37,895
Miscellaneous	1,042,500	2,638,000	5,099,431	2,461,431
Total revenues	162,835,105	201,119,259	190,274,481	(10,844,778)
EXPENDITURES				
Current:				
Instruction	109,930,685	136,822,000	113,352,002	23,469,998
Support services:				
Pupil services	6,209,925	6,794,579	6,905,167	(110,588)
Improvement of instructional services	3,584,234	4,116,878	3,628,152	488,726
Educational media services	2,205,512	2,246,592	2,232,807	13,785
Federal grant administration	362,631	356,619	303,774	52,845
General administration	1,196,979	1,122,863	986,038	136,825
School administration	10,563,094	10,857,746	10,867,914	(10,168)
Business administration	1,266,227	1,281,227	1,450,797	(169,570)
Maintenance and operation of plant	11,299,468	12,122,097	11,340,636	781,461
Student transportation services	11,556,160	11,988,960	8,313,194	3,675,766
Central support services	2,373,197	2,415,497	2,245,048	170,449
Other support services	115,000	120,075	165,215	(45,140)
Food services operation	6,940,877	6,940,878	11,161,799	(4,220,921)
Total expenditures	167,603,989	197,186,011	172,952,543	24,233,468
Excess (deficiency) of revenues over expenditures	(4,768,884)	3,933,248	17,321,938	13,388,690
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	25,000	110,000	103,220	(6,780)
Total other financing sources	25,000	110,000	103,220	(6,780)
Net change in fund balances	(4,743,884)	4,043,248	17,425,158	13,381,910
FUND BALANCES, beginning of year	59,668,104	59,668,104	59,668,104	-
FUND BALANCES, end of year	\$ 54,924,220	\$ 63,711,352	\$ 77,093,262	\$ 13,381,910

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

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Bartow County Board of Education (School District) was established under the laws of the State of Georgia and operates under the guidance of a school board elected by the voters and a Superintendent appointed by the Board. The Board is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The School District's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements of the Bartow County Board of Education.

Government-wide Statements:

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

In the Statement of Net Position, equity is reported as net position and consists of net investment in capital assets, amounts restricted by outside parties for specific purposes and unrestricted amounts.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements:

The fund financial statements provide information about the School District's funds. Eliminations have been made to minimize the double counting of internal activities. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

- *General Fund* is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.
- *District-Wide Capital Projects Fund* accounts for financial resources including Special Purpose Local Option Sales Tax (SPLOST), bond proceeds and grants from the Georgia State Financing and Investment Commission to be used for the acquisition, construction or renovation of major capital facilities.
- *Debt Service Fund* accounts for accumulated resources legally restricted for the payment of general long-term debt principal, interest and paying agent's fees.

Basis of Accounting/Measurement Focus

The basis of accounting determines when transactions are reported on the financial statements. The District-wide governmental activities financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period; however, intergovernmental revenues reported in the governmental funds are considered to be available if they are collected within 120 days after year-end.

Property taxes, sales taxes, intergovernmental revenue, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and capital leases are reported as other financing sources.

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 School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

The State of Georgia reimburses the School District 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 School District 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 School District recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted net position available to finance the program. It is the School District's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

Cash and Cash Equivalents

COMPOSITION OF DEPOSITS

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Georgia Laws OCGA 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks or insured Federal savings and loan associations.

Investments

COMPOSITION OF INVESTMENTS

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. Both participating interest-earning contracts and money market investments with a maturity at purchase greater than one year are reported at fair value. The Official Code of Georgia Annotated Section 36-83-4 authorizes the School District to invest its funds. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. Funds may be invested in the following:

- (1) Obligations issued by the State of Georgia or by other states,
- (2) Obligations issued by the United States government,
- (3) Obligations fully insured or guaranteed by the United States government or a United States government agency,
- (4) Obligations of any corporation of the United States government,
- (5) Prime banker's acceptances,
- (6) The Local Government Investment Pool administered by the State Treasurer of the State of Georgia,
- (7) Repurchase agreements, and
- (8) Obligations of other political subdivisions of the State of Georgia.

The School District does not have a formal policy regarding investments that addresses credit risks, custodial credit risks, concentration of credit risks, interest rate risks or foreign currency risks.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on federal, state or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements are reported net of an allowance for uncollectible receivables when necessary.

Property Taxes

The Bartow County Tax Commissioner levied the property tax for the 2021 tax digest year (calendar year) on September 15, 2021 (levy date). Taxes were due on November 15, 2021 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2021 tax digest are reported as revenue in the governmental funds for fiscal year 2022. The Bartow County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2022, for maintenance and operations amounted to \$69,500,026. Allowances for uncollectible property taxes at June 30, 2022 for the School District's General Fund are \$61,363.

