

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

THOMAS C. RHINEHART
FINANCE DIRECTOR

BY AUTHORITY OF MAYOR AND COUNCIL

THE CITY OF CARTERSVILLE
P.O. BOX 1390
ONE NORTH ERWIN STREET
CARTERSVILLE, GEORGIA 30120
TELEPHONE: (770) 387-5616 – FAX: (770) 386-5841
WWW.CITYOFCARTERSVILLE.ORG

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CITY OF CARTERSVILLE, GEORGIA
Comprehensive Annual Financial Report
June 30, 2013

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INTRODUCTORY SECTION

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City of Cartersville

December 19, 2013

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, 2013. 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.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

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.

P.O. Box 1390 • One North Erwin Street • Cartersville, Georgia 30120
Telephone: 770-387-5616 • Fax: 770-386-5841 • www.cityofcartersville.org

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 our State and Nation is recovering from the economic recession, the City of Cartersville continues to remain 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 2013 decreased by 6.8% over the 2012 valuation, resulting in property taxes decreasing by $505,000. The business environment outlook for Cartersville continues to be favorable as industries, like Voestalpine, a car parts manufacturer, is in the process of completing the manufacturing facility in Cartersville. New chain stores like Walgreens and Academy Sports have recently opened or will open soon. Although the construction industry as a whole was not real lucrative, Toyo Tire recently announced plans of another addition to its facility. These new industries and restaurants will bring in tourists and jobs, and help grow the sales tax base and utility revenue.

As the Council was considering the fiscal year 2013 adopted budget, the City prepared for a slow economic recovery 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 recovery continues to impact the unemployment rate for Cartersville as Bartow County's unemployment rate decreased by 0.2% to 9.2% as of June 2013 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 recovery. 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 unassigned fund balance in the general fund is $4,566,226 at year end or 21.0% of total city-related general fund revenues of $21.7 million. The current total fund balance has decreased over last year by $0.6 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 unassigned 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 unassigned 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 industries to locate in. The annual funding required by the city for the Joint Development Authority and industrial park development is slated at nearly $500,000 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, stormwater, 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, 2013, the City's pension plan had net assets of $29.6 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.

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, 2012. 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.

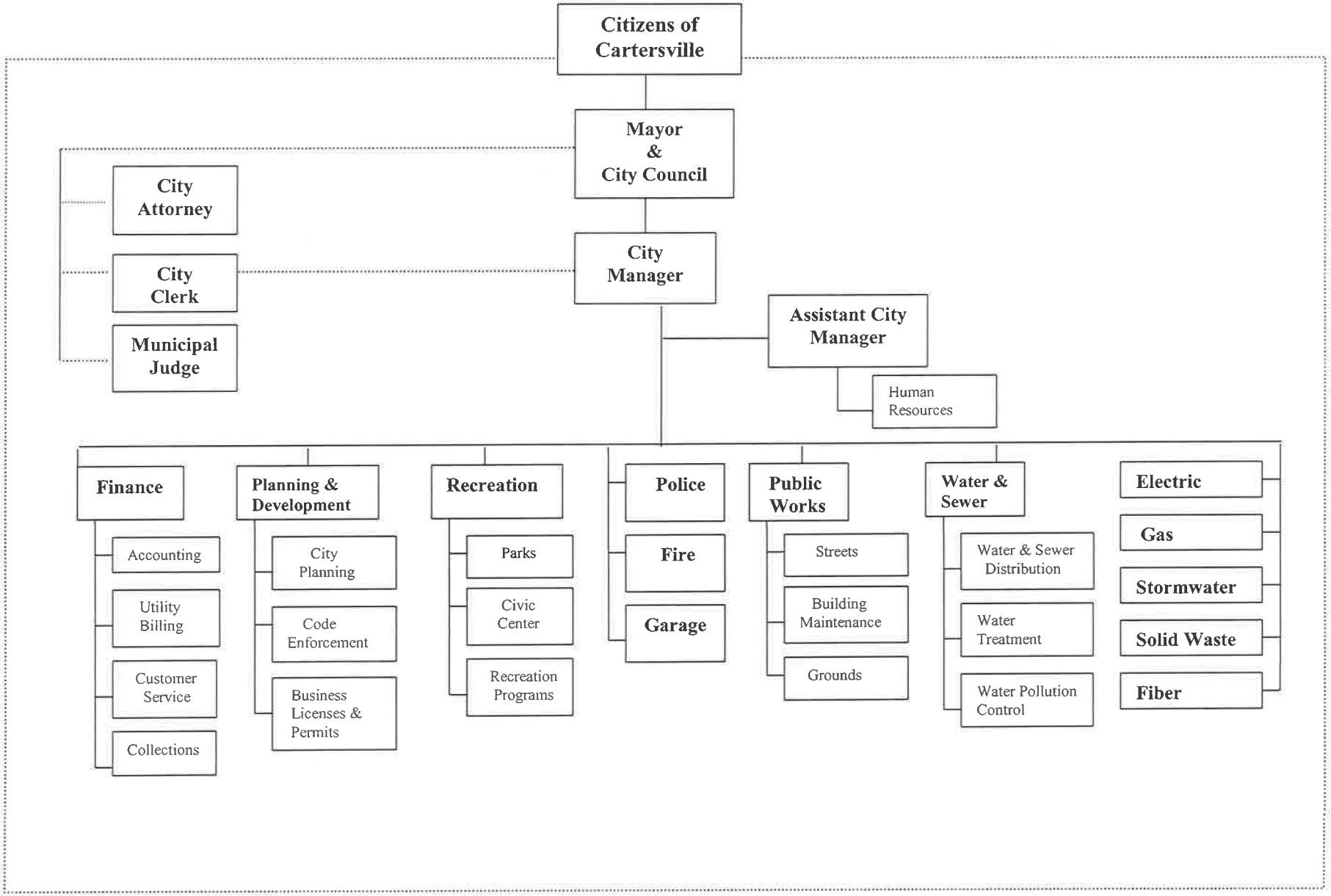
Respectfully submitted,

Samuel E. Grove
City Manager

Thomas C. Rhinehart
Finance Director

CITY OF CARTERSVILLE ORGANIZATIONAL CHART

June 30, 2013



Government Finance Officers Association

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, 2012

Executive Director/CEO

CITY OF CARTERSVILLE, GEORGIA
List of Elected and Appointed Officials
June 30, 2013

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
Tommy Sanders	Public Works Director
Greg Anderson	Recreation Director
James Stafford	Water & Sewer Superintendent
Gary Riggs	Gas Superintendent
David Myers	Electric Superintendent
Bill Trott	Garage Superintendent
Lamar Greeson	Fiber Manager

FINANCIAL SECTION

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P.O. BOX 473
CARTERSVILLE, GA 30120
(770) 382-3361
FAX (770) 386-8382
WWW.WCPAS.COM

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

LLOYD WILLIAMSON
CHRISTIAN HATCH

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Council
City of Cartersville
Cartersville, Georgia

Report on the Financial Statements

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, 2013, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements bnased on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material 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, 2013, and the respective changes in financial position and where applicable, cash flows 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension fund schedule of employer contributions, and schedule of funding progress on pages 3 through 15, 78 and 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and com paring the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cartersville's basic financial statements. The introductory section, combining and individual fund financial statements, statistical section, and the schedule of projects constructed with special local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Cartersville, Georgia.

The combining and individual nonmajor fund financial statements and the schedules of projects constructed with special local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of local option sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013, on our consideration of the City of Cartersville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cartersville, Georgia's internal control over financial reporting and compliance.

Williamson and Company

Williamson and Company
Certified Public Accountants
December 13, 2013

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, 2013. 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 position increased by $1.1 million, or 0.5% during fiscal year 2013 to $238.5 million, including prior period adjustments. The net position for governmental activities decreased by $0.5 million, or 0.5% from the previous year and business-type net position increased by $1.6 million, or 1.2% from the previous year.

- Unrestricted net position, which may be used to meet the City's future obligations, consist of $16.5 million, or 6.9% of the City's total net position. Unrestricted net position for governmental activities is $3.5 million, or 3.5% of total net position for governmental activities; unrestricted net position for business activities is $13.0 million, or 9.3% of total net position for business-type activities.

- Total revenues for governmental activities, excluding transfers, decreased by $1.1 million, or 2.8% less than fiscal year 2012. Governmental expenses, excluding transfers, increased $0.1 million or 0.2% more than the previous fiscal year. Expenses exceeded revenues, excluding transfers from utilities and special items, by $4.6 million.

- The business-type activities, excluding transfers, generated revenues that were $2.7 million or 3.3% more than the previous fiscal year. Expenses, excluding transfers, increased $1.7 million or 2.2% over last year. Excluding transfers, revenues were $6.2 million more than expenditures.

- Total expenses of primary government programs exceeded revenues by $26.7 million in fiscal year 2013. This is a decrease of $0.1 million less than fiscal year 2012 and is due to increases in personnel cost and the cost of purchased electricity and purchased natural gas.

- In fiscal year 2013, the ending unassigned fund balance for the General Fund, which is the City's primary operating fund, decreased by $0.6 million, or 11%, to $4.6 million.

- The principal balance on the City's outstanding bonds (Note 8) decreased by $0.7 million for governmental activities. The principal balance on the outstanding bonds for business-type activities decreased by $1.9 million.

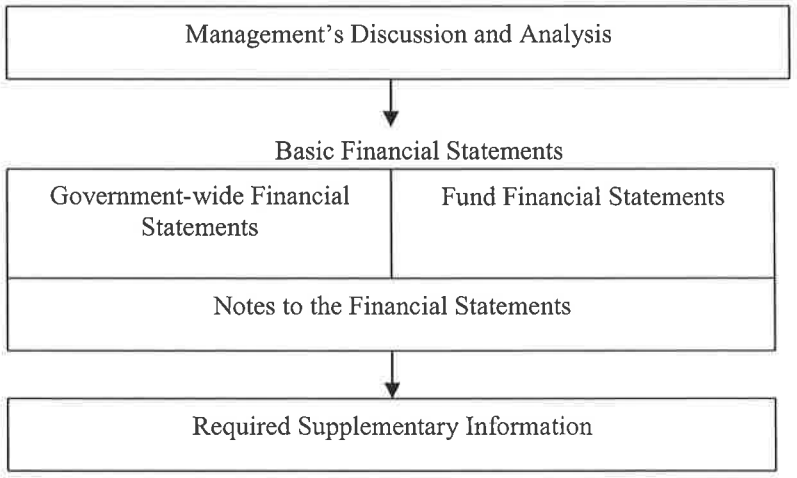
- The total fair market value of the City's pooled investments and cash, excluding fiduciary funds (Note 3) at June 30, 2013 was $31.6 million.

- The capital assets, net of accumulated depreciation, (Note 6) of the City at the end of the 2013 fiscal year totaled $252.3 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 Position combines, for the first time, all of the City's current financial resources with capital assets and long-term obligations. Net position, 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 position - Statement of revenues, expenses, and changes in net position - Statement of cash flows	- Statement of fiduciary net position - Statement of changes in fiduciary net position
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 Position compared to the prior year. Before prior period adjustments, the City's net position increased by $1.1 million in fiscal year 2013. The net position of the governmental activities of the City decreased by $0.5 million while the business-type activities increased by $1.1 million. Almost all of the increase in the net position of the business-type activities came from the major City utility operation, as water and sewer utility increased by $0.4 million, electric decreased by $0.4 million, and gas increased by $1.4 million. The City's total assets increased by $2.1 million to $295.2 million. Of the City's $238.5 million in net position, $214.0 million is net investment in capital assets. For more detailed information see the Statement of Net Position on page 19 of the financial statements and the notes to the financial statements.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current and other assets	$ 9.5	$ 16.3	$ 32.8	$ 33.4	$ 42.3	$ 49.7
Capital assets	$ 111.6	$ 102.8	$ 140.7	$ 140.0	252.3	242.8
Deferred Outflows of Resources	0.5	0.5	0.1	0.1	0.6	0.6
Total Assets and deferred outflows of resources	121.6	119.6	173.6	173.5	295.2	293.1
LIABILTIES						
Current and other liabilities	7.2	3.8	10.6	6.8	17.8	10.6
Long-term debt outstanding	15.4	16.3	23.5	28.8	38.9	45.1
Total Liabilities	22.6	20.1	34.1	35.6	56.7	55.7
NET POSITION						
Net investment in capital assets	92.5	88.2	121.5	118.5	214.0	206.7
Restricted	3.0	6.2	5.0	5.1	8.0	11.3
Unrestricted	3.5	5.1	13.0	14.3	16.5	19.4
Total Net Position	$ 99.0	$ 99.5	$ 139.5	$ 137.9	$ 238.5	$ 237.4

CHANGES IN NET ASSETS

The City's total revenues before transfers increased by $1.6 million (1.0%) in the 2013 fiscal year compared to the previous year. Expenses before transfers increased by $1.6 million (1.0%) during the same period. The increase in revenues of the business-type activities came mainly from the gas system due to increases in gas consumption. For the year, electric revenue increased by $0.2 million, gas revenue increased by $1.8 million, water and sewer increased $0.3 million and stormwater revenue increased by $0.1 million. The increase in electric generation costs drove electric expenses higher by $1.5 million over the previous year. Other city funds had variances in expenses over the prior year as follows: gas increased by $0.1 million and water and sewer remained the same. Fiber optics expenses increased by $0.1 million, while solid waste expenses remained the same, and stormwater expenses decreased by $0.1 million. The next chart shows revenues and expenses by sources and programs and the resulting change in net assets.

