CITY OF CARTERSVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The

Fiscal Year Ended June 30, 2010

Thomas C. Rhinehart

Finance Director

By Authority of

Mayor and Council

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INTRODUCTORY SECTION

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City of Cartersville

December 29, 2010

To the Honorable Mayor, Members of the City Council
And Citizens of the City of Cartersville

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Cartersville, Georgia, for the fiscal year ended June 30, 2010. The financial statements and related notes have been audited by Williamson & Company, CPA's, a firm of licensed certified public accountants whose report is included herein. This audit satisfies Article IV, Section 4.09 of the City Charter, which requires an annual audit of all accounts of the City by an independent Certified Public Accountant. The report was prepared by the Finance Department, with the assistance of the Administration Department and in close cooperation with the external auditors. It represents the official report of the City's financial operations and condition to the citizens, City Council, City management, rating agencies, and other interested persons.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material respects and are presented in a manner which fairly sets forth the financial position and results of operations of the City on a government-wide and fund basis. Furthermore, we believe all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). GASB Statement No. 34 entitled *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments"* requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

Profile of the Government

Cartersville, the county seat of Bartow County, was incorporated on February 1, 1850 and operates under a revised charter adopted March 28, 1974. The City is located approximately 42 miles northwest of Atlanta and has an incorporated area of approximately twenty-one square miles. Highways serving the City are U.S. 41 and 411, State Highways 20, 61, 113, and 293, and Interstate 75. The City has an excellent climate with average annual rainfall of 54 inches and average annual temperature of 79.4° Fahrenheit high and 42.7° Fahrenheit low. Average humidity is 69.6 percent.

The City is governed by a Mayor and a City Council comprised of seven members. The Mayor is elected citywide every two years for a two-year term. Council members are elected from each of the six wards of the City. Council members are elected for four-year terms, three council members every two years. In 1918 the City adopted the City Manager form of government and was the first city in the state to do so. The City Manager is appointed by the Mayor and Council.

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The Reporting Entity

The accompanying CAFR includes all governmental activities, organizations, and functions for which the City is financially accountable. The criteria considered in determining the activities to be reported within the City's financial statements include: 1) whether an organization is part of the City's legal entity, or 2) whether the City appoints the voting majority of the organization's governing body, and either a) the City is able to impose its will on the organization, or b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. In addition, an organization may be fiscally dependent on the City and also included in its reporting entity. These criteria are based upon, and are consistent with, those set forth in the Codification of Governmental Accounting Standards, Section 2100, "Defining the Financial Reporting Entity".

The City provides a full range of municipal government and utility services. Included in these services are traditional city functions such as police and fire protection, highway and street maintenance, culture and recreation, public improvements, planning and zoning, and general administrative services. In addition to general government activities, the City has several enterprise operations including electric, gas, sanitation, water and sewer, stormwater and fiber optic services. These services are enjoyed by the citizens and transients of the City. Furthermore, the City exercises fiduciary responsibility for the Cartersville Pension Fund, which exists to exclusively serve or benefit the City's employees, retirees, and their beneficiaries and is included in the City's reporting entity.

Other legally separate entities, known as component units, are also included in the City's reporting entity based on the criteria discussed above:

City School Board - independent K – 12th grade school system that serves children inside the City of Cartersville and other students from outside the school district who pay a tuition fee.

Downtown Development Authority – an organization that works to develop, revitalize and promote downtown Cartersville.

Cartersville Building Authority – created in May 2003 to issue debt for City construction projects.

Related organizations not included as part of the reporting entity are the Etowah Area Consolidated Housing Authority, which provides low-income housing to City residents, the Cartersville Development Authority and the Development Authority of Cartersville, both of which promote development of industrial and manufacturing activities. The Joint Cartersville-Bartow County Regional Industrial Development Authority was created to promote development of industrial and manufacturing activities in Cartersville and Bartow County. The reason for not including these entities is that the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for these organizations.

Local Economy

Even through the major recession our State and Nation is experiencing, the City of Cartersville remains in good financial condition, as is demonstrated by the financial statements and schedules included in this report. The net digest of taxable property for fiscal year 2010 increased by 1.2% over the 2009 valuation, allowing property taxes to increase by $17,000. The business environment outlook for Cartersville continues to be favorable as industries, like Toyo Tire, which opened in 2005, completed a plant expansion that enabled the plant to go to full production capacity. New chain restaurants like Chili's and International House of Pancakes along with Kohl's department store have opened in recent years. Although the construction industry as a whole was not real lucrative, this fiscal year saw the opening of the Microtel Inn and Suites along with the Hilton Garden Inn. In addition, two CVS Drug Stores, an Arby's restaurant, and another Zaxby's restaurant opened for business. These new industries, stores, restaurants, and lodging

facilities will bring in tourists and jobs, and help grow the sales tax base, utility revenue, as well increase the property tax base.

As the Council was considering the fiscal year 2010 adopted budget, the City prepared for a continued economic slowdown by planning for minimal growth in the local sales tax base. With this in mind, department heads were instructed to take a conservative approach at revenue and expenditure projections. As shown in the annual financial report, City management and staff continued to find ways to keep expenses to a minimum while still continuing to provide quality services and to meet the needs of our citizens.

The current economic recession has impacted the unemployment rate for Cartersville as Bartow County's unemployment rate decreased by 0.6% to 11.9% in June 2010 from the prior year. Although the decrease in unemployment affects some City revenue, the City has a diversified economic base which supports several nationally known companies, including Anheuser-Busch, brewery plant; Shaw Industries, carpet manufacturer; Toyo Tire Company, tire manufacturer; as well as other smaller commercial and industrial companies which has allowed the City to weather the current recession. The diversified economic base and continued growth in restaurants, retail operations, and lodging facilities allows Cartersville to survive even during the tough economic times as we have seen local option sales tax collections decrease over the prior fiscal year and property tax and utility collections to remain relatively consistent with prior years.

Some of the reasons that these enterprises chose Cartersville as a local or regional business center includes: the City's strategic Southeast location, convenience to local and national highways, rail and air transportation, city owned utilities at low rates, abundant labor, educational and cultural resources, and overall quality of life.

Long-term Financial Planning

As detailed within the following financial statements, the unreserved, undesignated fund balance in the general fund is $5,009,947 at year end or 21.4% of total city-related general fund revenues of $23.4 million. The current total fund balance has increased over last year by $1.2 million and is still below guidelines set by the Council for budgetary and planning purposes. City management continues to emphasize the importance of a strong financial position and intends to improve the undesignated fund balance in the general fund by maintaining a balanced budget, and reviewing revenues and expenses monthly to ensure that city departments are operating in an efficient manner. Once the economic downturn is over, City staff intends to once again improve the unreserved fund balance in the general fund.

A significant part of the long-term financial planning process for the city includes laying the foundation for the city both short-term and long-term. In order to build for the future of the city, the City Council, City Manager and staff have an annual retreat to plan for and address the short-term and long-term needs of our citizens. Economic development is one area that City Council and management have placed a strong emphasis on and several years ago we partnered with Bartow County to create and share funding for a Joint Development Authority. This Authority has helped to bring new jobs to the area and is currently working to develop a new industrial park for new industries to locate in. The annual funding required by the city for the Joint Development Authority and industrial park development has decreased to under $200,000 and has been funded through existing revenue sources. The long-term benefits of this Authority to the city will be more jobs for local residents, increased property and sales taxes, and additional utility revenues.

Cartersville's strengths continue to be the ones that led to growth in the past: local ownership of electric, gas, water and sewer, solid waste and fiber optic services, a highly capable and educated workforce, strong community involvement and a superior quality of life.

FINANCIAL INFORMATION

Accounting Systems and Budgetary Control

In developing and evaluating the City's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance that:

Transactions are executed in accordance with management's general or specific authorization.

Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability for assets.

Access to assets is permitted only in accordance with management's authorization.

The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The City's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. Reasonable assurance recognizes that the cost of a control should not exceed the expected benefit.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The official level of City budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the activity (department) level. The City Manager and all department heads are provided with monthly budget reports showing appropriations, expenditures to date, remaining balances and percentages. The City's budget procedures are more fully explained in the accompanying Notes to the Financial Statements.

Pension Trust Fund

The Pension Trust Fund is used to account for assets held by the City in a trustee capacity, contributions from employees and the City's operating funds, investment earnings and benefit payments to retired City personnel. The City is responsible for funding liabilities of the plan based upon actuarial valuations. At January 1, 2010, the City's pension plan had net assets of $23.0 million. In order to obtain the highest possible yield on pension assets, substantially all of the assets are managed with a private investment company. Further details concerning pension expenses, vested benefits, and actuarial assumptions are included in the Notes to the Financial Statements.

Cash Management

The objectives of the City's Investment Policy, in order of priority, are: safety of principal, liquidity, and return on investment. The cash management program maximizes the use of idle funds by investing balances until needed. The City invests in fully insured or collateralized Money Market Accounts, Treasury Bills and Treasury Bonds. It is the City's policy to require that all uninsured amounts are fully collateralized with securities held by the City, by an agent in the City's name or in the agent's pooled collateral accounts.

For the fiscal year ended June 30, 2010, the City's cash management program (excluding the Pension Trust Fund) earned $364,353.

Risk Management

The City maintains one internal service fund to account for its risk of loss associated with torts and employee and workers compensation benefits. The City is self-insured for liabilities related to dental, medical and workers compensation benefits. In order to limit exposure, the City has purchased "excess coverage" for health and workers compensation. The City purchases commercial insurance coverage for property loss or damage, commercial crime, fidelity bonds and utility operations. The City does not participate in a risk pool. Liabilities are reported when it is probable that a loss has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated based on outstanding claims.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit by independent certified public accountants. The accounting firm of Williamson & Company was selected by the City Council. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the general-purpose financial statements and combining and individual fund statements is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in the last section of this report.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cartersville for its comprehensive annual financial report for the year ended June 30, 2009. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

We wish to take this opportunity to thank the Mayor and Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. In closing, the preparation of this report on a timely basis could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department who assisted and contributed to its preparation.

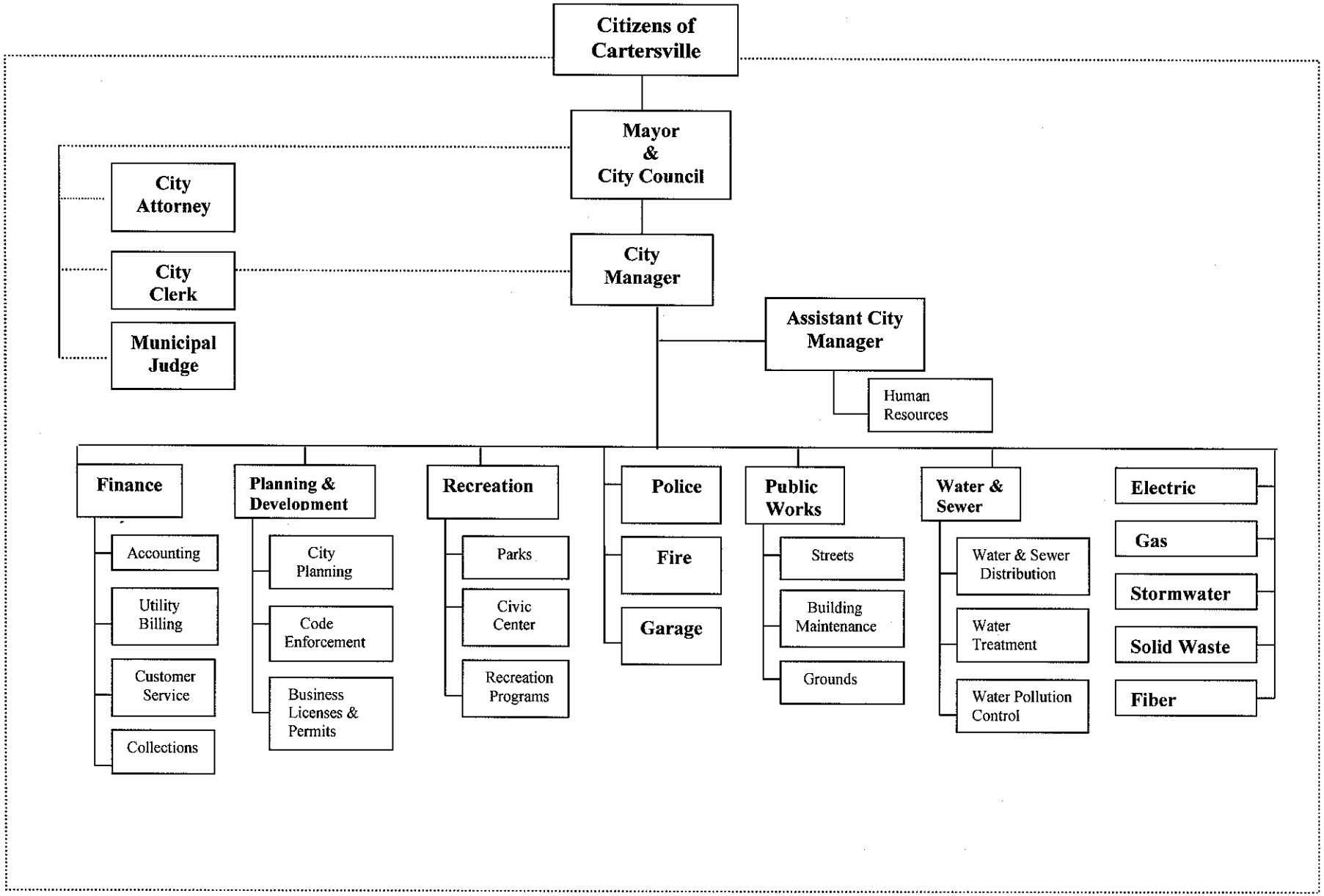
Respectfully submitted,

Samuel E. Grove
City Manager

Thomas C. Rhinehart
Finance Director

CITY OF CARTERSVILLE ORGANIZATIONAL CHART

June 30, 2010



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cartersville

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF CARTERSVILLE, GEORGIA
List of Elected and Appointed Officials
June 30, 2010

Mayor

Matt Santini

City Council

Kari Hodge
Lindsey McDaniel
Lori Pruitt
Dianne Tate
Louis Tonsmeire
Jayce Stepp

City Management

Samuel E. Grove
City Manager

Daniel T. Porta
Assistant City Manager

City Administration

Harry White	City Judge
David G. Archer	City Attorney
Randy Mannino	Planning & Development Director
Thomas C. Rhinehart	Finance Director
Connie Keeling	City Clerk
Reneé Faunce	Deputy City Clerk
Scott Carter	Fire Chief
Thomas Culpepper	Police Chief
Bobby Elliott	Public Works Director
Greg Anderson	Recreation Director
James Stafford	Water & Sewer Superintendent
Gary Riggs	Gas Superintendent
David Myers	Electric Superintendent
Johnny Forsyth	Garage Superintendent
Lamar Greeson	Fiber Manager

FINANCIAL SECTION



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WILLIAMSON & CO., CPA's
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

EARL WILLIAMSON
LLOYD WILLIAMSON

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Council
City of Cartersville
Cartersville, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cartersville, Georgia, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental and enterprise funds presented as supplementary information in the accompanying combining financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the City of Cartersville, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cartersville, Georgia as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Capital Projects Fund, and of each nonmajor governmental and enterprise fund of the City of Cartersville, Georgia, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2010 on our consideration of the City of Cartersville, Georgia's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis, pension fund schedule of employer contributions, and schedules of funding progress on pages 3 through 15, 76 and 77, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cartersville's basic financial statements. The schedule of projects constructed with special local option sales tax proceeds, as required by the Georgia code section OCGA 48-8-121, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Cartersville, Georgia. The information in the schedule of projects constructed with special local option sales tax proceeds has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying information in the introductory section and the statistical tables has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Williamson and Company

Williamson and Company
Certified Public Accountants
December 20, 2010

Management's Discussion and Analysis

This section of the City of Cartersville's annual financial report is designed to provide the reader a better understanding of the City's financial activity for the fiscal year that ended June 30, 2010. It should be read in conjunction with the Transmittal Letter at the front of this report and the City's financial statements, which follow this section. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

Financial Highlights

- The City's total net assets increased by $5.1 million, or 2.3% during fiscal year 2010 to $228.3 million. The net assets for governmental activities increased by $3.0 million, or 3.2% from the previous year and business-type net assets increased by $2.1 million, or 1.6% from the previous year.

- Unrestricted net assets, which may be used to meet the City's future obligations, consist of $12.6 million, or 5.5% of the City's total net assets. Unrestricted net assets for governmental activities are $5.1 million, or 5.3% of total net assets for governmental activities; unrestricted net assets for business activities are $7.5 million, or 5.7% of total net assets for business-type activities.

- Total revenues for governmental activities, excluding transfers, decreased by $1.6 million, or 3.9% less than fiscal year 2009. Expenditures, excluding transfers, were $0.1 million or 0.2% less than the previous fiscal year. Expenses exceeded revenues, excluding transfers from utilities and special items, by $0.3 million.

- The business-type activities, excluding transfers, generated program revenues that were $7.0 million or 7.7% less than the previous fiscal year. Program expenses decreased by $12.0 million, or 14.1% less than fiscal year 2009. These variances were due to significant decreases in the cost of purchased natural gas caused by lower consumption than the prior year. Program revenues in the business-type activities were $10.5 million greater than expenditures.

- Total program expenses of primary government programs exceeded program revenues by $19.3 million in fiscal year 2010. This is $3.7 million less than fiscal year 2009 and is due to decreases in cost of purchased natrural gas.

- In fiscal year 2010, the ending unreserved fund balance for the General Fund, which is the City's primary operating fund, increased by $1.2 million, or 32.4%, to $5.0 million.

- The principal balance on the City's outstanding bonds (Note 7) decreased by $1.7 million for governmental activities. The principal balance on the outstanding bonds for business-type activities decreased by $2.2 million.

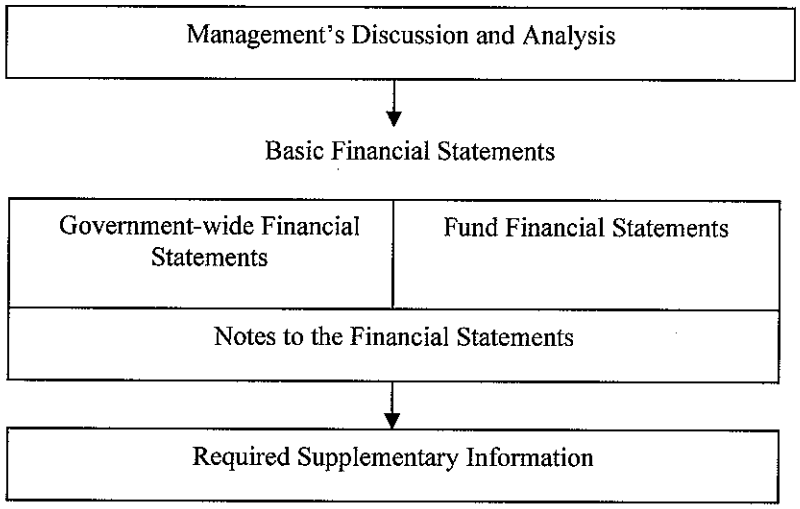
- The total fair market value of the City's pooled investments and cash, excluding fiduciary funds (Note 3) at June 30, 2010 was $32.6 million.

- The capital assets, net of accumulated depreciation, (Note 6) of the City at the end of the 2010 fiscal year totaled $239.9 million.

An Overview of the Financial Statements

In light of the fact that this is a different presentation from the pre-GASB Statement 34 model, the following graph is provided to assist in understanding the component parts.

Required Components of the City's Annual Financial Report



The focus of the financial statements is on both the City's overall financial status and the major individual funds. The following briefly describes the component parts.

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are designed to report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets combines, for the first time, all of the City's current financial resources with capital assets and long-term obligations. Net assets, the difference between the City's assets and liabilities, are one way to measure the City's financial health.

The government-wide financial statements of the City are divided into three categories:

- **Governmental activities** – These include the basic services provided by the City including police, fire, parks and recreation, public works, planning and development and general administration. Property, sales, and other taxes finance the majority of these activities.

- **Business-type activities** – These include services for which the City charges specific fees which are meant to cover the cost of providing the services. These include electric, fiber optic, gas, solid waste collection, stormwater management and water and sewer services.

- **Component units** – Included in the component units for the City is the Downtown Development Authority, the City of Cartersville Board of Education and the Cartersville Building Authority. Although these organizations are separate legal entities, the City is financially accountable for them. The Etowah Area Consolidated Housing Authority, the Cartersville Development Authority, the Development Authority of Cartersville, and the Joint Cartersville-Bartow County Regional Industrial Development Authority are related organizations, however, the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for these organizations.

Governmental activities and business-type activities are consolidated and add to the total for the primary government.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's major funds rather than the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City has three types of funds as described in the chart below.

Fund Financial Statements

	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Includes the City's basic services such as police, fire, traffic control, cultural activities, and parks	Services provided by the City that are operated similar to private businesses and for which the City charges a fee	Funds for which the City is the trustee or agent for someone else's resources
Examples	Police, fire, planning and development, street maintenance, parks and recreational activities	Electric, Solid Waste, Gas, Fiber, Stormwater, Water and Sewer and Risk Management	City's retirement funds – pension, 457 plan
Required financial statements	- Balance Sheet - Statement of revenues, expenditures, and changes in fund balances	- Statement of net assets - Statement of revenues, expenses, and changes in net assets - Statement of cash flows	- Statement of fiduciary net assets - Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short and long-term	All assets and liabilities, both short and long-term; capital assets, if any, are included
Type of inflow / outflow information	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Assets compared to the prior year. The City's net assets increased by $5.1 million or 2.3% in fiscal year 2010. The net assets of the governmental activities of the City increased by $3.0 million while the business-type activities increased by $2.1 million. Almost all of the increase in the net assets of the business-type activities came from the major City utility operation, as water and sewer utility increased by $1.2 million and gas increased by $2.9 million. The City's total assets increased by $1.2 million to $284.2 million. Of the City's $228.3 million in net assets, $195.6 million is invested in capital assets, net of related debt. For more detailed information see the Statement of Net Assets on page 19 of the financial statements and the notes to the financial statements.

Table 1
Statement of Net Assets
As of June 30
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
ASSETS						
Current and other assets	$ 19.3	$ 16.2	$ 25.1	$ 22.9	$ 44.4	$ 39.1
Capital assets	96.8	98.5	143.0	145.4	239.8	243.9
Total Assets	116.1	114.7	168.1	168.3	284.2	283.0
LIABILTIES						
Current and other liabilities	1.5	1.5	7.5	7.0	9.0	8.5
Long-term debt outstanding	18.9	20.5	28.0	30.8	46.9	51.3
Total Liabilities	20.4	22.0	35.5	37.8	55.9	59.8
NET ASSETS						
Invested in capital assets, net of related debt	79.4	78.0	116.2	115.1	195.6	193.1
Restricted	11.2	9.8	8.9	10.6	20.1	20.4
Unrestricted	5.1	4.9	7.5	4.8	12.6	9.7
Total Net Assets	$ 95.7	$ 92.7	$ 132.6	$ 130.5	$ 228.3	$ 223.2

CHANGES IN NET ASSETS

The City's total revenues before transfers decreased by $8.6 million (6.7%) in the 2010 fiscal year compared to the previous year. Expenses before transfers decreased by $121 million (9.6%) during the same period. The decrease in revenues of the business-type activities came mainly from the gas system due to decreases in natural gas costs and overall lower customer consumption. For the year, electric revenue decreased by $3.0 million, while gas revenue decreased by $4.6 million and stormwater revenue remained the same. The decrease in electric generation costs drove electric expenses lower by $3.3 million over the previous year. Other city funds had decreases in expenses over the prior year as follows, gas by $8.2 million and water and sewer by $0.5 million. Solid waste and fiber optics expenses remained the same. The next chart shows revenues and expenses by sources and programs and the resulting change in net assets.