The Georgia Constitution, Article VIII, Section VI, Paragraph I requires the board of education of each school system to annually certify to its fiscal authority or authorities a school tax not greater than 20 mills per dollar for the support and maintenance of education. The Bartow County Board of Education is in compliance with this law. Tax millage rates levied for the 2021 tax year (calendar year) for the Bartow County Board of Education were as follows (a mill equals \$1 per thousand dollars of assessed value):

School Maintenance and Operations	18.65 mills
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Sales Taxes

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to \$23,524,143 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

CONSUMABLE SUPPLIES

On the basic financial statements, consumable supplies are reported at cost (first-in, first-out). The School District uses the consumption method to account for the consumable supplies inventory whereby an asset is recorded when supplies are purchased and expenses/expenditures are recorded at the time the supplies are consumed.

FOOD INVENTORIES

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their federally assigned value and purchased foods inventories are reported at cost (first-in, first-out). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

Prepaid Items

Payments made to vendors for services that will benefit periods subsequent to June 30, 2022, are recorded as prepaid items.

Capital Assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the District-wide financial statements, all purchased capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at estimated acquisition value. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art. Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capitalization thresholds and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
Land	All	N/A
Land Improvements	\$ 10,000	20-30 years
Buildings and Improvements	\$ 10,000	15-60 years
Equipment	\$ 10,000	5-20 years
Intangible Assets	\$ 10,000	5-20 years

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 School District has five (5) 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 School District's actual contributions to the pension plan during the fiscal year ended June 30, 2022 which are subsequent to the measurement date of the net pension liability and will be recognized in fiscal year 2023; (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 pension and OPEB actuarial assumptions which will be amortized over the remaining service period; (4) a deferred outflow of resources for the School District's actual contributions to the OPEB plan during the fiscal year ended June 30, 2022 which are subsequent to the measurement date of the net OPEB liability and will be recognized in fiscal year 2023; (5) a deferred outflow of resources for the change in the School District's proportionate share based on actual contributions towards the pension and OPEB plan, which will be amortized over the remaining service period.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences

Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the individual School Districts. Otherwise sick leave does not vest with the employee, and no liability is reported in the School District's financial statements.

Vacation leave of 10 days is awarded on a fiscal year basis to all full time personnel employed on a twelve month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 30 days. Vacation leave of 15 days is awarded on a fiscal year basis to the Superintendent and there are no limits on the amount that may be carried over.

General Obligation Bonds

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund existing general obligation bonds. Bond issuance costs are recognized in the financial statements during the fiscal year bonds are issued. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, the face amount of debt issued and any related premium, is reported as other financing sources. Issuance costs, whether or not withheld from actual proceeds, are reported as debt service expenditures.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows and inflows of resources, and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefits (OPEB)

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

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, 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 School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District 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 of Education through the adoption of a resolution. Only the Board of Education may modify or rescind the commitment, also through a resolution.
- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Education has authorized the Superintendent or his or her designee to assign fund balances.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The School District 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 School District’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

It is the goal of the School District to achieve and maintain a committed, assigned and unassigned fund balance in the General Fund at fiscal year-end of not less than 5% of budgeted expenditures and not to exceed 15% of the total budget of the subsequent fiscal year, in compliance with Official Code of Georgia annotated 20-2-167(a)5. If unassigned fund balance at fiscal year-end falls below the goal, the School District shall develop a restoration plan to achieve and maintain the minimum fund balance.

Net Position – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the School District 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 School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The School System adopts an annual budget for the General Fund and Debt Service Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167 and in accordance with U.S. generally accepted accounting principles. After the Board of Education has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget.

For the year ended June 30, 2022, expenditures exceeded the budget in the General Fund departments as follows:

General Fund:

Support services:

Pupil services	\$ 110,588
School administration	10,168
Business administration	169,570
Other support services	45,140
Food services operation	4,220,921

The excess of expenditures over budget that are noted above were primarily funded by savings in other functional expenditures.

Note 4: DEPOSITS AND INVESTMENTS

CATEGORIZATION OF INVESTMENTS

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 School District's investment in the Georgia Fund 1 is reported at fair value. The School District considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Georgia Fund 1	43 days	\$ 43,080,086

BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4: DEPOSITS AND INVESTMENTS (CONTINUED)

INTEREST RATE RISK

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

FAIR VALUE MEASUREMENTS

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Board will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2022, the financial institution holding some of the Board's deposits is a participant in the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of June 30, 2022, the Board's cash accounts were insured and/or collateralized as defined by GASB Standards.

Note 5: NON-MONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. For the year ended June 30, 2022, the commodities usage is recorded at their federally assigned value of \$605,315.

BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 6: RECEIVABLES

Receivables at June 30, 2022, for the School District's individual funds, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>District-Wide Capital Projects</u>	<u>Total</u>
Receivables:			
Taxes	\$ 1,695,803	\$ 2,357,075	\$ 4,052,878
Intergovernmental	21,245,948	-	21,245,948
Other	50,100	-	50,100
Gross receivables	22,991,851	2,357,075	25,348,926
Less allowance for uncollectibles	(61,363)	-	(61,363)
Net total receivables	<u>\$ 22,930,488</u>	<u>\$ 2,357,075</u>	<u>\$ 25,287,563</u>

Note 7: CAPITAL ASSETS

The following is a summary of changes in the capital assets during the fiscal year:

	<u>Balances July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balances June 30, 2022</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 16,631,988	\$ -	\$ -	\$ -	\$ 16,631,988
Construction in progress	3,208,623	2,845,993	-	(2,995,953)	3,058,663
Total	<u>19,840,611</u>	<u>2,845,993</u>	<u>-</u>	<u>(2,995,953)</u>	<u>19,690,651</u>
Capital assets, being depreciated:					
Building and improvements	344,464,269	891,302	(90,047)	1,614,820	346,880,344
Equipment	35,616,236	7,145,129	(551,092)	174,987	42,385,260
Land improvements	15,970,392	105,752	(11,152)	1,206,146	17,271,138
Total	<u>396,050,897</u>	<u>8,142,183</u>	<u>(652,291)</u>	<u>2,995,953</u>	<u>406,536,742</u>
Less accumulated depreciation for:					
Building and improvements	(96,348,257)	(8,407,066)	46,476	-	(104,708,847)
Equipment	(25,184,877)	(3,869,795)	551,092	-	(28,503,580)
Land improvements	(10,692,992)	(599,052)	11,152	-	(11,280,892)
Total	<u>(132,226,126)</u>	<u>(12,875,913)</u>	<u>608,720</u>	<u>-</u>	<u>(144,493,319)</u>
Total capital assets, being depreciated, net	<u>263,824,771</u>	<u>(4,733,730)</u>	<u>(43,571)</u>	<u>2,995,953</u>	<u>262,043,423</u>
Governmental activities capital assets, net	<u>\$ 283,665,382</u>	<u>\$ (1,887,737)</u>	<u>\$ (43,571)</u>	<u>\$ -</u>	<u>\$ 281,734,074</u>

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 7: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Instruction	\$ 9,781,154
Support Services:	
Pupil Services	43,253
Educational Media Services	592
General Administration	177,171
School Administration	186,097
Maintenance and Operation of Plant	1,838,247
Student Transportation Service	711,596
Operation of non instructional services:	
School Nutrition Program	137,803
	<u>\$ 12,875,913</u>

Note 8: TRANSFERS

Interfund transfers for the year ended June 30, 2022, consisted of the following:

<u>Transfer From</u>	<u>Transfers To</u>	<u>Amount</u>
District-Wide Capital Projects	Debt Service	\$ 10,048,500

Transfers are used to move SPLOST proceeds from the District-Wide Capital Projects Fund to the Debt Service Fund to fund debt service as allowed in the referendum.

BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 9: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; acts of God; and unemployment compensation.

The School District participates in the Georgia School Boards Association Risk and Insurance Management System, a public entity risk pool organized on July 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, or property damage, including safety engineering and other loss prevention and control techniques, and to administer one or more groups of self-insurance funds, including the processing and defense of claims brought against members of the system. The School District pays an annual premium to the system for its general insurance coverage.

The School District has established a limited risk management program for workers' compensation claims. In connection with this program, a self-insurance reserve has been established within the General Fund by the School District. The School District accounts for claims within the General Fund with expense/expenditures, and liability being reported when it is probably that a loss has occurred and the amount of that loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$350,000 loss per occurrence, up to the statutory limit.

For purposes of estimating the unpaid claims liability as of June 30, 2022, the School District's third party administrator calculated the reserve liability based on the estimated costs of each outstanding claim, and an estimate for incurred by not reported claims, from claims experience for like claims.

Changes in the workers' compensation claims liability during the last two fiscal years are as follows:

	Beginning of Year	Claims and Changes in Estimates	Claims Paid	End of Year	Due Within One Year
2021	\$ 391,916	\$ 62,710	\$ 180,913	\$ 273,713	\$ 205,284
2022	\$ 273,713	\$ 116,338	\$ 214,089	\$ 175,962	\$ 131,972

The School District has purchased surety bonds to provide additional insurance coverage as follows:

Superintendent	\$ 150,000
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BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 9: RISK MANAGEMENT (CONTINUED)

The School District is self-insured with regard to unemployment compensation claims. A premium is charged when needed by the General Fund to each user program on the basis of the percentage of the fund's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. The School District accounts for claims within the General Fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

Changes in the unemployment compensation claims liability during the last two fiscal years are as follows:

	<u>Beginning of Year</u>	<u>Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year</u>
2021	\$ -	\$ 91	\$ 91	\$ -
2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 10: LONG-TERM DEBT

COMPENSATED ABSENCES

Compensated absences represent obligations of the School District relating to employees' rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Typically, the General Fund is the fund used to liquidate this long-term debt. The School District uses the vesting method to compute compensated absences.

BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 10: LONG-TERM DEBT (CONTINUED)

GENERAL OBLIGATION DEBT OUTSTANDING

General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rates	Balance at June 30, 2022
General Government - Series 2016	2.00% - 5.00%	\$ 9,830,000
General Government - Series 2022	5.00%	45,000,000

The changes in long-term obligations during the fiscal year ended June 30, 2022, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 19,190,000	\$ 45,000,000	\$ (9,360,000)	\$ 54,830,000	\$ 9,830,000
Unamortized bond premium	618,366	4,967,214	(462,768)	5,122,812	-
Total bonds payable	19,808,366	49,967,214	(9,822,768)	59,952,812	9,830,000
Claims payable	273,713	116,338	(214,089)	175,962	131,972
Net pension liability	145,850,733	12,913,015	(103,762,875)	55,000,873	-
Net OPEB liability	112,319,558	3,960,964	(30,784,138)	85,496,384	-
Compensated absences	850,611	347,279	(286,607)	911,283	307,050
Governmental activity					
Long-term liabilities	\$ 279,102,981	\$ 67,304,810	\$ (144,870,477)	\$ 201,537,314	\$ 10,269,022

The net pension liability, net OPEB liability, and claims payable typically have been paid from the General Fund.

In fiscal year 2016, the School District issued \$45,000,000 of Series 2016 General Obligation Bonds for the purpose of financing the costs of acquiring, constructing, and equipping a new elementary school and a new transportation and maintenance facility, adding to, renovating, repairing, equipping, and improving existing school facilities and acquiring instructional and administrative technology improvements and school buses and other vehicles.

In fiscal year 2022, the School District issued \$45,000,000 of Series 2022 General Obligation Bonds for the purpose of financing the costs of acquiring, constructing, and equipping a new elementary school and a new transportation and maintenance facility, adding to, renovating, repairing, equipping, and improving existing school facilities and acquiring instructional and administrative technology improvements and school buses and other vehicles.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 10: LONG-TERM DEBT (CONTINUED)

At June 30, 2022, payments due by fiscal year, which includes principal and interest, for these items are as follows:

Fiscal Year Ending June 30	General Obligation Bonds	
	Principal	Interest
2023	\$ 9,830,000	\$ 2,362,750
2024	8,325,000	2,041,875
2025	8,570,000	1,619,500
2026	8,915,000	1,182,375
2027	9,360,000	725,500
2028	9,830,000	245,750
	<u>\$ 54,830,000</u>	<u>\$ 8,177,750</u>

Note 11: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of \$335,700 for retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education

Paid to the Teachers Retirement System
for Teachers Retirement (TRS)
in the amount of \$69,146

State Treasurer of the State of Georgia

Paid to the Public School Employees Retirement System
for Public School Employees Retirement (PSERS) Employer's Cost
in the amount of \$266,554

Note 12: CONTINGENCIES

Amounts received or receivable principally from the federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. The School District believes that such disallowances, if any, will be immaterial to its overall financial position.

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable, but is not believed to be material to the basic financial statements.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 13: SIGNIFICANT COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2022:

<u>Project</u>	
Cass Middle Roof Replacement	\$ 89,788
CO Renovations- annex & main	98,113

The amounts described in this note are not reflected as liabilities in the basic financial statements.

Note 14: RETIREMENT PLANS

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

Plan description: All teachers of the School District 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.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 14: RETIREMENT PLANS (CONTINUED)

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

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 2022. The School District's contractually required contribution rate for the year ended June 30, 2022 was 19.81% of annual School District payroll, excluding payroll attributable to those personnel funded on behalf of the School District by the State. School District contributions to TRS were \$17,000,775 for the year ended June 30, 2022.

At June 30, 2022, the School District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

District's proportionate share of the net pension liability	\$ 55,000,873
State of Georgia's proportionate share of the net pension liability associated with the District	<u>223,054</u>
Total	<u><u>\$ 55,223,927</u></u>

The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2021. At June 30, 2021, the School District's proportion was 0.621877%, which was an increase of 0.019783% from its proportion measured as of June 30, 2020.

BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 14: RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2022, the School District recognized pension expense of \$2,124,542 and revenue of \$48,090 for support provided by the State of Georgia for certain support personnel. At June 30, 2022, the School District 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
Differences between expected and actual experience	\$ 13,124,957	\$ -
Net difference between projected and actual earnings on pension plan investments	-	80,450,741
Changes in proportion and differences between District contributions and proportionate share of contributions	6,342,999	903,611
Actuarial assumption changes	10,645,241	-
District contributions subsequent to the measurement date	17,000,775	-
Total	<u>\$ 47,113,972</u>	<u>\$ 81,354,352</u>

School District contributions subsequent to the measurement date of \$17,000,775 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2023	\$ (9,469,207)
2024	(8,549,610)
2025	(13,978,491)
2026	(19,243,847)
Total	<u>\$ (51,241,155)</u>

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 14: RETIREMENT PLANS (CONTINUED)

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

Actuarial assumptions: The total pension liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 14: 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%	(0.80)%
Domestic large equities	46.30	9.30
Domestic small equities	1.20	13.30
International developed market equities	11.50	9.30
International emerging market equities	6.00	11.30
Alternatives	5.00	10.60
Total	<u>100.00%</u>	

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

Discount rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 14: RETIREMENT PLANS (CONTINUED)

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

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

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 148,157,780	\$ 55,000,873	\$ (21,334,784)

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 publicly available at www.trsga.com/publications.

PAYABLES TO THE PENSION PLAN

As of June 30, 2022, the School District is reporting \$5,118,880 in accrued benefits payable for the Teachers Retirement System Plan.

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

Plan description: PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 14: RETIREMENT PLANS (CONTINUED)

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

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

Upon retirement, the member will receive a monthly benefit of \$15.50, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

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, 2022, the School District 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 School District is as follows:

State of Georgia's proportionate share of the Net	
Pension Liability associated with the School District	\$ <u>225,782</u>

The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2021.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 14: RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2022, the School District recognized pension expense of \$2,374 and revenue of \$2,374 for support provided by the State of Georgia.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Postretirement benefit increase	1.50% semi-annually

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for postretirement mortality assumptions as follows:

<u>Participant Type</u>	<u>Membership Table</u>	<u>Set Forward (+)/ Setback (-)</u>	<u>Adjustment to Rates</u>
Service Retirees	General Healthy Below-Median Annuitant	Male: +2; Female: +2	Male: 101%; Female: 103%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Below-Median Contingent Survivors	Male: +2; Female: +2	Male: 104%; Female: 99%

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019, with the exception of the assumed investment rate of return.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 14: RETIREMENT PLANS (CONTINUED)

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

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(1.50)%
Domestic large stocks	46.40	9.20
Domestic small stocks	1.10	13.40
International developed market stocks	11.70	9.20
International emerging market stocks	5.80	10.40
Alternatives	5.00	10.60
Total	100.00%	

* Net of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.00%. 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.

BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 15: POSTEMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND

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

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

Contributions: As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the School District were \$2,931,880 for the year ended June 30, 2022. Active employees are not required to contribute to the School OPEB Fund.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 15: POSTEMPLOYMENT BENEFITS (CONTINUED)

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

At June 30, 2022, the School District reported a liability of \$85,496,384 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020. An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2021. At June 30, 2021, the School District's proportion was 0.789380%, which was an increase of 0.024660% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized OPEB expense of (\$644,902). At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 135,570
Differences between expected and actual experience	-	39,037,378
Changes in proportion and differences between District contributions and proportionate share of contributions	5,731,352	2,903,421
Changes in plan assumptions	15,655,707	6,976,451
District contributions subsequent to the measurement date	2,931,880	-
Total	<u>\$ 24,318,939</u>	<u>\$ 49,052,820</u>

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 15: POSTEMPLOYMENT BENEFITS (CONTINUED)

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

School District contributions subsequent to the measurement date of \$2,931,880 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2023	\$ (8,023,928)
2024	(7,145,847)
2025	(4,627,943)
2026	(2,560,653)
2027	(4,031,047)
2028	(1,276,343)
Total	<u><u>\$ (27,665,761)</u></u>

Actuarial assumptions:

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

Inflation	2.50%
Salary Increases	3.00-8.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate:	
Pre-Medicare eligible	6.75%
Medicare eligible	5.13%
Ultimate trend rate	
Pre-Medicare eligible	4.50%
Medicare eligible	4.50%
Year of ultimate trend rate	
Pre-Medicare eligible	2029
Medicare eligible	2023

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 15: POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Mortality rates were based as follows:

- For TRS members: The Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table projected generationally with MP-2019 projection scale (set forward one year and adjusted 106%) is used for death prior to retirement and for service retirements and beneficiaries. The Pub-2010 Teachers Mortality Table for Disabled Retirees projected generationally with MP-2019 Projection scale (set forward one year and adjusted 106%) is used for disability retirements. For both, rates of improvement were reduced by 20% for all years prior to the ultimate rate.
- For PSERS members: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projections scale applied generationally. Postretirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projections scaled applied generationally. Postretirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 106% for males and 158% for females) with the MP-2019 Project scale applied generationally.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the pension systems, which covered the period ending July 1, 2013 – June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

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

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 15: POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	0.14%
Equities	70.00%	9.20%
Total	100.00%	

*Net of Inflation

Discount rate:

The discount rate was 2.20%, a decrease from the prior year's rate of 2.22%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 2.22% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (2.16% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2145.