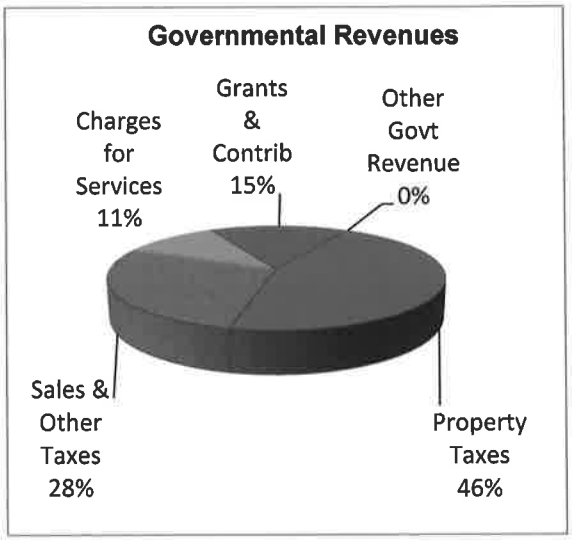
Table 2
Changes in Net Position
(in millions)

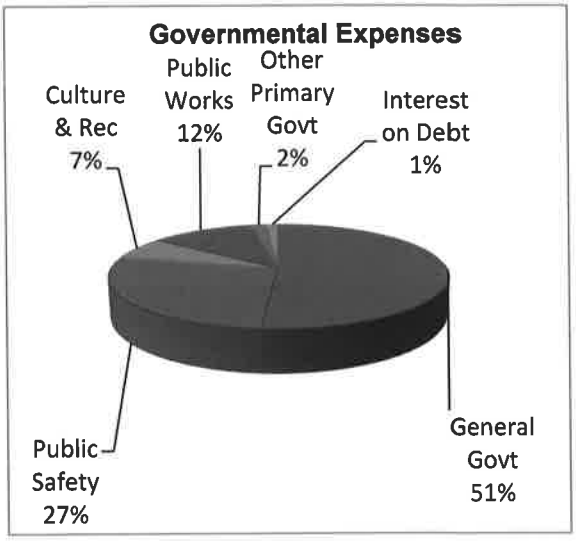
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for services	$ 4.1	$ 3.9	$ 84.2	$ 81.5	$ 88.3	$ 85.4
Operating grants and contributions	1.5	2.6	-	-	1.5	2.6
Capital grants and contributions	4.4	4.6	0.1	-	4.5	4.6
General revenues	-					
Property taxes	17.4	16.8	-	-	17.4	16.8
Local option sales tax	3.8	4.4	-	-	3.8	4.4
Other taxes	7.0	6.9	-	-	7.0	6.9
Investment income	-	0.1	-	0.1	-	0.2
Other general revenues	0.1	0.1	-	-	0.1	0.1
Total Revenues	38.3	39.4	84.3	81.6	122.6	121.0
Expenses						
General government	22.0	23.0	-	-	22.0	23.0
Public safety	11.7	11.0	-	-	11.7	11.0
Municipal Court	0.1	-	-	-	0.1	-
Culture and recreation	2.9	3.0	-	-	2.9	3.0
Public works	4.9	4.8	-	-	4.9	4.8
Downtown Development	0.1	-	-	-	0.1	-
Planning and development	0.7	0.8	-	-	0.7	0.8
Interest on long-term debt	0.5	0.4	-	-	0.5	0.4
Water and sewer	-	-	11.1	11.1	11.1	11.1
Electric	-	-	44.2	42.6	44.2	42.6
Gas	-	-	17.9	17.8	17.9	17.8
Other business-type activities	-	-	4.9	4.9	4.9	4.9
Total Expenses	42.9	43.0	78.1	76.4	121.0	119.4
Excess (deficiency) before transfers	(4.6)	(3.6)	6.2	5.2	1.6	1.6
Transfers	4.1	4.0	(4.1)	(4.0)	-	(0.0)
Increase (decrease) in net position	(0.5)	0.4	2.1	1.2	1.6	1.6
Net Position - Beginning	99.5	99.0	137.9	136.6	237.4	235.6
Prior Period Adjustment	-	0.1	(0.4)	0.1	(0.4)	0.2
Net Position - Ending	$ 99.0	$ 99.5	$ 139.6	$ 137.9	$ 238.6	$ 237.4

GOVERNMENTAL ACTIVITIES

The cost of all governmental activities in fiscal year 2013 was $42.9 million, while revenues received were $38.3 million. After transfers and special items, the decrease in net assets was $0.5 million. 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 2013





Revenue Impacts:

- Property taxes, which provide 45% of governmental revenues, a majority of which goes to the City School System increased by $0.6 million (3.0%) over the previous fiscal year. In addition to the City School System millage rate of 18.23, the City assessed 1.38 mills for fiscal year 2013, which generated $1.1 million in property tax revenue for general operations and capital expenditures.

- Local option sales tax collections decreased by $0.6 million over the prior year as the economic conditions in the city still showed small signs of a recovering economy. Local option sales taxes used for general operating purposes amounted to $3.8 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 $3.5 million.

Expense Impacts

- General government expenses 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.

- Fire department expenses increased by $0.7 million mainly due to increases in personnel cost, supplies and fuel costs.

- Culture and recreation expenditures decreased by approximately $0.1 million due to decreases in maintenance expenses and contract labor related to officiating at various recreational programs.

- In FY 2013, the general fund separated the municipal court operations from the police department. This slightly increased some expenses to the general fund.

- FY 2013 also saw the addition of fully funding the Downtown Development Authority as a separate department within the General Fund. This also increased expenses, but was also offset by some revenues being generated by the DDA.

BUSINESS-TYPE ACTIVITIES

Table 4
Business-type Activities
(in millions)

	Program Revenues		Program Expenses		Excess (deficiency) Before Transfers, Special Items and Investment Earnings	
	2013	2012	2013	2012	2013	2012
Water and Sewer	$ 13.2	$ 12.9	$ 11.1	$ 11.1	$ 2.1	$ 1.8
Electric	44.3	44.1	44.2	42.7	0.1	1.4
Gas	21.5	19.7	17.9	17.8	3.6	1.9
Stormwater	1.3	1.2	1.0	1.1	0.3	0.1
Solid Waste	2.1	2.0	2.2	2.2	(0.1)	(0.2)
Fiber Optics	1.8	1.7	1.7	1.6	0.1	0.1
Total	$ 84.2	$ 81.5	$ 78.1	$ 76.4	$ 6.1	$ 5.1

Revenues for business-type activities for the fiscal year 2013 were $84.2 million, a $2.7 million increase compared to the prior year. Expenses were $78.1 million, an increase of $1.7 million over the prior year. There was excess before transfers and investment earnings of $6.1 million in 2013 compared to $5.1 million in 2012. Activities for individual funds are summarized below.

- Water & Sewer program revenues increased by $0.3 million to end the year at $13.2 million. Program expenses remained the same at $11.1 million.

- Electric program revenues increased by $0.2million over the prior year due to a slightly higher consumption. Program expenses increased by $1.5 million due to the increased costs to produce electricity.

- Gas program revenues increased by $1.8 million due to a cooler winter and expenses increased by $0.1 million. The increases in both revenue and expenses were due to higher consumption which resulted in a larger amount of natural gas being purchased for consumption.

- Stormwater revenues increased $0.1 million. Program expenses for 2013 decreased by $0.1 million due to decreased operating expenses and decreased personnel expenses.

- Solid Waste program revenues increased $0.1 million. Expenses remained the same at $2.2 million.

- Fiber Optics program revenues increased by $0.1 million from last year. Program expenses increased $0.1million due to increased personnel expenses and increased operating expenses.

The City's Funds

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

Fund	Fund Balance 6-30-12	Sources	Uses	Sources Over (Under) Uses	Fund Balance 6-30-13
General Fund	$ 5.2	$ 37.9	$ 38.5	$ (0.6)	$ 4.6
Capital Projects Fund	4.8	6.5	12.8	(6.3)	(1.5)
Other Governmental Funds	1.4	1.1	2.3	(1.2)	0.2
Totals	$ 11.4	$ 45.5	$ 53.6	$ (8.1)	$ 3.3

At June 30, 2013, the governmental funds reported a combined fund balance of $3.3 million (see Statements on pages 22 and 24), which is an $8.1 million decrease from the previous year-end.

General Fund
The General Fund had a $0.6 million decrease to end the fiscal year at $4.6 million. The primary reasons for the decrease 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:

- Decreases in intergovernmental revenues due to fewer awards of federal grants.
- Increases in contributions to Joint Development Authority for the industrial park development.
- The additions of the municipal court and the Downtown Development Authority in the General Fund.
- Overall increases in operational expenses in most 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 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. In November 2011, the voters approved the continuation of the SPLOST to fund the debt retirement of the industrial park, renovations to the Dellinger Park pool, automatic read utility metering system, and various other GIS mapping and road and street improvements. Program revenues for fiscal year 2013 were $2.5 million more than the prior year, while expenses increased by $1.5 million over the prior year. The primary factors in the $6.3 million decrease 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 continued spending on existing projects and no new projects were started in the fiscal year. 2003 SPLOST project expenditures for this fiscal year included street and road projects ($0.5 million), Mainstreet Gateway project ($2.2 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 ($6.0 million), new fire facility ($2.3 million) along with other various road projects and utility improvement projects. In order to complete the two building construction projects, the city issued Tax Anticipation Notes (TANs) in the amount of $4.3 million. The issue of the TANs was due to the decreased collections in the SPLOST 2007 funds. SPLOST 2014 projects included Dellinger Park pool renovations in which the city issued debt. The construction was started and completed on the pool in the amount of $1.2 million.

Other Governmental Funds
Other Governmental Funds are made up of various special revenue funds of the City. Program revenues for fiscal year 2013 were $0.2 million less than the prior year, while expenses increased $0.8 million. The primary factors in the $1.2 million decrease in the fund balance include:

- Decreases in Federal confiscated assets from the prior year led to the decreases 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.

- Transfer of $1,000,000 of the Federal confiscation cash to help offset the cost of the new joint safety building.

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 2012, appropriated $39.2 million for general fund expenditures. The original budget was amended during the fiscal year by almost $0.3 million to $39.5million to account for increases in some revenue areas. Actual expenditures for the fiscal year were $39.5 million or $0.3 million more than the original approved budget.

ORIGINAL TO FINAL BUDGET COMPARISON

Revenues

The original revenue budget including transfers and capital leases was $39.2 million and was amended during the fiscal year to $39.5 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 $0.7 million; occupational taxes and permits decreased by $40,000; other taxes decreased by $0.6 million; state and federal grants increased by $27,000; and other revenues increased by $0.2 million.

Expenditures

The original expenditures budget was approved in June 2012 at $39.2 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 decreased $310,000 to account for decreased legal fees and school board appropriations; Administrative Department was increased by $20,000; Finance Department was decreased by $600; Customer Service was increased $17,000; Police Department was decreased by $1,000; Fire Department was decreased by $101,000 for increases in personnel and uniform expenses; Municipal Court increased $132,000 for renovations to the court room, increased personnel cost and maintenance costs; Public Works increased by $12,000 to cover increases in maintenance of vehicles; Parks and Recreation Department increased $231,000 to cover increases in personnel expenses, legal fees, and maintenance expenses; Planning and Development Department increased $27,000 to cover increased maintenance expense and travel expenses; and Downtown Development Authority was incorporated into the general fund budget at a cost of $123,000 .

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 a increase in delinquent property tax payments.
- Local Option Sales Tax collected and distributed by the State of Georgia decreased by $602,000.
- Fines and forfeiture revenues increased by $18,000 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 decreased by $26,000.
- Building permit and inspections fee revenues increased by $20,000.