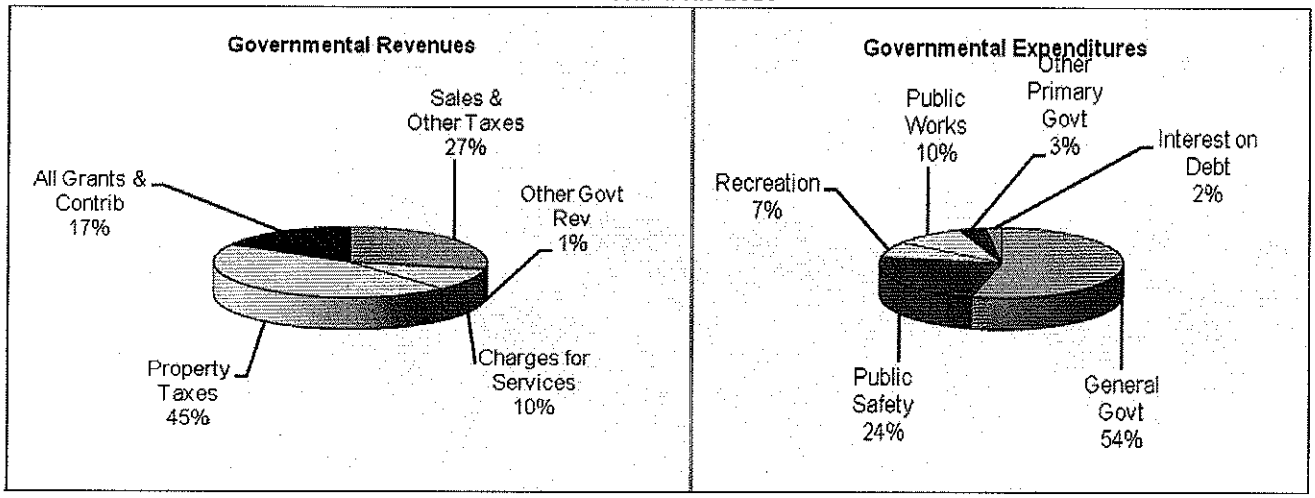
Table 2
Changes in Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for services	$ 4.1	$ 10.7	$ 83.8	$ 90.7	$ 87.9	$ 101.4
Operating grants and contributions	3.1	0.2	-	-	3.1	0.2
Capital grants and contributions	3.8	5.7	0.2	-	4.0	5.7
General revenues						
Property taxes	18.2	18.4	-	-	18.2	18.4
Local option sales tax	4.8	4.3	-	-	4.8	4.3
Other taxes	6.4	2.7	-	-	6.4	2.7
Investment income	0.1	0.1	0.2	0.5	0.3	0.6
Other general revenues	0.2	0.2	-	-	0.2	0.2
Total Revenues	40.7	42.3	84.2	91.2	124.9	133.5
Expenses						
General government	22.3	22.3	-	-	22.3	22.3
Public safety	9.7	10.0	-	-	9.7	10.0
Culture and recreation	3.0	2.8	-	-	3.0	2.8
Public works	4.0	3.8	-	-	4.0	3.8
Planning and development	1.0	1.4	-	-	1.0	1.4
Interest on long-term debt	1.0	0.8	-	-	1.0	0.8
Water and sewer	-	-	10.7	11.2	10.7	11.2
Electric	-	-	37.4	40.6	37.4	40.6
Gas	-	-	20.9	29.1	20.9	29.1
Other business-type activities	-	-	4.4	4.5	4.4	4.5
Total Expenses	41.0	41.1	73.4	85.4	114.4	126.5
Excess (deficiency) before transfers	(0.3)	1.2	10.8	5.8	10.5	7.0
Special items	-	-	(5.3)	(2.0)	(10.5)	(7.0)
Transfers	3.2	3.2	(3.2)	(3.2)	-	-
Increase (decrease) in net assets	$ 2.9	$ 4.4	$ 2.3	$ 0.6	$ 5.2	$ 5.0

GOVERNMENTAL ACTIVITIES

The cost of all governmental activities in fiscal year 2010 was $40.9 million, while revenues received were $40.6 million. After transfers and special items, the increase in net assets was $2.9 million or $1.6 million less than the prior year. See pages 20-21 of the financial statements for the net cost (total cost less revenues generated by the activities) of these programs or functions. The following charts show the source of the City's Governmental Revenues and Expenditures.

Table 3 – Governmental Activities
Fiscal Year 2010



Revenue Impacts:

- Property taxes, which provide 45% of governmental revenues, a majority of which goes to the City School System decreased by $0.2 million (1.1%) over the previous fiscal year. In addition to the City School System millage rate of 17.23, the City assessed 1.38 mils for fiscal year 2010, which generated $1.3 million in property tax revenue for general operations and capital expenditures.

- Local option sales tax collections increased by $0.5 million over the prior year as economic conditions in the city showed small signs of a recovering economy. Local option sales taxes used for general operating purposes amounted to $4.8 million, while the special local option sales tax (SPLOST) used for road improvements and other areas approved by the voters and classified as intergovernmental revenue amounted to $3.9 million.

- Revenues from all grants and contributions decreased by $2.0 million over the prior year as several projects funded by SPLOST and through grants were completed and these assets were transferred into the general fund.

Expense Impacts

- General government expenditures related to education increased by $0.4 million compared to the prior year. The increase was due to increases in maintenance and operation expenses for the Cartersville School System.

- Police department expenditures decreased by $0.2 million due mainly to lower operating expenses.

- Fire department expenditures decreased by $0.1 million mainly due to decreases in salary and benefits.

- Culture and recreation expenditures increased by $0.2 million due to increases in maintenance and operation expenses and contract labor related to officiating at various recreational programs.

BUSINESS-TYPE ACTIVITIES

Table 4
Business-type Activities
(in millions)

	Program Revenues		Program Expenses		Excess (deficiency) Before Transfers, Special Items and Investment Earnings	
	2010	2009	2010	2009	2010	2009
Water and Sewer	$ 13.1	$ 12.5	$ 10.8	$ 11.2	$ 2.3	$ 1.3
Electric	40.1	42.9	37.3	40.6	2.8	2.3
Gas	25.7	30.3	20.9	29.1	4.8	1.2
Stormwater	1.2	1.2	0.9	0.9	0.3	0.3
Solid Waste	2.0	2.1	1.9	2.0	0.1	0.1
Fiber Optics	1.9	1.7	1.6	1.6	0.3	0.1
Total	$ 84.0	$ 90.7	$ 73.4	$ 85.4	$ 10.6	$ 5.3

Revenues for business-type activities for the fiscal year 2010 were $84.0 million, a $6.7 million decrease compared to the prior year. Expenses were $73.4 million in 2010, $12.0 million less than the prior year. There was excess before transfers and investment earnings of $10.6 million in 2010 compared to $5.3 million in 2009. Activities for individual funds are summarized below.

- Water & Sewer program revenues increased by $0.6 million over the prior year as user charges and fees increased by $1.9 million and other revenues decreased by $0.3 million. Program expenses decreased by $0.4 million over the prior year and were due largely to decreased debt service costs.

- Electric program revenues decreased by $2.8 million over the prior year due to lower consumption. Program expenses decreased by $3.3 million due to the continued lower costs to produce electricity.

- Gas program revenues decreased by $4.6 million and expenses decreased by $8.2 million. The decreases in both revenue and expenses were due to lower natural gas prices and consumption as natural gas usage decreased due to economic conditions and a milder winter from the previous year.

- Stormwater program was established in January 2007 as an enterprise fund to provide a stable and adequate source of revenue for the City's stormwater management program that allocates the costs of stormwater services across every stormwater "user" in the City through a user fee. For 2010, the third full year of the program, revenues were $1.2 million, remaining the same as the prior year. Program expenses for 2010 also remained the same as last fiscal year and were $0.9 million.

- Solid Waste program revenues decreased by $0.1 million over the prior year due to decreases in collection charges. Expenses decreased by $0.1 million due to decreased fuel costs and landfill expenses.

- Fiber Optics program revenues increased by $0.2. million due to additional sales of internet and related services. Program expenses remained the same as last fiscal year at $1.6 million.

The City's Funds

Table 5
Financial Analysis of the City's Funds
(in millions)

Fund	Fund Balance 6-30-09	Sources	Uses	Sources Over (Under) Uses	Fund Balance 6-30-10
General Fund	$ 3.8	$ 39.5	$ 38.3	$ 1.2	$ 5.0
Capital Projects Fund	8.6	3.9	2.7	1.2	9.8
Other Governmental Funds	1.5	0.8	0.5	0.3	1.8
	$ 13.9	$ 44.2	$ 41.5	$ 2.7	$ 16.6

At June 30, 2010, the governmental funds reported a combined fund balance of $16.6 million (see Statement on page 24), which is $2.7 million more than the previous year-end.

General Fund
The General Fund had a $1.2 million increase, to end the fiscal year at $5.0 million. The primary reasons for this increase are highlighted in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances on page 24. The primary factors in the changes in fund balances include:

- Increases in property taxes due to an increase in delinquent property taxes being paid.
- Increases in intergovernmental revenues due to additional federal grants and SPLOST received by the city.
- Decreases in contributions to Joint Development Authority for the industrial park development.
- Overall decreases in operational expenses in all departments.

Capital Projects Fund
The Capital Projects Fund was originally established in November 1996 when voters approved a referendum for the implementation of a one percent local option sales tax on all transactions subject to the State sales tax. The sales and use tax would be imposed for a period of years or until sufficient funds were collected as stated in the referendum. In November 2003 and November 2007 voters again approved the continuation of this special purpose local option sales tax (SPLOST) to help fund various road and street improvements, infrastructure upgrades, GIS mapping, library expansion, and public safety needs. Program revenues for fiscal year 2010 were $1.6 million less than the prior year, while expenses decreased by $5.6 million over the prior year. The primary factors in the $1.2 million increase in the fund balance include:

- Tax revenue from the 2003 SPLOST referendum is no longer collected; therefore, all project expenditures are paid for out of the existing fund balance. There was overall less spending on projects and very few new projects were begun in the fiscal year. 2003 SPLOST project expenditures for this fiscal year included stormwater projects ($0.2 million), Mainstreet Gateway project ($0.1 million), fire training facility ($0.9 million) and other projects like GIS improvements and street milling and resurfacing. 2007 SPLOST projects expenditures for this fiscal year include the joint fire and police facility ($0.3 million), industrial park improvements ($0.7 million) along with other various road projects and utility improvement projects.

Other Governmental Funds
Other Governmental Funds are made up of various special revenue funds of the City. Program revenues for fiscal year 2010 were $0.3 million more than the prior year, while expenses remained the same. The primary factors in the $0.3 million increase in the fund balance include:

- Increases in Federal confiscated assets from the prior year led to the increases in program revenues. These funds are not a consistent revenue source and are based on the type of assets seized during arrests made by police personnel.

- Decreases in capital expenditures over the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

A schedule comparing the original to the final budget and the variance from the final budget to the actual results is included on page 27 of the financial statements.

The City's original budget approved by the City Council in June 2009, appropriated $37.8 million for general fund expenditures. The original budget was amended during the fiscal year by almost $4.9 million to $42.7 million to account for increases in some revenue areas. Actual expenditures for the fiscal year were $38.3 million or $0.5 million more than the original approved budget.

ORIGINAL TO FINAL BUDGET COMPARISON

Revenues

The original revenue budget including transfers and capital leases was $37.8 million and was amended during the fiscal year to $42.7 million to account for increased revenue areas. The following changes were made to the budgeted revenues of the general fund: property taxes collections increased by $1.2 million; occupational taxes and permits decreased by $400,000; other taxes increased by $400,000; state and federal grants increased by $200,000; other revenues increased by $3.2 million; and transfers from utility funds increased by $300,000.

Expenditures

The original expenditures budget was approved in June 2009 at $37.8 million and was amended during the fiscal year to account for some increases in expenditure areas and also to keep the revenues equaling expenditures. Changes to appropriations between functions occurred in the following areas: Legislative Department was increased $1.05 million to account for increased school property tax, the DDA Main Street program, and increased legal fees; Administrative Department was increased to $54,000 to reflect increases in computer software and hardware along with building maintenance, communications, and other professional services; Finance Department was increased by $47,000 for increased expenses in personnel costs, computer software and hardware, and software maintenance; Customer Service was increased $110,000 for additional expenses in personnel costs, computer equipment and software, building and grounds maintenance, postage, professional services, bank fees for credit cards, and office equipment; Police Department was increased by $164,000 for increased expenses in NADDI prescription drug diversion grant, jail expenses, janitorial services, communications, legal services, and vehicle maintenance; Fire Department was increased by $41,000 for increases in personnel costs and communication, and an additional increase of $20,000 to account for the purchase of a replacement vehicle; Public Works increased by $76,000 to cover increases in personnel costs, minor equipment and supplies, utilities, software maintenance, street maintenance, street lighting services, and an additional $36,000 for a crack sealing machine to be used on the streets and roads; Parks and Recreation Department increased $44,000 to cover increases in personnel costs, recreational supplies, software maintenance, vehicle maintenance, and communications; and Planning and Development Department increased $174,000 to cover additional CHIP grant expenses and legal services. Additional budget amendments were made as follows to keep the budget at a zero based budget (revenues equal expenditures): Legislative increased an additional $1.77 million; Police Department increased an additional $114,000; Fire Department increased an additional $417,000; Public Works increased an additional $305,000; Parks and Recreation Department increased an additional $315,000; and Planning and Development Department increased an additional $128,000.

FINAL BUDGET TO ACTUAL RESULTS COMPARISON

Primary reasons for the differences between the final budget and actual results in the General Fund include:

Revenues

- Tax revenues were higher than the original budget due to an increase in the property tax digest along with increased payments of prior year's taxes.
- Local Option Sales Tax collected and distributed by the State of Georgia increased by $589,000.
- Fines and forfeiture revenues decreased by $7,500 over the original budgeted amount.
- Charges for services decreased due to reductions in franchise fee revenue which was caused by declines in utility revenue.
- Alcohol tax revenues declined by $91,000 from last fiscal year.
- Building permit and inspections fee revenues decreased by $24,000 due to the continuing downturn in the economy.

Expenditures

- General government expenditures increased by $1.0 million due to increased tax collections on behalf of the school board.
- Expenditures in planning and development related to the CHIP grant expenses increased.
- Increased debt expenditures for school related debt service.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2010, amounted to $239.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements, and machinery and equipment. The total decrease in the City's investment in capital assets for the current fiscal year was $3.9 million or (1.6%). For more detailed information concerning capital assets see Note 6 to the financial statements.

Table 6
Capital Assets
(net of depreciation, in millions)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 7.6	$ 7.4	$ 2.4	$ 2.4	$ 10.0	$ 9.8
Construction in progress	1.2	1.9	0.6	0.6	1.8	2.5
Capital projects-construction in progress	8.3	9.5	-	-	8.3	9.5
Land improvements	1.6	1.7	-	-	1.6	1.7
Buildings and structures	18.3	17.4	0.8	0.8	19.1	18.2
Park improvements	1.6	1.7	-	-	1.6	1.7
Infrastructure	55.9	56.2	-	-	55.9	56.2
Utility systems	-	-	137.2	138.8	137.2	138.8
Furniture, machinery and equipment	2.3	2.7	2.1	2.7	4.4	5.4
Total	$ 96.8	$ 98.5	$ 143.1	$ 145.3	$ 239.9	$ 243.8

This year's major capital asset additions (in millions) included:

Governmental Activities:

- Completion of several infrastructure projects - $3.6 million
- Acquisition of replacement vehicles and equipment for several departments - $254,666

Business-type Activities:

- Water and Sewer construction projects, meters and settings - $312,954
- Gas mains, meters and settings, and service connections - $155,243
- Electric mains, meters and settings, and service connections - $242,085
- Stormwater sewers - $24,704
- Solid waste purchase of new solid waste truck and equipment - $169,770

LONG-TERM DEBT

At the end of 2010 fiscal year, the City had $44.6 million in debt outstanding. This is a decrease of $5.3 million compared to the prior fiscal year end. The decrease can be attributed to the City paying on existing debt and not issuing any new debt in the fiscal year. More detailed information about the City's long-term liabilities is included in Note 7 to the financial statements.

Bond ratings have a significant influence in establishing the rate of interest expense the City must pay when the bonds are sold. Moody's Investors Service has issued the City a debt rating of A3.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the total tax digest. The current debt limitation for the City is $101,392,935, which is in excess of the City's outstanding general obligation debt.

Table 7
Outstanding Debt at June 30, 2010
(in millions)

Governmental Activities		Business-type Activities		Total	
2010	2009	2010	2009	2010	2009
$ 16.4	$ 18.1	$ -	$ -	$ 16.4	$ 18.1
1.0	1.4	0.5	0.5	1.5	1.9
-	-	18.0	20.3	18.0	20.3
-	-	8.7	9.6	8.7	9.6
$ 17.4	$ 19.5	$ 27.2	$ 30.4	$ 44.6	$ 49.9

ECONOMIC AND OTHER FACTORS THAT MAY IMPACT THE CITY'S FINANCIAL POSITION

Impacts on governmental activities:

Fiscal year 2010 saw a significant slowdown in the residential housing development for Cartersville as residential permits declined by 44.9% from the previous fiscal year as 38 residential permits were issued during fiscal year 2010. Commercial development also decreased by 34.1% over the prior year as 31 commercial permits were issued for the fiscal year. These declines in residential and commercial permits along with the economic recession caused a reduction in some general fund building permit revenue and slower growth in the sales tax revenue over the prior year. The City prepared for the reduction in the residential and commercial housing sector and coming economic recession as department heads were informed in the March 2009 budget memo to further reduce overall budget requests for fiscal year 2010 to meet the continued downturn in economy.

In addition to local option sales taxes and building permits, funding for the City's governmental activities comes from property and other taxes, and fees (franchise, occupational license, etc), and utility transfers. The fiscal year 2010 budget included a property tax millage rate of 1.38 to be used for City government capital and operation expenditures. Some additional funding is also received from state-shared revenues and grants from the state and federal governments and agencies. During the 2010 budget process City management considered projections on the state and local economy to estimate tax revenues for the proposed budget and department heads worked with management to prepare a conservative budget.

For fiscal year 2010 the City was able to offset the reduction in building permit revenues and slower growth in sales tax dollars by the increase in the property tax base which provided an increase in revenues without an increase in the property tax rate and increases in charges for services. The rise in expenditures in some areas was offset by controlling overall expenditures in other areas and continuing to operate in an efficient manner. Due to a slowing economy, the budgeted expenditures for 2010 were decreased by 16.1% over the previous fiscal year.

Impacts on business-type activities:

Revenues for the business-type activities and certain governmental activities (recreational programs, permitting, etc.) come from user fees or service charges. The consumption of the City's utilities is impacted by economic conditions and local weather patterns. Approximately 70% of the revenues generated in the City's utilities are from industrial customers, and these revenues can be affected by a downturn in the economy. Also, unusual weather patterns can affect utility consumption,

like cold winters or mild summers will affect citizens above or below average consumption of City provided electric, gas or water utilities. Water and sewer rate increases were approved in the fiscal year 2011 budget by the City Council.

The Electric Fund maintains a reserve account to enable the City to react in the event of deregulation. Deregulation has not occurred and should not impact fiscal year 2011.

The City continues to work with the Joint City/County Economic Development Director to help current businesses and to recruit new industry. The development of the City and Bartow County joint industrial park continues as the expansion of natural gas, and water and sewer infrastructure into the park has been completed. The industrial park will provide jobs to the area residents and additional utility revenue for the City once tenants are found for the industrial park.

Purchased gas and electricity costs represent 73% and 87% of the fiscal year 2010 gas and electric utility budgets, respectively. Natural gas expenses for 2010 were $16.8 million or 73.8% of total expenses. Electricity expenses for 2010 were $33.3 million or 84.8% of total expenses. The cost of natural gas is offset through cost recovery adjustments that are not part of the base rates charged to customers. The City has some long-term contract obligations for the purchase of gas and electricity that help control the fluctuations in gas and energy prices. These contracts are based on forecasted needs of our customers and expected prices in the market.

Impacts Citywide:

The City has outstanding contracts in the amount of $587,306 for completion of new recreational trails, public safety facility, and water and sewer improvements. See Note 20 for more information on the amount spent to date on these contracts and remaining commitment.

The City maintains a defined benefit pension plan, and also provides post-employment health care benefits for eligible retirees. For more information on these benefits see Notes 13 and 15.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's operating budget for fiscal year 2011 totals $142.5 million; $38.1 million for the General Fund, $9.7 million for Special Purpose Local Option Sales Tax Projects, $0.7 million for Special Revenue Funds and $94.0 million for the Enterprise Funds. The City will receive about $0.1 million in grants in fiscal year 2011. Personnel expenditures account for 15.4% of the City's operating budget. The City had 344 full-time positions at the end of fiscal year 2010. The fiscal year 2011 budget includes 344 full time positions.

In the fiscal year 2011 budget, General Fund revenues including utility transfers are estimated to increase by 0.9% over the fiscal year 2010 budget. General property taxes make up 43.7% of General Fund budgeted revenues and transfers in. Sales tax receipts represent 11.0% of the General Fund budgeted revenues and transfers in, and with a slow economy are only expected to increase by $15,320 over the prior year due to recent additions in the number of retail stores and restaurants in Cartersville. The City maintained its millage rate to 1.38, but with property reassessments and some new construction, tax revenues will remain flat. Enterprise Funds are expected to be self-supporting from user fees for services and rates can be adjusted as necessary with any changes in natural gas prices, or increases in coal or other fuel costs used to generate electricity. Water and sewer rate increases have been approved and should allow the City to maintain existing service levels even as industries decrease their usage due to additional conservation methods.

Due to the major Federal and State economic slowdown, the City Council looked at all revenue and expenses prior to approving the fiscal year 2011 budget. The final approved budget of $142.5 million was $0.2 million more than the prior year and represented one of the smaller increases the City had in recent years. City Council and staff have continued to review the City's financial condition and due to a proactive approach of good fiscal control, the City has been able to weather the continuing economic recession without reductions in services to our citizens.

FINANCIAL CONTACT

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the City of Cartersville's finances and to demonstrate the City's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the Finance Director at P.O. Box 1390, Cartersville, Georgia 30120 or via email at trhinehart@cityofcartersville.org.

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BASIC FINANCIAL STATEMENTS

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CITY OF CARTERSVILLE, GEORGIA
Statement of Net Assets
June 30, 2010

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash	$ 4,800,186	$ 4,514,228	$ 9,314,414	$ 17,518,549
Receivables, Net	1,292,375	6,447,740	7,740,115	4,114,406
Internal Balances	737,170	(737,170)	-	-
Due From Other Governments	892,395	-	892,395	-
Inventory	93,081	2,021,912	2,114,993	79,341
Restricted Cash	11,353,179	12,346,428	23,699,607	1,180,223
Prepaids	-	105,996	105,996	-
Unamortized Loss on Bond Refunding	-	201,788	201,788	-
Unamortized Bond Issue Costs	55,004	204,920	259,924	258,929
Land and Construction in Progress	17,105,531	2,930,338	20,035,869	5,384,282
Other Capital Assets, Net	79,727,371	140,092,557	219,819,928	2,028,545
Total Assets	$ 116,056,292	$ 168,128,737	$ 284,185,029	$ 30,564,275
Liabilities				
Cash Overdraft	29,993	422,810	452,803	-
Accounts Payable	947,277	5,072,928	6,020,205	196,567
Wages and Withholdings Payable	499,993	308,733	808,726	4,752,444
Retainage Payable	-	3,690	3,690	-
Customer Deposits	4,845	1,317,157	1,322,002	-
Interest Payable	-	366,471	366,471	154,488
Noncurrent Liabilities:				
Due Within One Year	2,147,631	3,412,063	5,559,694	562,535
Due In More Than One Year, Net	16,776,931	24,558,947	41,335,878	12,250,000
Total Liabilities	20,406,670	35,462,799	55,869,469	17,916,034
Net Assets				
Invested In Capital Assets, Net Of Related Debt	79,380,171	116,203,328	195,583,499	1,921,010
Restricted For:				
Capital Projects	9,770,841	-	9,770,841	4,740,188
Renewal and Replacement	-	3,769,991	3,769,991	-
Debt Service	-	5,197,732	5,197,732	-
Law Enforcement Activities	1,359,230	-	1,359,230	-
Planning and Development	93,079	-	93,079	-
Other	-	-	-	1,385,751
Unrestricted	5,046,301	7,494,887	12,541,188	4,601,292
Total Net Assets	$ 95,649,622	$ 132,665,938	$ 228,315,560	$ 12,648,241

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 22,271,558	$ 1,938,474	$ 2,518,698	$ -
Police	5,095,267	1,133,856	127,210	1,388
Fire	4,628,814	-	-	16,748
Culture and Recreation	2,960,396	670,379	16,821	16,221
Planning and Development	1,076,218	320,798	262,800	-
Public Works	3,956,411	26,737	147,840	3,737,164
Interest on Long-term Debt	887,714	-	-	-
Total Governmental Activities	40,876,378	4,090,244	3,073,369	3,771,521
Business-type Activities:				
Water and Sewer	10,712,422	13,070,010	-	90,114
Electric	37,391,452	40,060,789	-	-
Gas	20,946,076	25,704,640	-	-
Stormwater	912,630	1,199,868	-	-
Solid Waste	1,926,779	1,997,599	-	-
Fiber Optic	1,548,674	1,759,869	-	139,618
Total Business-type Activities	73,438,033	83,792,775	-	229,732
Total Primary Government	$ 114,314,411	$ 87,883,019	$ 3,073,369	$ 4,001,253
Component Units:				
Downtown Development Authority	$ 180,263	$ 49,133	$ 114,988	$ -
Cartersville Building Authority	606,650	-	964,538	-
Cartersville School Board	41,600,313	1,047,617	21,058,944	-
Total Component Units	$ 42,387,226	$ 1,096,750	$ 22,138,470	$ -

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets Primary Government Governmental Activities	Business-type Activities	Totals	Component Units
Primary Government:				
Governmental Activities:				
General Government	$ (17,814,386)	$	$ (17,814,386)	$
Police	(3,832,813)		(3,832,813)	
Fire	(4,612,066)		(4,612,066)	
Culture and Recreation	(2,256,975)		(2,256,975)	
Planning and Development	(492,620)		(492,620)	
Public Works	(44,670)		(44,670)	
Interest on Long-term Debt	(887,714)		(887,714)	
Total Governmental Activities	(29,941,244)		(29,941,244)	
Business-type Activities:				
Water and Sewer	-	2,447,702	2,447,702	
Electric	-	2,669,337	2,669,337	
Gas	-	4,758,564	4,758,564	
Stormwater	-	287,238	287,238	
Solid Waste	-	70,820	70,820	
Fiber Optic	-	350,813	350,813	
Total Business-type Activities	-	10,584,474	10,584,474	
Total Primary Government	(29,941,244)	10,584,474	(19,356,770)	
Component Units:				
Downtown Development Authority				(16,142)
Cartersville Building Authority				357,888
Cartersville School Board				(19,493,752)
Total Component Units				(19,152,006)
General Revenues				
Taxes				
Property	18,207,749	-	18,207,749	16,558,682
Sales	4,768,761	-	4,768,761	4,928,006
Hotel/Motel	279,468	-	279,468	-
Vehicle Rental	42,242	-	42,242	-
Insurance Premium	882,932	-	882,932	-
Malt and Mixed beverage	580,963	-	580,963	-
Franchise	4,317,713	-	4,317,713	-
Occupation	276,293	-	276,293	-
Financial Institution	67,565	-	67,565	-
Investment Earnings	122,311	242,042	364,353	54,800
Miscellaneous	120,779	-	120,779	1,083,439
Gain on Asset Disposal	50,000	-	50,000	-
Special Item	-	(5,298,020)	(5,298,020)	-
Transfers	3,182,733	(3,182,733)	-	-
Total General Revenues and Transfers	32,899,509	(8,238,711)	24,660,798	22,624,927
Change in Net Assets	2,958,265	2,345,763	5,304,028	3,472,921
Net Assets - Beginning	92,748,926	130,542,909	223,291,835	9,175,320
Prior Period Adjustment	(57,569)	(222,734)	(280,303)	-
Net Assets - Ending	$ 95,649,622	$ 132,665,938	$ 228,315,560	$ 12,648,241