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 15: POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 2.20%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.20%) or 1-percentage-point higher (3.20%) than the current rate:

	1% Decrease (1.20%)	Current discount rate (2.20%)	1% Increase (3.20%)
District's proportionate share of the net OPEB liability	\$ 97,741,542	\$ 85,496,384	\$ 75,246,029

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

The following presents the School District's proportionate share of the net OPEB liability, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1% Decrease	Current Healthcare cost trend rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 72,546,997	\$ 85,496,384	\$ 101,684,137

**BARTOW COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 16: TAX ABATEMENTS

For the year ended June 30, 2022, School District property tax revenues were reduced by \$2,824,778 under agreements entered into by the Bartow-Cartersville Joint Development Authority, Bartow-Cartersville Second Joint Development Authority and Development Authority of Bartow County. Under the agreements, taxes on both real property and personal property are reduced based on jobs created and investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

II. REQUIRED SUPPLEMENTARY INFORMATION

BARTOW COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2022	2021	2020	2019	2018
School District's proportion of the net pension liability	0.621877%	0.602094%	0.574118%	0.571256%	0.591914%
School District's proportionate share of the net pension liability	\$ 55,000,873	\$ 145,850,733	\$ 123,450,894	\$ 106,037,350	\$ 110,009,040
State of Georgia's proportionate share of the net pension liability associated with the School District	223,054	681,419	605,086	513,429	606,624
Total	<u>\$ 55,223,927</u>	<u>\$ 146,532,152</u>	<u>\$ 124,055,980</u>	<u>\$ 106,550,779</u>	<u>\$ 110,615,664</u>
School District's covered payroll	\$ 80,911,558	\$ 77,626,850	\$ 70,065,933	\$ 68,040,333	\$ 67,965,494
School District's proportionate share of the net pension liability as a percentage of its covered payroll	67.98%	187.89%	176.19%	155.84%	161.86%
Plan fiduciary net position as a percentage of the total pension liability	92.03%	77.01%	78.56%	80.27%	79.33%
	2017	2016	2015		
School District's proportion of the net pension liability	0.626095%	0.661820%	0.678905%		
School District's proportionate share of the net pension liability	\$ 129,170,379	\$ 100,755,523	\$ 85,770,692		
State of Georgia's proportionate share of the net pension liability associated with the School District	849,383	624,489	480,080		
Total	<u>\$ 130,019,762</u>	<u>\$ 101,380,012</u>	<u>\$ 86,250,772</u>		
School District's covered payroll	\$ 68,676,391	\$ 69,858,943	\$ 69,261,759		
School District's proportionate share of the net pension liability as a percentage of its covered payroll	188.09%	144.23%	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.

**BARTOW COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30**

	2022	2021	2020	2019	2018
Contractually required contributions	\$ 17,000,775	\$ 15,421,743	\$ 16,410,316	\$ 14,643,780	\$ 11,437,580
Contributions in relation to the contractually required contributions	17,000,775	15,421,743	16,410,316	14,643,780	11,437,580
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 85,819,157	\$ 80,911,558	\$ 77,626,850	\$ 70,065,933	\$ 68,040,333
Contributions as a percentage of covered payroll	19.81%	19.06%	21.14%	20.90%	16.81%
Contractually required contributions	2017	2016	2015	2014	
	<u>\$ 9,698,676</u>	<u>\$ 9,800,121</u>	<u>\$ 9,186,451</u>	<u>\$ 8,505,344</u>	
Contributions in relation to the contractually required contributions	9,698,676	9,800,121	9,186,451	8,505,344	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
School District's covered payroll	\$ 67,965,494	\$ 68,676,391	\$ 69,858,943	\$ 69,261,759	
Contributions as a percentage of covered payroll	14.27%	14.27%	13.15%	12.28%	

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

BARTOW COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	<u>225,782</u>	<u>1,625,757</u>	<u>1,431,599</u>	<u>1,184,536</u>	<u>1,159,938</u>
Total	<u>\$ 225,782</u>	<u>\$ 1,625,757</u>	<u>\$ 1,431,599</u>	<u>\$ 1,184,536</u>	<u>\$ 1,159,938</u>
School District's covered-employee payroll	\$ 5,806,776	\$ 5,749,360	\$ 4,295,038	\$ 3,866,562	\$ 3,552,767
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	98.00%	84.45%	85.02%	85.26%	85.69%
	<u>2017</u>	<u>2016</u>	<u>2015</u>		
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%		
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -		
State of Georgia's proportionate share of the net pension liability associated with the School District	<u>1,562,595</u>	<u>1,043,767</u>	<u>982,468</u>		
Total	<u>\$ 1,562,595</u>	<u>\$ 1,043,767</u>	<u>\$ 982,468</u>		
School District's covered-employee payroll	\$ 3,597,411	\$ 3,843,350	\$ 4,097,052		
School 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.