Expenditures

- Fuel, communication, and maintenance expenses increased in several departments.
- Increased debt expenditures for school related and joint development related debt service.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounted to $252.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements, and machinery and equipment. The net increase in the City's investment in capital assets for the current fiscal year was $9.5 million (3.0%). 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	
	2013	2012	2013	2012	2013	2012
Land	$ 9.4	$ 7.6	$ 2.9	$ 2.6	$ 12.3	$ 10.2
Construction in progress	0.3	0.1	1.7	1.7	2.0	1.8
Capital projects-construction in progress	5.7	17.8	-	-	5.7	17.8
Land improvements	1.9	1.3	-	-	1.9	1.3
Buildings and structures	31.6	16.9	1.1	1.1	32.7	18.0
Park improvements	2.6	1.7	-	-	2.6	1.7
Infrastructure	57.2	54.7	-	-	57.2	54.7
Utility systems	2.9	-	132.4	132.7	135.3	132.7
Furniture, machinery and equipment	-	2.7	2.6	1.9	2.6	4.6
Total	$ 111.6	$ 102.8	$ 140.7	$ 140.0	$ 252.3	$ 242.8

This year's major capital asset additions included:

Governmental Activities:

- Construction in progress on 2 public safety buildings - $8,243,868
- Main Street Gateway project - $2,221,413
- Equipment and vehicles – $547,432

Business-type Activities:

- Water and Sewer equipment and vehicles - $362,240, water and sewer line improvements - $1,507,774
- Gas mains, meters and settings, and service connections - $75,469, gas equipment $196,542
- Electric mains, meters and settings, and service connections - $968,057, electric vehicles and equipment $29,671
- Stormwater sewers - $520,081
- Solid waste trucks - $314,687
- Fiber optics system improvements - $155,326, fiber optics system vehicle $28,350

LONG-TERM DEBT

At the end of 2013 fiscal year, the City had $40.5 million in debt outstanding. This is an decrease of $1.4 million compared to the prior fiscal year end. The decrease can be attributed to the City paying on existing debt. More detailed information about the City's long-term liabilities is included in Note 8 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 A1.

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 $90,588,971, which is in excess of the City's outstanding general obligation debt.

Table 7
Outstanding Debt at June 30, 2013
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	$ 12.3	$ 12.5	$ -	$ -	$ 12.3	$ 12.5
Capital leases	1.4	1.4	1.0	0.6	2.4	2.0
Revenue bonds	-	-	18.7	20.6	18.7	20.6
Notes payable	1.0	-	6.1	6.8	7.1	6.8
Total	$ 14.7	$ 13.9	$ 25.8	$ 28.0	$ 40.5	$ 41.9

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

Impacts on governmental activities:

Fiscal year 2013 saw a continuation of slow residential housing development for Cartersville as residential permits had an increase of 43% from the previous fiscal year as 64 residential permits were issued during fiscal year 2013. Most of the 64 residential permits were issued for remodeling, not new construction. Commercial development increased by 21.0% over the prior year as 58 commercial permits were issued for the fiscal year. The increase in residential and increase in commercial permits resulted in an increase in general fund building permit revenue over the prior year. The City prepared for the continued slow construction market in the residential and commercial housing sector and slow economic recovery as department heads were informed in the March 2012 budget memo to further reduce overall budget requests for fiscal year 2013 to meet the continued downtown 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 2013 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 2013 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 2013 the City was able to offset the reduction in slower growth in sales tax dollars by increases in other taxes, state and federal grants, and transfers from utility funds. These increases 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 the continued slow economy, the original budgeted expenditures for 2013 were decreased by 8.0% 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 74% 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 2013 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 2014.

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 69% and 85% of the fiscal year 2013 gas and electric utility budgets, respectively. Natural gas expenses for 2013 were $17.2 million or 87.0% of total expenses. Electricity expenses for 2013 were $39.0 million or 86.0% 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 $1,969,697 with remaining commitments of $439,153 for completion of stormwater and street improvements and water and sewer improvements. See Note 22 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 15 and 17.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's operating budget for fiscal year 2014 totals $145.2 million; $39.1 million for the General Fund, $6.0 million for Special Purpose Local Option Sales Tax Projects, $0.6 million for Special Revenue Funds and $98.1 million for the Enterprise Funds. The City will receive about $25,000 in grants in fiscal year 2014. Personnel expenditures account for 16.6% of the City's operating budget. The City had 358 full-time positions at the end of fiscal year 2013. The fiscal year 2014 budget includes 358 full time positions.

In the fiscal year 2014 budget, General Fund revenues including utility transfers are estimated to remain the same compared to the 2013 budget. General property taxes make up 45.0% of General Fund budgeted revenues and transfers in. Sales tax receipts represent 10.0% of the General Fund budgeted revenues and transfers in, and with a slow economy are expected to increase slightly by $280,000 over the prior year. 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 2014 budget. The final approved budget of $145.2 million was $0.1 million more than the prior year. The increase is due to increases in personnel expenses along with increased cost of purchased electricity and natural gas. 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 enact a budget which lays out a strong viable fiscal plan 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 Position
June 30, 2013

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash	$ 3,421,437	$ 5,380,300	$ 8,801,737	$ 23,295,090
Receivables, Net	836,624	7,108,790	7,945,414	4,465,692
Due From Other Governments	681,891	-	681,891	-
Internal Balances	654,515	(654,515)	-	-
Inventory	133,128	2,015,328	2,148,456	113,754
Restricted Cash	3,853,303	18,926,926	22,780,229	1,183,564
Prepaids	-	95,777	95,777	-
Notes Receivable	-	-	-	7,095,000
Land and Construction in Progress	15,442,743	4,620,846	20,063,589	5,384,282
Other Capital Assets, Net	96,170,128	136,141,595	232,311,723	3,046,194
Total Assets	121,193,769	173,635,047	294,828,816	44,583,576
Deferred Outflows of Resources				
Unamortized Loss on Bond Refunding	457,070	67,712	524,782	120,844
Total Deferred Outflows of Resources	457,070	67,712	524,782	120,844
Liabilities				
Accounts Payable	1,019,378	5,562,498	6,581,876	304,850
Wages and Withholdings Payable	240,322	104,927	345,249	4,652,235
Customer Deposits	4,845	1,502,662	1,507,507	-
Retainage Payable	44,085	-	44,085	-
Other Current Liabilities	4,318,490	-	4,318,490	42,896
Interest Payable	171,406	278,560	449,966	130,315
Noncurrent Liabilities:				
Due Within One Year	1,417,303	3,219,082	4,636,385	1,580,000
Due In More Than One Year, Net	15,374,606	23,486,857	38,861,463	16,435,000
Total Liabilities	22,590,435	34,154,586	56,745,021	23,145,296
Net Position				
Net Investment in Capital Assets	93,572,037	121,502,698	215,074,735	(1,209,015)
Restricted For:				
Capital Projects	1,803,489	-	1,803,489	8,097,454
Renewal and Replacement	-	937,250	937,250	-
Debt Service	-	4,094,784	4,094,784	-
Law Enforcement Activities	42,078	-	42,078	-
Planning and Development	165,051	-	165,051	-
Cemetery	2,280	-	2,280	-
Other	-	-	-	1,464,355
Unrestricted	3,475,469	13,013,441	16,488,910	13,206,330
Total Net Position	$ 99,060,404	$ 139,548,173	$ 238,608,577	$ 21,559,124

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

CITY OF CARTERSVILLE, GEORGIA
Statement of Activities
For the Year Ended June 30, 2013

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	$ 21,991,762	$ 2,042,828	$ 1,452,616	$ -
Police	5,747,727	286,563	982	-
Fire	5,841,966	-	-	-
Municipal Court	155,409	798,319	-	-
Culture and Recreation	2,941,742	744,501	-	-
Planning and Development	746,903	266,650	15,000	-
Downtown Development Authority	116,307	4,596	22,254	-
Public Works	4,890,938	35,240	19,269	4,361,206
Interest on Long-term Debt	508,231	-	-	-
Total Governmental Activities	42,940,985	4,178,697	1,510,121	4,361,206
Business-type Activities:				
Water and Sewer	11,103,405	13,187,596	-	-
Electric	44,236,793	44,318,299	-	-
Gas	17,929,667	21,536,355	-	-
Stormwater	1,008,045	1,279,707	-	146,390
Solid Waste	2,185,690	2,129,077	-	-
Fiber Optic	1,716,732	1,767,875	5,177	-
Total Business-type Activities	78,180,332	84,218,909	5,177	146,390
Total Primary Government	$ 121,121,317	$ 88,397,606	$ 1,515,298	$ 4,507,596
Component Units:				
Cartersville Building Authority	622,139	-	1,263,898	-
Cartersville School Board	41,271,573	1,358,128	24,219,378	9,747
Total Component Units	$ 41,893,712	$ 1,358,128	$ 25,483,276	$ 9,747

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

CITY OF CARTERSVILLE, GEORGIA
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
Primary Government:				
Governmental Activities:				
General Government	$ (18,496,318)	$	$ (18,496,318)	$
Police	(5,460,182)		(5,460,182)	
Fire	(5,841,966)		(5,841,966)	
Municipal Court	642,910		642,910	
Culture and Recreation	(2,197,241)		(2,197,241)	
Planning and Development	(465,253)		(465,253)	
Downtown Development Authority	(89,457)		(89,457)	
Public Works	(475,223)		(475,223)	
Interest on Long-term Debt	(508,231)		(508,231)	
Total Governmental Activities	(32,890,961)		(32,890,961)	
Business-type Activities:				
Water and Sewer	-	2,084,191	2,084,191	
Electric	-	81,506	81,506	
Gas	-	3,606,688	3,606,688	
Stormwater	-	418,052	418,052	
Solid Waste	-	(56,613)	(56,613)	
Fiber Optic	-	56,320	56,320	
Total Business-type Activities	-	6,190,144	6,190,144	
Total Primary Government	(32,890,961)	6,190,144	(26,700,817)	
Component Units:				
Cartersville Building Authority				641,759
Cartersville School Board				(15,684,320)
Total Component Units				(15,042,561)
General Revenues				
Taxes				
Property	17,454,934	-	17,454,934	16,003,431
Sales	3,801,605	-	3,801,605	4,214,954
Hotel/Motel	465,752	-	465,752	-
Vehicle Rental	52,989	-	52,989	-
Insurance Premium	983,000	-	983,000	-
Malt and Mixed beverage	627,425	-	627,425	-
Franchise	4,501,238	-	4,501,238	-
Occupation	283,935	-	283,935	-
Financial Institution	117,831	-	117,831	-
Investment Earnings	44,037	37,907	81,944	18,441
Miscellaneous	36,311	-	36,311	-
Gain on Asset Disposal	-	472	472	-
Transfers	4,182,290	(4,182,290)	-	-
Total General Revenues and Transfers	32,551,347	(4,143,911)	28,407,436	20,236,826
Change in Net Position	(339,614)	2,046,233	1,706,619	5,194,265
Net Position - Beginning	99,527,265	137,893,594	237,420,859	16,467,334
Prior Period Adjustment	(127,247)	(391,654)	(518,901)	(102,475)
Net Position - Ending	$ 99,060,404	$ 139,548,173	$ 238,608,577	$ 21,559,124

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

CITY OF CARTERSVILLE, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2013

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 1,462,672	$ -	$ -	$ 1,462,672
Receivables, Net				
Taxes	702,292	-	-	702,292
Other	105,920	-	-	105,920
Due From Other Governments	385,726	278,323	17,842	681,891
Interfund Receivable	3,050,667	-	-	3,050,667
Cash - Restricted	7,369	3,630,731	217,810	3,855,910
Total Assets	$ 5,714,646	$ 3,909,054	$ 235,652	$ 9,859,352
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$ 510,858	$ 75,825	$ 26,120	$ 612,803
Accrued Wages Payable & Withholdings	236,989	-	-	236,989
Retainage Payable	-	44,085	1,428	45,513
Interfund Payable	-	956,454	-	956,454
Short Term Debt	-	4,318,490	-	4,318,490
Customer Deposits	4,845	-	-	4,845
Total Liabilities	752,692	5,394,854	27,548	6,175,094
Deferred Inflows of Resources				
Unearned Revenue	393,448	-	975	394,423
Total Deferred Inflows of Resouces	393,448	-	975	394,423
Fund Balances (Deficits)				
Restricted				
Law Enforcement Activities	-	-	42,078	42,078
Grant Programs	-	-	2,607	2,607
Cemetery	2,280	-	-	2,280
Committed				
Planning and Development	-	-	162,444	162,444
Unassigned	4,566,226	(1,485,800)	-	3,080,426
Total Fund Balances	4,568,506	(1,485,800)	207,129	3,289,835
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,714,646	$ 3,909,054	$ 235,652	$ 9,859,352

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 Government-wide Statement of Net Position
June 30, 2013

Total Fund Balance - Total Governmental Funds		$ 3,289,835
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.		111,403,623
Deferred revenue in the General Fund represents property taxes that are not available soon enough to pay for the current period's expenditures.		394,423
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		375,680
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	(11,785,000)	
Note Payable	(1,045,000)	
Accrued Interest Payable	(171,406)	
Leases Payable	(1,396,530)	
Unamortized Loss on Bond Refunding	457,070	
Unamortized Bond Premium	(525,015)	
OPEB Liability	(1,937,276)	(16,403,157)
Net Position of Governmental Activities		$ 99,060,404