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2010

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 3,646,114	$ -	$ -	$ 3,646,114
Receivables, Net				
Accounts	231,226	-	-	231,226
Taxes	1,002,473	-	-	1,002,473
Intergovernmental	486,234	406,161	-	892,395
Due From Other Funds	999,231	113,618	15,936	1,128,785
Cash - Restricted	120,403	9,430,435	1,802,341	11,353,179
Total Assets	$ 6,485,681	$ 9,950,214	$ 1,818,277	$ 18,254,172
Liabilities and Fund Balances				
Liabilities				
Cash Overdraft	$ -	$ -	$ 29,993	$ 29,993
Accounts Payable	315,442	179,373	11,561	506,376
Accrued Wages Payable & Withholdings	488,195	-	-	488,195
Due To Other Funds	52,719	-	5,409	58,128
Customer Deposits	4,845	-	-	4,845
Deferred Revenue	614,533	-	-	614,533
Total Liabilities	1,475,734	179,373	46,963	1,702,070
Fund Balance				
Reserved For				
Law Enforcement Activities	-	-	1,359,230	1,359,230
Construction	-	9,770,841	-	9,770,841
Planning and Development	-	-	426,141	426,141
Unreserved (Deficit)	5,009,947	-	(14,057)	4,995,890
Total Fund Balances	5,009,947	9,770,841	1,771,314	16,552,102
Total Liabilities and Fund Balances	$ 6,485,681	$ 9,950,214	$ 1,818,277	$ 18,254,172

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Reconciliation of the Balance Sheet
of Governmental Funds to the Statement of Net Assets
June 30, 2010

Total Fund Balance - Total Governmental Funds		$ 16,552,102
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.		96,676,703
Other assets in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Unamortized Bond Issue Costs		55,004
Deferred revenue in the General Fund represents property taxes that are not available soon enough to pay for the current period's expenditures.		614,533
An internal service fund is used by management to charge the cost of insurance and vehicle maintenance to individual departments. Assets and liabilities of the internal service funds are not reported in the governmental		635,997
Long-term liabilities, including bonds payable, are not due and payable in the current perod and therefore are not reported as liabilities in the governmental funds.		
Bonds Payable	(16,365,000)	
Leases Payable	(996,596)	
Unamortized Bond Discount	10,060	
OPEB Liability	(1,047,894)	
Compensated Absences	(485,287)	(18,884,717)
Net Assets of Governmental Activities		$ 95,649,622

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 28,487,443	$ -	$ 321,710	$ 28,809,153
Licenses and Permits	316,320	-	-	316,320
Intergovernmental	394,540	3,873,941	30,890	4,299,371
Payment From School Board	2,518,698	-	-	2,518,698
Fines and Forfeitures	541,738	-	531,429	1,073,167
Charges For Services	2,688,637	-	10,902	2,699,539
Miscellaneous Income	148,815	-	-	148,815
Interest Income	83,088	34,604	4,619	122,311
Total Revenues	35,179,279	3,908,545	899,550	39,987,374
Expenditures				
Current:				
General Government	20,717,920	-	134,029	20,851,949
Police	4,619,426	-	270,402	4,889,828
Fire	4,237,294	-	17,661	4,254,955
Planning and Development	1,028,513	-	20,000	1,048,513
Culture and Recreation	2,662,590	-	24,640	2,687,230
Public Works	2,102,772	71,396	-	2,174,168
Debt Service:				
Principal	2,041,214	-	-	2,041,214
Interest	887,714	-	-	887,714
Capital Outlay:				
Streets, Sidewalks and Stormwater	-	1,364,126	-	1,364,126
Water and Sewer Construction	-	119,444	-	119,444
Buildings	-	1,174,120	-	1,174,120
Total Expenditures	38,297,443	2,729,086	466,732	41,493,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,118,164)	1,179,459	432,818	(1,505,887)
Other Financing Sources (Uses)				
Issuance Of Capital Lease	26,207	-	-	26,207
Transfers - In	4,223,054	-	-	4,223,054
Transfers - Out	-	(65,898)	(167,681)	(233,579)
Proceeds From Asset Disposal	50,000	-	-	50,000
Total Other Financing Sources (Uses)	4,299,261	(65,898)	(167,681)	4,065,682
Net Change in Fund Balances	1,181,097	1,113,561	265,137	2,559,795
Fund Balance (Deficit) - Beginning of Year	3,783,819	8,644,136	1,519,321	13,947,276
Prior Period Adjustment	45,031	13,144	(13,144)	45,031
Fund Balance (Deficit) - End of Year	$ 5,009,947	$ 9,770,841	$ 1,771,314	$ 16,552,102

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the Year Ended June 30, 2010

Net Change in Fund Balances - Total Governmental Funds		$ 2,559,795
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. For the current period, these amounts are:		
Expenditures For Capital Assets	3,033,394	
Less Current Year Depreciation	(3,738,601)	(705,207)
Certain capital asset activities decrease net assets in the Statement of Activities but do not affect governmental funds.		
Transfer of Capital Assets to a Proprietary Fund	(806,743)	
Disposal of Capital Assets	(218,236)	(1,024,979)
Since some taxes will not be collected for several months after the fiscal year ends, they are not considered "available" revenues.		
Property Tax		614,533
An internal service fund is used by management to charge the cost of risk management and vehicle maintenance to individual departments. Net revenue of the internal service funds is reported with the governmental activities.		(147,584)
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 the governmental funds.		
Net Change In Long-term Compensated Absences	(17,200)	
Net Change In OPEB Liability	(329,991)	(347,191)
Issuance of long-term debt (bonds, leases) provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
Amortization Of Discount On Bonds	(1,527)	
Amortization Of Bond Issuance Costs	(4,582)	
Issuance of Capital Leases	(26,207)	
Repayment Of Principal	1,720,000	
Capital Lease Payments	321,214	2,008,898
Change in Net Assets of Governmental Activities		$ 2,958,265

The accompanying notes are an integral part of this financial statement.

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CITY OF CARTERSVILLE, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 27,612,955	$ 28,812,685	$ 28,487,443	$ (325,242)
Licenses and Permits	315,150	316,340	316,320	(20)
Intergovernmental	132,000	404,555	394,540	(10,015)
Fines and Forfeitures	561,000	543,355	541,738	(1,617)
Payment from School Board	2,558,795	2,518,710	2,518,698	(12)
Charges for Services	2,706,390	2,688,690	2,688,637	(53)
Miscellaneous Income	95,000	138,830	148,815	9,985
Interest Income	19,500	83,105	83,088	(17)
Total Revenues	34,000,790	35,506,270	35,179,279	(326,991)
Expenditures				
Current				
General Government	19,708,965	22,729,745	20,717,920	2,011,825
Police	4,675,915	4,953,450	4,619,426	334,024
Fire	4,307,110	4,785,400	4,237,294	548,106
Planning and Development	929,935	1,232,270	1,028,513	203,757
Culture and Recreation	3,025,410	3,384,310	2,662,590	721,720
Public Works	2,149,885	2,566,485	2,102,772	463,713
Debt Service				
Principal	2,041,214	2,041,214	2,041,214	-
Interest	959,641	971,756	887,714	84,042
Total Expenditures	37,798,075	42,664,630	38,297,443	4,367,187
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,797,285)	(7,158,360)	(3,118,164)	4,040,196
Other Financing Sources (Uses)				
Proceeds From Asset Disposal	-	50,000	50,000	-
Issuance of Capital Lease	42,100	26,310	26,207	(103)
Transfers - In	3,755,185	7,082,050	4,223,054	(2,858,996)
Total Other Financing Sources (Uses)	3,797,285	7,158,360	4,299,261	(2,859,099)
Net Change in Fund Balance	-	-	1,181,097	1,181,097
Fund Balance - Beginning of Year	3,783,819	3,783,819	3,783,819	-
Prior Period Adjustment	-	-	45,031	45,031
Fund Balance - End of Year	$ 3,783,819	$ 3,783,819	$ 5,009,947	$ 1,226,128

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water and Sewer	Electric	Gas	Other Nonmajor Enterprise Funds	Total	
Assets						
Current Assets						
Cash and Cash Equivalents	$ 2,637,235	$ -	$ 1,026,758	$ 850,235	$ 4,514,228	$ 1,154,072
Restricted Cash						
Customer Deposits	325,897	687,409	360,085	-	1,373,391	-
Flexible Operating Account-MEAG	-	2,512,267	-	-	2,512,267	-
Renewal and Replacement	5,289,872	-	-	-	5,289,872	-
Revenue Bond Covenant Accounts	2,836,674	-	-	-	2,836,674	-
Drainage Improvements	-	-	-	334,224	334,224	-
Accounts Receivable - Net	1,129,666	3,658,389	1,395,870	263,815	6,447,740	58,676
Due From Other Funds	-	1,325,327	-	3,076	1,328,403	169,613
Prepaids	-	52,998	52,998	-	105,996	-
Inventory	494,403	1,073,412	386,200	67,897	2,021,912	93,081
Total Current Assets	12,713,747	9,309,802	3,221,911	1,519,247	26,764,707	1,475,442
Noncurrent Assets						
Capital Assets						
Equipment	2,960,267	2,278,947	1,272,973	3,769,575	10,281,762	346,880
Buildings and Structures	749,507	489,882	210,569	146,696	1,596,654	130,458
Utility Systems	141,350,163	21,697,105	20,466,535	3,622,580	187,136,383	-
Construction in Progress	548,276	-	-	26,300	574,576	-
Less Accumulated Depreciation	(36,094,589)	(11,028,133)	(7,783,264)	(4,016,256)	(58,922,242)	(362,384)
Land and Easements	2,089,761	75,902	190,099	-	2,355,762	41,245
Unamortized Loss on Bond Refunding	201,788	-	-	-	201,788	-
Unamortized Bond Issue Costs	204,920	-	-	-	204,920	-
Total Noncurrent Assets	112,010,093	13,513,703	14,356,912	3,548,895	143,429,603	156,199
Total Assets	$ 124,723,840	$ 22,823,505	$ 17,578,823	$ 5,068,142	$ 170,194,310	$ 1,631,641

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water and Sewer	Electric	Gas	Other Nonmajor Enterprise Funds	Total	
Liabilities						
Current Liabilities						
Cash Overdraft	$ -	$ 422,810	$ -	$ -	$ 422,810	$ -
Accounts Payable	135,900	3,447,874	1,391,491	97,663	5,072,928	440,901
Accrued Wages and Withholdings Payable	104,759	77,434	61,916	64,624	308,733	11,798
Customer Deposits	293,358	449,638	557,181	16,980	1,317,157	-
Retainage Payable	3,690	-	-	-	3,690	-
Accrued Interest Payable	366,471	-	-	-	366,471	-
Due to Other Funds	44,215	29,785	1,023,723	1,470,950	2,568,673	-
Capital Leases Payable	-	-	-	184,055	184,055	-
Notes Payable	916,710	-	-	-	916,710	-
Compensated Absences	15,879	15,747	7,608	5,511	44,745	5,978
Revenue Bonds Payable	2,266,553	-	-	-	2,266,553	-
Total Current Liabilities	4,147,535	4,443,288	3,041,919	1,839,783	13,472,525	458,677
Noncurrent Liabilities						
Capital Leases Payable	-	-	-	279,662	279,662	-
Notes Payable	7,784,295	-	-	-	7,784,295	-
Revenue Bonds Payable (Net)	15,795,000	-	-	-	15,795,000	-
Compensated Abscences	72,542	22,962	69,637	71,910	237,051	2,926
OPEB Liability	181,475	77,950	108,947	94,567	462,939	30,942
Total Noncurrent Liabilities	23,833,312	100,912	178,584	446,139	24,558,947	33,868
Total Liabilities	27,980,847	4,544,200	3,220,503	2,285,922	38,031,472	492,545
Net Assets						
Invested in Capital Assets, Net of Related Debt	85,247,535	13,513,703	14,356,912	3,085,178	116,203,328	156,199
Restricted						
Debt Service	5,197,732	-	-	-	5,197,732	-
Renewal and Replacement	923,500	2,512,267	-	334,224	3,769,991	-
Unrestricted	5,374,226	2,253,335	1,408	(637,182)	6,991,787	982,897
Total Net Assets	$ 96,742,993	$ 18,279,305	$ 14,358,320	$ 2,782,220	$ 132,162,838	$ 1,139,096
Adjustment to reflect the consolidation of internal service fund activity related to enterprise funds					503,100	
Net assets of business-type activities					$ 132,665,938	

The accompanying notes are an integral part of this financial statement.

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CITY OF CARTERSVILLE, GEORGIA
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water and Sewer	Electric	Gas	Other Nonmajor Enterprise Funds	Total	
Operating Revenues						
Charges for Services	$ 12,446,538	$ 40,011,026	$ 25,687,141	$ 4,635,951	$ 82,780,656	$ 165,466
Fees	528,665	13,505	9,162	52,777	604,109	-
Other Revenues	94,807	36,258	8,337	268,607	408,009	436,152
Internal Service Charges	-	-	-	-	-	5,584,132
Total Operating Revenues	13,070,010	40,060,789	25,704,640	4,957,335	83,792,774	6,185,750
Operating Expenses						
Costs of Sales and Services	6,444,162	4,308,600	3,105,052	3,561,994	17,419,808	1,852,701
Administrative Expense	470,400	340,000	440,000	337,690	1,588,090	-
Cost of Gas	-	-	16,849,306	-	16,849,306	-
Cost of Electricity	-	32,024,811	-	-	32,024,811	-
Claims	-	-	-	-	-	4,530,817
Depreciation Expense	2,733,577	643,977	535,372	459,428	4,372,354	19,413
Total Operating Expenses	9,648,139	37,317,388	20,929,730	4,359,112	72,254,369	6,402,931
Operating Income (Loss)	3,421,871	2,743,401	4,774,910	598,223	11,538,405	(217,181)
Nonoperating Revenues (Expenses)						
Interest Revenue	148,669	16,753	36,819	39,801	242,042	879
Interest Expense	(936,865)	-	(213)	(21,020)	(958,098)	-
Loss on Asset Disposal	-	(57,168)	-	-	(57,168)	-
Bond Issue Cost Amortization	(99,679)	-	-	-	(99,679)	-
Total Nonoperating Revenues (Expenses)	(887,875)	(40,415)	36,606	18,781	(872,903)	879
Income Before Contributions, Special Items and Transfers	2,533,996	2,702,986	4,811,516	617,004	10,665,502	(216,302)
Capital Contributions	90,114	-	-	946,361	1,036,475	
Special Item	-	(5,298,020)	-	-	(5,298,020)	-
Transfers In	17,696	-	-	48,202	65,898	-
Transfers Out	(1,450,578)	(649,325)	(1,955,470)	-	(4,055,373)	-
Change in Net Assets	1,191,228	(3,244,359)	2,856,046	1,611,567	2,414,482	(216,302)
Net Assets - Beginning	95,576,823	21,359,230	11,514,761	1,520,276	129,971,090	1,365,388
Prior Period Adjustment	(25,058)	164,434	(12,487)	(349,623)	(222,734)	(9,990)
Net Assets - Ending	$ 96,742,993	$ 18,279,305	$ 14,358,320	$ 2,782,220	132,162,838	$ 1,139,096

Change in net assets funds statements	2,414,482
Adustment to reflect the consolidation of internal service fund activity related to enterprise funds	(68,719)
Change in net assets of business-type activities government wide statements	$ 2,345,763

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water and Sewer	Electric	Gas	Other Nonmajor Enterprise Funds	Total	
Cash Flows From Operations						
Received From Customers	$ 13,066,071	$ 40,467,024	$ 25,365,338	$ 4,977,042	$ 83,875,475	$ 6,131,566
Payments To Suppliers	(4,194,341)	(34,965,527)	(18,526,342)	(2,157,058)	(59,843,268)	(5,900,723)
Payments To/For Employees	(2,818,358)	(1,844,022)	(1,627,715)	(1,755,741)	(8,045,836)	(319,315)
Net cash Provided by (Used in) Operating Activities	6,053,372	3,657,475	5,211,281	1,064,243	15,986,371	(88,472)
Cash Flows from Noncapital Financing Activities						
Payments/Advances From Other Funds	4,650,275	978,958	-	48,202	5,677,435	124,894
Payments/Advances To Other Funds	(1,454,654)	(649,325)	(4,448,759)	(613,426)	(7,166,164)	-
Net Cash From Noncapital Financing Activities	3,195,621	329,633	(4,448,759)	(565,224)	(1,488,729)	124,894
Cash Flows from Capital and Related Financing Activities						
Payment To MEAG	-	(5,298,020)	-	-	(5,298,020)	-
Principal Payments - Bonds	(2,215,000)	-	-	-	(2,215,000)	-
Principal Payments - Notes	(893,039)	-	-	-	(893,039)	-
Principal Payments - Leases	(3,079)	-	(10,838)	(219,973)	(233,890)	-
Capital Contribution	90,114	-	-	139,618	229,732	-
Proceeds From Capital Leases	-	-	-	-	-	-
Proceeds From Disposal of Capital Assets	-	13,692	-	149,628	163,320	-
Acquisition and Construction of Capital Assets	(283,149)	(591,950)	(185,984)	(404,572)	(1,465,655)	(43,946)
Interest Paid	(844,607)	-	(213)	(21,020)	(865,840)	-
Net Cash From Capital and Related Financing Activities	(4,148,760)	(5,876,278)	(197,035)	(356,319)	(10,578,392)	(43,946)
Cash Flows from Investing Activities						
Interest Received	148,669	16,753	36,819	39,801	242,042	879
Net Increase (Decrease) in Cash	5,248,902	(1,872,417)	602,306	182,501	4,161,292	(6,645)
Cash - July 1, 2009 (Including Restricted Cash)	5,840,776	4,649,283	784,537	1,001,958	12,276,554	1,160,717
Cash - June 30, 2010 (Including Restricted Cash)	$ 11,089,678	$ 2,776,866	$ 1,386,843	$ 1,184,459	$ 16,437,846	$ 1,154,072

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water and Sewer	Electric	Gas	Other Nonmajor Enterprise Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating Income (Loss)	$ 3,421,871	$ 2,743,401	$ 4,774,910	$ 598,223	$ 11,538,405	$ (217,181)
Adjustments to Reconcile to Operating Income to Net Cash Provided (Used) by Operating Activities						
Depreciation	2,733,577	643,977	535,372	459,428	4,372,354	19,413
(Increase) Decrease in Assets:						
Accounts Receivable	(24,677)	397,511	(362,731)	2,727	12,830	(54,184)
Prepaid Items	-	4,039	4,039	-	8,078	-
Inventory	(154,323)	113,060	11,260	(11,580)	(41,583)	(1,574)
Increase (Decrease) in Liabilities						
Accounts Payable	(1,523)	(282,633)	194,577	(40,797)	(130,376)	152,261
Accrued Wages and Withholdings Payable	3,184	9,740	(1,928)	(4,502)	6,494	(2,829)
Customer Deposits	21,393	8,724	23,429	16,980	70,526	-
OPEB Liabiilty	62,855	20,952	26,190	36,666	146,663	20,952
Compensated Absences Payable	(8,985)	(1,296)	6,163	7,098	2,980	(5,330)
Net Cash Provided by (Used in) Operating Activities	$ 6,053,372	$ 3,657,475	$ 5,211,281	$ 1,064,243	$ 15,986,371	$ (88,472)
Noncash Investing, Capital and Financing Activities						
Transfer of Capital Assets	27,112	(27,112)	-	806,743	-	-
Accumulated Depreciation	(27,112)	27,112	-	-	-	-
Acquisition and Construction of Capital Assets	26,561	134,029	8,205	3,451	-	-
Accounts Payable	(26,561)	(134,029)	(8,205)	(3,451)	-	-
Net Noncash Investing, Capital, and Financing Activities	$ -	$ -	$ -	$ 806,743	$ -	$ -
For purposes of reporting cash flows, cash includes the following amounts as presented in the Statement of Net Assets:						
Cash and Cash Equivalents	$ 2,637,235	$ -	$ 1,026,758	$ 850,235	$ 4,514,228	$ 1,154,072
Cash Overdraft	-	(422,810)	-	-	(422,810)	-
Restricted Cash:						
Customer Deposits Cash	325,897	687,409	360,085	-	1,373,391	-
Flexible Operating Cash - MEAG	-	2,512,267	-	-	2,512,267	-
Construction	5,289,872	-	-	-	5,289,872	-
Drainage Improvements	-	-	-	334,224	334,224	-
Revenue Bond Covenant Accounts	2,836,674	-	-	-	2,836,674	-
Total	$ 11,089,678	$ 2,776,866	$ 1,386,843	$ 1,184,459	$ 16,437,846	$ 1,154,072

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Statement of Fiduciary Net Assets - Pension Trust Fund
June 30, 2010

	Employee Retirement Fund
Assets	
Cash and Cash Equivalents	$ 426
Contributions Receivable	91,719
Investments, at Fair Value:	
Money Market Funds	511,481
Corporate Stocks	1,047,582
Corporate Bonds	9,218,545
Mutual Funds	11,739,907
Accrued Income	20,809
Total Investments	22,538,324
Total Assets	$ 22,630,469
Liabilities	
Accounts Payable	$ 11,161
Total Liabilities	$ 11,161
Net Assets	
Held In Trust for Pension Benefits and Other Purposes	$ 22,619,308

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Statement of Changes in Fiduciary Net Assets - Pension Trust Fund
For the Year Ended June 30, 2010

	Employee Retirement Fund
Additions	
Contributions	
Employer	$ 1,812,175
Plan Members	492,706
Total Contributions	2,304,881
Investment Earnings	
Interest and Dividends	540,509
Net Increase in Fair Value of Investments	1,704,351
Total Investment Earnings	2,244,860
Total Additions	4,549,741
Deductions:	
Benefits	2,024,357
Refunds of Contributions-Employee	50,613
Administrative Expenses	91,540
Total Deductions	2,166,510
Change in Net Assets	2,383,231
Net Assets - Beginning	20,236,077
Net Assets - Ending	$ 22,619,308

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Statement of Net Assets - Component Units
June 30, 2010

	Downtown Development Authority	Cartersville Building Authority	Cartersville School Board	Total Component Units
Assets				
Cash	$ 11,155	$ 23,899	$ 17,483,495	$ 17,518,549
Receivables, Net	2,325	-	4,112,081	4,114,406
Inventory	-	-	79,341	79,341
Restricted Cash	-	1,180,223	-	1,180,223
Capital Assets				
Land and Construction in Progress	-	5,384,282	-	5,384,282
Other Capital Assets, Net	78,566	-	1,949,979	2,028,545
Unamortized Bond Issue Costs	-	258,929	-	258,929
Total Assets	92,046	6,847,333	23,624,896	30,564,275
Liabilities				
Accounts Payable	-	-	196,567	196,567
Wages and Withholdings Payable	-	-	4,752,444	4,752,444
Interest Payable	-	154,488	-	154,488
Capital Leases Due Within One Year	-	-	107,535	107,535
Bonds Payable Due Within One Year	-	455,000	-	455,000
Due In More Than One Year - Net	-	12,250,000	-	12,250,000
Total Liabilities	-	12,859,488	5,056,546	17,916,034
Net Assets				
Invested in Capital Assets, Net of Related Debt	78,566	-	1,842,444	1,921,010
Restricted For:				
Capital Projects	-	-	4,740,188	4,740,188
Other Purposes	30,379	-	1,355,372	1,385,751
Unrestricted (Deficit)	(16,899)	(6,012,155)	10,630,346	4,601,292
Total Net Assets	$ 92,046	$ (6,012,155)	$ 18,568,350	$ 12,648,241

The accompanying notes are an integral part of this financial statement.

CITY OF CARTERSVILLE, GEORGIA
Statement of Activities - Component Units
For the Year Ended June 30, 2010

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Downtown Development Authority	Cartersville Building Authority	Cartersville School Board	Totals
Downtown Development Authority	$ 180,263	$ 49,133	$ 114,988	$ -	$ (16,142)	$ -	$ -	$ (16,142)
Cartersville Building Authority	606,650	-	964,538	-	-	357,888	-	357,888
Cartersville School Board	41,600,313	1,047,617	21,058,944	-	-	-	(19,493,752)	(19,493,752)
Total Component Units	$ 42,387,226	$ 1,096,750	$ 22,138,470	$ -	(16,142)	357,888	(19,493,752)	(19,152,006)
General Revenues:								
Property Taxes					-	-	16,558,682	16,558,682
Sales Tax					-	-	4,928,006	4,928,006
Investment Earnings					-	-	54,800	54,800
Other General Revenues					-	-	1,083,439	1,083,439
Total General Revenues and Transfers					-	-	22,624,927	22,624,927
Change in Net Assets					(16,142)	357,888	3,131,175	3,472,921
Net Assets - Beginning					108,188	(6,370,043)	15,437,175	9,175,320
Net Assets - Ending					$ 92,046	$ (6,012,155)	$ 18,568,350	$ 12,648,241

The accompanying notes are an integral part of this financial statement.

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Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cartersville was incorporated on February 1, 1850. In its present state, it operates under a Council/Manager form of government. The City provides the following services as authorized by its charter or statutes: culture and recreation, streets and roads, public utilities (electric, gas, water/sewer, storm water, sanitation and fiber optics), public safety (police and fire), planning and development, cemetery, garage, and general and administrative services.

A. Reporting Entity

The accompanying financial statements present the government and component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

City of Cartersville Board of Education:

The School Board was established in 1889. In its present state, the School Board operates under a Board/Superintendent form of government. The School Board is financially dependent on the City Council to approve and levy taxes to support the education function and on the subsidy provided by the City. Bond issuance authorizations are approved by the City Council and the legal liability for the general obligation portion of the School Board's debt remains with the City. The School Board does not have the ability to issue its own debt or to levy taxes to service its debt. The School Board has a June 30 year-end and reports using the governmental fund model.