BARTOW COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY

SCHOOL OPEB FUND

FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School District's proportion of the net OPEB liability	0.789380%	0.764720%	0.739165%	0.741811%	0.773331%
School District's proportionate share of the net OPEB liability	<u>\$ 85,496,384</u>	<u>\$ 112,319,558</u>	<u>\$ 90,711,404</u>	<u>\$ 94,281,901</u>	<u>\$ 108,652,694</u>
Total	<u><u>\$ 85,496,384</u></u>	<u><u>\$ 112,319,558</u></u>	<u><u>\$ 90,711,404</u></u>	<u><u>\$ 94,281,901</u></u>	<u><u>\$ 108,652,694</u></u>
School District's covered-employee payroll	\$ 71,605,294	\$ 68,983,026	\$ 63,484,041	\$ 62,158,545	\$ 61,620,120
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	119.40%	162.82%	142.89%	151.68%	176.33%
Plan fiduciary net position as a percentage of the total OPEB liability	6.14%	3.99%	4.63%	2.93%	1.61%

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

BARTOW COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 2,931,880	\$ 2,936,359	\$ 2,586,103	\$ 3,980,918	\$ 3,844,738
Contributions in relation to the contractually required contributions	<u>2,931,880</u>	<u>2,936,359</u>	<u>2,586,103</u>	<u>3,980,918</u>	<u>3,844,738</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	\$ 76,313,704	\$ 71,605,294	\$ 68,983,026	\$ 63,484,041	\$ 62,158,545
Contributions as a percentage of covered-employee payroll	3.842%	4.101%	3.749%	6.271%	6.185%

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

BARTOW COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Teachers Retirement System of Georgia:

Changes of assumptions: 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).

On May 15, 2019, the Board adopted recommended changes from the smoothed valuation interest rate methodology that has been in effect since June 30, 2009, to a constant interest rate method. In conjunction with the methodology, the long-term assumed rate of return in assets (discount rate) has been changed from 7.50% to 7.25%, and the assumed annual rate of inflation has been reduced from 2.75% to 2.50%.

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

Public Schools Employees Retirement System of Georgia:

Changes of assumptions: 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).

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on December 17, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumption utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

School OPEB Fund:

Changes of benefit terms: There have been no changes in benefit terms.

Changes in assumptions: June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees' Retirement System's experience study. Approximately 0.10% of employees are members of the Employees' Retirement System.

June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement Systems experience study.

June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%.

June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.

June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect Retirement Systems' experience studies.

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

The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018, back to 3.58% of June 30, 2019, and to 2.22% as of June 30, 2020.

III. OTHER SUPPLEMENTARY INFORMATION

BARTOW COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Project	Original Estimated Cost(1)	Current Estimated Cost(2)	Expended In Current Year (3)	Expended In Prior Years (3)	Total Completion Cost	Project Status
SPLOST Issue 2016:						
Acquiring, constructing, and equipping one replacement elementary school and a new transportation and maintenance facility, acquiring land for future schools, instructional and administrative technology improvements (including necessary software), and school buses and other vehicles, adding to, renovating, repairing, improving, and equipping existing school buildings, athletic facilities, and other buildings and facilities useful or desirable in connection therewith, and acquiring any necessary property thereof, both real and personal.	\$ 111,000,000	\$ 111,000,000	\$ 5,168,656	\$ 75,866,091	\$ 81,034,747	Ongoing
Total SPLOST Issue 2016	111,000,000	111,000,000	5,168,656	75,866,091	81,034,747	
Total	\$ 111,000,000	\$ 111,000,000	\$ 5,168,656	\$ 75,866,091	\$ 81,034,747	

- (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. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

IV. SINGLE AUDIT SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

**To the Superintendent and Members of
the Bartow County 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 and each major fund of the Bartow County Board of Education, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Bartow County Board of Education's basic financial statements, and have issued our report thereon dated March 28, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bartow County Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 28, 2023

**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 Bartow County Board of Education
Cartersville, Georgia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Bartow County Board of Education's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Bartow County Board of Education's major federal programs for the year ended June 30, 2022. The Bartow County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Bartow County Board of Education's 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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Bartow County Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Bartow County Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Bartow County Board of Education's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Bartow County Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Bartow County Board of Education's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Bartow County Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Bartow County Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Bartow County Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
March 28, 2023