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, 2013

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 27,786,341	$ -	$ 541,081	$ 28,327,422
Licenses and Permits	279,995	-	-	279,995
Intergovernmental	106,800	4,356,646	293,090	4,756,536
Payment From School Board	1,147,975	-	-	1,147,975
Fines and Forfeitures	803,794	-	133,132	936,926
Charges For Services	2,893,594	-	-	2,893,594
Miscellaneous Income	56,495	-	10,254	66,749
Investment Earnings	43,984	4,595	18	48,597
Total Revenues	33,118,978	4,361,241	977,575	38,457,794
Expenditures				
Current:				
General Government	20,434,661	-	301,701	20,736,362
Police	5,040,527	-	110,722	5,151,249
Fire	5,268,994	-	-	5,268,994
Municipal Court	213,621	-	-	213,621
Planning and Development	717,454	-	-	717,454
Downtown Development	122,704	-	6,410	129,114
Culture and Recreation	2,905,517	-	293,090	3,198,607
Public Works	2,329,708	505,344	-	2,835,052
Debt Service:				
Principal	901,324	-	-	901,324
Interest	526,896	18,490	-	545,386
Capital Outlay:				
Streets, Sidewalks and Stormwater	-	2,684,908	4,220	2,689,128
Water and Sewer Construction	-	350,729	-	350,729
Buildings	-	8,182,960	-	8,182,960
Culture and Recreation	-	1,018,541	-	1,018,541
Total Expenditures	38,461,406	12,760,972	716,143	51,938,521
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,342,428)	(8,399,731)	261,432	(13,480,727)
Other Financing Sources (Uses)				
Long-term Debt	-	1,045,000	-	1,045,000
Issuance Costs	-	(15,834)	-	(15,834)
Transfers - In	4,596,466	1,116,734	43,181	5,756,381
Transfers - Out	(43,181)	-	(1,530,910)	(1,574,091)
Capital Lease	177,813	-	-	177,813
Total Other Financing Sources (Uses)	4,731,098	2,145,900	(1,487,729)	5,389,269
Net Change in Fund Balances	(611,330)	(6,253,831)	(1,226,297)	(8,091,458)
Fund Balance (Deficit) - Beginning of Year	5,179,836	4,768,031	1,433,426	11,381,293
Fund Balance (Deficit) - End of Year	$ 4,568,506	$ (1,485,800)	$ 207,129	$ 3,289,835

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 Government-wide Statement of Activities
For the Year Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds		$ (8,091,458)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental		
Capital Outlay	12,508,797	
Depreciation Expense	(3,767,354)	8,741,443
Since some taxes will not be collected for several months after the fiscal year ends, they are not considered "available" revenues.		
Property Tax		(38,712)
Internal service funds are 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.		(399,003)
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.		
Change in Accrued Interest Payable	(94,246)	
Net Change In OPEB Liability	(219,011)	(313,257)
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 Premium On Bonds	131,401	
Amortization of Loss on Bond Refunding	(48,538)	
Issuance of Capital Leases	(1,222,813)	
Repayment Of Principal	685,000	
Capital Lease Payments	216,323	(238,627)
Change in Net Position of Governmental Activities		$ (339,614)

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 29,142,600	$ 29,279,165	$ 27,786,341	$ (1,492,824)
Licenses and Permits	289,420	284,000	279,995	(4,005)
Intergovernmental	82,000	106,825	106,800	(25)
Payment from School Board	1,147,975	1,147,975	1,147,975	-
Fines and Forfeitures	799,500	803,795	803,794	(1)
Charges for Services	2,839,360	2,893,880	2,893,594	(286)
Miscellaneous Income	115,000	135,370	56,495	(78,875)
Investment Earnings	13,500	62,755	43,984	(18,771)
Total Revenues	34,429,355	34,713,765	33,118,978	(1,594,787)
Expenditures				
Current				
General Government	21,169,030	21,399,900	20,434,661	965,239
Police	5,039,630	5,040,625	5,040,527	98
Fire	5,199,970	5,269,085	5,268,994	91
Municipal Court	81,370	213,670	213,621	49
Planning and Development	744,950	718,045	717,454	591
Downtown Development	-	122,780	122,704	76
Culture and Recreation	3,140,460	2,905,640	2,905,517	123
Public Works	2,359,965	2,347,260	2,329,708	17,552
Debt Service				
Principal	901,324	901,324	901,324	-
Interest	515,216	526,656	526,896	(240)
Total Expenditures	39,151,915	39,444,985	38,461,406	983,579
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,722,560)	(4,731,220)	(5,342,428)	(611,208)
Other Financing Sources (Uses)				
Transfers - In	4,485,700	4,596,490	4,596,466	(24)
Transfers - Out	-	(43,185)	(43,181)	4
Capital Lease	236,860	177,915	177,813	(102)
Total Other Financing Sources (Uses)	4,722,560	4,731,220	4,731,098	(122)
Net Change in Fund Balance	-	-	(611,330)	(611,330)
Fund Balance - Beginning of Year	5,179,836	5,179,836	5,179,836	-
Fund Balance - End of Year	$ 5,179,836	$ 5,179,836	$ 4,568,506	$ (611,330)

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

CITY OF CARTERSVILLE, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2013

	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	$ 408,342	$ 678,339	$ 3,451,630	$ 841,989	$ 5,380,300	$ 1,956,158
Restricted Cash						
Customer Deposits	427,698	653,577	431,125	-	1,512,400	-
Flexible Operating Account-MEAG	-	2,502,527	-	-	2,502,527	-
Renewal and Replacement	4,076,761	-	-	-	4,076,761	-
Revenue Bond Covenant Accounts	4,084,473	-	-	-	4,084,473	-
Bond Construction Cash	6,514,701	-	-	-	6,514,701	-
Drainage Improvements	-	-	-	236,064	236,064	-
Accounts Receivable - Net	1,272,566	3,996,857	1,421,596	417,771	7,108,790	28,412
Interfund Receivable	-	720,000	-	567	720,567	-
Prepaids	-	48,477	47,300	-	95,777	-
Inventory	432,626	1,134,932	393,545	54,225	2,015,328	133,128
Total Current Assets	17,217,167	9,734,709	5,745,196	1,550,616	34,247,688	2,117,698
Noncurrent Assets						
Capital Assets						
Equipment	3,793,424	2,274,403	1,515,261	4,169,698	11,752,786	475,919
Buildings and Structures	1,225,577	489,882	210,569	146,696	2,072,724	130,458
Utility Systems	143,399,021	24,459,964	20,878,545	5,325,494	194,063,024	-
Construction in Progress	1,689,702	-	-	-	1,689,702	-
Less Accumulated Depreciation	(44,559,549)	(12,760,139)	(9,229,774)	(5,197,477)	(71,746,939)	(438,374)
Land and Easements	2,271,012	75,902	221,749	362,481	2,931,144	41,245
Total Noncurrent Assets	107,819,187	14,540,012	13,596,350	4,806,892	140,762,441	209,248
Total Assets	125,036,354	24,274,721	19,341,546	6,357,508	175,010,129	2,326,946
Deferred Outflows of Resources						
Unamortized Loss on Bond Refunding	67,712	-	-	-	67,712	-
Total Deferred Outflows of Resources	67,712	-	-	-	67,712	-

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

CITY OF CARTERSVILLE, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water and Sewer	Electric	Gas	Other Nonmajor Enterprise Funds	Total	
Liabilities						
Current Liabilities						
Accounts Payable	302,275	3,829,415	1,300,084	130,724	5,562,498	406,575
Accrued Wages and Withholdings Payable	36,368	25,940	19,584	23,035	104,927	3,333
Customer Deposits	258,772	797,252	428,358	18,280	1,502,662	-
Accrued Interest Payable	278,560	-	-	-	278,560	-
Interfund Payable	-	-	996,898	720,000	1,716,898	1,096,454
Capital Leases Payable	19,799	-	45,310	188,693	253,802	-
Notes Payable	810,280	-	-	-	810,280	-
Revenue Bonds Payable	2,155,000	-	-	-	2,155,000	-
Total Current Liabilities	3,861,054	4,652,607	2,790,234	1,080,732	12,384,627	1,506,362
Noncurrent Liabilities						
Capital Leases Payable	79,194	-	175,229	468,450	722,873	-
Notes Payable	5,330,000	-	-	-	5,330,000	-
Revenue Bonds Payable (Net)	16,590,000	-	-	-	16,590,000	-
OPEB Liability	339,883	124,848	169,830	209,423	843,984	103,088
Total Noncurrent Liabilities	22,339,077	124,848	345,059	677,873	23,486,857	103,088
Total Liabilities	26,200,131	4,777,455	3,135,293	1,758,605	35,871,484	1,609,450
Net Position						
Net Investment in Capital Assets	89,437,126	14,540,012	13,375,811	4,149,749	121,502,698	209,248
Restricted						
Debt Service	4,091,784	-	-	-	4,091,784	-
Renewal and Replacement	937,250	-	-	236,064	1,173,314	-
Unrestricted	4,437,775	4,957,254	2,830,442	213,090	12,438,561	508,248
Total Net Position	$ 98,903,935	$ 19,497,266	$ 16,206,253	$ 4,598,903	$ 139,206,357	$ 717,496
Adjustment to reflect the consolidation of internal service fund activity related to enterprise funds					341,816	
Net position of business-type activities					$ 139,548,173	

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 Position
Proprietary Funds
For the Year Ended June 30, 2013

	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	$ 12,669,294	$ 44,275,058	$ 21,323,133	$ 5,013,747	$ 83,281,232	$ 267,755
Fees	373,591	16,400	5,919	157,532	553,442	-
Other Revenues	144,711	26,841	207,303	5,380	384,235	181,380
Internal Service Charges	-	-	-	-	-	5,906,884
Total Operating Revenues	13,187,596	44,318,299	21,536,355	5,176,659	84,218,909	6,356,019
Operating Expenses						
Costs of Sales and Services	6,840,999	4,177,865	3,149,825	3,902,217	18,070,906	1,504,402
Administrative Expense	470,400	350,000	454,000	428,750	1,703,150	505,274
Cost of Gas	-	-	13,798,803	-	13,798,803	-
Cost of Electricity	-	39,023,596	-	-	39,023,596	-
Claims	-	-	-	-	-	5,070,310
Depreciation Expense	2,876,987	615,006	462,746	466,568	4,421,307	8,941
Total Operating Expenses	10,188,386	44,166,467	17,865,374	4,797,535	77,017,762	7,088,927
Operating Income (Loss)	2,999,210	151,832	3,670,981	379,124	7,201,147	(732,908)
Nonoperating Revenues (Expenses)						
Interest Revenue	25,631	(13,871)	3,067	23,080	37,907	13
Investment Earnings	(693,491)	-	(2,795)	(18,714)	(715,000)	-
Issue Costs	(101,972)	-	-	-	(101,972)	-
Gain on Asset Disposal	-	27,901	-	-	27,901	-
Bond Issue Cost Amortization	(39,135)	-	-	-	(39,135)	-
Total Nonoperating Revenues (Expenses)	(808,967)	14,030	272	4,366	(790,299)	13
Income Before Contributions, Special Items and Transfers	2,190,243	165,862	3,671,253	383,490	6,410,848	(732,895)
Capital Contributions	-	-	-	151,567	151,567	-
Transfers In	-	-	-	-	-	35,320
Transfers Out	(1,511,647)	(549,130)	(2,121,513)	-	(4,182,290)	(35,320)
Change in Net Position	678,596	(383,268)	1,549,740	535,057	2,380,125	(732,895)
Net Position - Beginning	98,499,404	19,880,534	14,774,102	4,063,846	137,217,886	1,450,391
Prior Period Adjustment	(274,065)	-	(117,589)	-	(391,654)	-
Net Position - Ending	$ 98,903,935	$ 19,497,266	$ 16,206,253	$ 4,598,903	139,206,357	$ 717,496

Change in Net Position Funds Statements	2,380,125
Adjustment to Reflect the Consolidation of Internal Service Fund Activity Related to Enterprise Funds	(333,892)
Change in Net Position of business-type Activities Government Wide Statements	$ 2,046,233

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, 2013

	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	$ 13,170,388	$ 44,205,910	$ 21,259,131	$ 5,193,435	$ 83,828,864	$ 6,355,573
Payments To Suppliers	(4,565,554)	(41,576,831)	(15,302,166)	(2,347,951)	(63,792,502)	(6,657,219)
Payments To/For Employees	(3,000,166)	(1,480,828)	(1,730,414)	(1,970,652)	(8,182,060)	(294,103)
Net cash Provided by (Used in) Operating Activities	5,604,668	1,148,251	4,226,551	874,832	11,854,302	(595,749)
Cash Flows from Noncapital Financing Activities						
Payments/Advances From Other Funds	-	407,939	6,181	10,644	424,764	1,058,710
Payments/Advances To Other Funds	(1,511,647)	(549,130)	(2,121,513)	(400,000)	(4,582,290)	(35,320)
Net Cash From Noncapital Financing Activities	(1,511,647)	(141,191)	(2,115,332)	(389,356)	(4,157,526)	1,023,390
Cash Flows from Capital and Related Financing Activities						
Principal Payments - Bonds	(1,865,000)	-	-	-	(1,865,000)	-
Principal Payments - Notes	(6,752,984)	-	-	-	(6,752,984)	-
Principal Payments - Leases	-	-	(6,010)	(186,111)	(192,121)	-
Capital Contribution	-	-	-	151,567	151,567	-
Payment of Retainage	(3,690)	-	-	-	(3,690)	-
Issuance of Revenue Bond	6,050,000	-	-	-	6,050,000	-
Proceeds From Capital Leases	98,993	-	196,500	314,635	610,128	-
Proceeds From Disposal of Capital Assets	-	27,901	-	-	27,901	-
Acquisition and Construction of Capital Assets	(1,824,978)	(1,893,369)	(269,807)	(967,107)	(4,955,261)	(79,012)
Issue Costs	(101,972)					
Interest Paid	(700,019)	-	(2,795)	(18,714)	(721,528)	-
Net Cash From Capital and Related Financing Activities	(5,099,650)	(1,865,468)	(82,112)	(705,730)	(7,650,988)	(79,012)
Cash Flows from Investing Activities						
Investment Earnings	25,631	(13,871)	3,067	23,080	37,907	13
Net Increase (Decrease) in Cash	(980,998)	(872,279)	2,032,174	(197,174)	83,695	348,642
Cash - July 1, 2011 (Including Restricted Cash)	16,492,973	4,706,722	1,850,581	1,275,227	24,325,503	1,607,516
Cash - June 30, 2012 (Including Restricted Cash)	$ 15,511,975	$ 3,834,443	$ 3,882,755	$ 1,078,053	$ 24,409,198	$ 1,956,158