Complete financial statements of the City of Cartersville Board of Education can be obtained from the administrative office: 15 Nelson Street, Cartersville, Georgia 30120.

Downtown Development Authority of Cartersville:

The Authority was created in 1981 for the purpose of revitalizing and redeveloping the central business district of the City of Cartersville. The Authority's Board consists of seven members appointed by the City Council. The City is financially accountable for the Authority because the organization is financially dependent on the City for funding. The Authority has a June 30 year-end and reports using the enterprise fund model.

Complete financial statements of the Downtown Development Authority of Cartersville can be obtained from their office located at: One Friendship Plaza, Suite B, Cartersville, Georgia 30120.

Cartersville Building Authority

The Cartersville Building Authority was created May 30, 2003 for the purpose of issuing debt for joint City and Bartow County construction projects. The Authority's board consists of five members appointed by the City Council. The City is financially accountable for the Authority because the organization depends on partial funding from the City for funds to make debt payments. The Authority has a June 30 year-end and reports using the governmental fund model.

Complete financial statements of the Cartersville Building Authority can be obtained from the City of Cartersville at 1 Erwin Street, Cartersville, Georgia 30120.

Related Organizations:

The Etowah Area Consolidated Housing Authority is a related organization that has not been included in the reporting entity. The Etowah Area Consolidated Housing Authority was formed when the Cartersville Housing Authority and the Adairsville Housing Authority were consolidated on April 1, 1998. The Authority provides low-income housing to eligible families in the Cities of Adairsville and Cartersville. The Authority's Board consists of five members appointed by the City Council; however, the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Authority.

The Cartersville Development Authority is a related organization that has not been included in the reporting entity. The Authority was created November 16, 1962. The Authority's purpose is to promote development of industrial and manufacturing activities. The Authority's Board consists of five members appointed by the City Council; however, the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Authority.

The Development Authority of Cartersville is a related organization that has not been included in the reporting entity. The Authority was created May 1, 1980. The Authority's purpose is to promote development of industrial and manufacturing activities. The Authority's Board consists of seven members appointed by the City Council; however, the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Authority.

The Joint Cartersville-Bartow County Regional Industrial Development Authority is a related organization that has not been included in the reporting entity. The Authority was created April 25, 2002. The Authority's purpose is to promote development of industrial and manufacturing activities. The Authority's Board consists of six members appointed by the City Council and Bartow County. However, the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Authority.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements, each of which present different views of the City. The government-wide and fund financial statements categorize primary activities as either governmental or business-type. Fiduciary funds are not included in the government-wide statements.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, permits, and fines, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund financial statements emphasize major funds in either the governmental, proprietary and fiduciary funds. Non-major funds (if any) are reported as a separate column in the fund financial statements. Fiduciary funds are only presented in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City applies all relevant FASB pronouncements and APB opinions issued on or prior to December 1, 1989 to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City does not apply FASB pronouncement and APB opinions issued after November 30, 1989.

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

The retirement fund recognizes employer and employee contributions in the period in which contributions are due. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the retirement plan.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives the cash. In applying the susceptible to accrual concept, nonexchange transactions are recognized in accordance with GASB Statement 33.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues include charges to customers for goods, services or privileges provided, operating grants and contributions, and capital grants and contributions, including special assessments. General revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and unrestricted as needed.

D. Fund Types and Major Funds

Governmental Funds

The General and Capital Projects Funds are the major governmental funds that the City reports. The General Fund is the primary fund of the City and accounts for all financial resources not reported in other funds. The Capital Projects Fund accounts for the acquisition and construction of major capital assets other than those accounted for by proprietary funds. The special revenue funds include the Hotel/Motel Tax Fund which accounts for the revenue and expense associated with a 5% hotel/motel tax in accordance with provisions of the Official Code of Georgia section 48-13-51, the Development Fee Fund which accounts for revenue and expense associated with development fee charges and agreements with developers, the Confiscated Assets Fund which accounts for federal confiscated assets, the Forfeited Funds Fund which accounts for state forfeitures, the Grants Fund that accounts for pass-through grants, the Impact Fee Fund that accounts for revenue and expense associated with impact fees charged, and the Rental Motor Vehicle Excise Tax which collects a 3% rental motor vehicle tax in accordance with the provisions of the Official Code of Georgia section 48-13-93.

Proprietary Funds

Proprietary funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is intended to be self-supporting. The City's three major enterprise funds are the Water and Sewer Fund that is used to account for water treatment and distribution and wastewater collection and distribution, the Electric Fund that is used to account for the City's electric distribution system and the Gas Fund that is used to account for the City's gas distribution system. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. These funds recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Internal Service Funds

The Self Insurance internal service fund accounts for risk management activities of the City on a cost reimbursement basis. The Garage internal service fund accounts for services provided to various city departments on a cost reimbursement basis. The internal service fund is a proprietary fund reported with governmental activities in the government-wide statements.

Fiduciary Funds

Fiduciary funds are used to report assets that by definition are being held in a trustee or agency capacity for the benefit of others and are therefore not available to support City programs. The City presents the employee retirement fund in the fiduciary fund category.

E. Assets, Liabilities, Net Assets or Equity

1. Cash and Investments

Cash and cash investments include amounts in demand deposits, all highly liquid investments with a maturity of three months or less when purchased and the local government investment pool.

Investments include obligations of U.S. agencies and the local government investment pool. Investments are stated at the fair value. The City has no investments that it reports at amortized cost.

State statutes authorize the City to invest in obligations of the State of Georgia or other states, obligations of the United States government, obligations fully insured or guaranteed by the United States government or its agencies, obligations of any corporation of the United States government, prime bankers' acceptances, the local government investment pool established by Georgia Code §36-83-8, repurchase agreements and obligations of other political subdivisions of the State of Georgia.

2. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered or interfund loans. The resulting balances represent receivables and payables between governmental and business-type activities and are reported as due to/from other funds. In the government-wide financial statements, these balances are reported as internal balances.

All receivables for the proprietary funds are shown net of an allowance for uncollectibles. All receivables past due for more than 90 days comprise the allowance for uncollectibles. Property tax receivable is presented net of uncollectible allowance and is comprised of all taxes unpaid from current and prior years.

3. Inventories and Prepaid Items

At the government-wide level inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method and are expensed when used (consumption method). The consumption method is used to account for inventories in the proprietary fund types.

Prepaid items represent the amount paid in advance for sales tax.

4. Restricted Assets

Various funds report assets that are restricted for construction, debt service or as specified by the revenue source. Certain proceeds of proprietary fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted cash on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond debt service and reserve" accounts are used to segregate resources accumulated for debt service payments over the next twelve months and to report resources set aside to cover the highest debt service requirement in any subsequent sinking fund year except for those years where payment is to be made from the sinking fund investment account. The "revenue bond renewal and replacement" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. The "revenue bond construction" account is used to report resources set aside to fund construction projects. A portion of the "Trust Fund Cash – MEAG" is to be used for wholesale price stabilization in deregulated market conditions. The Special Purpose Local Option Sales Tax proceeds can only be used for purposes specified in the SPLOST referendum.

5. Capital Assets

The City's property, buildings, equipment, land improvements, park improvements and infrastructure (streets, bridges, curbs, sidewalks, drainage systems, lighting systems, etc) with useful lives of more than one year and a cost of more than five thousand dollars are capitalized and depreciated. These assets are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. All capital assets are valued at

historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Interest (net of related income) incurred during the construction of business-type capital assets is capitalized as part of the assets' cost. Capital assets are depreciated using the straight-line method. When these assets are disposed, the cost and related accumulated depreciation are removed from the accounts and the resulting gain/loss is recorded. The City established capitalization for its infrastructure assets as required by GASB 34 during the 2008 fiscal year at estimated historical cost. The City elected to report general infrastructure assets placed into service prior to July 1, 1980.

6. Long-Term Debt, Bond Discounts/Premiums and Issuance Costs

Outstanding debt and other obligations are reported as a liability in the government-wide, proprietary and component unit financial statements. Bond discounts/premiums and issuance costs for proprietary funds are capitalized and amortized over the term of the respective bonds using a method that approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable; premiums are presented as an increase of the face amount of bonds payable whereas issuance costs are recorded as deferred charges. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

7. Compensated Absences

Full-time, permanent employees are granted vacation and sick leave benefits. Vested or accumulated vacation leave is accrued in the government-wide, proprietary and component unit financial statements and governmental funds only report the portion expected to be liquidated within the current year. Governmental funds report compensated absences only when employees are no longer employed with the City. Vacation leave is calculated based on an employee's anniversary date. For governmental activities, compensated absences are liquidated by the general fund. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

8. Fund Equity

The governmental fund financial statements reports reserved fund balance for amounts not available for appropriation or legally segregated for a specific use.

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Primary Government:

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted for the general, special revenue and capital project funds. All annual appropriations lapse at fiscal year end.

Encumbrances or commitments related to unperformed contracts for goods or services were for immaterial amounts and therefore are not reported as reservations of fund balances. During fiscal year 2009, no significant supplemental budgetary appropriations were made.

Georgia code §36-81-3 requires an annual balanced budget for general and special revenue funds and at least project length budget for capital project funds. The City adopted annual budgets for the

General, Hotel/Motel Tax, Development Fee, Confiscated Assets, State Forfeiture, Impact Fees, Rental Vehicle Excise Tax and Capital Project Funds. Prior to July 1st of each year, the City Manager submits to the City Council proposed General and Capital Fund budgets for the fiscal year commencing July 1st. The budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through passage of an ordinance. Department heads may amend the budget within their department with the approval of the City Manager. Any budget revisions between departments must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the activity (department) level. The legal level of budgetary control is at the department level.

For the year ended June 30, 2010, General Fund expenditures exceeded appropriations in debt service principal by $578,334 which was offset by a corresponding amount of appropriations exceeding expenditures for debt service interest. In the Capital Projects Fund, current public works expenditures exceeded appropriations by $71,396 which was the result of certain capital expenditures not meeting the City's capitalization threshold. If these items had been capitalized there were sufficient amounts appropriated in the capital outlay expenditures classification. The Grant Fund shows a deficit fund balance at year-end due to grant requirements to expend funds before beiing reimbursed by the grant. As of year-end, no request for reimbursement had been submitted.

Component Unit:

School Board: The Cartersville Board of Education adopts annual budgets, as required by Georgia law and the State of Georgia Board of Education.

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

The budget shall be adopted at the legal level of budgetary control, which is the function level. For management control, the Board shall prepare and present the annual budget by fund type, fund function and object. Annual budgets are adopted for all governmental funds except the School Activities Fund.

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

Note 3. CASH AND INVESTMENTS

Primary Government:

The City has adopted investment polices but they do not address any of the following specific reporting disclosures:

Custodial Credit Risk – Deposits – is the risk that in the event of a failure of a financial institution the City's deposits or collateral securities may not be recovered.

At June 30, 2010 the carrying amount of the City's deposits, excluding cash on hand of $10,050, was as follows:

Statement of Net Assets:	
Cash	$ 8,851,561
Restricted Cash	23,699,607
Fiduciary Fund:	
Cash	426
Investments	22,538,324
Total Cash and Investments	$ 55,089,918

Cash and investments consist of the following:

Cash Deposits in Financial Institutions	32,551,594
Investments	22,538,324
Total Cash and Investments	$ 55,089,918

Interest Rate Risk – Investments - is the risk that changes in interest rates will adversely affect the fair value of an investment. At June 30, 2010, the City had the following investments subject to interest rate risk. The investments in bond funds are bond mutual funds. The effective duration and effective maturity of the overall holdings of the portfolios are shown in lieu of investment maturities.

Investment Type	Fair Value	Effective Duration	Effective Maturity
Investment Grade Bond Funds	$ 5,785,032	5.30 Years	8.10 Years
Short Term Bond Funds	3,433,513	1.80 Years	2.10 Years
Money Market Funds	511,481	Less Than 1 Year	Less Than 1 Year
Total	$ 9,730,026		

Credit Risk – Investments – is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. This can be measured by the assignment of a rating by a rating organization.

Investment Type	Fair Value	Rating
Money Market Funds	$ 511,481	AAA
Corporate Stocks (Fiduciary Fund)	12,787,489	A
Corporate Bonds (Fiduciary Fund)	9,218,545	AA
Total	$ 22,517,515	

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The City does not have a formal policy that addresses concentration of credit risk. The City has no investments that meet the criteria for concentration of credit risk disclosure.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the City may not be able to recover the value of its investments. There is no custodial credit risk exposure for the City's investments because they are either insured or held in the City's name by the custodian.

Investment in State Investment Pool

The City is a voluntary participant in the Georgia Fund 1 that is under the oversight of State of Georgia Office of Treasury and Fiscal Services (OTFS). The fund, created under OCGA 36-83-8, is a stable net asset value investment pool that is rated AAAm by Standard and Poor's. The Fund operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company, is a public entity risk pool and is not subject to credit risk classification. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Investment in the Georgia Fund 1 totaled $1,610,134 at year-end with a weighted-average maturity of 46 days.

Component Unit:

School Board:

Cash and investments as of June 30, 2010 are classified in the financial statements as follows:

Statement of Net Assets:	
Cash	$ 17,483,495

The School Board has no formal policy concerning custodial credit risk.

Investment in State Investment Pool:

All investments of the Board were invested in the Georgia Fund 1 that is under the oversight of State of Georgia Office of Treasury and Fiscal Services (OTFS). The fund, created under OCGA 36-83-8, is a stable net asset value investment pool that is rated AAAm by Standard and Poor's. The Fund operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. 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 ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Investment in the Georgia Fund 1 totaled $5,965,351 at year-end with a weighted-average maturity of 46 days.

Cartersville Building Authority:

Cash and investments as of June 30, 2010 are classified in the financial statements as follows:

Statement of Net Assets:	
Cash	$ 23,899
Restricted Cash	1,180,223
Total	$ 1,204,122
Cash and Investments consist of the following:	
Cash Deposits In Financial Institutions	$ 1,204,122

The Building Authority has no formal policy concerning custodial credit risk.

Note 4. RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLES

Receivables at June 30, 2010 consist of the following:

	General	Enterprise	Internal Service	Total
Taxes	$ 1,002,473	$ -	$ -	$ 1,002,473
Accounts	325,631	9,843,537	58,676	10,227,844
Allowance for Uncollectibles	(94,405)	(3,395,797)	-	(3,490,202)
Net Receivables	$ 1,233,699	$ 6,447,740	$ 58,676	$ 7,740,115

General taxes receivable at June 30, 2010 consists of uncollected property taxes levied during the fiscal year ended June 30, 2010 and prior years. Uncollected property taxes from prior years are shown net of allowance for uncollectible.

Enterprise accounts receivable consists of billed and unbilled services to utility customers at June 30, 2010. The allowance for uncollectible accounts represents approximately 34% of total outstanding utility billings.

The total uncollectible amounts related to the current period are as follows: $124,090 in the Water and Sewer Fund, $134,754 in the Electric Fund, $43,573 in the Gas Fund, $15,175 in Solid Waste, and $5,813 in the Stormwater Fund.

Internal service fund receivables consisted of gasoline sales to another government due at year-end.

Note 5. PROPERTY TAX

Bartow County bills and collects the City's real and personal property taxes. City property tax revenues are recognized when levied to the extent they result in current receivables. After receiving the tax digest from Bartow County, the property tax millage rate was approved by the City Council on August 20, 2009. Tax notices were mailed on September 15, 2009 and taxes were due by November 15, 2009 after which time penalties and interest began accruing.

Generally, liens may attach to property for unpaid taxes on January 1st of the subsequent year.

Assessed values are established by the Bartow County Tax Assessor's office and are currently calculated at 40% of the market value. The gross assessed value of property at January 1, 2009 was $1,031,849,072.

Based on the 2009 City General and School millage levy of 18.61, a property owner would pay $18.61 per $1,000 of assessed valuation.

Current tax collections of $16,510,999 for the fiscal year ended June 30, 2010 were 95% of the tax levy.

Note 6. CAPITAL ASSETS

Primary Government

The following table provides a summary of capital assets activity for governmental activities:

	Balance July 1 2009	Additions	Deletions	Transfers	Balance June 30 2010
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 7,435,673	$ 97,000	$ -	$ 52,324	$ 7,584,997
Construction in Progress	1,877,261	24,084	-	(663,248)	1,238,097
Capital Projects - Construction in Progress	9,508,713	2,657,687	218,236	(3,665,727)	8,282,437
Total Capital Assets Not Being Depreciated	18,821,647	2,778,771	218,236	(4,276,651)	17,105,531
Capital Assets Being Depreciated:					
Land Improvements	3,283,331	-	-	-	3,283,331
Buildings and Structures	32,301,273	43,903	-	1,858,173	34,203,349
Park Improvements	4,254,898	-	-	132,731	4,387,629
Infrastructure	78,603,626	-	-	1,391,875	79,995,501
Furniture, Machinery, and Equipment	10,610,345	254,666	25,998	87,129	10,926,142
Total Capital Assets Being Depreciated	129,053,473	298,569	25,998	3,469,908	132,795,952
Less Accumulated Depreciation For:					
Land Improvements	1,549,963	148,506	-	-	1,698,469
Buildings and Structures	14,884,869	1,078,162		-	15,963,031
Park Improvements	2,568,394	191,492	-	-	2,759,886
Infrastructure	22,448,794	1,610,072	-	-	24,058,866
Furniture, Machinery, and Equipment	7,884,545	729,782	25,998	-	8,588,329
Total Accumulated Depreciation	49,336,565	3,758,014	25,998	-	53,068,581
Total Capital Assets Being Depreciated	79,716,908	(3,459,445)	-	3,469,908	79,727,371
Governmental Activity Capital Assets, Net	$98,538,555	$ (680,674)	$ 218,236	$ (806,743)	$96,832,902

The beginning balance in land is increased by $16,498, buildings and structures increased by $36,249 furniture, machinery and equipment increased by $156,144 and accumulated depreciation increased by $153,753 to correct the prior year consolidation of internal service fund capital assets. Transfers consist of completed capital projects with the net amount of $806,743 being transferred to business-type activities. Deletions include equipment disposals and construction in progress for projects that were determined to be unfunded due to a lack of SPLOST proceeds.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	$ 1,195,096
Police	299,574
Fire	223,694
Culture and Recreation	254,224
Planning and Development	17,635
Public Works	1,748,378
Total Governmental Depreciation	$ 3,738,601

The following table provides a summary of capital assets activity for business-type activities:

	Balance July 1 2009	Additions	Deletions	Transfers	Balance June 30 2010
Business-type Activities:					
Capital Assets, Not Being Depreciated					
Land	$ 2,355,762	$ -	$ -	$ -	$ 2,355,762
Construction In Progress	768,655	115,383	-	(309,462)	574,576
Total Capital Assets, Not Being Depreciated	3,124,417	115,383	-	(309,462)	2,930,338
Capital Assets Being Depreciated					
Buildings and Structures	1,596,654	-	-	-	1,596,654
Utility Systems	185,432,220	1,130,072	542,114	1,116,205	187,136,383
Furniture, Machinery, and Equipment	9,889,315	392,447	-	-	10,281,762
Total Capital Assets Being Depreciated	196,918,189	1,522,519	542,114	1,116,205	199,014,799
Less Accumulated Depreciation For:					
Buildings and Structures	786,025	47,800	-	-	833,825
Utility Systems	46,505,715	3,873,047	471,253	-	49,907,509
Furniture, Machinery, and Equipment	7,729,401	451,507	-	-	8,180,908
Total Accumulated Depreciation	55,021,141	4,372,354	471,253	-	58,922,242
Total Capital Assets Being Depreciated, Net	141,897,048	(2,849,835)	70,861	1,116,205	140,092,557
Business-type Activities Capital Assets, Net	$ 145,021,465	$ (2,734,452)	$ 70,861	$ 806,743	$ 143,022,895

The beginning balances for business-type activities capital assets have been adjusted to correct errors in the schedule for the previous year. Transfers include completed construction projects and transfers from the governmental capital projects fund.

Depreciation expense was charged as follows:

Business-type Activities:	
Water and Sewer	$ 2,733,577
Electric	643,977
Gas	535,372
Solid Waste	110,371
Fiber Optic	227,990
Stormwater	121,067
Total Business-type Depreciation	$ 4,372,354

Internal Service Fund	
Garage	$ 19,413

The following estimated useful lives are used to compute depreciation:

Asset	Years
Infrastructure	50
Land improvements	25
Park improvements	5 – 40
Equipment	3 – 10
Buildings	40 – 50
Utility systems:	
Meters and settings	10 – 20
Mains and lines	75 – 90

Component Units:

School Board

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2010:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Capital Assets Being Depreciated				
Buildings and Land Improvements	$ 58,956	$ 70,871	$ -	$ 129,827
Vehicles	2,160,162	-	-	2,160,162
Computers	452,959	-	-	452,959
Furniture and Equipment	1,626,302	134,337	13,048	1,747,591
Total Capital Assets Being Depreciated	4,298,379	205,208	13,048	4,490,539
Less Accumulated Depreciation For:				
Buildings and Land Improvements	11,953	2,675	-	14,628
Vehicles	1,389,399	179,672	-	1,569,071
Computers	201,937	63,121	-	265,058
Furniture and Equipment	551,696	148,297	8,190	691,803
Total Accumulated Depreciation	2,154,985	393,765	8,190	2,540,560
Capital Assets Being Depreciated, Net	$ 2,143,394	$ (188,557)	$ 4,858	$ 1,949,979

Cartersville Building Authority

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2010:

	Balance July 1, 2009	Additons	Deletions	Transfers (To) From City	Balance June 30, 2010
Capital Assets, Not Being Depreciated					
Construction In Progress	$ 4,965,459	$ 418,823	$ -	$ -	$ 5,384,282

Note 7. LONG-TERM DEBT

Primary Government

General Obligation Bonds:

The City issued general obligation bonds to provide funding for the construction of school facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding at June 30, 2010 are as follows:

$10,865,000 1992 School Serial and Term Bonds due in annual installments of: $160,000 with interest at 4.60% due January 1, 1994; $250,000 with interest at 5.00% due January 1, 1995; $280,000 with interest at 5.20% due January 1, 1996, $315,000 with interest at 5.40% due January 1, 1997; $350,00 with interest at 5.60% due January 1, 1998; $390,000 with interest at 5.75% due January 1, 1999, $430,000 with interest at 5.85% due January 1, 2000; $475,000 with interest at 5.95% due January 1, 2001; $525,000 with interest at 6.05% due January 1, 2002; $560,000 with interest at 6.15% due January 1, 2003; $595,000 with interest at 6.25% due January 1, 2004; $635,000 with interest at 6.40% due January 1, 2005; $680,000 with interest at 6.50% due January 1, 2006; $725,000 with interest at 6.55% due January 1, 2007; $775,000 to $1,030,000 with interest at 6.70% due from January 1, 2008 to January 1, 2012.	$ 1,990,000
$10,000,000 2001 School Serial and Term Bonds due in annual installments of $490,000 with interest at 3.95% due December 31, 2008; $505,000 to $550,000 with interest at 4.00% due December 31, 2009 to December 31, 2011; $570,000 with interest at 3.90% due December 31, 2012; $595,000 with interest at 4.00% due December 31, 2013; $620,000 with interest at 4.15% due December 31, 2014; $650,000 with interest at 4.25% due December 31, 2015; $675,000 with interest at 4.35% due December 31, 2016; $710,000 with interest at 4.45% due December 31, 2017; $745,000 with interest at 4.50% due December 31, 2018; $780,000 with interest at 4.55% due December 31, 2019; $820,000 with interest at 4.60% due December 31, 2020; $860,000 with interest at 4.65% due December 31, 2021 and $905,000 with interest at 4.70% due December 31, 2022.	9,005,000
$6,000,000 2002 School Serial and Term Bonds due in annual installments of $310,000 to $330,000 with interest at 3.75% due November 1, 2008 to November 1, 2010; $340,000 with interest at 3.55% due November 1, 2011; $350,000 with interest at 3.65% due November 1, 2012; $365,000 with interest at 3.80% due November 1, 2013; $375,000 with interest at 3.95% due November 1, 2014; $390,000 with interest at 4.00% due November 1, 2015; $405,000 with interest at 4.20% due November 1, 2016; $420,000 with interest at 4.30% due November 1, 2017; $440,000 with interest at 4.40% due November 1, 2018; $460,000 with interest at 4.50% due November 1, 2019; $475,000 with interest at 4.60% due November 1, 2020; $500,000 with interest at 4.70% due November 1, 2021; $520,000 with interest at 4.75% due November 1, 2022.	5,370,000
	$ 16,365,000

The following schedule presents debt service requirements to maturity for general obligation bonds:

Year Ending June 30	Principal	Interest	Total
2011	$ 1,815,000	$ 735,928	$ 2,550,928
2012	1,920,000	637,885	2,557,885
2013	920,000	534,338	1,454,338
2014	960,000	498,000	1,458,000
2015	995,000	458,894	1,453,894
2016-2020	5,675,000	1,604,736	7,279,736
2021-2023	4,080,000	293,108	4,373,108
Total	$ 16,365,000	$ 4,762,889	$ 21,127,889

Revenue Bonds:

The City issues bonds where revenues from the business-type activities are used to pay debt service.

2000 Bonds

On November 1, 2000, the City issued Water and Sewer Revenue bonds of $6,865,000 with interest rates of 4.55% to 5.50% to advance the Series 1991A bonds ($3,400,000) and the Series 1988B bonds ($3,600,000) which matured in years 2008 through 2012. The net proceeds from the issuance of the water and sewer revenue bonds were used to purchase U.S. Government securities and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments of the prior bonds when due or called. The advance refunding met the requirements of an insubstance defeasance and the refunded portion of the 1991 bonds was removed from the City's accompanying financial statements. As a result of the advance refunding, the City reduced its debt service requirements by $1,859,147 which resulted in an economic gain (difference between the present value of debt service payments on the old and new debt) of $1,365,264.