BARTOW COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass Through Entity Identifying Number	Total Expenditures
U. S. DEPARTMENT OF AGRICULTURE			
Passed through Georgia Department of Education:			
Child Nutrition Cluster			
School Breakfast Program - Cash Assistance	10.553	215GA324N1199	\$ 2,338,041
National School Lunch Program:			
Non-Cash Assistance - Commodities (1)	10.555	215GA324N1199	605,315
Cash Assistance	10.555	215GA324N1199	6,808,910
School Snack Program	10.555	215GA324N1199	150,369
COVID-19 - Supply Chain Assistance Grant	10.555	215GA100H1703	285,568
COVID-19 - Child Nutrition Emergency Operational Costs Reimbursement Program	10.555	215GA100H1703	43,704
Total Child Nutrition Cluster			<u>10,231,907</u>
Total U. S. Department of Agriculture			<u>10,231,907</u>
U. S. DEPARTMENT OF DEFENSE			
Junior R.O.T.C.	12.Unknown	N/A	136,031
Total U. S. Department of Defense			<u>136,031</u>
U. S. DEPARTMENT OF EDUCATION			
Passed through the Georgia Department of Education:			
Striving Readers	84.371	S371C210002	<u>1,679,597</u>
Title I, Part A - Local Education Agency	84.010	S010A210010	<u>2,894,046</u>
Title II-A Program			
Title II-A - Improving Teacher Quality	84.367	S367A210001	1,920
Title II-A - Advanced Placement	84.367	S367A210001	450,193
Total Title II-A Program			<u>452,113</u>
Special Education Cluster (IDEA)			
Title VI-B Preschool	84.173	H173A210081	83,571
COVID-19: IDEA Special Education Ages 3 to 5 ARPA	84.173X	H173X210081	36,138
Title VI-B Flowthrough	84.027	H027A210073	2,412,541
High Cost Fund Pool	84.027	H027A210073	96,293
Parent Mentor	84.027	H027A210073	14,348
COVID-19: IDEA Supplemental Relief	84.027	H027A200073	1,543
COVID-19: IDEA Special Education Flow-Through ARPA	84.027X	H027X210073	534,181
Total Special Education Cluster (IDEA)			<u>3,178,615</u>
Title III Program			
Title III - Limited English Proficient	84.365	S365A210010	107,930
Title III-A - Language Instruction for Immigrant Students	84.365	S365A210010	31,368
Total Title III Program			<u>139,298</u>

(Continued)

BARTOW COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass Through Entity Identifying Number	Total Expenditures
U. S. DEPARTMENT OF EDUCATION (Continued):			
Passed through Georgia Department of Education (continued):			
Education for the Homeless Children and Youth	84.196	S196A210011	\$ 65,243
Vocational Education - Program Improvement	84.048	V048A210010	148,273
Title IV - Part A Student Support and Academic Enrichment	84.424	S424A210011	168,338
Title IV - Part A Student Support and Academic Enrichment	84.424	S424A200011	39,372
Total Title IV Program			207,710
Elementary and Secondary School Emergency Relief Fund (ESSER) Program			
COVID-19: ESSER II - CARES ACT - CTAE Extended Day	84.425D	S425D200012	5,677
COVID-19: ESSER I - School Nursing Grant	84.425D	S425D200012	28,525
COVID-19: ESSER II-CRRSA ACT - LEA	84.425D	S425D200012	4,778,186
COVID-19: ESSER III	84.425U	S425U200012	7,394,158
COVID-19: ESSER III - Opportunity Grants	84.425U	S425U200012	633
COVID-19: ESSER DECAL Educator Bonus	84.425U	S425U200012	81,160
COVID-19: ESSER ARP - Homeless Children and Youth II	84.425W	S425W200012	26,122
Total Elementary and Secondary School Emergency Relief Fund (ESSER) Program			12,314,461
Total Passed Through Georgia Department of Education			21,079,356
Total U. S. Department of Education			21,079,356
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Georgia Department of Behavioral Health and Development Disabilities:			
Substance Abuse Block Grant	93.959	DBH0000503	45,889
Total U. S. Department of Health and Human Services			45,889
Total Expenditures of Federal Awards			\$ 31,493,183

(1) 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 system during the current fiscal year.

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

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

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Award*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

BARTOW COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

___ yes X no

Significant deficiencies identified?

___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal Awards

Internal Control over major federal programs:
Material weaknesses identified?

___ yes X no

Significant deficiencies identified?

___ yes X none reported

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

Unmodified

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

___ yes X no

Identification of major program:

Name of Federal Program or Cluster
Title I, Part A Program
COVID-19: Elementary & Secondary School Emergency Relief Fund Program

Assistance Listing Number
84.010

84.425D, 84.425U & 84.425W

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

\$944,975

Auditee qualified as low-risk auditee?

X yes ___ no

BARTOW COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

BARTOW COUNTY BOARD OF EDUCATION

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

STATUS OF PRIOR YEAR FINDINGS

None reported