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, 2013

	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)	$ 2,999,210	$ 151,832	$ 3,670,981	$ 379,124	$ 7,201,147	$ (732,908)
Adjustments to Reconcile to Operating Income to Net Cash Provided (Used) by Operating Activities						
Depreciation	2,876,987	615,006	462,746	466,568	4,421,307	8,941
(Increase) Decrease in Assets:						
Accounts Receivable	(32,838)	(120,142)	(303,880)	12,726	(444,134)	(446)
Prepaid Items	-	3,593	3,592	-	7,185	-
Inventory	(5,688)	213,406	(6,494)	(1,292)	199,932	(53,854)
Increase (Decrease) in Liabilities						
Accounts Payable	(289,777)	266,058	370,694	(18,208)	328,767	161,500
Accrued Wages and Withholdings Payable	1,564	191	(1,115)	200	840	(91)
Customer Deposits	15,630	7,753	19,472	4,050	46,905	-
OPEB Liabiilty	39,580	10,554	10,555	31,664	92,353	21,109
Net Cash Provided by (Used in) Operating Activities	$ 5,604,668	$ 1,148,251	$ 4,226,551	$ 874,832	$ 11,854,302	$ (595,749)
Noncash Investing, Capital and Financing Activities						
Accumulated Depreciation	12,153	70,158	-	132,972	215,283	15,400
Disposal of Capital Assets	-	-	-	(186,160)	(186,160)	(15,400)
Acquisition and Construction of Capital Assets	124,337	64	19,422	61,262	205,085	-
Accounts Payable	(136,490)	(70,222)	(19,422)	(8,074)	(234,208)	-
Net Noncash Investing, Capital, and Financing Activities	$ -	$ -	$ -	$ -	$ -	$ -
For purposes of reporting cash flows, cash includes the following amounts as presented in the Statement of Net Position:						
Cash and Cash Equivalents	$ 408,342	$ 678,339	$ 3,451,630	$ 841,989	$ 5,380,300	$ 1,956,158
Restricted Cash:						
Customer Deposits Cash	427,698	653,577	431,125	-	1,512,400	-
Flexible Operating Cash - MEAG	-	2,502,527	-	-	2,502,527	-
Renewal and Replacement	4,076,761	-	-	-	4,076,761	-
Drainage Improvements	-	-	-	236,064	236,064	-
Bond Construction	6,514,701	-	-	-	6,514,701	-
Revenue Bond Covenant Accounts	4,084,473	-	-	-	4,084,473	-
Total	$ 15,511,975	$ 3,834,443	$ 3,882,755	$ 1,078,053	$ 24,307,226	$ 1,956,158

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

CITY OF CARTERSVILLE, GEORGIA
Statement of Fiduciary Net Position
Pension Trust Fund
June 30, 2013

	Employee Retirement Fund
Assets	
Cash	$ 139,245
Accounts Receivable	108,287
Investments, at Fair Value:	
Mutual Funds	31,791,367
Total Assets	$ 32,038,899
Liabilities	
Accounts Payable	$ 38,981
Total Liabilities	38,981
Net Assets	
Held In Trust for Pension Benefits and Other Purposes	$ 31,999,918

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

CITY OF CARTERSVILLE, GEORGIA
Statement of Changes in Fiduciary Net Position
Pension Trust Fund
For the Year Ended June 30, 2013

	Employee Retirement Fund
Additions	
Contributions	
Employer	$ 2,327,413
Plan Members	501,915
Total Contributions	2,829,328
Investment Earnings	
Interest and Dividends	1,568,438
Net Change in Fair Value of Investments	2,636,514
Total Investment Earnings	4,204,952
Total Additions	7,034,280
Deductions:	
Benefits	2,268,238
Refunds of Contributions-Employee	123,197
Administrative Expenses	91,815
Total Deductions	2,483,250
Change in Net Position	4,551,030
Net Position - Beginning	27,448,888
Net Position - Ending	$ 31,999,918

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

CITY OF CARTERSVILLE, GEORGIA
Statement of Net Position
Component Units
June 30, 2013

	Cartersville Building Authority	Cartersville School Board	Total Component Units
Assets			
Cash	$ -	$ 23,295,090	$ 23,295,090
Receivables, Net	-	4,465,692	4,465,692
Inventory	-	113,754	113,754
Restricted Cash	1,183,564	-	1,183,564
Note Receivables	7,095,000	-	7,095,000
Capital Assets			
Land and Construction in Progress	5,384,282	-	5,384,282
Other Capital Assets, Net	-	3,046,194	3,046,194
Total Assets	13,662,846	30,920,730	44,583,576
Deferred Outflows of Resources			
Unamortized Loss on Bond Refunding	120,844	-	120,844
Total Deferred Outflows of Resources	120,844	-	120,844
Liabilities			
Accounts Payable	-	304,850	304,850
Wages and Withholdings Payable	-	4,652,235	4,652,235
Unearned Revenue	-	42,896	42,896
Interest Payable	130,315	-	130,315
Bonds Payable Due Within One Year	1,580,000	-	1,580,000
Due In More Than One Year - Net	16,435,000	-	16,435,000
Total Liabilities	18,145,315	4,999,981	23,145,296
Net Position			
Net Investment in Capital Assets	(4,255,209)	3,046,194	(1,209,015)
Restricted For:			
Capital Projects	-	8,097,454	8,097,454
School Nutrition	-	1,464,355	1,464,355
Unrestricted (Deficit)	(106,416)	13,312,746	13,206,330
Total Net Position	$ (4,361,625)	$ 25,920,749	$ 21,559,124

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, 2013

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Cartersville Building Authority	Net (Expense) Revenue and Changes in Net Position: Cartersville School Board	Totals
Cartersville Building Authority	$ 622,139	$ -	$ 1,263,898	$ -	$ 641,759	$ -	$ 641,759
Cartersville School Board	41,271,573	1,358,128	24,219,378	9,747	-	(15,684,320)	(15,684,320)
Total Component Units	$ 41,893,712	$ 1,358,128	$ 25,483,276	$ 9,747	641,759	(15,684,320)	(15,042,561)
General Revenues:							
Property Taxes					-	16,003,431	16,003,431
Sales Tax					-	4,214,954	4,214,954
Investment Earnings					6,444	11,997	18,441
Total General Revenues and Transfers					6,444	20,230,382	20,236,826
Change in Net Position					648,203	4,546,062	5,194,265
Net Position - Beginning					(4,907,353)	21,374,687	16,467,334
Prior Period Adjustment					(102,475)	-	(102,475)
Net Position - Ending					$ (4,361,625)	$ 25,920,749	$ 21,559,124

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. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. 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.

Discretely presented component units:

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.

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.

Blended component unit:

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 is reported as a special revenue fund. The authority does not issue separate financial statements.

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.

The Cartersville-Bartow Second Joint Development Authority is a related organization that has not been included in the reporting entity. The Authority was created August 23, 2011. The Authority's purpose is to promote development of industrial and manufacturing activities. The Authority's Board consists of eight members, 4 each 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 position and the statement of activities) report information on all of the non-fiduciary 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 or 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 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, non-exchange 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 and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays. This includes the acquisition and construction of major capital assets, but excludes those accounted for by proprietary funds or assets that will be held in trust for individuals, private organizations, or other governments.

Additionally, the City reports several different non-major fund types. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special revenue funds are the hotel/motel tax fund which accounts for the revenue and expense associated with a 6% 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 state forfeited funds fund which accounts for state forfeitures, the business improvement district (BID fund) which accounts for special assessments on downtown property owners to fund sign and façade grants, the grant 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 funds are proprietary funds 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 Fund 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 as required by the Georgia Department of Revenue.

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. Debt Discounts, Premiums, Issuance Costs and Refunding Gains/Losses

Outstanding debt and other obligations are reported as a liability in the government-wide, proprietary and component unit financial statements. Debt discounts and premiums are deferred and amortized over the life 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. 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.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statement of net position and are amortized over the shorter of the life of the old debt (refunded) or the new debt (refunding).

7. Compensated Absences

Full-time, permanent employees are granted vacation and sick leave benefits. No liability is recorded for vesting accumulating vacation leave in the government-wide or proprietary funds as these amounts are paid as a terminal benefit of the City's retirement plan. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

8. Fund Equity

Fund equity at the governmental fund reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Fund Balance - represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable* – fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (for example, items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- *Restricted* – fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- *Committed* – fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- *Assigned* – fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent would be expressed by the City Council itself or the Council would delegate the authority to assign fund balance to management.

- *Unassigned* – fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The City reports positive unassigned fund balance only in general fund. Negative unassigned fund balance may be reported in all funds.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted fund balance, it is the City's policy to use fund balance in the following order: committed, assigned and unassigned.

Net Position – represents the different between assets and liabilities. The net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any unspent borrowings for the acquisition, construction of capital assets. Net position may be reported as restricted or unrestricted.

When both restricted and unrestricted net position are available for use when an expense is incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed.

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 2013, 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, business improvement district, and capital project funds. Prior to July 1st of each year, the City Manager submits to the City Council proposed general and capital projects 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, 2013, general fund expenditures exceeded appropriations in debt service interest by $240. Capital project current expenditures exceeded budget by $6,259 and includes items that did not meet the city's capitalization threshold but were budgeted as capital outlays. Additional capital outlay expenditures exceeding budget were due to construction projects being ahead of schedule.

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 judgment, and considering other sources of revenue, shall be necessary and advisable to meet the expenditures contemplated. The City Council shall cause the tax levy to be set for the upcoming

fiscal year. The proceeds from the City tax levy will be appropriated to the 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, 2013 the carrying amount of the City's deposits, excluding cash on hand of $11,340 was as follows:

Statement of Net Position:	
Primary Government:	
Cash	$ 8,795,397
Restricted Cash	22,775,229
Fiduciary Fund:	
Restricted Cash	31,930,612
Total Cash and Investments	$ 63,501,238

Cash and investments consist of the following:

Cash deposits in financial instititutions	$ 31,709,871
Investments (Fiduciary Fund)	31,791,367
Total Cash and Investments	$ 63,501,238

Interest Rate Risk – Investments - is the risk that changes in interest rates will adversely affect the fair value of an investment. At June 30, 2013, 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. The City has not adopted a formal policy that addresses interest rate risk.

Investment Type	Fair Value	Effective Duration	Effective Maturity
Investment Grade Bond Funds	$ 9,434,648	3.69	8.07 Years

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
Corporate Stocks (Fiduciary Fund)	$ 22,356,719	N/A
Corporate Bonds (Fiduciary Fund)	2,771,763	A
High Yield Bonds	6,662,885	B
Total	$ 31,791,367	

The City does not have a formal policy that addresses 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 - 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 the Office of the State Treasurer. 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 $321,668 at year-end with a weighted-average maturity of 43 days.

Component Units:

School Board:

Cash and investments as of June 30, 2013 are classified in the financial statements as follows:

Statement of Net Position:	
Cash	$ 23,295,090

The School Board's policy concerning credit risk is to limit investments to securities of the United States Treasury, United States agencies and instrumentalities, repurchase agreements and the Georgia Fund 1. The policy further limits investments in these to the top rating issued by the Nationally Recognized Statistical Rating Organizations registered with the Securities and Exchange Commission (NRSROs).

Investment in State Investment Pool:

The Board's investments were in the Georgia Fund 1. The Georgia Fund 1 is under the oversight of the Office of the State Treasurer. 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 $9,273,175 at year-end with a weighted-average maturity of 43 days.

Cartersville Building Authority:

Cash and investments as of June 30, 2013 are classified in the financial statements as follows:

Statement of Net Position:	
Restricted cash	$ 1,183,564
Total	$ 1,183,564
Cash and Investments consist of the following:	
Cash Deposits in financial institutions	$ 1,183,564

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

Note 4. RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLES

Receivables at June 30, 2013 consist of the following:

	General	Enterprise	Internal Service	Total
Taxes	$ 703,881	$ -	$ -	$ 703,881
Accounts	272,101	8,624,152	28,412	8,924,665
Allowance for Uncollectibles	(167,770)	(1,515,362)	-	(1,683,132)
	$ 808,212	$ 7,108,790	$ 28,412	$ 7,945,414

General taxes receivable at June 30, 2013 consists of uncollected property taxes levied during the current and prior fiscal 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, 2013. The allowance for uncollectible accounts represents approximately 18% of total outstanding utility billings.