2005 Bonds

On September 13, 2005, the City issued Water and Sewer Revenue bonds of $7,620,000 with an interest rate of 3.630% to pay costs of making additions, extensions, and improvements to the City's water and sewerage system.

2009 Bonds

On June 29, 2009, the City issued Water and Sewer Revenue bonds of $9,600,000 with an interest rate of 3.25% to advance the Series 1996B bonds ($1,125,000) and the 1998 bonds ($8,260,000). The net proceeds from the issuance of the Water and Sewer revenue bonds were used to purchase U.S. Government securities and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments of the prior bonds when due or called. The advance refunding met the requirements of an insubstance defeasance and the refunded portion of the 1996B bonds and the 1998 bonds was removed from the City's accompanying financial statements.

The following schedule presents debt service requirements to maturity for water and sewer revenue bonds:

Year Ending June 30	Principal	Interest	Total
2011	$ 2,260,000	$ 615,420	$ 2,875,420
2012	1,805,000	516,006	2,321,006
2013	1,865,000	457,247	2,322,247
2014	2,155,000	395,496	2,550,496
2015	2,370,000	321,395	2,691,395
2016-2018	7,600,000	466,800	8,066,800
Total	$ 18,055,000	$ 2,772,364	$ 20,827,364

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

On June 30, 2010, $3,385,000 of bonds outstanding is considered defeased

Notes Payable - Water and Sewer Fund:

On January 31, 1991, the City executed a note to the Georgia Environmental Facilities Authority for the purpose of borrowing funds for the costs associated with the expansion of the wastewater treatment plant. The principal sum of the note is $5,970,332 due in quarterly installments of $90,731 including interest of 2%, from October 1, 1993 through July 1, 2013.

On July 21, 2001, the City executed a note to the Georgia Environmental Facilities Authority to borrow funds for the costs associated with the expansion of the City's wastewater treatment plant. The principal sum of the note is $10,641,913 due in quarterly installments of $198,611 including interest of 3%, from May 1, 2004 through August 1, 2021.

Note payable debt service requirements to maturity are presented below:

2011	$ 916,710	$ 240,661	$ 1,157,371
2012	941,031	216,340	1,157,371
2013	966,019	191,352	1,157,371
2014	718,136	167,041	885,177
2015	646,905	147,541	794,446
2016-2020	3,541,106	431,123	3,972,229
2021-2023	971,098	21,959	993,057
Total	$ 8,701,005	$ 1,416,017	$ 10,117,022

Changes in long-term liabilities:

Long-term liabilities activity for the year was as follows:

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 18,085,000	$ -	$ 1,720,000	$ 16,365,000	$ 1,815,000
Capital Leases	1,291,603	26,207	321,214	996,596	279,618
Compensated Absences	482,321	577,776	565,906	494,191	54,539
OPEB Liability	727,894	350,943	-	1,078,837	-
Less Deferred Amounts:					
Issuance Discounts	(11,588)	-	(1,526)	(10,062)	(1,526)
Total Governmental Activities	$ 20,575,230	$ 954,926	$ 2,605,594	$ 18,924,562	$ 2,147,631
Business-type Activities:					
Revenue Bonds	$ 20,270,000	$ -	$ 2,215,000	$ 18,055,000	$ 2,260,000
Capital Leases	547,980	149,628	233,891	463,717	184,055
Notes Payable	9,594,044	-	893,039	8,701,005	916,710
Compensated Absences	284,777	317,663	320,644	281,796	44,745
OPEB Liability	316,276	146,663	-	462,939	-
Less Deferred Amounts:					
Issuance Premium	19,659	-	13,106	6,553	6,553
Total Business-type Activities	$ 31,032,736	$ 613,954	$ 3,675,680	$ 27,971,010	$ 3,412,063

Compensated absences and OPEB liabilities are liquidated in the funds in which they are incurred, and as of June 30, 2010 OPEB liabilities are considered to be long-term. The beginning balance of the OPEB liabilities has been corrected to reflect an increase in actuarial liability by $167,332 in governmental activities and $69,930 in business-type activities. The beginning balance of capital leases in governmental and business-type activities has been corrected to reflect transfer in prior years of leased equipment and the related lease obligation from public works to stormwater in the amount of $64,730.

The beginning balance for issuance premium in business-type activities has been corrected to reflect the balance in unamortized premiums at the beginning of the year by $82,600.

Conduit Debt:

The Cartersville Building Authority issued revenue bonds to provide funding for the 1873 Courthouse renovations, certain street, road and utility system improvements. The Courthouse is located on property owned by the City and the utility infrastructure improvements are for Bartow County and the City. Bond principal and interest are limited obligations of the Authority and are payable solely from the security and do not constitute a pledge of the faith and credit of the Authority or the City.

$10,000,000 2004 Cartersville Building Authority Revenue Bonds; bonds of $390,000 to $760,000 with interest of 4.070% due April 1, 2007 through 2024	$ 8,345,000
$4,360,000 2008 Cartersville Building Authority Revenue Bonds; bonds of $185,000 to $345,000 with interest of 3.830% due February 1, 2012 through February 1, 2028	4,360,000
	$ 12,705,000

The following schedule presents debt service requirements to maturity for the Building Authority's bonds:

Year Ended June 30	Principal	Interest	Total
2011	$ 455,000	$ 506,630	$ 961,630
2012	660,000	488,111	1,148,111
2013	685,000	461,693	1,146,693
2014	715,000	434,270	1,149,270
2015	740,000	405,649	
2016-2020	4,170,000	1,559,293	5,729,293
2021-2025	4,285,000	655,227	4,940,227
2026-2028	995,000	77,174	1,072,174
Total	$ 12,705,000	$ 4,588,046	$ 16,147,397

Changes in long-term liabilities:

Long-term liability activity for the year was as follows:

	July 1, 2009	Additions	Reductions	June 30, 2010	One Year
Bonds Payable	$ 13,145,000	$ -	$ 440,000	$ 12,705,000	$ 455,000

Note 8. LEASES

Operating Leases

The City has no operating leases.

Capital Leases

The City has entered into a lease agreement as lessee for financing the acquisition of vehicles and other equipment. The City executed an agreement with the Georgia Municipal Association (GMA) for $4,444,000, for the period June 1, 1998 to June 1, 2028, whereby funds were appropriated to the City from the proceeds of certificates of participation in the GMA Lease Pool. The agreement includes certificates of participation, swap providers and a rebate fund involving multiple financial institutions and is designed to generate interest income which effectively reduces the City's interest expense. The certificates of participation are a direct liability of the GMA and the City's liability extends only to the amount actually drawn down to finance buildings, vehicles and equipment additions.

This lease agreement with the GMA qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease terms) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date the equipment is acquired. Amounts drawn under the lease agreement bear interest based on a variable rate determined weekly (not to exceed 5%).

The City's equipment under lease has a cost of $2,976,183 and accumulated depreciation of $1,453,282. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2010. For the purposes of this schedule, an assumed interest rate of 4.75% was used. The effective interest rate at June 30, 2010 was 4.75%.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, were as follows:

Year Ending June 30	Governmental Activities	Business-type Activities
2011	$ 318,187	$ 200,309
2012	222,602	138,176
2013	199,668	95,184
2014	130,234	31,830
2015	124,644	30,409
2016-2018	113,202	-
Total Minimum Lease Payments	1,108,537	495,908
Less Amount Representing Interest	(111,941)	(32,191)
Present Value of Future Minimum Lease Payments	$ 996,596	$ 463,717

Note 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To/From Other Funds:

Outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services, goods, short-term nonoperating subsidies and other arrangements and outstanding balances at yearend are presented as "due to/from other funds". Balances between governmental or proprietary funds are netted when presented in the government-wide statements and reported as "internal balances". As of June 30, 2010, interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Gas	$ 996,898
	Confiscated Assets	2,333
Capital Projects	Fiber	113,618
Grant Fund	General Fund	15,936
Electric	Fiber	1,325,327
Fiber	Confiscated Asset	3,076
Self Insurance	General	36,783
	Water/Sewer	44,215
	Electric	29,785
	Gas	26,825
	Solid Waste	19,055
	Fiber	4,995
	Stormwater	7,955

Transfers and Payments

Routine transfers and payments between funds are to subsidize operations, fund capital projects, pay for capital asset acquisitions, and to re-allocate special revenues. As of June 30, 2010 interfund transfers were as follows:

Between Governmental and Business-type Funds:

Source Fund	Transfer To Fund	Amount
Capital Projects	Water/Sewer	$ 17,696
	Fiber Optic	48,202
Water/Sewer	General	1,450,578
Electric	General	649,325
Gas	General	1,955,470

Between Governmental Funds:

Source Fund	Transfer To Fund	Amount
Hotel/Motel Tax	General	$ 167,681

Transfers of capital assets from governmental funds to business-type funds are reported as contributed capital at the fund level in the business-type funds but have no effect on the governmental fund level statements. These amounts are reported as transfers in the government-wide statements in addition to completed capital projects stormwater improvements in the amount of $806,743.

Note 10. CONTINGENT LIABILITIES AND RISK FINANCING

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City. The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. During the current and preceding two years the City had no insurance settlements that exceeded insurance coverage.

Insurance deductibles for these coverages are as follows: $1,000 for employee benefits and $25,000 for property and casualty claims. The City is self-insured for dental and health benefits and workers compensation claims.

The City uses an internal service fund to account for risks related to all insurance coverage. The fund is responsible for collecting premiums from all the departments for the self-insured programs, paying claim settlements and purchasing certain insurance policies. The self-insurance program also provides protection for Employment Practice Liability such as allegations of race, gender, and age discrimination. Additional coverage information is provided below:

Workers' Compensation	This self-insurance program charges premiums to other City funds each year based on historical costs. For the current and two previous years this program provided coverage against workers' compensation claims up to the first $500,000 per claim. The City has obtained excess insurance for claims that exceed the self-insurance retention amount. No claims have exceeded coverage.

Property & Casualty Liability	This program includes losses and claims related to property, automobile, bodily injury, theft, professional and certain employment liability. Excludes losses and claims related to health benefits or workers' compensation. The City purchases commercial insurance for this coverage with most deductibles at $25,000 per claim. Premiums are charged to other City funds each year based on historical costs. There have been no claims settlements in excess of the insurance coverage that has been procured.
Dental Insurance	Employees and retirees and their dependents are eligible for dental insurance that is fully self-insured by the City. The City pays 100% of single premium and 70% of family premium for this coverage. Costs are charged to City funds through a charge per employee per pay period.
Health Insurance	City employees and retirees under age 65 and their dependents are eligible for health insurance that is a fully self-insured health maintenance organization (HMO). The City purchases stop loss insurance to cover individual claims that exceed $75,000 per calendar year. Claims exceeded the stop loss limit as follows: 5 during calendar year 2010, 3 during calendar year 2009, and 4 during calendar year 2008. The City pays 95% of single premium and 70% of family premium for this coverage. Costs are charged to City funds through a charge per employee per pay period.

Liabilities of the fund are reported when it is probable that a loss has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The City utilizes historical claim settlement trends to determine the claim liabilities for the Workers' Compensation Fund; liabilities for the other coverage are calculated based on outstanding claims. The amount to be paid out ultimately may be more or less than the amount accrued at June 30, 2010.

Changes in the balances of claims liability are as follows:

	Workers' Compensation		Property and Casualty		Dental		Health	
	2010	2009	2010	2009	2010	2009	2010	2009
Liability Balances, Beginning	$ 29,691	$ 1,346	$ -	$ 39,129	$ 7,909	$ 9,382	$ 197,272	$ 108,634
Claims and Changes In Estimates	124,505	129,305	485,202	105,491	211,051	198,387	3,807,392	3,102,384
Claim Payments	103,841	100,960	453,620	144,620	215,214	199,860	3,758,142	3,013,746
Liability Balance, Ending	$ 50,355	$ 29,691	$ 31,582	$ -	$ 3,746	$ 7,909	$ 246,522	$ 197,272

Note 11. OTHER COMMITMENTS

Power Sales Contract

Under the terms of a power sales contract, dated March 1, 1976 and for a period of 50 years, the City agrees to purchase its electric power and energy from the Municipal Electric Authority of Georgia (MEAG). In return, MEAG agrees to purchase or provide the generating capacity necessary for reliable and economical power output for the City to operate its electrical system. The price paid by the City is intended to cover its share of all the costs of MEAG, including debt service. In the event that the operating revenues of the City's electrical system are not sufficient to meet the City's

obligation to MEAG or the electrical system does not purchase the required amount of electric power and energy agreed to under this contract (calculated annually), the City has agreed to assess and collect property tax sufficient to provide such funds for the remainder of the life of this contract. At June 30, 2010, the outstanding debt of MEAG was $5,495,274,725. The City of Cartersville's guarantee varies by individual MEAG project and totals $337,207,892.

In conjunction with the power sales contract mentioned above, the City signed another 50 year contract with MEAG, dated May 1, 1996, whereby the City agrees to participate in MEAG's Telecommunications Project. This fiber optic communications project is to enable MEAG to continue to provide the City's power and energy supply and will provide the City with access to a fiber optic communication system. In the event that the City is unable to make any of its annually determined payments for use of the fiber optic communications system, the City has agreed to assess and collect property tax sufficient to provide such funds for the remainder of the life of this contract. For the year ending June 30, 2010, the City paid $289,933 for use of the fiber optics communication system.

On July 1, 1999, the City approved a resolution adopting the provisions of a Municipal Competitive Trust agreement between the City and MEAG. MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers (Cities) who elect to become participants. The Trust was created to provide a means to mitigate the expected differential between "after deregulation" market rates for power and the associated costs of generating that power.

The Trust created four types of accounts that are held by MEAG in the name of the City. The flexible operating trust account includes funds that are available to the City for operating costs and rate stabilization. As of June 30, 2010 the balance in this account is $2,512,267. This amount is included in restricted cash balance in the electric fund.

The three additional accounts created were the Credit Support Operating Account, the Reserve Funded Debt Account, and the Generation Trust Account. The funds in the Credit Support Operating Account and the Generation Support Account are restricted for use to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs. The funds in the reserve funded debt account can be only applied to charges related to MEAG's bond obligations. The balance of these accounts at June 30, 2010 was $12,517,067, $15,593,891, and $12,816,807, respectively. Due to the restrictive nature of these funds, they are not presented in the cash balance for the Electric Fund.

Georgia Public Web Membership

The City and other members of MEAG's telecommunication project created Georgia Public Web (a Georgia not for profit corporation) to provide internet and telecommunication services to customers in Georgia. On March 15, 2001 the City signed a 50-year commitment to pay, on a monthly basis, a proportionate share of the difference between GPW's budgeted costs and revenues. The City's proportionate share is 5.40% and for the year ending June 30, 2010 the City's cost was $44,708.

Note 12. DUE TO/FROM OTHER GOVERNMENTS

Governmental Activities:

	General Fund	Capital Projects
Due From Bartow County	$ 45,578	$ 406,161
Due From Georgia Department of Revenue	427,786	-
Due From US Government	12,870	-
Total Due From Other Governments	$ 486,234	$ 406,161

Amount due from Bartow County represents property taxes of $45,478 and SPLOST taxes of $406,161 collected but not remitted to the City, due from the Georgia Department of Revenue is for sales taxes collected but not remitted to the City and due from US Government is for salary reimbursements.

Note 13. PENSION COSTS

Primary Government:

Plan Description:

Substantially all full-time employees of the City of Cartersville are covered by the City of Cartersville Pension Plan (The Plan). The single-employer defined benefit pension plan was established by the City, in accordance with City charter and state statutes, by the adoption of an ordinance effective January 1, 1967. This ordinance assigns the authority to establish, amend or discontinue the Pension Plan to the City of Cartersville, Georgia. The Plan is included in this report because the City has the oversight responsibility as prescribed by the Governmental Accounting Standards Board. The Plan does not issue separate financial statements but includes the financial statements and required supplementary information in the City's annual financial report.

The Plan provides pension benefits and death benefits for all employees that have been employed full time for a minimum of ten years and meet certain age requirements.

Funding Policy:

The funding policy for the plan is to contribute an amount equal to the recommended contribution each year. The required contribution by the plan members and the City is actuarially determined and may be amended by the City. Contributions are determined using the projected unit credit method and assets are valued using market related value. The most current valuation, dated January 1, 2009, determined that for the period beginning July 1, 2009, employer contributions of 3.5% of covered payroll and a 4.1% contribution by police and fire employees and a 3.1% contribution by all other participants, are required to meet the current cost of the Plan. These contribution rates are based on an estimated total covered annual payroll of $14,034,763.

Contributions to the plan, for the year ended June 30, 2010, totaled $2,304,881 ($492,706 employee and $1,812,175 employer; 3.51% and 12.91% of covered payroll, respectively). The City's actual total covered payroll amounted to $14,933,928. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan on which contributions to the plan are based.

On the basis of the contribution rates shown above, the Plan is being funded in conformity with the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10).

Summary of Significant Accounting Policies:

The City of Cartersville Pension Plan financial statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment income is recognized as earned by the Plan. All plan investments are reported at fair value. There are no investments in, loans to, or leases with parties related to the pension plan. Administrative costs are paid by the plan.

Funded Status:

Trend Information

GASB No. 27 requires disclosure of the City's annual pension cost, percentage of annual cost contributed, and net pension obligation for the most recent three years. The annual pension cost is based on fiscal year, which differs from the actuarial year.

Fiscal Year Ending	Employer Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (NPO)
June 30, 2010	$ 496,723	100%	$ -
June 30, 2009	1,220,320	100%	-
June 30, 2008	1,067,818	100%	-

Schedule of Funding Progress

Actuarial Valuation For Plan Year Beginning January 1	(1) Actuarial Value Of Assets	(2) Actuarial Accrued Liability	(3) Unfunded Actuarial Accrued Liability (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability As % Of Covered Payroll (3)/(5)
2010	$ 23,046,682	$ 27,964,329	$ 4,917,647	82.4%	$ 13,639,703	36.1%
2009	18,901,415	23,397,933	4,496,518	80.8%	14,034,763	32.0%
2008	23,337,935	28,096,607	4,758,672	83.1%	13,902,353	34.2%

Plan provisions:

The major provisions of the plan are outlined below:

Effective Date	January 1, 1967
Last Revised	Effective January 1, 1989 and amended through October 1, 2004
Eligibility for Participation	6 months of service and attainment of age 18 for employees hired on or after September 1, 2001
Benefit Accrual Years of Service	Service from participation based on elapsed time
Vesting Years of Service	Service from date of hire based on elapsed time
Normal Retirement Benefit:	
Eligibility	Age 65 and 10 Years of Vesting Service.
Basic Monthly Benefit	2% of average monthly compensation multiplied by Credited Service.

	Average monthly compensation is based on the 3 highest consecutive completed years of service during last 10 years of service.
Early Retirement Benefit:	
Eligibility	Age 55 and 10 Years of Vesting Service.
Benefit	If the participant has 25 years of Vesting Service, there is no reduction for benefits commencing immediately. If participant has less than 25 years of Vesting Service, he can elect either (1) 100% of his accrued benefit to commence at age 65, or (2) a reduced benefit to commence as of any month following early retirement and prior to age 65. The reduction is 3% a year for the first 5 years and 6% a year for the next 5 years that the payment commencement date precedes the earlier of normal retirement date or the date the participant would have had 25 years of Vesting Service.
Special Early Retirement Benefit:	
Eligibility	Age 50 and 10 years of Vesting Service as of February 1, 1997, or any age and 25 years of Vesting Service as of February 1, 1997. Participant must apply for retirement during the period beginning December 1, 1996 and ending January 31, 1997.
Benefit	Participant's Normal Retirement Benefit calculated with 3 years added to the age, Benefit Accrual Service and Vesting Service of the Participant. Reduction for early commencement of benefits is as described above If the adjusted age of the Participant is less than 55, the benefit is calculated as if payable at the earliest commencement age. All benefits under this provision commence February 1, 1997.
Special Retirement Provision for Police and Fire personnel	
Eligibility	Age 50 and 10 years of Vesting Service as of September 1, 2003.

Benefit	Effective September 1, 2003, if the participant has 20 years of Vesting Service, there is no reduction for benefits commencing immediately. If the participant has less than 20 years of Vesting Service, he may elect a reduced benefit commencing as of any month following eligibility and prior to the date the participant would have had 20 years Vesting Service. The reduction is 7% per year of Vesting Service under 20 years.
Late Retirement Benefit:	
Eligibility	Retirement after eligibility for normal retirement.
Benefit	Normal retirement benefit based on compensation and service at actual date of retirement
Deferred Vested Benefit:	
Eligibility	10 years of vesting service.
Benefit	A participant may elect to receive a lump sum equal to his contributions without interest and he forfeits his accrued benefit. If he leaves his contributions in the Plan, then he retains 100% of his accrued benefit and may elect either 1) 100% of his accrued benefit to commence at age 65, or (2) a reduced benefit to commence as of any month following age 55 and prior to age 65. The reduction is 3% a year for the first 5 years and 6% a year for the next 5 years that the payment commencement date precedes the earlier of normal retirement date or the date the participant would have been eligible for unreduced benefits. For terminations after August 26, 1991, a participant is eligible for unreduced benefits after reaching age 55 with 25 years of Vesting Service.
Pre-Retirement Death Benefit:	
Eligibility	Participation in the Plan.
Benefit	For participants that are not vested, return of employee contributions with interest accrued at the rate of 4% per annum. For vested participants, 50% of the participant's accrued benefit payable to the spouse beginning when the participant would have been 55 or immediately, if the participant is 55 or over at the time of death.

Cost-of-Living Adjustment	Effective April 1, 2001, a one-time increase shall be made to Participants' and Beneficiaries' benefits in payment status. The increase shall be (1) equal to $10 per month for each year that the Participant's has been retired, with a maximum of $80 per month, and (2) payable for the life of the Participant, or if the Participant elected a joint and survivor annuity, for the life of the Participant and Beneficiary.
Normal Form of Benefit	Modified cash refund annuity.
Optional Forms of Benefit	(1) Ten years certain and life annuity (2) Five years certain and life annuity. (3) 100% joint and survivor annuity. (4) 66-2/3% joint and survivor annuity. (5) 50% joint and survivor annuity. All of the optional forms of payment have the modified cash refund feature.
Disability Benefit	
Eligibility	10 years of vesting service.
Benefit	Effective September 1, 2003, if the participant terminates employment prior to his Normal Retirement Date due to total and permanent disability, there is no reduction for benefits commencing immediately.
Postemployment Healthcare Benefit	None from this plan
Employee Contributions	Effective September 1, 2003, each general employee participant contributes 3.10% of compensation, and each police officer and each firefighter contributes 4.10% of compensation. For individual income tax purposes, these contributions are treated as though they are made by the City under Internal Revenue Code §414(h)(2). If a Participant terminates employment before meeting the requirements for any of the above benefits, he is entitled to receive a return of his contributions without interest. If the participant is reemployed, he can under certain circumstances repay the contributions with interest and have his prior service restored.
Employer Contributions	The City contributes 13.50% of total covered payroll based on the annual recommendations of independent actuaries.

Actuarial Assumptions

A variety of significant actuarial assumptions are used, some of which are presented below:

Valuation date	1/1/2010
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Asset valuation method	Market value
Investment rate of return	8.5%
Projected salary increases	5.50%
Cost of living adjustments	none
Inflation rate	3.00%

Plan membership data

As of January 1, 2010 employee membership data related to the Plan were as follows:

Number of retirees and beneficiaries currently receiving benefits	112
Number of terminated employees entitled to benefits but not yet receiving them	19
Number of active plan participants	328

Optional Defined Contribution Retirement Plan

The City participates in a 401(a) defined contribution plan administered by ICMA-RC to provide additional retirement benefits for the City Manager and department heads. Contribution provisions are City Manager up to 30% of annual salary and department heads 6% of annual salary with a maximum of $15,000. The City Council established the plan, sets the contribution amount in any one year, and has the right to amend any provisions of the plan. The City makes all contributions and for the year ended June 30, 2010 contributions were $39,884.

Component Units:

City Board of Education:

All Cartersville City School full-time employees are either a member of the Teacher Retirement System of Georgia or the Public School Employees Retirement System of Georgia. Both plans are defined benefit pension plans.

A. Teachers Retirement System (TRS)

Plan Description: The School Board contributes to the Teacher Retirement System of Georgia (TRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Georgia. The TRS provides service retirement, disability retirement, and survivor's benefits to plan members and beneficiaries. The Georgia General Assembly has the authority to establish and amend benefit provisions and assigns management and investment authority to the Board of Trustees of the TRS. The Teachers Retirement System of Georgia issues a publicly available annual financial report that

includes financial statements and required supplementary information for the TRS. That report may be obtained by writing the Teachers Retirement System of Georgia, Two Northside 75, Suite 400, Atlanta, Georgia 30381, or by calling 404-352-6500.

Funding Policy: By State law, plan members are required to contribute a minimum of 5%, but not more than 6%, of their annual covered payroll and the School Board is required to contribute at an actuarially determined rate. The current rate is 9.74% of annual covered payroll. The contribution requirements of the plan members and the Cartersville School Board are established and may be amended by the TRS Board of Trustees. The Cartersville School Board's contribution to the TRS for the years ending June 30, 2010, 2009, and 2008 were $2,109,902, $2,003,868, $1,932,405, respectively, equal to the required contributions for each year.

As established by Georgia law, all teachers in the state public schools and certain other designated employees in education related work qualify for membership. Employees vest in the plan after ten years of service. The Plan provides service retirement, disability retirement, and survivor's benefits. A vested member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years service and attainment of age 60.

A member is eligible for early retirement after 25 years of service and the attainment of age 55. Normal pension benefits paid to members equal to 2% of the average of the member's two consecutive highest paid years of service multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of 1/12 of 7% for each month the member has less than 30 years service. Retirement benefits are payable monthly for life.

B. Public School Employees Retirement System (PSERS)

Plan Description: Full time employees not eligible to participate in the Teachers Retirement System may participate in the Public School Employees Retirement System (PSERS). The PSERS is a cost sharing, multiple-employer, defined benefit pension plan established by the Georgia General Assembly in 1969.

Upon retirement, the participating member will receive a monthly benefit of $12.00 multiplied by the number of years of creditable service. Death, disability, and spousal benefits are also available through PSERS. Additionally, PSERS makes periodic cost-of-living adjustments to the monthly benefits. The School Board makes contributions of $4.00 per month for nine months on behalf of the employee members.

Funding Policy: 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 Board of the Employee's Retirement System of Georgia. The Board of the Employees Retirement System of Georgia issues a publicly available financial report that includes financial statements and required supplementary information for PSERS. That report may be obtained by writing Public School Employees Retirement System, Two Northside 75, Suite 300, Atlanta, Georgia 30318-7778, or by calling 1-800-805-4609.

Members become vested after ten years of creditable service. Upon termination of employment, member contributions are refundable with interest. However, if an otherwise vested member terminates and withdraws their member contributions, no vesting of employer contributions occur. The employer contributions to the unfunded accrued liability were projected to liquidate the accrued liability within twelve years based upon the actuarial valuation at July 1, 1987. 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.

If a member chooses, he may begin receiving reduced benefits after age 60 and upon completion of ten years of service. Members retiring before age 65 will receive a benefit reduced by 1/2 of 1% for each month under age 65. The Governmental Accounting Standards Board's Statement 27 requires

disclosure of the School Board's required contributions for the current year and each of the preceding years. The School Board's contributions to the PSERS for the years ending June 30, 2010, 2009, and 2008 were $2,268, $2,360, and $2,944.

Downtown Development Authority:

The employees of the Downtown Development Authority are eligible to participate in the City of Cartersville's retirement plan.

Note 14. RESTRICTED ASSETS

The following are details of the restricted assets for governmental funds:

	General	Capital Projects	Nonmajor Governmental	Total
Restricted Assets:				
Cash - Customer Deposits	$ 95,221	$ -	$ -	$ 95,221
Cash - Asset Construction/Acquisition	-	9,430,435	-	9,430,435
Cash - Cemetery Maintenanace	2,280	-	-	2,280
Cash - Grant Projects	22,000	-	-	22,000
Cash - Employee Flex-spending	902	-	-	902
Cash - Planning and Development	-	-	436,222	436,222
Cash - Law Enforcement	-	-	1,366,119	1,366,119
Total Governmental Restricted Assets	$ 120,403	$ 9,430,435	$ 1,802,341	$ 11,353,179

The following are details of the restricted assets for enterprise funds:

	Water and Sewer	Electric	Gas	Nonmajor Enterprise	Total
Restricted Assets:					
Cash - Customer Deposits	$ 325,897	$ 687,409	$ 360,085	$ -	$ 1,373,391
Cash - MEAG Account	-	2,512,267	-	-	2,512,267
Cash - Renewal and Replacement	5,289,872	-	-	-	5,289,872
Cash - Drainage Improvements	-	-	-	334,224	334,224
Cash - Revenue Bond Covenants	2,836,674	-	-	-	2,836,674
Total Business-type Restricted Assets	$ 8,452,443	$ 3,199,676	$ 360,085	$ 334,224	$ 12,346,428

Note 15. POST-EMPLOYMENT BENEFITS (OBLIGATIONS FOR MEDICAL, DENTAL & LIFE INSURANCE)

Plan Description. Through the passage of local ordinance, the City of Cartersville OPEB plan, a single employer defined benefit plan provides continuation of medical, dental and life insurance coverage to retired employees. All full time employees of the City hired prior to July 20, 2000 are eligible for these benefits. Former employees pay 60% of medical and dental insurance premiums, while the employer covers all additional costs. The normal retirement date of a participant is the first day of the calendar month coincident with or next following their 65th birthday. A participant may retire on an early retirement date which may be the first day of any calendar month prior to their normal retirement date, provided they have then attained their 55th birthday and completed 10 years of credited service (50th birthday for Police and Fire employees). A participant may continue in employment beyond their normal retirement date; such participant's postponed retirement date will be the first day of the calendar month coincident with or next following their actual retirement. An employee who retires and receives a pension or is vested is entitled to continue their health insurance coverage (with Medicare considered the primary insurance after age 65). Spousal coverage expires 36 months after employee death. Life insurance is provided for life of employee and is equal to 100% of current annual salary at retirement with the original amount reduced by 35% at age 65 and 45% at age 70. Dental insurance is provided for employee continuing health insurance. The plan is administered through the City's current insurance provider and no separate audit report is available. The City has the authority to amend the provisions of this plan.

The number of participants as of July 1, 2009, the effective date of the OPEB valuation is as follows:

In Pay Status	121
Active Employees	149
Retired Employees	20
Total	290

Funding Policy. The City currently pays for postemployment health care and life insurance benefits on a pay-as-you-go basis. The City is studying the establishment of a trust that would be used to accumulate and invest assets necessary to pay for the accumulated liability. These financial statements assume that pay-as-you-go funding will continue. The City's annual OPEB cost, the percentage contributed, and the net obligation are as follows:

Period Ended	OPEB Cost	Percentage Contributed	Net OPEB Obligation	Amount Contributed
6/30/2010	$ 1,015,979	51.02%	$ 1,541,776	$ 518,373
6/30/2009	1,054,816	51.09%	1,044,170	538,911

The funded status of the OPEB plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	Ratio of the UAAL to Annual Covered Payroll
7/1/2009	$ -	$ 12,474,752	$ 12,474,752	0.0%	$ 6,628,159	188.2%
7/1/2008	-	12,356,261	12,356,261	0.0%	6,373,230	193.9%
7/1/2007	-	11,966,453	11,966,453	0.0%	6,128,106	195.3%

Annual Other Postemployment Benefit Cost. The City's OPEB cost is actuarially calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid each year, is projected to provide funding for future benefits. The following table shows the components of the City's OPEB cost for the current year, amount contributed and changes in OPEB obligation.

Required contribution	$ 958,980
Interest on net OPEB obligation	56,999
OPEB cost	1,015,979
Contributions made	(518,373)
Increase (decrease) in net OPEB obligation	497,606
Net OPEB Obligation, beginning of Period	1,044,170
Net OPEB Obligation, end of Period	$ 1,541,776

Actuarial Methods and Assumptions. Actuarial assumptions used in the plan are as follows

Economic Assumptions:

Interest Rates:

Discount Rate	4.50%
Return on Assets	N/A
Medical Trend	5.0%

Demographic Assumptions:

Mortality	1983 GAM
Termination	None. Vested Employees Entitled.
Disability	50% of 1975 SSA study
Average Per Capita Claims Cost	$3,962
Projected to Ages 55-59	$6,800
Retiree Copay Percentage	60% of Dependents Only
Retirement	Participants become eligible to retire under the same provisions as pension.
Participation	100%
Spousal Participation	100% - 60% are married

Administrative Expense	None
Percentage Married	30% Males; 30% Females
Spousal Participation	Wives 3 Years Younger Than Husbands

Actuarial Methods:

Normal Cost and Actuarial Accrued Liability	Projected Unit Credit
Actuarial Value of Assets	Same as Market Value
Amortization of Unfunded Accrued Actuarial Liability (UAAL)	UAAL is amortized over closed periods using level dollar payments. The amortization period is 15 years for Gains and Losses, 20 for Plan Changes and 30 for Assumption Changes.

Note 16. FUND BALANCE/NET ASSET RESTRICTIONS

Restrictions are used to indicate that a portion of the net assets/fund balance is not appropriable for expenditure or is legally segregated for a specific future use. The following restrictions are used by the City and its component unit:

Primary Government:

Governmental Funds:

Restricted for law enforcement - restricted for use in law enforcement related expenditures.

Restricted for capital projects - restricted for completion of construction projects financed by tax proceeds.

Restricted for planning and development – fees paid by taxpayers to offset future costs of recreational and public safety services and or to promote trade and industry

Enterprise Funds:

Restricted for debt service - restricted for payment of bond principal and interest.

Restricted for renewal and replacement account - restricted for construction of water and sewerage system projects as required by revenue bond covenants.

Restricted for drainage improvement – fees paid by developers for construction storm-water detention ponds.

Component Unit:

City Board of Education:

Reserve for construction - restricted for construction and other capital additions.

Note 17. EXCISE TAX COLLECTIONS

Hotel/Motel Tax Revenues and Tourism Expenditures:

The City of Cartersville levies a 5% hotel/motel tax in accordance with provisions of the Official Code of Georgia section 48-13-51. This code section requires that the City expend an amount equal to the amount by which the total taxes collected under this section exceed the taxes that would be collected at a rate of 3 percent. For the year ended June 30, 2010, the total amount the City collected was $279,468 and the amount collected above 3 percent was $111,787. The City paid the excess amount collected in accordance with contractual agreements that specify that all money must be used for promotion of tourism, trade shows, conventions or a state or local government owned facility that is used for trade shows and conventions.

Rental Motor Vehicle Excise Tax:

The City of Cartersville levies a 3% rental motor vehicle tax in accordance with the provisions of the Official Code of Georgia section §48-13-93. This code section requires that the City expend the amount collected for promoting industry, trade, commerce and tourism. For the year ended June 30, 2010, the total amount the City collected was $42,242. In accordance with contractual agreements, the Bartow-Cartersville Joint Development Authority received the first $20,000 collected and the Cartersville Downtown Development Authority received the remaining $22,242.

Note 18. SPECIAL PURPOSE LOCAL OPTION SALES TAX

In November 1996, Bartow County voters passed a referendum on the question of "yes/no shall a special one percent sales and use tax be imposed in Bartow County for a period of time not to exceed twenty calendar quarters, or until there is collected net proceeds of $55,000,000, for various capital outlay purposes". Actual collection of the tax began April 1, 1997 and ended March 31, 2002. The City of Cartersville's distributive share of this amount is projected to be $11,841,500 or 21.53%. The City is using the proceeds from the tax for street and road improvements, fiber optic system improvements, GIS mapping, and water/sewer improvements.

In November 2002, Bartow County voters passed a referendum on the question of "yes/no shall a special one percent sales and use tax be imposed in Bartow County for a period of time not to exceed twenty calendar quarters, or until there is collected net proceeds of $86,000,000, for various capital outlay purposes". Actual collection of the tax began April 1, 2003 and ended December 31, 2007. The City of Cartersville's distributive share of this amount is projected to be $17,827,800 or 20.73%. The City is using the proceeds from the tax for street and road improvements, building improvements, GIS mapping, and water/sewer improvements.

In June 2007, Bartow County voters passed a referendum on the question of "yes/no" shall a special one percent sales and use tax be imposed in Bartow County for a period of time not to exceed twenty calendar quarters, or until there is collected net proceeds of $200,000,000 for various capital outlay purposes." Actual collection of the tax began January 1, 2008. The City of Cartersville's distributive share of this amount is projected to be $37,314,000 or 20.73%. The City is using the tax for street and road improvements, water and sewer system improvements, utilities improvements, and building improvements.

Note 19. JOINT VENTURES

The City of Cartersville is a member of the Coosa Valley Regional Development Center (RDC). The RDC was created under the laws of the State of Georgia and cities and counties in the area served by the RDC are required to be members. The membership of the RDC includes 10 counties and 35 municipalities. The City has no equity interest in the RDC nor does the City materially contribute to the continued existence of the RDC. The Official Code of Georgia Annotated Section 50-8-39.1 states that in the event the RDC ceases operation, the membership can be assessed for any debt or obligation of the RDC. Separate financial statements may be obtained from Coosa Valley Regional Development Center, P. O. Box 1793, Rome, Georgia 30162.

The City of Cartersville and Bartow County have an intergovernmental agreement to operate the Cartersville-Bartow County Airport. The airport authority is governed by a three member authority, one appointed by the City, one by the County and the third selected by the two appointed members. The City and County fund the operating and capital budgets equally and each government's share of the assets, liabilities and equity is 50%. The Airport does not have any available financial statements.

The City provides annual funding to the Bartow County Library System to support its operation. The Library's Board consists of 7 members, three appointed by the Bartow County Commissioner, two appointed by the City of Cartersville, and one member each appointed by the Cities of Adairsville and Euharlee. The Board has no authority to determine the amount of funding and the City's membership in the library system is voluntary. Separate financial statements may be obtained from Bartow County Library System, 429 West Main Street, Cartersville, Georgia 30120.

Note 20. CONSTRUCTION COMMITMENTS

As of June 30, 2010, the City had contracts for architectural design or construction of projects for buildings, road and street improvements and water and sewer system improvements.

Project Type	Contract Amount	Remaining Commitment
Design-Recreational Trails	$ 19,504	$ 19,504
Architectural Design-Public Safety Bldg	472,500	467,500
Water and Sewer System Improvents	122,752	100,302
Total Construction In Progress	$ 614,756	$ 587,306

Note 21. PRIOR PERIOD ADJUSTMENTS

At the fund level a prior period adjustment was recorded in the general fund to adjust accounts payable for errors in the prior year's balance. This adjustment increased unreserved fund balance by $45,031. The capital projects and grant funds recorded a prior period adjustment to correct misclassification of funds in the previous year. An adjustment for $13,144 increased fund balance in the Capital Projects Fund and decreased the fund balance in the Grant Fund. An additional prior period adjustment was made on the government-wide statements of $64,730 to report the transfer lease obligations from the general fund to the stormwater fund. The related assets were correctly transferred in a prior year.

Prior period adjustments are recorded in the Water and Sewer Fund to adjust unamortized issue cost and deferred loss on refunding that were incorrectly calculated in the previous year. This adjustment increases net assets by $204,930. An additional prior period adjustment was made to correct capital assets for duplicate entries which decreased net assets by $200,018.

The Electric fund prior period adjustment corrects accumulated depreciation. This adjustment increased net assets by $174,424.

As discussed in the above paragraph, the Stormwater fund has a prior period adjustment to correct lease payable as mentioned in the above paragraph. Leased equipment and vehicles were transferred to the Stormwater fund in a prior year but the related lease liability was not recorded in the Stormwater fund. This adjustment decreases net assets by $64,730.

The Fiber fund prior period adjustment corrects accumulated depreciation. This adjustment decreases net assets by $267,411.

A prior period adjustment was recorded to adjust actuarial accrued liability for OPEB due to errors in calculations in the prior year. The governmental activities liability was increased by $167,332 and the enterprise/business-type activities were increased by $69,930.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARTERSVILLE, GEORGIA
Required Supplementary Information
Schedule of Employer Contributions - Pension Trust Fund
June 30, 2010

Year Ended June 30	Required Contribution	Percentage Contributed
2003	$ 1,052,683	100%
2004	1,116,532	100%
2005	1,130,353	100%
2006	1,199,529	100%
2007	1,287,465	100%
2008	1,067,818	100%
2009	1,220,320	100%
2010	496,723	100%

CITY OF CARTERSVILLE, GEORGIA
Required Supplementary Information
Schedules of Funding Progress
June 30, 2010

Employee Retirement - Pension Trust Fund

Actuarial Valuation Date 7/1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability Entry Age Normal Cost Method	(3) Unfunded Actuarial Accrued Liability (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability as % of Covered Payroll Rate (3)/(5)
2010	$ 23,046,682	$ 27,964,329	$ 4,917,647	82.4%	$ 13,639,703	36.1%
2009	18,901,415	23,397,933	4,496,518	80.8%	14,034,763	32.0%
2008	23,337,935	28,096,607	4,758,672	83.1%	13,902,353	34.2%
2007	21,585,524	28,219,142	6,633,618	76.5%	12,514,811	53.0%
2006	19,585,646	32,197,050	12,611,404	60.8%	11,824,422	106.7%
2005	18,974,802	29,505,378	10,530,576	64.3%	11,503,965	91.5%

Postemployment Healthcare Plan - OPEB

Actuarial Valuation Date 7/1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability Entry Age Normal Cost Method	(3) Unfunded Actuarial Accrued Liability (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability as % of Covered Payroll Rate (3)/(5)
2010	$ -	$ 12,474,752	$ 12,474,752	0.0%	$ 6,628,159	188.2%
2009	-	12,356,261	12,356,261	0.0%	6,373,230	193.9%
2008	-	11,966,453	11,966,453	0.0%	6,128,106	195.3%

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COMBINING AND INDIVIDUAL FUND STATEMENTS

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CITY OF CARTERSVILLE, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Capital Projects Fund - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 2,900,000	$ 3,878,000	$ 3,873,941	$ (4,059)
Interest Income	-	35,560	34,604	(956)
Total Revenues	2,900,000	3,913,560	3,908,545	(5,015)
Expenditures				
Current:				
Public Works	-	-	71,396	(71,396)
Capital Outlay:				
Streets, Sidewalks and Stormwater	4,830,000	2,934,790	1,364,126	1,570,664
Water and Sewer Construction	-	137,475	119,444	18,031
Buildings	3,775,000	2,493,675	1,174,120	1,319,555
GIS Upgrades	75,000	7,000	-	7,000
Total Expenditures	8,680,000	5,572,940	2,729,086	2,843,854
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,780,000)	(1,659,380)	1,179,459	2,838,839
Other Financing Sources (Uses)				
Transfers Out	-	(60)	(65,898)	(65,838)
Total Other Financing Sources (Uses)	-	(60)	(65,898)	(65,838)
Net Change in Fund Balance	(5,780,000)	(1,659,380)	1,113,561	2,772,941
Fund Balance - Beginning of Year	8,644,136	8,644,136	8,644,136	-
Prior Period Adjustment	-	-	13,144	13,144
Fund Balance - End of Year	$ 2,864,136	$ 6,984,756	$ 9,770,841	$ 2,786,085

CITY OF CARTERSVILLE, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue							
	Hotel/Motel Tax	Development Fees	DEA Confiscated Assets	State Forfeited Funds	Grant Funds	Impact Fees Fund	Rental Vehicle Excise Tax	Total Nonmajor Governmental Funds
Assets								
Cash - Restricted	$ 10,081	$ 93,079	$ 1,350,686	$ 15,433	$ -	$ 333,062	$ -	$ 1,802,341
Due From Other Funds	-	-	-	-	15,936	-	-	15,936
Total Assets	$ 10,081	$ 93,079	$ 1,350,686	$ 15,433	$ 15,936	$ 333,062	$ -	$ 1,818,277
Liabilities and Fund Balances								
Cash Overdraft	$ -	$ -	$ -	$ -	$ 29,993	$ -	$ -	$ 29,993
Accounts Payable	10,081	-	1,480	-	-	-	-	11,561
Due To Other Funds	-	-	5,409	-	-	-	-	5,409
Total Liabilities	10,081	-	6,889	-	29,993	-	-	46,963
Fund Balance:								
Reserved For:								
Law Enforcement Activities	-	-	1,343,797	15,433	-	-	-	1,359,230
Planning and Development	-	93,079	-	-	-	333,062	-	426,141
Unreserved (Deficit)	-	-	-	-	(14,057)	-	-	(14,057)
Total Fund Balances	-	93,079	1,343,797	15,433	(14,057)	333,062	-	1,771,314
Total Liabilities and Fund Balances	$ 10,081	$ 93,079	$ 1,350,686	$ 15,433	$ 15,936	$ 333,062	$ -	$ 1,818,277

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue							
	Hotel/Motel Tax	Development Fees	DEA Confiscated Assets	State Forfeited Funds	Grant Fund	Impact Fees Fund	Rental Vehicle Excise Tax	Total Nonmajor Governmental Funds
Revenues								
Taxes	$ 279,468	$ -	$ -	$ -	$ -	$ -	$ 42,242	$ 321,710
Intergovernmental	-	-	14,142	-	16,748	-	-	30,890
Fines and Forfeitures	-	-	531,429	-	-	-	-	531,429
Charges for Services	-	-	-	-	-	10,902	-	10,902
Interest Income	-	-	4,182	58	-	379	-	4,619
Total Revenues	279,468	-	549,753	58	16,748	11,281	42,242	899,550
Expenditures								
Current								
General Government	111,787	-	-	-	-	-	22,242	134,029
Police	-	-	270,402	-	-	-	-	270,402
Fire	-	-	-	-	17,661	-	-	17,661
Planning and Development	-	-	-	-	-	-	20,000	20,000
Culture and Recreation	-	-	-	-	-	24,640	-	24,640
Total Expenditures	111,787	-	270,402	-	17,661	24,640	42,242	466,732
Excess (Deficiency) of Revenues Over (Under) Expenditures	167,681	-	279,351	58	(913)	(13,359)	-	432,818
Other Financing Sources (Uses)								
Transfers - Out	(167,681)	-	-	-	-	-	-	(167,681)
Total Other Financing Sources (Uses)	(167,681)	-	-	-	-	-	-	(167,681)
Net Change in Fund Balances	-	-	279,351	58	(913)	(13,359)	-	265,137
Fund Balance (Deficit) - Beginning of Year	-	93,079	1,064,446	15,375	-	346,421	-	1,519,321
Prior Period Adjustment	-	-	-	-	(13,144)	-	-	(13,144)
Fund Balance (Deficit) - End of Year	$ -	$ 93,079	$ 1,343,797	$ 15,433	$ (14,057)	$ 333,062	$ -	$ 1,771,314

CITY OF CARTERSVILLE, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Hotel/Motel Tax - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 203,000	$ 279,475	$ 279,468	$ (7)
Total Revenues	203,000	279,475	279,468	(7)
Expenditures				
Current				
General Government	81,200	111,790	111,787	3
Total Expenditures	81,200	111,790	111,787	3
Excess (Deficiency) of Revenues Over (Under) Expenditures	121,800	167,685	167,681	(4)
Other Financing Sources (Uses)				
Transfers - Out	(121,800)	(167,685)	(167,681)	4
Total Other Financing Sources (Uses)	(121,800)	(167,685)	(167,681)	4
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -

CITY OF CARTERSVILLE, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Development Fee Fund - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Charges for Services	$ 5,000	$ 5,000	$ -	$ (5,000)
Total Revenues	5,000	5,000	-	(5,000)
Expenditures				
Current:				
Police	2,500	2,500	-	2,500
Culture and Recreation	2,500	2,500	-	2,500
Total Expenditures	5,000	5,000	-	5,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	93,079	93,079	93,079	-
Fund Balance - End of Year	$ 93,079	$ 93,079	$ 93,079	$ -

CITY OF CARTERSVILLE, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances
DEA Confiscated Asset Fund - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental Revenues	$ -	$ 14,145	$ 14,142	$ (3)
Forfeitures	210,895	531,430	531,429	(1)
Interest Income	-	4,185	4,182	(3)
Total Revenues	210,895	549,760	549,753	(7)
Expenditures				
Current				
Police	210,895	549,760	270,402	279,358
Total Expenditures	210,895	549,760	270,402	279,358
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	279,351	279,351
Net Change in Fund Balance	-	-	279,351	279,351
Fund Balance - Beginning of Year	1,064,446	1,064,446	1,064,446	-
Fund Balance - End of Year	$ 1,064,446	$ 1,064,446	$ 1,343,797	$ 279,351

CITY OF CARTERSVILLE, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
State Forfeited Funds - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Fines and Forfeitures	$ 3,000	$ 2,940	$ -	$ (2,940)
Interest Income	-	60	58	(2)
Total Revenues	3,000	3,000	58	(2,942)
Expenditures				
Current:				
Police	3,000	3,000	-	3,000
Total Expenditures	3,000	3,000	-	3,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	58	58
Net Change in Fund Balance	-	-	58	58
Fund Balance - Beginning of Year	15,375	15,375	15,375	-
Fund Balance - End of Year	$ 15,375	$ 15,375	$ 15,433	$ 58

CITY OF CARTERSVILLE, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Grant Fund - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 778,800	$ 16,750	$ 16,748	$ (2)
Total Revenues	778,800	16,750	16,748	(2)
Expenditures				
Current				
Fire	-	17,665	17,661	4
Culture and Recreation	936,000	-	-	-
Total Expenditures	936,000	17,665	17,661	4
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,200)	(915)	(913)	2
Other Financing Sources (Uses)				
Transfers In	157,200	915	-	(915)
Total Other Financing Sources (Uses)	157,200	915	-	(915)
Net Change in Fund Balance	-	-	(913)	(913)
Fund Balance - Beginning of Year	-	-	-	-
Prior Period Adjustment	-	-	(13,144)	(13,144)
Fund Balance - End of Year	$ -	$ -	$ (14,057)	$ (14,057)

CITY OF CARTERSVILLE, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Impact Fee Fund - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Charges for Services	$ 45,000	$ 44,620	$ 10,902	$ (33,718)
Interest Income	-	380	379	(1)
Total Revenues	45,000	45,000	11,281	(33,719)
Expenditures				
Current				
Planning and Development	37,000	37,000	-	37,000
Culture and Recreation	8,000	8,000	24,640	(16,640)
Total Expenditures	45,000	45,000	24,640	20,360
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(13,359)	(13,359)
Net Change in Fund Balance	-	-	(13,359)	(13,359)
Fund Balance - Beginning of Year	346,421	346,421	346,421	-
Fund Balance - End of Year	$ 346,421	$ 346,421	$ 333,062	$ (13,359)

CITY OF CARTERSVILLE, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Rental Vehicle Excise Tax Fund - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 58,000	$ 58,000	$ 42,242	$ (15,758)
Total Revenues	58,000	58,000	42,242	(15,758)
Expenditures				
Current				
General Government	38,000	38,000	22,242	15,758
Planning and Development	20,000	20,000	20,000	-
Total Expenditures	58,000	58,000	42,242	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Net Assets
Nonmajor Proprietary Funds
June 30, 2010