The total uncollectible amounts related to the current period are as follows: $45,744 in the water and sewer fund, $152,040 in the electric fund, $25,528 in the gas fund, $16,779 in the solid waste fund, $418 in the fiber fund and $5,821 in the stormwater fund.

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 2, 2012. Tax notices were mailed on September 15, 2012 and taxes were due by November 15, 2012 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, 2012 was $905,889,711.

Based on the 2012 City general and school millage levy of 19.61, a property owner would pay $19.61 per $1,000 of assessed valuation.

Current tax collections of $15,619,489 for the fiscal year ended June 30, 2013 were 97.55% of the tax levy.

Note 6. CAPITAL ASSETS

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

	Balance July 1 2012	Increases	Decreases	Balance June 30 2013
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 7,584,997	$ 1,855,882	$ -	$ 9,440,879
Construction in Progress	139,159	178,566	29,722	288,003
Construction in Progress - Capital Projects	17,783,771	12,237,138	24,307,048	5,713,861
	25,507,927	14,271,586	24,336,770	15,442,743
Capital Assets Being Depreciated:				
Land Improvements	3,283,331	724,532	-	4,007,863
Buildings and Structures	35,254,119	15,839,640	-	51,093,759
Park Improvements	4,771,103	1,069,651	80,000	5,760,754
Infrastructure	82,124,101	4,264,433	-	86,388,534
Furniture, Machinery and Equipment	12,330,254	754,737	27,749	13,057,242
Total Capital Assets Being Depreciated	137,762,908	22,652,993	107,749	160,308,152
Less Accumulated Depreciation For:				
Land Improvements	1,943,397	122,464	-	2,065,861
Buildings and Structures	18,360,899	1,174,755	-	19,535,654
Park Improvements	3,055,825	152,268	80,000	3,128,093
Infrastructure	27,467,271	1,732,603	-	29,199,874
Furniture, Machinery and Equipment	9,642,087	594,204	27,749	10,208,542
Total Accumulated Depreciation	60,469,479	3,776,294	107,749	64,138,024
Total Capital Assets Being Depreciated, net	77,293,429	18,876,699	-	96,170,128
Governmental Activities Capital Assets, net	$ 102,801,356	$ 33,148,285	$ 24,336,770	$ 111,612,871

Decreases included completion of several major construction in progress projects-Dellinger Park swimming pool renovation $1,048,263, Main Street Gateway roadway improvements $4,163,343, new Public Safety headquarters $14,812,495 and a new fire station $3,525,832. Other decreases were equipment disposals with a cost of $27,749 and accumulated depreciation of $27,749 and park improvements of $80,000 with accumulated depreciation of $80,000.

Depreciation expense was charged to functions/programs as follows (Includes internal service funds):

Governmental Activities:	
General Government	$ 1,163,778
Police	370,232
Fire	193,588
Culture and Recreation	220,039
Planning and Development	4,804
Public Works	1,823,854
Total Governmental Activites Depreciation	$ 3,776,295

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

	Balance July 1 2012	Increases	Decreases	Balance June 30 2013
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 2,553,944	$ 377,200	$ -	$ 2,931,144
Construction in Progress	1,704,346	1,123,798	1,138,442	1,689,702
	4,258,290	1,500,998	1,138,442	4,620,846
Capital Assets Being Depreciated:				
Buildings and Structures	2,072,724	-	-	2,072,724
Utility Systems	190,457,106	3,605,918	-	194,063,024
Furniture, Machinery and Equipment	10,747,076	1,274,181	268,471	11,752,786
Total Capital Assets Being Depreciated	203,276,906	4,880,099	268,471	207,888,534
Less Accumulated Depreciation For:				
Buildings and Structures	930,810	61,822	-	992,632
Utility Systems	57,716,438	3,914,547	-	61,630,985
Furniture, Machinery and Equipment	8,893,669	444,938	215,285	9,123,322
Total Accumulated Depreciation	67,540,917	4,421,307	215,285	71,746,939
Total Capital Assets Being Depreciated, net	135,735,989	458,792	53,186	136,141,595
Business-type Activities Capital Assets, net	$ 139,994,279	$ 1,959,790	$ 1,191,628	$ 140,762,441

Increases include completed water and sewer and storm water construction projects of $1,138,442.

Depreciation expense was charged as follows:

Business-type Activities:	
Water and Sewer	$ 2,876,987
Electric	615,006
Gas	462,746
Solid Waste	134,304
Fiber Optic	234,471
Stormwater	97,793
Total Business-Type Activites Depreciation	$ 4,421,307
Internal Service Fund	
Garage	$ 8,941

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, 2013:

	Balance July 1 2012	Increases	Decreases	Balance June 30 2013
Capital Assets Not Being Depreciated:				
Buildings and Land Improvements	$ 312,801	$ -	$ -	$ 312,801
Vehicles	2,566,334	179,934	204,556	2,541,712
Computers	630,285	679,499	-	1,309,784
Furniture and Equipment	2,197,309	166,669	136,581	2,227,397
Total Capital Assets Being Depreciated	5,706,729	1,026,102	341,137	6,391,694
Less Accumulated Depreciation For:				
Buildings and Land Improvements	22,797	6,574	-	29,371
Vehicles	1,728,016	222,843	204,556	1,746,303
Computers	402,350	79,758	-	482,108
Furniture and Equipment	999,566	172,007	83,855	1,087,718
Total Accumulated Depreciation	3,152,729	481,182	288,411	3,345,500
Business-type Activities Capital Assets, net	$ 2,554,000	$ 544,920	$ 52,726	$ 3,046,194

Cartersville Building Authority

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2013:

	Balance July 1 2012	Increases	Decreases	Balance June 30 2013
Capital Assets Not Being Depreciated:				
Construction in Progress	$ 5,384,282	$ -	$ -	$ 5,384,282

Note 7. SHORT-TERM DEBT

The schedule below details the changes in short-term capital borrowings during the year:

	Issue Date	Interest Rate	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
Governmental activities:						
Public Safety headquarters and new fire station	1/15/2013	1.00%	$ -	$ 4,300,000	$ -	$ 4,300,000
Premium			-	18,490	-	18,490
Total short-term borrowings			$ -	$ 4,318,490	$ -	$ 4,318,490

The purpose of the short-term borrowing is to provide resources for various capital construction projects and is due December 31, 2013. The form of financing used was tax anticipation notes and are accounted for in the capital projects fund.

Note 8. 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, 2013 are as follows:

$13,380,000 2011 School Serial Bonds due in annual installments of $910,000 with interest at 2.00% due November 1; 2011, $685,000 with interest at 3.00% due November 1, 2012; $100,000 and $950,000 with interest at 2.00% and 3.00% respectively, due November 1, 2013, $300,000 and $750,000 with interest at 1.15% and 4.00% respectively, due November 1, 2014, $425,000 and $650,000 with interest at 2.00% and 3.50% respectively, due November 1, 2015, $265,000 and $825,000 with interest at 2.00% and 3.50% respectively, due November 1, 2016, $1,115,000 with interest at 4.00% due November 1, 2017, $540,000 and $625,000 with interest at 4.00% and 4.50% respectively, due November 1, 2018, $260,000 and $1,000,000 with interest at 4.00% and 4.50% respectively, due November 1, 2019, $1,260,000 with interest at 4.50% due November 1, 2020, $1,320,000 with interest at 3.50% due November 1, 2021, $400,000 and $1,000,000 with interest at 3.125% and 4.50% respectively, due November 1, 2022.	$ 11,785,000
Total general obligation bonds	$ 11,785,000

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

Year Ending June 30	Principal	Interest	Total
2014	$ 1,050,000	$ 437,450	$ 1,487,450
2015	1,050,000	405,475	1,455,475
2016	1,075,000	373,125	1,448,125
2017	1,090,000	340,413	1,430,413
2018	1,115,000	301,025	1,416,025
2019-2023	6,405,000	716,362	7,121,362
Total	$ 11,785,000	$ 2,573,850	$ 14,358,850

The City issued the 2011 bonds to advance refund the 2001 and 2002 bonds and to pay all costs incidental to the issuance of the 2011 bonds. Subject to the early date of optional redemption, the bonds were paid off in 2012, and at June 30, 2013, $0 of defeased bonds remains outstanding. There is a total savings on this refunding of $657,953 and the present value of this savings is $607,929.

Notes Payable

On February 14, 2013, the capital projects fund agreed to pay the Cartersville Building Authority for borrowed funding to renovate the public swimming pool. The principal sum of the note is $1,045,000, interest due in semi-annual installments from August 1, 2013 to August 1, 2015 at 1.2%, and February 1, 2016 principal of $145,000 including interest of 1.2%, and semi-annual installments of $150,000 including interest of 1.2%, from August 1, 2016 through through February 1, 2019.

The following schedule presents debt service requirements to maturity:

Year Ending June 30	Principal	Interest	Total
2014	$ -	$ 12,087	$ 12,087
2015	-	12,540	12,540
2016	145,000	12,540	157,540
2017	300,000	9,900	309,900
2018	300,000	6,300	306,300
2019	300,000	2,700	302,700
Total	$ 1,045,000	$ 56,067	$ 1,101,067

Revenue Bonds:

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

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 refund 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 in-substance defeasance and the refunded portion of the 1996B bonds and the 1998 bonds was removed from the City's accompanying financial statements.

2012 Bonds On May 22, 2012, the City issued Water and Sewer Revenue bonds of $6,620,000 with an interest rate of 2.19% to pay cost of additions, extensions and improvements to the City's water and sewerage system.

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

Year Ending June 30	Principal	Interest	Total
2014	$ 2,155,000	$ 540,474	$ 2,695,474
2015	2,370,000	466,373	2,836,373
2016	2,450,000	386,997	2,836,997
2017	2,530,000	301,545	2,831,545
2018	2,620,000	213,192	2,833,192
2019-2022	6,620,000	330,362	6,950,362
Total	$ 18,745,000	$ 2,238,943	$ 20,983,943

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.

Notes Payable - Water and Sewer Fund:

On January 31, 1991, the City executed a note to the Georgia Environmental Finance 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 Finance 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.

On February 14, 2013, the water and sewer fund agreed to pay the Cartersville Building Authority for borrowed funding to pay off the note to Georgia Environmental Finance Authority dated July 21, 2001. The principal sum of the note is $6,050,000, due in semi-annual installments of $360,000 from August 1, 2013 to February 1, 2014 including interest of 1.2%, semi-annual installments of $365,000 from August 1, 2014 to August 1, 2015 including interest of 1.2%, semi-annual installments of $370,000 from February 1, 2016 to August 1, 2016 including interest of 1.2%, semi-annual installments of $375,000 from February 1, 2017 to August 1, 2017 including interest of 1.2%, semi-annual installments of $380,000 from February 1, 2018 to August 1, 2018 including interest of 1.2%, semi-annual installments of $385,000 from February 1, 2019 to February 1, 2020 including interest of 1.2%, semi-annual installments of $390,000 from August 1, 2020 to February 1, 2021 including interest of 1.2%, and installment of $50,000 August 1, 2021 including interest of 1.2%. The total savings on this early payoff is $389,929 and the present value of this savings is $356,914

Note payable debt service requirements to maturity are presented below:

Year Ending June 30	Principal	Interest	Total
2014	$ 810,280	$ 68,270	$ 878,550
2015	730,000	61,770	791,770
2016	735,000	53,010	788,010
2017	745,000	44,160	789,160
2018	755,000	35,190	790,190
2019-2022	2,365,000	50,910	2,415,910
Total	$ 6,140,280	$ 313,310	$ 6,453,590

Changes in long-term liabilities:

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

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due With One Year
Governmental Activities:					
General Obligation Bonds	$ 12,470,000	$ -	$ 685,000	$ 11,785,000	$ 1,050,000
Note Payable	-	1,045,000	-	1,045,000	-
Capital Leases	1,435,040	177,813	216,323	1,396,530	251,886
OPEB Liability	1,800,244	240,120	-	2,040,364	-
Other Deferred Amounts:					
Premiums	656,416	-	131,401	525,015	115,417
Total	$ 16,361,700	$ 1,462,933	$ 1,032,724	$ 16,791,909	$ 1,417,303
Business-type Activities:					
Revenue Bonds	$ 20,610,000	$ -	$ 1,865,000	$ 18,745,000	$ 2,155,000
Capital Leases	558,668	610,128	192,121	976,675	253,802
Notes Payable	6,843,264	6,050,000	6,752,984	6,140,280	810,280
OPEB Liability	751,631	92,353	-	843,984	-
Total	$ 28,763,563	$ 6,752,481	$ 8,810,105	$ 26,705,939	$ 3,219,082

As of June 30, 2013 OPEB liabilities are considered to be long-term. Internal service funds predominantly serve the governmental funds and long-term liabilities for them are included as part of the above totals for governmental activities. For governmental activities, liabilities are liquidated by the general fund and the internal service funds.

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. The Authority refunded the 2004 bonds with the 2012 bonds. 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.