	Stormwater	Solid Waste	Fiber Optic	Total Nonmajor Enterprise Funds
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 295,435	$ 200,528	$ 354,272	$ 850,235
Restricted Cash:				
Drainage Improvements	334,224	-	-	334,224
Accounts Receivable - Net	78,642	151,048	34,125	263,815
Due From Other Funds	-	-	3,076	3,076
Inventory	-	25,318	42,579	67,897
Total Current Assets	708,301	376,894	434,052	1,519,247
Non-Current Assets:				
Capital Assets:				
Equipment	1,300,580	2,114,464	354,531	3,769,575
Buildings and Structures	130,165	8,000	8,531	146,696
Utility systems	852,728	-	2,769,852	3,622,580
Construction in Progress	26,300	-	-	26,300
Less Accumulated Depreciation	(1,040,630)	(1,565,916)	(1,409,710)	(4,016,256)
Total Non-Current Assets	1,269,143	556,548	1,723,204	3,548,895
Total Assets	$ 1,977,444	$ 933,442	$ 2,157,256	$ 5,068,142
Liabilities				
Current Liabilities:				
Accounts Payable	$ 7,090	$ 37,103	$ 53,470	$ 97,663
Accrued Wages and Withholdings Payable	13,130	31,611	19,883	64,624
Customer Deposits	16,980	-	-	16,980
Due to Other Funds	7,955	19,055	1,443,940	1,470,950
Capital Leases Payable	49,984	134,071	-	184,055
Compensated Absences Payable	1,313	4,198	-	5,511
Total Current Liabilities	96,452	226,038	1,517,293	1,839,783
Noncurrent Liabilities:				
Capital Leases Payable	35,067	244,595	-	279,662
Compensated Abscences	12,658	26,106	33,146	71,910
OPEB Liability	26,836	67,731	-	94,567
Total Noncurrent Liabilities	74,561	338,432	33,146	446,139
Total Liabilities	171,013	564,470	1,550,439	2,285,922
Net Assets				
Invested in Capital Assets, Net of Related Debt	1,184,092	177,882	1,723,204	3,085,178
Restricted For Drainage Improvements	334,224	-	-	334,224
Unrestricted (Deficit)	288,115	191,090	(1,116,387)	(637,182)
Total Net Assets	$ 1,806,431	$ 368,972	$ 606,817	$ 2,782,220

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Nonmajor Proprietary Funds
For the Year Ended June 30, 2010

	Stormwater	Solid Waste	Fiber Optic	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for Services	$ 1,198,911	$ 1,943,544	$ 1,493,496	$ 4,635,951
Fees	957	51,820	-	52,777
Other Revenues	-	2,234	266,373	268,607
Total Operating Revenues	1,199,868	1,997,598	1,759,869	4,957,335
Operating Expenses				
Costs of Sales and Services	603,985	1,640,527	1,317,482	3,561,994
Administrative Expense	177,690	160,000	-	337,690
Depreciation Expense	121,067	110,371	227,990	459,428
Total Operating Expenses	902,742	1,910,898	1,545,472	4,359,112
Operating Income (Loss)	297,126	86,700	214,397	598,223
Nonoperating Revenues (Expenses)				
Interest Revenue	16,921	22,880	-	39,801
Interest Expense	(5,848)	(15,172)	-	(21,020)
Total Nonoperating Revenues (Expenses)	11,073	7,708	-	18,781
Income Before Contributions, Special Items and Transfers	308,199	94,408	214,397	617,004
Capital Contributions	806,743	-	139,618	946,361
Transfers In	-	-	48,202	48,202
Change in Net Assets	1,114,942	94,408	402,217	1,611,567
Net Assets - Beginning	761,214	287,051	472,011	1,520,276
Prior Period Adjustment	(69,725)	(12,487)	(267,411)	(349,623)
Net Assets - Ending	$ 1,806,431	$ 368,972	$ 606,817	$ 2,782,220

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2010

	Stormwater	Solid Waste	Fiber Optic	Total Nonmajor Enterprise Funds
Cash Flows From Operations				
Received from Customers	$ 1,218,490	$ 1,997,105	$ 1,761,447	$ 4,977,042
Payments to Suppliers	(422,361)	(910,099)	(824,598)	(2,157,058)
Payments to/for Employees	(379,709)	(880,209)	(495,823)	(1,755,741)
Net Cash Provided by (Used in) Operating Activities	416,420	206,797	441,026	1,064,243
Cash Flows from Noncapital Financing Activities				
Payments/Advances From Other Funds	-	-	48,202	48,202
Payments/Advances To Other Funds	(159,685)	(54,015)	(399,726)	(613,426)
Net Cash Provided By (Used In) Noncapital Financing Activities	(159,685)	(54,015)	(351,524)	(565,224)
Cash Flows from Capital and Related Financing Activities				
Principal Payments - Leases	(91,988)	(127,985)	-	(219,973)
Acquisition and Construction of Capital Assets	(27,710)	(169,770)	(207,092)	(404,572)
Proceeds From Capital Lease	-	149,628	-	149,628
Capital Contributions	-	-	139,618	139,618
Interest Paid	(5,848)	(15,172)	-	(21,020)
Net Cash Provided By (Used In) Capital and Related Financing Activitie	(125,546)	(163,299)	(67,474)	(356,319)
Cash Flows from Investing Activities				
Interest Received	16,921	22,880	-	39,801
Net Increase (Decrease) in Cash	148,110	12,363	22,028	182,501
Cash - July 1, 2009 (Including Restricted Cash)	481,549	188,165	332,244	1,001,958
Cash - June 30, 2010 (Including Restricted Cash)	$ 629,659	$ 200,528	$ 354,272	$ 1,184,459
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	$ 297,126	$ 86,700	$ 214,397	$ 598,223
Adjustments to Reconcile to Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation	121,067	110,371	227,990	459,428
(Increase) Decrease in Assets:				
Accounts Receivable	1,642	(493)	1,578	2,727
Inventory	-	(14,502)	2,922	(11,580)
Increase (Decrease) in Liabilities				
Accounts Payable	(26,584)	(2,371)	(11,842)	(40,797)
Accrued Wages and Withholdings Payable	(6,110)	676	932	(4,502)
Customer Deposits	16,980	-	-	16,980
OPEB Liability	10,476	26,190	-	36,666
Compensated Absences Payable	1,823	226	5,049	7,098
Net Cash Provided by (Used in) Operating Activities	$ 416,420	$ 206,797	$ 441,026	$ 1,064,243
Noncash Investing, Capital and Financing Activities				
Transfer of Capital Assets	$ 806,743	$ -	$ -	$ 806,743
Acquisition and Construction of Capital Assets	1,494	-	1,957	3,451
Accounts Payable	(1,494)	-	(1,957)	(3,451)
Net Noncash Activities	$ 806,743	$ -	$ -	$ 806,743
For the Purposes of Reporting Cash Flows, Cash Includes the Following Amounts as Presented in the Statement of Net Assets				
Cash and Cash Equivalents	$ 295,435	$ 200,528	$ 354,272	$ 850,235
Drainage Improvements	334,224	-	-	334,224
Total	$ 629,659	$ 200,528	$ 354,272	$ 1,184,459

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
Assets			
Current Assets			
Cash and Cash Equivalents	$ 1,142,035	$ 12,037	$ 1,154,072
Accounts Receivable, Net	54,896	3,780	58,676
Due From Other Funds	169,613	-	169,613
Inventory	-	93,081	93,081
Total Current Assets	1,366,544	108,898	1,475,442
Noncurrent Assets			
Capital Assets			
Equipment	-	346,880	346,880
Buildings and Structures	-	130,458	130,458
Less Accumulated Depreciation	-	(362,384)	(362,384)
Land and Easements	-	41,245	41,245
Total Noncurrent Assets	-	156,199	156,199
Total Assets	$ 1,366,544	$ 265,097	$ 1,631,641
Liabilities			
Current Liabilities			
Accounts Payable	$ 332,205	$ 108,696	$ 440,901
Accrued Wages and Withholdings Payable	-	11,798	11,798
Compensated Absences	-	5,978	5,978
Total Current Liabilities	332,205	126,472	458,677
Noncurrent Liabilities			
Compensated Abscences	-	2,926	2,926
OPEB Liability	-	30,942	30,942
Total Noncurrent Liabilities	-	33,868	33,868
Total Liabilities	332,205	160,340	492,545
Net Assets			
Invested In Capital Assets	-	156,199	156,199
Unrestricted (Deficit)	1,034,339	(51,442)	982,897
Total Net Assets	$ 1,034,339	$ 104,757	$ 1,139,096

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2010

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
Operating Revenues			
Charges for Services	$ -	$ 165,466	$ 165,466
Other Revenues	436,152	-	436,152
Internal Service Charges	4,469,579	1,114,553	5,584,132
Total Operating Revenues	4,905,731	1,280,019	6,185,750
Operating Expenses			
Costs of Sales and Services	625,684	1,227,017	1,852,701
Claims	4,530,817	-	4,530,817
Depreciation Expense	-	19,413	19,413
Total Operating Expenses	5,156,501	1,246,430	6,402,931
Operating Income (Loss)	(250,770)	33,589	(217,181)
Nonoperating Revenues (Expenses)			
Interest Revenue	879	-	879
Total Nonoperating Revenues (Expenses)	879	-	879
Income	(249,891)	33,589	(216,302)
Change In Net Assets	(249,891)	33,589	(216,302)
Net Assets - Beginning	1,284,230	81,158	1,365,388
Prior Period Adjustment	-	(9,990)	(9,990)
Net Assets - Ending	$ 1,034,339	$ 104,757	$ 1,139,096

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2010

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
Cash Flows From Operations			
Received From Customers	$ 4,850,835	$ 1,280,731	$ 6,131,566
Payments To Suppliers	(5,059,167)	(841,556)	(5,900,723)
Payments To/For Employees	-	(319,315)	(319,315)
Net cash Provided by (Used in) Operating Activities	(208,332)	119,860	(88,472)
Cash Flows From Noncapital Financing Activities			
Payments/Advances From Other Funds	124,894	-	124,894
Net Cash Provided By (Used In) Noncapital Financing Activities	124,894	-	124,894
Cash Flows From Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	-	(43,946)	(43,946)
Net Cash Provided By (Used In) Capital and Related Financing Activities	-	(43,946)	(43,946)
Cash Flows From Investing Activities			
Interest Received	879	-	879
Net Cash Provided By (Used In) Investing Activities	879	-	879
Net Increase (Decrease) In Cash	(82,559)	75,914	(6,645)
Cash (Overdraft) - July 1 (Including Restricted Cash)	1,224,594	(63,877)	1,160,717
Cash - June 30 (Including Restricted Cash)	$ 1,142,035	$ 12,037	$ 1,154,072
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	$ (250,770)	$ 33,589	$ (217,181)
Adjustments to Reconcile to Operating Income to Net Cash Provided (Used) By Operating Activities			
Depreciation	-	19,413	19,413
(Increase) Decrease In Assets:			
Accounts Receivable	(54,896)	712	(54,184)
Inventory	-	(1,574)	(1,574)
Increase (Decrease) In Liabilities			
Accounts Payable	97,334	54,927	152,261
Accrued Wages and Withholdings Payable	-	(2,829)	(2,829)
OPEB Liability	-	20,952	20,952
Compensated Absences Payable	-	(5,330)	(5,330)
Net Cash Provided By (Used In) Operating Activities	$ (208,332)	$ 119,860	$ (88,472)

For purposes of reporting cash flows, cash includes the following amounts as presented in the Statement of Net Assets:

Cash and Cash Equivalents	$ 1,142,035	$ 12,037	$ 1,154,072
Total	$ 1,142,035	$ 12,037	$ 1,154,072

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 99-103

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue source, the property tax. 104-107

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the Agency's ability to issue additional debt in the future. 108-112

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 113-115

Operating Information

These schedules contain service and infrastrucure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 116-117

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

CITY OF CARTERSVILLE, GEORGIA
Net Assets By Component
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year							
	2003 [1]	2004	2005	2006	2007	2008	2009	2010
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	$ 18,445,894	$ 20,642,187	$ 18,408,018	$ 22,979,785	$ 24,219,096	$ 74,545,926	$ 78,025,075	$ 79,380,171
Restricted	4,932,121	6,396,098	8,250,021	9,860,605	14,686,858	12,065,078	10,274,836	11,556,212
Unrestricted	1,022,886	1,182,044	2,802,685	3,179,756	3,672,474	3,119,893	4,449,014	4,713,239
Total Governmental Activities Net Assets	$ 24,400,901	$ 28,220,329	$ 29,460,724	$ 36,020,146	$ 42,578,428	$ 89,730,897	$ 92,748,925	$ 95,649,622
Business-type Activities								
Invested in Capital Assets, Net of Related Debt	$ 87,094,570	$ 90,872,728	$ 94,945,247	$ 97,970,649	$ 79,039,134	$ 116,055,032	$ 115,085,261	$ 116,203,328
Restricted	2,467,388	2,467,388	2,467,388	2,467,388	2,467,388	13,441,795	11,855,946	8,967,723
Unrestricted	18,587,656	17,999,344	20,497,978	20,133,928	44,192,360	1,531,389	3,601,702	7,494,887
Total Business-type Activities Net Assets	$ 108,149,614	$ 111,339,460	$ 117,910,613	$ 120,571,965	$ 125,698,882	$ 131,028,216	$ 130,542,909	$ 132,665,938
Primary Government								
Invested in Capital Assets, Net of Related Debt	$ 105,540,464	$ 111,514,915	$ 113,353,265	$ 120,950,434	$ 103,258,230	$ 190,600,958	$ 193,110,336	$ 195,583,499
Restricted	7,399,509	8,863,486	10,717,409	12,327,993	17,154,246	25,506,873	22,130,782	20,523,935
Unrestricted	19,610,542	19,181,388	23,300,663	23,313,684	47,864,834	4,651,282	8,050,716	12,208,126
Total Primary Government Net Assets	$ 132,550,515	$ 139,559,789	$ 147,371,337	$ 156,592,111	$ 168,277,310	$ 220,759,113	$ 223,291,834	$ 228,315,560

[1] The City implemented GASB 34, the new reporting standard in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

CITY OF CARTERSVILLE, GEORGIA
Changes In Net Assets
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	2003 [1]	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental Activities:								
General Government	$ 23,080,141	$ 18,041,037	$ 18,646,651	$ 19,495,012	$ 20,649,004	$ 20,963,991	$ 22,307,959	$ 22,271,558
Police	3,347,565	3,801,312	3,907,812	4,138,879	4,442,816	5,121,823	5,294,329	5,095,267
Fire	3,275,266	3,477,125	3,591,221	4,121,950	4,264,931	4,766,640	4,723,777	4,628,814
Garage	487,589	495,524	540,516	710,141	654,762	-	-	-
Culture and Recreation	2,079,789	2,258,896	2,351,926	2,732,077	287,795	3,285,194	2,754,289	2,960,396
Planning and Development	433,089	598,372	685,629	812,566	1,711,678	2,337,102	1,397,227	1,076,218
Public Works	2,419,535	2,237,710	2,155,159	2,432,190	900,397	2,171,071	3,841,410	3,956,411
Interest on Long-term Debt	1,098,969	1,160,029	1,150,696	1,148,413	1,112,661	1,008,068	838,431	887,714
Total Governmental Activities Expenses	36,221,943	32,070,005	33,029,610	35,591,228	34,024,044	39,653,889	41,157,422	40,876,378
Business-type Activities:								
Water/Sewer	8,522,708	9,809,201	9,900,327	10,375,658	10,252,476	10,886,845	11,194,243	10,712,422
Electric	29,333,710	32,247,930	32,740,870	33,897,007	34,784,238	42,012,191	40,635,211	37,391,452
Gas	24,155,095	26,175,435	28,651,371	40,988,621	32,581,638	34,447,805	29,061,874	20,946,076
Solid Waste	1,285,901	1,440,076	1,528,812	1,688,972	1,832,079	2,129,123	1,978,543	1,926,779
Stormwater	-	-	-		700,425	880,756	917,658	912,630
Fiber Optic	898,266	976,355	851,283	952,870	997,856	1,330,914	1,599,328	1,548,674
Total Business-type Activities Expenses	64,195,680	70,648,997	73,672,663	87,903,128	81,148,712	91,687,634	85,386,857	73,438,033
Total Primary Government Expenses	$ 100,417,623	$ 102,719,002	$ 106,702,273	$ 123,494,356	$ 115,172,756	$ 131,341,523	$ 126,544,279	$ 114,314,411
Program Revenues								
Governmental Activities:								
Charges for Services:								
General Government	$ 1,202,591	$ 1,564,841	$ 1,761,974	$ 1,669,718	$ 5,989,798	$ 7,361,190	$ 8,988,869	$ 1,938,474
Police	467,902	752,212	1,098,206	1,177,719	1,659,055	655,852	1,001,506	1,133,856
Fire	754,346	35,186	13,542	57,923	13,600	-	14,428	-
Garage	94,002	84,713	146,013	170,812	156,648	-	-	-
Culture and Recreation	468,339	481,688	496,137	565,193	581,726	749,926	636,248	670,379
Planning and Development	493,329	555,253	658,260	789,238	559,955	235,790	103,515	320,798
Public Works	38,974	124,722	118,769	113,200	96,156	-	9,812	26,737
Operating Grants and Conributions	2,784,337	1,729,551	1,950,772	2,040,401	2,024,158	2,056,334	152,000	3,073,369
Capital Grants and Contributions	2,000,599	883,187	245,612	1,134,218	728,128	4,151,446	1,878,435	3,771,521
Total Governmental Activities Program Rrevenues	8,304,419	6,211,353	6,489,285	7,718,422	11,809,224	15,210,538	12,784,813	10,935,134
Business-type Activities:								
Charges for Services								
Water/Sewer	10,344,176	11,238,254	11,277,499	11,486,126	12,140,723	12,688,374	12,480,790	13,070,010
Electric	32,666,004	34,299,839	33,708,521	34,663,599	36,835,470	40,268,059	42,929,881	40,060,789
Gas	26,893,475	27,931,478	30,567,135	41,870,411	33,619,670	37,164,273	30,302,206	25,704,640
Solid Waste	1,343,382	1,455,092	1,621,835	1,637,983	1,913,084	1,998,803	2,075,943	1,997,599
Stormwater					518,744	1,205,529	1,204,794	1,199,868
Fiber Optic	625,148	830,972	879,749	1,303,221	1,358,736	1,571,194	1,726,028	1,759,869
Operating Grants and Conributions	-	-	-	-	-	-	-	-
Capital Grants and Contributions	1,655,379	1,327,244	1,362,324	1,389,024	1,449,967	189,484	-	229,732
Total Business-type Activities Program Revenues	73,527,564	77,082,879	79,417,063	92,350,364	87,836,394	95,085,716	90,719,642	84,022,507

CITY OF CARTERSVILLE, GEORGIA
Changes In Net Assets
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	2003 [1]	2004	2005	2006	2007	2008	2009	2010
Total Primary Government Program Revenues	$ 81,831,983	$ 83,294,232	$ 85,906,348	$100,068,786	$ 99,645,618	$110,296,254	$103,504,456	$ 94,957,641
Net (Expense) Revenue								
Governmental Activities	$ (27,917,524)	$ (25,858,652)	$ (26,540,325)	$ (27,872,806)	$ (22,214,820)	$ (24,443,351)	$ (28,372,608)	$ (29,941,244)
Business-type Activities	9,331,884	6,433,882	5,744,400	4,447,236	6,687,682	3,398,082	5,332,785	10,584,474
Total Primary Government Net (Expense)	$ (18,585,640)	$ (19,424,770)	$ (20,795,925)	$ (23,425,570)	$ (15,527,138)	$ (21,045,269)	$ (23,039,823)	$ (19,356,770)
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Taxes:								
Property	$ 12,359,671	$ 13,728,744	$ 14,519,450	$ 15,535,349	$ 16,411,884	$ 17,514,949	$ 18,437,522	$ 18,207,749
Sales	3,772,353	6,401,305	7,384,598	8,775,911	8,892,746	8,833,353	8,080,216	4,768,761
Hotel/Motel	159,199	146,484	159,113	180,003	207,412	201,128	216,129	279,468
Vehicle Rental	47,147	40,710	49,541	76,014	75,816	71,325	52,696	42,242
Insurance Premium	634,704	684,060	741,335	797,579	834,468	870,443	891,294	882,932
Malt and Mixed beverage	700,352	685,091	671,771	677,093	733,750	756,235	668,673	580,963
Franchise	624,892	3,947,347	4,067,740	4,643,067	732,718	740,500	789,554	4,317,713
Other	372,762	357,267	229,171	208,604	-	262	88,770	343,858
Unrestricted Grants and Contributions	900,660	-	-	-	-	-	-	-
Investment Earnings	152,653	89,903	210,726	443,867	940,191	565,500	101,572	122,311
Miscellaneous	144,701	217,540	200,052	412,465	267,311	153,726	228,574	170,779
Transfers	7,130,290	3,379,629	(452,777)	2,682,276	3,406,098	(771,774)	3,239,989	3,182,733
Total Governmental Activities	26,999,384	29,678,080	27,780,720	34,432,228	32,502,394	28,935,647	32,794,989	32,899,509
Business-type Activities:								
Investment Earnings	559,361	128,952	364,577	896,392	1,716,039	920,390	523,884	242,042
Miscellaneous	6,050	6,641	9,399	-	-	-	-	-
Special Items	(7,000,000)	-	-	-	-	-	(1,994,719)	(5,298,020)
Transfers	(7,130,290)	(3,379,629)	452,777	(2,682,276)	(3,406,098)	771,774	(3,239,989)	(3,182,733)
Total Business-type Activities	(13,564,879)	(3,244,036)	826,753	(1,785,884)	(1,690,059)	1,692,164	(4,710,824)	(8,238,711)
Total Primary Government	$ 13,434,505	$ 26,434,044	$ 28,607,473	$ 32,646,344	$ 30,812,335	$ 30,627,811	$ 28,084,165	$ 24,660,798
Change in Net Assets								
Governmental Activities	$ (918,140)	$ 3,819,428	$ 1,240,395	$ 6,559,422	$ 10,287,574	$ 4,492,296	$ 4,422,381	$ 2,958,265
Business-type Activities	(4,232,995)	3,189,846	6,571,153	2,661,352	4,997,623	5,090,246	621,961	2,345,763
Total Primary Government	$ (5,151,135)	$ 7,009,274	$ 7,811,548	$ 9,220,774	$ 15,285,197	$ 9,582,542	$ 5,044,342	$ 5,304,028

[1] The City implemented GASB 34, the new reporting standard in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

CITY OF CARTERSVILLE, GEORGIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	$ 329,934	$ 236,381	$ 368,734	$ 309,278	$ 213,010	$ 303,530	$ 133,947	$ 121,365	$ 111,379	$ -
Unreserved	(150,227)	934,043	1,022,886	1,017,972	2,318,356	3,187,200	3,139,167	3,010,168	3,672,440	5,009,947
Total General Fund	$ 179,707	$ 1,170,424	$ 1,391,620	$ 1,327,250	$ 2,531,366	$ 3,490,730	$ 3,273,114	$ 3,131,533	$ 3,783,819	$ 5,009,947
All Other Governmental Funds										
Reserved	$ 6,447,521	$ 6,289,354	$ 4,563,387	$ 6,086,820	$ 8,120,728	$ 9,639,845	$ 14,539,715	$ 11,943,713	$ 10,163,457	$ 11,556,212
Unreserved	-	-	-	-	-	-	-	-	-	(14,057)
Total All Other Governmental Funds	$ 6,447,521	$ 6,289,354	$ 4,563,387	$ 6,086,820	$ 8,120,728	$ 9,639,845	$ 14,539,715	$ 11,943,713	$ 10,163,457	$ 11,542,155

CITY OF CARTERSVILLE, GEORGIA
Changes in Fund Balances of Governmental Funds
Last Eight Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year							
	2003 [1]	2004	2005	2006	2007	2008	2009	2010
Revenues								
Taxes	$ 18,671,079	$ 25,856,340	$ 27,804,068	$ 30,929,324	$ 27,800,228	$ 28,833,230	$ 29,224,853	$ 28,809,153
Licenses and Permits	487,829	543,065	610,448	459,985	925,605	872,708	594,912	316,320
Intergovernmental	2,081,623	994,289	465,386	1,269,018	1,011,946	675,444	1,898,894	4,299,371
Payment from School Board	2,703,313	1,729,551	1,730,638	1,733,159	1,732,256	1,732,668	2,523,243	2,518,698
Fines and Forfeitures	406,263	615,956	1,056,282	1,153,455	1,659,054	655,852	959,397	1,073,167
Charges for Services	2,576,759	2,306,424	2,649,031	2,954,793	6,472,278	7,474,198	6,636,443	2,699,539
Contributions	-	-	-	-	8,085	21,672	-	-
Miscellaneous Income	165,809	199,188	149,896	297,377	267,311	153,726	228,574	148,815
Investment Earnings	152,653	89,903	210,726	443,867	931,944	555,526	101,572	122,311
Total Revenues	27,245,328	32,334,716	34,676,475	39,240,978	40,808,707	40,975,024	42,167,888	39,987,374
Expenditures								
General Government	22,068,227	17,038,575	17,655,653	18,558,217	19,520,471	23,992,283	21,344,586	20,851,949
Police	3,424,175	3,806,704	3,900,466	4,076,669	4,330,318	5,570,996	4,889,058	4,889,828
Fire	3,921,581	3,726,921	4,256,469	3,882,840	3,994,501	4,678,718	4,442,252	4,254,955
Garage	474,370	489,598	577,335	697,624	691,535	-	-	-
Planning and Development	424,098	590,168	705,014	844,930	1,697,872	2,343,157	1,175,965	1,048,513
Culture and Recreation	2,062,121	2,304,419	2,436,151	3,104,553	3,036,295	3,307,226	2,886,687	2,687,230
Public Works	2,442,876	2,194,231	2,283,879	2,473,921	2,030,828	2,359,034	2,237,460	2,174,168
Capital Outlay	4,264,843	2,230,442	2,016,452	4,408,721	1,519,400	7,066,562	6,899,158	2,657,690
Debt Service								
Principal	2,170,255	1,153,054	873,182	1,060,011	1,206,072	1,119,139	1,894,679	2,041,214
Interest	1,098,969	1,158,502	1,146,113	1,143,830	1,112,661	1,008,068	838,431	887,714
Bond Issuance Costs	87,090	-	-	-	-	-	-	-
Total Expenditures	42,438,605	34,692,614	35,850,714	40,251,316	39,139,953	51,445,183	46,608,276	41,493,261
Excess of Revenues Over (Under) Expenditures	(15,193,277)	(2,357,898)	(1,174,239)	(1,010,338)	1,668,754	(10,470,159)	(4,440,388)	(1,505,887)
Other Financing Sources (Uses)								
Transfers In	7,130,290	3,379,629	3,723,591	2,714,229	3,454,545	3,405,250	4,024,644	4,223,054
Transfers Out	-	-	(560,750)	(31,953)	(514,736)	(130,925)	(784,655)	(233,579)
Capital Leases	115,429	287,843	1,201,376	74,592	199,784	737,597	72,429	26,207
Bonds Issued	6,000,000	-	-	-	-	-	-	-
Discount on Bonds Issued	(20,746)	-	-	-	-	-	-	-
Sale of Capital Assets	35,501	30,305	27,658	263,100	3,200			50,000
Capital Contributions	-	-	-	-	-	3,790,456	-	-
Total Other Financing Sources (Uses)	13,260,474	3,697,777	4,391,875	3,019,968	3,142,793	7,802,378	3,312,418	4,065,682
Increase (Decrease) in Reserve for Inventory	(353)	13,247	20,388	(947)	-	-	-	-
Net Change in Fund Balances	$ (1,933,156)	$ 1,353,126	$ 3,238,024	$ 2,008,683	$ 4,811,547	$ (2,667,781)	$ (1,127,970)	$ 2,559,795
Debt Service as a Percentage of Noncapital Expenditures	9.6%	7.7%	6.3%	6.6%	6.6%	5.0%	7.6%	8.2%

[1] The City implemented GASB 34, the new reporting standard in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

CITY OF CARTERSVILLE, GEORGIA
Assessed Value and Estimated Actual Value
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value[1] as a Percentage of Actual Value
	Residential Property	Industrial Property	Commercial Property	Motor Vehicles	Other					
2001	$ 666,463,002	(2)	(2)	$ 41,390,887	(2)	(2)	$ 707,853,889	16.52	$ 1,769,634,723	40%
2002	203,655,001	$ 314,981,311	$ 190,342,496	42,769,178	$ 187,288	$ 25,636,886	726,298,388	17.41	1,815,745,970	40%
2003	214,973,217	290,735,336	198,661,827	44,423,736	63,644	26,174,284	722,683,476	18.28	1,806,708,690	40%
2004	225,572,899	230,019,291	278,858,790	44,246,871	135,208	28,219,806	750,613,253	18.17	1,876,533,133	40%
2005	238,258,219	297,533,119	215,263,331	44,744,446	184,291	10,832,018	785,151,388	19.17	1,962,878,470	40%
2006	270,089,440	301,401,064	228,882,616	45,219,261	564,785	16,638,328	829,518,838	19.14	2,073,797,095	40%
2007	316,588,669	295,235,089	243,029,470	45,443,566	569,343	17,204,412	883,661,725	18.65	2,209,154,313	40%
2008	353,065,270	304,623,163	261,041,310	46,233,895	554,121	17,175,809	948,341,950	18.63	2,370,854,875	40%
2009	390,905,758	301,790,673	278,808,630	47,924,571	438,917	18,181,045	1,001,687,504	18.61	2,504,218,760	40%
2010	393,029,298	305,345,978	283,929,914	49,370,250	173,632	17,919,726	1,013,929,346	18.61	2,534,823,365	40%

Source: Bartow County Tax Assessor

Property in Bartow County is reassessed annually. The county assesses property at approximately 40 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing the assessed value by this percentage. Tax rates are per $1,000 of assessed value.

(1) Includes tax-exempt property.

(2) Breakdown of property taxes by category unavailable.

CITY OF CARTERSVILLE, GEORGIA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Direct Rates		Overlapping Rates		
Fiscal Year	City of Cartersville Operating Millage	Cartersville School Board	Bartow County	State of Georgia	Total Direct and Overlapping Rates
2001	0.00	16.52	8.08	0.25	24.85
2002	1.00	16.41	8.01	0.25	25.67
2003	1.00	17.28	8.98	0.25	27.51
2004	0.99	17.18	8.98	0.25	27.40
2005	1.49	17.68	8.88	0.25	28.30
2006	1.46	17.68	9.85	0.25	29.24
2007	1.42	17.23	9.58	0.25	28.48
2008	1.40	17.23	9.30	0.25	28.18
2009	1.38	17.23	9.07	0.25	27.93
2010	1.38	17.23	9.07	0.25	27.93

Source: Bartow County Tax Commissioner

CITY OF CARTERSVILLE, GEORGIA
Principal Property Taxpayers
Current and Nine Years Ago

	2010				2001		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxpayer**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Anheuser Busch	$ 124,644,125	1	12.3%	Anheuser Busch	$ 125,044,460	1	17.7%
Shaw Industries	34,739,484	2	3.4%	Shaw Industries	40,105,572	2	5.7%
Continental	12,715,367	3	1.3%	First Brands (now Glad Mfg.)	28,199,924	3	4.0%
Trinity Industries	11,425,510	4	1.1%	Unilever HPS, USA	18,772,926	4	2.7%
Forty One Connector, LTD	9,946,760	5	1.0%	Continental Pet	17,808,546	5	2.5%
Colloid Environment Tech Co	8,512,040	6	0.8%	Thrall Car	10,704,030	6	1.5%
Aqualfil USA, Inc	5,869,365	7	0.6%	Goodyear	8,435,243	7	1.2%
Bellsouth Telecommunications	5,823,473	8	0.6%	Prince Street Technologies	7,308,718	8	1.0%
TI Automotive Systems	5,340,718	9	0.5%	Ampacet	7,216,511	9	1.0%
Monitor Manufacturing Co	4,780,056	10	0.5%	Forty-one Connector, Ltd.	5,123,776	10	0.7%
Totals	$ 223,796,898		22.1%	Totals	$ 268,719,706		38.0%

Source: Bartow County Tax Commissioner

CITY OF CARTERSVILLE, GEORGIA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	$10,601,909	$10,522,228	99.2%	$ 32,952	$ 10,555,180	99.6%
2002	11,150,313	10,971,880	98.4%	84,023	11,055,903	99.2%
2003	11,348,201	11,194,478	98.6%	138,033	11,332,511	99.9%
2004	12,393,335	12,225,982	98.6%	179,429	12,405,411	100.1%
2005	13,292,831	13,125,801	98.7%	155,845	13,281,646	99.9%
2006	14,517,927	14,405,832	99.2%	189,684	14,595,516	100.5%
2007	16,480,291	16,172,904	98.1%	134,914	16,307,818	99.0%
2008	17,667,611	17,466,897	98.9%	48,052	17,514,949	99.1%
2009	18,641,404	18,143,107	97.3%	44,510	18,187,617	97.6%
2010	17,437,137	16,510,999	94.7%	494,922	17,005,921	97.5%

Source: Bartow County Tax Commissioner

CITY OF CARTERSVILLE, GEORGIA
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years

	Governmental Activities			Business-type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Participation	Capital Leases	Water/Sewer Bonds	Notes	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2001	$ 8,215,000	$ 1,680,000	$ 1,945,202	$ 26,129,587	$ 14,757,628	$ 1,613,753	$ 54,341,170	(1)	$ 3,412
2002	17,690,000	1,075,000	1,463,676	24,434,587	15,512,464	1,187,567	61,363,294	0.04%	3,719
2003	23,130,000	-	1,043,850	22,599,587	14,871,708	981,428	62,626,573	0.04%	3,479
2004	22,535,000	-	773,639	20,659,587	14,481,730	839,447	59,289,403	0.04%	3,156
2005	21,900,000	-	1,736,833	18,829,213	13,528,829	686,984	56,681,859	0.05%	2,800
2006	21,220,000	-	1,431,414	25,125,035	12,519,327	563,186	60,858,962	0.04%	3,006
2007	20,495,000	-	1,150,126	23,712,637	11,478,028	442,278	57,278,069	0.05%	2,829
2008	19,720,000	-	1,543,584	22,490,000	10,464,043	701,021	54,918,648	0.05%	2,470
2009	18,085,000	-	1,356,333	20,270,000	9,594,044	483,249	49,788,626	0.06%	2,239
2010	16,365,000	-	996,596	18,055,000	8,701,005	463,717	44,581,318	0.05%	2,203

(1) Information not available.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics on page 113 for personal income and population data.

CITY OF CARTERSVILLE, GEORGIA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Net General Bonded Debt Per Capita
2001	$ 8,215,000	(1)	$ 516
2002	17,690,000	0.97%	1,111
2003	23,130,000	1.28%	1,452
2004	22,535,000	1.20%	1,415
2005	21,900,000	1.12%	1,375
2006	21,220,000	1.02%	1,213
2007	20,495,000	0.93%	1,139
2008	19,720,000	0.83%	887
2009	18,085,000	0.72%	813
2010	16,365,000	0.65%	736

Note: Details about the city's outstanding debt can be found in the notes to the financial statements.

(1) 2001 Estimated Actual Taxable Value of Property is not available.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 113.

CITY OF CARTERSVILLE, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes: Bartow County	$ 85,245,000	25%	$ 21,311,250
City of Cartersville Direct Debt	17,361,596	100%	17,361,596
Total Direct and Overlapping Debt	$ 102,606,596		$ 38,672,846

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

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

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

CITY OF CARTERSVILLE, GEORGIA
Legal Debt Margin
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	$ 70,785,389	$ 74,970,839	$ 74,885,776	$ 77,883,306	$ 79,677,840	$ 84,615,717	$ 88,366,173	$ 94,834,195	$ 100,168,450	$101,392,935
Total net debt applicable to limit	8,215,000	17,690,000	24,173,851	22,535,000	21,900,000	21,220,000	20,495,000	19,720,000	18,085,000	16,365,000
Legal debt margin	$ 62,570,389	$ 57,280,839	$ 50,711,925	$ 55,348,306	$ 57,777,840	$ 63,395,717	$ 67,871,173	$ 75,114,195	$ 82,083,450	$ 85,027,935
Total net debt applicable to the limit as a percentage of debt limit	11.61%	23.60%	32.28%	28.93%	27.49%	25.08%	23.19%	20.79%	18.05%	16.14%

Total Taxable Assessed Value	$ 1,013,929,347
Debt Limit (10% of Assessed Taxable Value)	101,392,935
Debt Applicable to Limit:	
General Obligation Bonds	16,365,000
Legal Debt Margin	$ 85,027,935

Note: The Constitution of the State of Georgia Article IX, Section V limits outstanding general obligation debt to 10 percent of the assessed value of all taxable property.

CITY OF CARTERSVILLE, GEORGIA
Pledged Revenue Coverage
Last Ten Fiscal Years

	Water Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Service Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2001	$ 10,924,889	$ 4,041,507	$ 6,883,382	$ 8,530,000	$ 1,540,641	0.68
2002	10,862,116	4,016,326	6,845,790	1,695,000	1,349,811	2.25
2003	10,604,186	4,555,100	6,049,086	1,835,000	1,279,981	1.94
2004	11,240,699	6,003,119	5,237,580	1,940,000	1,203,987	1.67
2005	11,391,772	6,242,570	5,149,202	1,870,374	1,120,786	1.72
2006	11,986,452	6,724,754	5,261,698	1,324,178	1,249,360	2.04
2007	12,687,070	6,793,720	5,893,350	1,412,398	1,133,732	2.31
2008	13,207,384	8,369,628	4,837,756	1,297,637	1,200,992	1.94
2009	11,886,499	7,148,185	4,738,314	2,210,000	1,028,191	1.46
2010	12,690,014	6,914,562	5,775,452	2,260,000	615,420	2.01

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Utility service charges and other includes water/sewer charges and investment earnings but not tap fees.

Operating expenses do not include depreciation or interest.

CITY OF CARTERSVILLE, GEORGIA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population [1]*	Per Capita Income [1]*	Personal Income [1]*	Median Age [1]*	School Enrollment [2]**	Unemployment Rate *
2001	76,019	$ 21,479	(3)	33.70	3,568	4.60%
2002	76,019	22,755	$ 25,860	33.90	3,694	6.10%
2003	82,607	22,700	25,860	33.90	3,872	6.30%
2004	84,730	18,989	25,884	34.00	3,804	5.00%
2005	86,972	18,989	25,949	34.00	3,810	5.40%
2006	89,229	18,989	26,319	34.00	3,809	4.60%
2007	91,266	18,989	27,127	34.00	3,817	4.90%
2008	97,098	22,683	27,649	35.60	3,956	6.50%
2009	97,900	22,313	27,843	35.70	3,941	13.50%
2010	99,484	22,018	27,554	35.90	4,036	11.90%

(1) Cartersville-Bartow County Chamber of Commerce
(2) City Board of Education
(3) Information comes from outside source and this data is not available
* County-wide data
** City only

CITY OF CARTERSVILLE, GEORGIA
Principal Employers
June 30, 2010

	2010		
Employer	**Number of Employees**	**Rank**	**% of Total**
Shaw Industries	2,562	1	30.14%
Bartow County Schools	1,618	2	19.04%
Cartersville Medical Center	750	3	8.82%
Bartow County	715	4	8.41%
Toyo Tire North America	650	5	7.65%
Anheuser-Busch	535	6	6.29%
Cartersville School System	503	7	5.92%
Georgia Power Company	396	8	4.66%
WalMart	390	9	4.59%
Gerdau Ameristeel	380	10	4.47%
Total	8,499		

Source: Cartersville-Bartow County Chamber of Commerce

Note: Comparable data for 2001 is not available.

CITY OF CARTERSVILLE, GEORGIA
Full-time Equivalent City Employees By Function/Program
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	27	28	29	29	31	31	33	32	29	27
Police	54	55	55	61	55	58	58	58	64	66
Fire	54	54	54	55	55	58	59	62	62	62
Garage	6	6	6	6	6	7	7	6	6	5
Culture and Recreation	25	25	25	24	25	25	27	27	27	27
Planning and Development	5	6	6	6	8	9	9	10	10	8
Public Works	27	27	27	28	27	27	20	21	20	18
Water and Sewer	52	52	52	52	52	52	50	51	51	49
Electric	23	23	23	24	24	23	23	28	28	28
Gas	20	20	20	20	22	23	21	27	26	24
Solid Waste	18	18	18	18	18	18	21	19	18	18
Stormwater	0	0	0	0	0	0	7	7	7	6
Fiber Optic	1	1	1	1	1	2	5	6	6	6
Total	312	315	316	324	324	333	340	354	354	344

Source: City of Cartersville Human Resource Department

CITY OF CARTERSVILLE, GEORGIA
Operating Indicators By Function/Program
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Physical Arrests	(1)	(1)	(1)	(1)	(1)	1,199	1,208	1,080	1,827	1,479
Parking Violations	(1)	(1)	(1)	(1)	(1)	1,364	1,420	931	505	235
Traffic Violations	(1)	(1)	(1)	(1)	(1)	4,539	4,857	4,666	4,557	4,679
Fire										
Emergency Responses	(1)	(1)	(1)	(1)	2,422	2,515	2,697	2,938	2,333	3,038
Fires Extinguished	(1)	(1)	(1)	(1)	89	92	183	167	91	142
Inspection	(1)	(1)	(1)	(1)	765	925	820	510	2,396	1,054
Culture and Recreation										
Admissions/Fees	$ 385,353	$ 424,523	$ 411,405	$ 417,867	$ 434,134	$ 476,952	$ 668,805	$ 804,997	$ 705,319	$ 730,160
Library Volumes	54,598	52,618	60,803	63,088	67,345	68,118	75,220	75,338	79,753	85,890
Library Circulation	(1)	(1)	(1)	(1)	(1)	262,774	309,071	448,165	481,862	529,711
Public Works										
Street Resurfacing Miles	(1)	(1)	(1)	(1)	6.8	2.4	5	3.5	3.4	3.0
Planning and Development										
Building Permits - Residential	318	139	116	147	221	214	283	166	69	38
Value of Building Permits - Residential	$ 31,783,757	$ 10,697,760	$ 10,709,524	$ 13,384,543	$ 21,955,699	$ 22,567,911	$ 33,873,252	$ 20,903,039	$ 5,704,907	$ 2,064,705
Building Permits - Commercial	67	65	61	83	99	108	114	102	47	31
Value of Building Permits - Commercial	$ 20,080,875	$ 21,797,544	$ 30,768,117	$ 20,056,676	$ 23,428,339	$ 24,828,201	$ 25,972,858	$ 51,372,346	$ 6,285,100	$ 8,704,341
Water										
Number of Customers	9,633	10,297	10,297	10,389	10,658	11,155	11,181	10,431	10,438	10,331
Average Daily Demand	13.2	12.1	12.1	12.0	12.3	13.6	11.9	11.2	11.1	11.0
Sewer										
Number of Customers	4,706	6,002	6,002	6,045	6,045	6,045	6,865	6,607	6,635	6,739
Average Daily Demand	8.3	8.2	9.3	7.8	9.6	9.9	8.0	6.4	6.8	5.7
Electric										
Number Customers	6,642	6,958	7,271	7,355	7,195	7,713	7,743	8,172	8,153	8,055
Average Annual Residential Consumption	11,320	12,080	10,700	11,000	12,000	12,000	12,400	12,420	11,925	12,272
Gas										
Number of Customers	8,650	9,030	9,101	9,204	9,277	10,322	10,637	10,697	10,785	10,807
Solid Waste										
Number of Customers	(1)	6,000	6,100	6,158	6,279	6,413	6,552	6,741	7,129	6,831
Fiber Optic										
Number of Customers	(1)	(1)	(1)	(1)	65	61	59	54	66	80

(1) Information not available

Source: Various City Departments

CITY OF CARTERSVILLE, GEORGIA
Capital Asset Statistics By Function/Program
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Stations	1	1	1	1	1	1	2	4	4	4
Vehicles	(1)	(1)	(1)	(1)	37	41	44	66	66	66
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Culture and Recreation										
Acreage	429	383	627	627	627	627	640	640	640	655
Baseball/Softball Fields	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	5	5	5	5	5	6	6	6	6	6
Public Works										
Miles of Streets	112	112	112	112	115	115	121	128	129	129
Planning and Development										
Building Permits - Residential	318	139	116	147	221	214	283	166	69	38
Value of Building Permits - Residential	$ 31,783,757	$ 10,697,760	$ 10,709,524	$ 13,384,543	$ 21,955,699	$ 22,567,911	$ 33,873,252	$ 20,903,039	$ 5,704,907	$ 2,064,705
Building Permits - Commercial	67	65	61	83	99	108	114	102	47	31
Value of Building Permits - Commercial	$ 20,080,875	$ 21,797,544	$ 30,768,117	$ 20,056,676	$ 23,428,339	$ 24,828,201	$ 25,972,858	$ 51,372,346	$ 6,285,100	$ 8,704,341
Water										
Fire Hydrants	(1)	(1)	(1)	(1)	1,204	1,204	1,204	1,351	1,360	1359
Miles of Water Mains	146	148	152	153	161	164	169	171	181	181
Sewer										
Miles of Sanitary Sewer	110	111	114	115	118	119	121	123	129	129
Electric										
Street Lights	1,570	1,361	1,394	1,491	1,531	1,671	1,967	2,150	2,730	2169
Miles of Electric Lines	154	154	155	160	160	162	198	202	202	204
Gas										
Miles of Gas Mains	274	283	286	292	296	298	314	314	347	350
Solid Waste										
Collection Vehicles	(1)	(1)	(1)	16	16	16	19	19	17	20
Fiber Optic										
Miles of cable	(1)	(1)	(1)	54	54	54	55	60	62	64

(1) Information not available

Source: Various City Departments

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COMPLIANCE SECTION

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WILLIAMSON & CO., CPA's
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

EARL WILLIAMSON
LLOYD WILLIAMSON

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 Honorable Mayor and
Members of the City Council
City of Cartersville, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cartersville, Georgia, as of and for the year ended June 30, 2010, which collectively comprise the City of Cartersville, Georgia's basic financial statements and have issued our report thereon dated December 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Cartersville, Georgia's internal control over financial reporting as a basis for designing our auditing procedures 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 City of Cartersville, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Cartersville, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Cartersville, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Cartersville, Georgia's financial statements that is more than inconsequential will not be prevented or detected by the City of Cartersville, Georgia's internal control. We consider deficiency 10-1 described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Cartersville, Georgia's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Cartersville, Georgia, in a separate letter dated December 23, 2010.

The City of Cartersville, Georgia's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the City of Cartersville, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, and the Georgia Department of Audits and Accounts and is not intended to be and should not be used by anyone other than these specified parties.

Williamson and Company

Williamson and Company
Certified Public Accountants
December 20, 2010

Significant Deficiencies:

Finding 10-1 Year-end Closing and Reconciliation of Utility Receivables

Condition: City was unable to make final adjustment and reconcile account receivables in the enterprise funds within a reasonable period of time.

Criteria: Accounts receivable should be reconciled each month to the general ledger accounts

Cause: The City does not reconcile accounts receivable subsidiary ledger to the general ledger accounts on a monthly basis.

Effect: Delays final closing and issuance of annual audit.

Recommendation: Balance sheet account reconciliation is one of the oldest and most important economic processes. Reconciling on a monthly basis will enable the City to complete the year-end closing process.

Management's Response: The City acknowledges that there was a problem with the reconciliation of utility receivables which impacted the timeliness of closing the fiscal year books. We are working on identifying old receivable items that need to be cleaned up and/or written off. Due to the amount of time that is spent on the large volume of receivable accounts that the City has, we have begun balancing the receivables on a quarterly basis with hopes of being able to balance the receivables on a monthly basis in the future. The quarterly balancing of the receivables should help identify items that need to be corrected before the year-end close and should help the City be able to close our books in a timely manner in the future.

CITY OF CARTERSVILLE, GEORGIA
Schedule of Special Local Option Sales Tax Expenditures
For the Year Ended June 30, 2010

	Estimated Cost		Expenditures		
	Original	Current	Prior	Current	Total
SPLOST I Project Description (1997)					
Streets and Roads	$ 9,017,440	$ 9,017,440	$ 14,564,241	$ -	$ 14,564,241
Water and Sewer Improvements					
Water Main - Grassdale to Mac Johnson	1,000,000	1,000,000	362,061	-	362,061
Burnt Hickory Reservoir	1,000,000	1,000,000	-	-	-
Booster Pump	200,000	200,000	-	-	-
Infiltration Improvement	300,000	300,000	50,450	-	50,450
Mainstreet Streetscape	-	-	278,880	-	278,880
Water Line - Felton Road	-	-	20,662	-	20,662
Water Main - Corbit to Etowah	500,000	500,000	2,035,646	-	2,035,646
Fiber Link (GIS Mapping)	600,000	600,000	1,210,950	-	1,210,950
Totals	$ 12,617,440	$ 12,617,440	$ 18,522,890	$ -	$ 18,522,890
SPLOST II Project Description (2002)					
Streets and Roads	$ 8,805,900	$ 8,805,900	$ 7,673,251	$ 486,838	8,160,089
1873 Courthouse Interior Renovation	450,000	450,000	449,366	-	449,366
Water and Sewer Improvements					
New Line - Allatoona Dam to Water Plant	2,500,000	2,500,000	2,625,304	-	2,625,304
New Water Tank - East of I-75	1,100,000	1,100,000	-	94,879	94,879
Miscellaneous					
Fiber Link (GIS Mapping)	500,000	500,000	378,054	48,202	426,256
Public Safety Traning Facility - Joint Project**	1,250,000	1,250,000	940,746	850,542	1,791,288
Cartersville/Bartow County Library Expansion**	2,500,000	2,500,000	2,460,356	-	2,460,356
Totals	$ 17,105,900	$ 17,105,900	$ 14,527,077	$ 1,480,461	$ 16,007,538

* This schedule has been prepared on the accrual basis of accounting.

** Joint project with Bartow County.

*** Current year expenditures of SPLOST II are shown net of reimbursements totaling $167,258.

CITY OF CARTERSVILLE, GEORGIA
Schedule of Special Local Option Sales Tax Expenditures
For the Year Ended June 30, 2010

	Estimated Cost		Expenditures		
	Original	Current	Prior	Current	Total
SPLOST III Project Description (2007)					
Streets and Roads	$ 13,838,000	$ 13,838,000	$ 250,921	772,769	1,023,690
Water and Sewer Improvements					
Utility Relocate - Water	1,232,000	1,232,000	127,129	42,260	169,389
Raw Water Mains	-	-	162,198	-	162,198
New Water Line - Allatoona Dam	2,000,000	2,000,000	969,430	-	969,430
Other Utility Improvements					
Relocte Gas Lines	1,353,250	1,353,250	-	-	-
Relocate Fiber Lines	150,000	150,000	-	-	-
Relocate Electric Lines	229,320	229,320	-	-	-
Underground Fiber - Main Street Corridor	150,000	150,000	-	-	-
GIS Upgrades	100,000	100,000	900	-	900
Culvert Replacement - Lee Street	225,000	225,000	-	-	-
Underground Electric Project - Main Street	1,028,057	1,028,057	-	-	-
Land and Buildings					
Grassdale Road	861,250	861,250	34,199	8,659	42,858
New Equipment Barn - Public Works	600,000	600,000	417,443	-	417,443
Northside Park - Land	1,500,000	1,500,000	-	-	-
Milam Farm Festival Area	100,000	100,000	-	-	-
Joint Station - Police and Fire	6,639,123	6,639,123	1,412,589	262,675	1,675,264
Fire Station #2	-	-	1,527	-	1,527
Fire Station #3	5,808,000	5,808,000	1,250	60,800	62,050
Old Courthouse Renovations	1,500,000	1,500,000	1,413,327	102	1,413,429
Totals	$ 37,314,000	$ 37,314,000	$ 4,790,913	$ 1,147,265	$ 5,938,178

* This schedule has been prepared on the accrual basis of accounting.