$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	$ 3,985,000
$7,610,000 2012 Cartersville Building Authority Refunding Bonds; bonds of $675,000 to $3,520,000 with interest of 1.950% due October 1, 2012 through April 1, 2019	6,935,000
$7,095,000 2013 Cartersville Building Authority Refunding Bonds; bonds of $50,000 to $390,000 with interest of 1.20% due August 1, 2013 through August 1, 2021	7,095,000
Total Bonds	$ 18,015,000

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

Year Ending June 30	Principal	Interest	Total
2014	$ 1,580,000	$ 367,764	$ 1,947,764
2015	1,605,000	341,638	1,946,638
2016	1,775,000	311,962	2,086,962
2017	1,965,000	278,977	2,243,977
2018	2,000,000	244,237	2,244,237
2019-2023	7,495,000	582,616	8,077,616
2024-2028	1,595,000	188,052	1,783,052
Total	$ 18,015,000	$ 2,315,246	$ 20,330,246

Changes in long-term liabilities:

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

	July 1, 2012	Additions	Reductions	June 30, 2013	One Year
Bonds Payable	$ 11,785,000	$ 7,095,000	$ 865,000	$ 18,015,000	$ 1,580,000

Note 9. LEASES

Operating Leases

The City has no operating leases.

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of vehicles and other equipment. The agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date the equipment is acquired.

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. 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 $3,370,917 and accumulated depreciation of $1,134,713. The following is a schedule of the future minimum lease payments under these capital leases, and the net present value of the net minimum lease payments at June 30, 2013. For the purposes of this schedule, an assumed interest rate of 4.75% was used.

Year Ending June 30	Governmental Activities	Business-type Activities
2014	$ 274,314	$ 269,247
2015	307,456	288,006
2016	218,256	208,289
2017	209,765	174,622
2018	191,775	127,950
2019-2022	423,329	-
Total Minimum Lease Payments	1,624,895	1,068,114
Less Amount Representing Interest	(228,365)	(91,439)
Present Value of Future Minimum Lease Payments	$ 1,396,530	$ 976,675

Note 10. 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, 2013, interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General	Gas	$ 996,898
	Self Insurance	951,180
	Capital Projects	956,454
	Garage	145,274
	Confiscated Asset	25
	BID Downtown Development	836
Electric	Fiber	720,000
Fiber	Confiscated Asset	567

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, 2013 interfund transfers were as follows:

Between governmental funds:

Source Fund	Transfer to Fund	Amount
Hotel/Motel	General	$ 194,252
DEA Confiscated Assets	Capital Projects	1,000,000
Impact Fee Fund	General Fund	303,669
Rental Vehicle Excise Tax	General Fund	32,989
General Fund	BID Downtown Development	43,181

Between governmental and business-type funds:

Source Fund	Transfer to Fund	Amount
Water/Sewer	General	$ 1,511,647
Electric	General	549,130
Gas	General	2,121,513

When applicable, 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. There are no amounts reported as transfers in the government-wide statements for the current year.

Between internal service funds:

Source Fund	Transfer to Fund	Amount
Self Insurance Fund	Garage	$ 35,320

Note 11. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so *will not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports the deferred charge of $67,712 on refunding resulting from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the life of the new debt.

In addition to liabilities, the statement of financial position reports a separate section for the deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. In the governmental funds balance sheet the city reports deferred inflow of resources for property taxes of $393,448 for unavailable revenues.

Note 12. 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.

The City is self-insured for dental and health benefits and workers compensation claims. Insurance deductible is $25,000 for property and casualty 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 $400,000 per claim, except for police, fire, water & sewer and electric which is $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 82% of single premium and 80% 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 insured open access point of service (POS) plan. The City purchases coverage under a minimum premium plan. Claims exceeded the stop loss limit as follows: 3 during calendar year 2012, 3 during calendar year 2011 and 8 during calendar year 2010. The City pays 97% of single premium and 81% 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, 2013.

Changes in the balances of claims liability are as follows:

	Workers' Compensation		Property and Casualty		Dental		Health	
	2013	2012	2013	2012	2013	2012	2013	2012
Liabilitiy Balances, Beginning	$ 21,328	$ 7,988	$ 3,725	$ 579	$ 10,062	$ 6,082	$ 185,478	$ 297,008
Claims and Changes in Estimates	251,786	77,605	253,748	143,919	228,412	200,355	4,465,879	4,055,692
Claim Payments	214,492	64,265	200,028	140,773	229,468	196,375	4,426,323	4,167,222
Liability Balance, Ending	$ 58,622	$ 21,328	$ 57,445	$ 3,725	$ 9,006	$ 10,062	$ 225,034	$ 185,478

Note 13. 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, 2013, the outstanding debt of MEAG was $5,889,651,078. The City of Cartersville's guarantee varies by individual MEAG project and totals $358,114,829.

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, 2013, the City paid $231,543 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, 2013 the balance in this account is $2,502,527. 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, 2013 was $3,724,490, $14,075,074 and $28,134,362, 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, 2013 the City's cost was $29,350.

Note 14. INTERGOVERNMENTAL RECEIVABLES

Governmental Activities:

	General Fund	Capital Projects	DEA Confiscated Assets
Due from Bartow County	$ 85,965	$ 278,323	$ -
Due From Georgia Department of Revenue	289,179	-	-
Due From US Government	10,582	-	17,842
Total Due From Other Governments	$ 385,726	$ 278,323	$ 17,842

Amount due from Bartow County represents property taxes of $83,279, HB386 sales tax of $2,686 and SPLOST taxes of $278,323 collected but not remitted to the City, due from the Georgia Department of Revenue is for railroad equipment and sales taxes collected but not remitted to the City and due from US Government is for salary reimbursement and asset seizure.

Note 15. 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 and was restated April 28, 2011. 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.

Under the plan, employees are eligible for normal retirement benefits after completion of a minimum of ten years full time service and reaching age 65. The normal retirement benefit payable for life is 2% of average monthly compensation multiplied by years of service. Average monthly compensation is based on the three highest consecutive completed years of service during the last ten years of service. Benefits vest after ten years of service. An early retirement option is available at age 55 with ten years of service. However, benefits are reduced 3% a year for the first five years and 6% for the next five years that the payment commencement date precedes the earlier of normal retirement date or the date the participant would have had twenty years of service.

Police and fire personnel are eligible for normal retirement benefits after completion of a minimum of twenty years full time service and reaching age 50. The normal retirement benefit payable for life is 2% of average monthly compensation multiplied by years of service. An early retirement option is available at age 50 with less than twenty years of service. However, benefits are reduced 7% a year for each year in which termination precedes twenty years.

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 February, 2013, determined that for the period beginning January 1, 2013, employer contributions of 17.5% 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 $13,441,624.

Contributions to the plan, for the year ended June 30, 2013, totaled $2,829,328 ($501,915 employee and $2,327,413 employer; 3.5% and 16.0% of covered payroll, respectively). The City's actual total covered payroll was $14,491,531. 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 in the previous paragraphs, 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:

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.

Trend Information

Fiscal Year Ending	Employer Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (NPO)
June 30, 2013	$ 850,060	100%	$ -
June 30, 2012	869,997	100%	-
June 30, 2011	1,533,525	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	Unfunded Actuarial Accrued Liability As % Of Covered Payroll (3)/(5)
2013	$ 29,631,814	$ 32,289,627	$ 2,657,813	91.8%	$ 13,441,624	19.8%
2012	25,493,250	31,602,610	6,109,360	80.7%	13,451,957	45.4%
2011	25,912,286	30,490,644	4,578,358	85.0%	13,266,474	34.5%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Assumptions

Significant actuarial assumptions used include some of the following:

Valuation date	1/1/2013
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	5.5%
Cost of living adjustments	None
Inflation rate	3.0%
Amortization of unfunded actuarial accrued liability	15 years for gains and losses, 20 years for plan changes, and 30 for assumption changes

Plan membership data

As of January 1, 2013 employee membership data related to the plan were as follows:

Number of retirees and beneficiaries current receiving benefits	127
Number of terminated employees entitled to benefits but not yet receiving them	14
Number of active plan participants	307

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, 2013 contributions were $50,662.

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 from the Georgia Department of Audits and Accounts..

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 11.41% of annual salary. 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, 2013, 2012 and 2011 were $2,333,282, $2,199,278 and $2,208,067 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 $14.75 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. Effective July 1, 2012 new member contributions rates are $10 per month for nine months, which is also paid by the board.

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 Cartersville School Board's required contributions for the current year and each of the preceding years ending June 30th were $2,408, $2,244 and $2,268, respectively, equal to the required contribution for each year.

Note 16. RESTRICTED ASSETS

Following are details of the restricted assets for governmental funds:

	General	Capital Projects	Nonmajor Governmental	Total
Restricted Assets:				
Cash - Asset construction/acquisition	$ -	$ 3,630,731	$ -	$ 3,630,731
Cash - Cemetery maintenance	2,280	-	-	2,280
Cash - Grant projects	-	-	2,607	2,607
Cash - BID DDA	-	-	72,676	72,676
Cash - Hotel/Motel tax	-	-	23,948	23,948
Cash - Employee flex-spending	5,089	-	-	5,089
Cash - Planning and development	-	-	93,079	93,079
Cash - Law enforcement	-	-	25,500	25,500
Total governmental restricted assets	$ 7,369	$ 3,630,731	$ 217,810	$ 3,855,910

Following are details of the restricted assets for enterprise funds:

	Water and Sewer	Electric	Gas	Nonmajor Enterprise	Total
Restricted Assets:					
Cash - Customer deposits	$ 427,698	$ 653,577	$ 431,125	$ -	$ 1,512,400
Cash - MEAG account	-	2,502,527	-	-	2,502,527
Cash - Bond Construction	6,514,701	-	-	-	6,514,701
Cash - Renewal and replacement	4,076,761	-	-	-	4,076,761
Cash - Drainage improvements	-	-	-	236,064	236,064
Cash - Revenue bond covenants	4,084,473	-	-	-	4,084,473
Total Business-type restricted assets	$ 15,103,633	$ 3,156,104	$ 431,125	$ 236,064	$ 18,926,926

Note 17. 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 3% for single, and 19% for family, 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, 2013, the effective date of the OPEB valuation is as follows:

In pay status	145
Active employees	133
	278

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
6/30/2013	$ 941,327	64.70%	$ 2,884,349	$ 608,852
6/30/2012	1,234,470	50.40%	2,551,874	622,274
6/30/2011	966,940	58.80%	1,939,678	569,037

The funded status of the OPEB plan is as follows:

Schedule of Funding Progress

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
7/1/2012	$ -	$ 13,600,189	$ 13,600,189	0.0%	$ 7,098,093	191.6%
7/1/2011	-	17,366,613	17,366,613	0.0%	7,179,762	241.9%
7/1/2010	-	12,804,622	12,804,622	0.0%	6,727,581	190.3%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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.

Annual OPEB Cost	
ARC	$ 968,696
Interest on net OPEB obligation	137,316
Adjustment ot the ARC	(164,685)
Total Annual OPEB cost	$ 941,327
Net OPEB Obligation	
Annual OPEB cost	$ 941,327
Contributions made	(608,852)
Increase (decrease) in net OPEB Obligation	332,475
Net OPEB obligation, beginning of period	2,551,874
Net OPEB obligation, end of period	$ 2,884,349

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

Economic Assumptions:

Interest Rates	
Discount Rate	4.5%
Return on Assets	4.0%
Inflation Rate	3.0%
Salary Increases	None
Post Retirement Benefit Increases	None
Medical Trend	5.0%

Demographic Assumptions:

Mortality	1983 GAM
Termination	None. Vest Employees Entitled
Disability	50% of 1975 SSA Study
Average Per Capita Claims Cost	$5,043
Projected to Ages 55-59	$8,621
Retireee Copay Percentage	57.72% of Dependents and Pre 65 spouse
Retirement	Participants become eligible to retire under the same provisions as pension.
Participation	100.0%
Spousal Participation	100.0% - are married
Administrative Expense	None
Percentage Married	30% Male, 30% Female
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 years for plan changes and 30 years for assumption changes.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The actuarial calculations are based on the types of benefits provided under the plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations are designed to reflect a long-term perspective, and consistent with that perspective, are designed to minimize short-term volatility of accrued liabilities and the actuarial value of assets.

Note 18. FUND EQUITY

Restrictions are used to indicate that a portion of the net position/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 units:

Primary Government:

Governmental Funds:

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

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

Restricted for cemetery – restricted for cemetery maintenance by donors.

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:

Restricted for capital projects - restricted for construction and other capital additions.

Restricted for school nutrition – restricted for school nutrition programs

Note 19. EXCISE TAX COLLECTIONS

Hotel/Motel Tax Revenues and Tourism Expenditures:

The City of Cartersville levies a 6% hotel/motel tax in accordance with provisions of the Official Code of Georgia section §48-13-51. The City is required to spend 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 purpose of promoting tourism, trade shows, conventions or a facility that is used for those purposes. For the year ended June 30, 2013, the total amount the City collected was $465,752, the amount collected above 3 percent was $232,876, and the amount spent was $271,500.

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. The City is required to spend the amount collected for promoting industry, trade, commerce and tourism. For the year ended June 30, 2013, the total amount the City collected was $52,989. In accordance with contractual agreements, the Bartow-Cartersville Joint Development Authority received the first $20,000 collected and the remainder was used to support the Cartersville Downtown Development Authority.

Note 20. SPECIAL PURPOSE LOCAL OPTION SALES TAX

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." 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.

In November 2011, 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 $220,000,000 for various capital outlay purposes." Collection of the tax is scheduled to begin January 1, 2014. The City of Cartersville's distributive share of this amount is projected to be $27,822,796 or 19.3%. The City is using the tax for street and road improvements, water and sewer system improvements, park and recreation improvements, utilities improvements, and building improvements.

Note 21. JOINT VENTURES

The City of Cartersville is a member of the Northwest Georgia Regional Commission. The Commission was created under the laws of the State of Georgia and cities and counties in the area served by the Commission are required to be members. The membership includes 15 Northwest Georgia counties and 49 municipalities. The City has no equity interest in the Commission nor does the City materially contribute to the continued existence of the Commission. The Official Code of Georgia Annotated Section §50-8-39.1 states that in the event the Commission ceases operation, the membership can be assessed for any debt or obligation of the Commission. Separate financial statements may be obtained from Northwest Georgia Regional Commission, P. O. Box 1798, 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 22. CONSTRUCTION COMMITMENTS

As of June 30, 2013, 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
Road and Street improvements	$ 491,614	$ 214,703
Recreation projects	984,376	22,358
Water and Sewer system improvements	493,707	202,092
Total construction commitments	$ 1,969,697	$ 439,153

Note 23. PRIOR PERIOD ADJUSTMENT

The City implemented GASB Statements 63-*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and 65-*Items Previously Reported as Assets and Liabilities* which resulted in deletion of unamortized bond issuance costs in applicable government-wide and fund level statements.

In prior years, $117,589 interest revenue was incorrectly recorded in the gas fund instead of the Cartersville Building Authority. The effect in the current year was to decrease beginning cash in the gas fund and increase cash in the Authority.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARTERSVILLE, GEORGIA
Required Supplementary Information
Schedule of Employer Contributions - Pension Trust Fund
June 30, 2013

Year Ended June 30	Required Contribution	Percentage Contributed
2013	$ 850,060	100%
2012	869,997	100%
2011	1,533,525	100%
2010	496,723	100%
2009	1,220,320	100%
2008	1,067,818	100%
2007	1,287,465	100%
2006	1,199,529	100%
2005	1,130,353	100%
2004	1,116,532	100%
2003	1,052,683	100%

CITY OF CARTERSVILLE, GEORGIA
Required Supplementary Information
Schedules of Funding Progress
June 30, 2013

Employee Retirement - Pension Trust Fund

Actuarial Valuation Date 1/1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability Projected Unit Credit 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 (3)/(5)
2013	$ 29,631,814	$ 32,289,627	$ 2,657,813	91.8%	$ 13,441,624	19.8%
2012	25,493,250	31,602,610	6,109,360	80.7%	13,451,957	45.4%
2011	25,912,286	30,490,644	4,578,358	85.0%	13,266,474	34.5%
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%
2004	17,492,109	26,469,899	8,977,790	66.1%	11,056,866	89.7%
2003	14,855,067	22,214,720	7,359,653	61.3%	10,435,369	69.6%
2002	15,431,347	22,462,795	7,031,448	68.7%	10,096,793	79.4%

Postemployment Healthcare Plan - OPEB

Actuarial Valuation Date 7/1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability Projected Unit Credit 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 (3)/(5)
2012	$ -	$ 13,600,189	$ 13,600,189	0.0%	$ 7,098,093	191.6%
2011	-	17,366,613	17,366,613	0.0%	7,179,762	241.9%
2010	-	12,804,622	12,804,622	0.0%	6,727,581	190.3%
2009	-	12,474,752	12,474,752	0.0%	6,628,159	188.2%
2008	-	12,356,261	12,356,261	0.0%	6,373,230	193.9%
2007	-	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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 3,315,000	$ 4,359,850	$ 4,356,646	$ (3,204)
Investment Earnings	-	4,600	4,595	(5)
Total Revenues	3,315,000	4,364,450	4,361,241	(3,209)
Expenditures				
Current:				
Public Works	-	499,085	505,344	(6,259)
Capital Outlay:				
Streets, Sidewalks and Stormwater	2,655,000	2,689,915	2,684,908	5,007
Water and Sewer Construction	500,000	313,330	350,729	(37,399)
Buildings and Land	5,000,000	8,589,080	8,182,960	406,120
Culture and Recreation	1,500,000	1,018,545	1,018,541	4
GIS Upgrades	20,000	5,000	-	5,000
Debt Service:				
Interest	-	-	18,490	(18,490)
Total Expenditures	9,675,000	13,114,955	12,760,972	353,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,360,000)	(8,750,505)	(8,399,731)	350,774
Other Financing Sources				
Long-term Debt	1,535,000	4,684,400	1,045,000	(3,639,400)
Issuance Costs	-	(18,490)	(15,834)	2,656
Transfers In	500,000	1,116,735	1,116,734	(1)
Total Other Financing Sources	2,035,000	5,782,645	2,145,900	(3,636,745)
Net Change in Fund Balance	(4,325,000)	(2,967,860)	(6,253,831)	(3,285,971)
Fund Balance - Beginning of Year	4,768,031	4,768,031	4,768,031	-
Fund Balance - End of Year	$ 443,031	$ 1,800,171	$ (1,485,800)	$ (3,285,971)

CITY OF CARTERSVILLE, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue								
	Hotel/Motel Tax	Development Fees	DEA Confiscated Assets	State Forfeited Funds	Grant Funds	Impact Fees Fund	Rental Vehicle Excise Tax	Business Improvement District Fund	Total Nonmajor Governmental Funds
Assets									
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Receivable	-	-	17,842	-	-	-	-	-	17,842
Cash Restricted	23,948	93,079	10,026	15,474	2,607	-	-	72,676	217,810
Total Assets	$ 23,948	$ 93,079	$ 27,868	$ 15,474	$ 2,607	$ -	$ -	$ 72,676	$ 235,652
Liabilities and Fund Balances									
Accounts Payable	$ 23,948	$ -	$ 672	$ -	$ -	$ -	$ -	$ 1,500	$ 26,120
Interfund Payable	-	-	592	-	-	-	-	836	1,428
Total Liabilities	23,948	-	1,264	-	-	-	-	2,336	27,548
Deferred Inflows of Resources									
Unearned Revenue	-	-	-	-	-	-	-	975	975
Total Deferred Inflows of Resouces	-	-	-	-	-	-	-	975	975
Fund Balances									
Restricted									
Grant Programs	-	-	-	-	2,607	-	-	-	2,607
Law Enforcement Activities	-	-	26,604	15,474	-	-	-	-	42,078
Committed									
Planning and Development	-	93,079	-	-	-	-	-	69,365	162,444
Total Fund Balances	-	93,079	26,604	15,474	2,607	-	-	69,365	207,129
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 23,948	$ 93,079	$ 27,868	$ 15,474	$ 2,607	$ -	$ -	$ 72,676	$ 235,652

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue								Total Nonmajor Governmental Funds
	Hotel/Motel Tax	Development Fees	DEA Confiscated Assets	State Forfeited Funds	Grant Fund	Impact Fees Fund	Rental Vehicle Excise Tax	Business Improvement District Fund	
Revenues									
Taxes	$ 465,752	$ -	$ -	$ -	$ -	$ -	$ 52,989	$ 22,340	$ 541,081
Intergovernmental	-	-	-	-	293,090	-	-	-	293,090
Fines and Forfeitures	-	-	133,132	-	-	-	-	-	133,132
Miscellaneous	-	-	-	-	-	-	-	10,254	10,254
Investment Earnings	-	-	18	-	-	-	-	-	18
Total Revenues	465,752	-	133,150	-	293,090	-	52,989	32,594	977,575
Expenditures									
Current									
General Government	271,500	-	-	-	10,201	-	20,000	-	301,701
Police	-	-	110,722	-	-	-	-	-	110,722
Downtown Development	-	-	-	-	-	-	-	6,410	6,410
Planning and Development	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	293,090	-	-	-	293,090
Capital Outlay									
Streets, Sidewalks, Stormwater	-	-	-	-	4,220	-	-	-	4,220
Law Enforcement Equipment	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Total Expenditures	271,500	-	110,722	-	307,511	-	20,000	6,410	716,143
Excess (Deficiency) of Revenues Over (Under) Expenditures	194,252	-	22,428	-	(14,421)	-	32,989	26,184	261,432
Other Financing Sources (Uses)									
Transfers - In	-	-	-	-	-	-	-	43,181	43,181
Transfers - Out	(194,252)	-	(1,000,000)	-	-	(303,669)	(32,989)	-	(1,530,910)
Total Other Financing Sources (Uses)	(194,252)	-	(1,000,000)	-	-	(303,669)	(32,989)	43,181	(1,487,729)
Net Change in Fund Balances	-	-	(977,572)	-	(14,421)	(303,669)	-	69,365	(1,226,297)
Fund Balance (Deficit) - Beginning of Year	-	93,079	1,004,176	15,474	17,028	303,669	-	-	1,433,426
Fund Balance (Deficit) - End of Year	$ -	$ 93,079	$ 26,604	$ 15,474	$ 2,607	$ -	$ -	$ 69,365	$ 207,129

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 405,000	$ 465,755	$ 465,752	$ (3)
Total Revenues	405,000	465,755	465,752	(3)
Expenditures				
Current				
General Government	208,575	271,500	271,500	-
Total Expenditures	208,575	271,500	271,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	196,425	194,255	194,252	(3)
Other Financing Sources (Uses)				
Transfers - Out	(196,425)	(194,255)	(194,252)	3
Total Other Financing Sources (Uses)	(196,425)	(194,255)	(194,252)	3
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, 2013

	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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Fines and Forfeitures	$ 217,460	$ 133,135	$ 133,132	$ (3)
Investment Earnings	1,000	25	18	(7)
Total Revenues	218,460	133,160	133,150	(10)
Expenditures				
Current				
Police	218,460	133,160	110,722	22,438
Total Expenditures	218,460	133,160	110,722	22,438
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	22,428	22,428
Other Financing Sources (Uses)				
Transfers Out	-	(1,000,000)	(1,000,000)	-
Total Other Financing Sources (Uses)	-	(1,000,000)	(1,000,000)	-
Net Change in Fund Balance	-	-	(977,572)	22,428
Fund Balance - Beginning of Year	1,004,176	1,004,176	1,004,176	-
Fund Balance - End of Year	$ 1,004,176	$ 1,004,176	$ 26,604	$ 22,428

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Fines and Forfeitures	$ 3,000	$ 3,000	$ -	$ (3,000)
Total Revenues	3,000	3,000	-	(3,000)
Expenditures				
Current:				
Police	3,000	3,000	-	3,000
Total Expenditures	3,000	3,000	-	3,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	15,474	15,474	15,474	-
Fund Balance - End of Year	$ 15,474	$ 15,474	$ 15,474	$ -

CITY OF CARTERSVILLE, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Grant Fund - Budget and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 36,800	$ 307,510	$ 293,090	$ (14,420)
Total Revenues	36,800	307,510	293,090	(14,420)
Expenditures				
Current:				
General Government	-	10,200	10,201	(1)
Public Works	-	293,090	293,090	-
Capital Outlay:				
Public Works	-	4,220	4,220	-
Culture and Recreation	36,800	-	-	-
Total Expenditures	36,800	307,510	307,511	(1)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(14,421)	(14,421)
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	(14,421)	(14,421)
Fund Balance - Beginning of Year	17,028	17,028	17,028	-
Fund Balance - End of Year	$ 17,028	$ 17,028	$ 2,607	$ (14,421)

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Charges for Services	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures				
Current				
General Government	13,585	13,585	-	13,585
Total Expenditures	13,585	13,585	-	13,585
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,585)	(13,585)	-	13,585
Other Financing Sources (Uses)				
Transfers Out	(150,000)	(303,669)	(303,669)	-
Total Other Financing Sources (Uses)	(150,000)	(303,669)	(303,669)	-
Net Change in Fund Balance	(163,585)	(317,254)	(303,669)	13,585
Fund Balance - Beginning of Year	303,669	303,669	303,669	-
Fund Balance - End of Year	$ 140,084	$ (13,585)	$ -	$ 13,585

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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 50,000	$ 52,990	$ 52,989	$ (1)
Total Revenues	50,000	52,990	52,989	(1)
Expenditures				
Current				
General Government	30,000	20,000	20,000	-
Planning and Development	20,000	-	-	-
Total Expenditures	50,000	20,000	20,000	-
Other Financing Sources (Uses)				
Transfers Out	-	(32,990)	(32,989)	1
Total Other Financing Sources (Uses)	-	(32,990)	(32,989)	1
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
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Business Improvement District Fund - Budget and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 24,645	$ 24,305	$ 22,340	$ (1,965)
Miscellaneous	-	10,260	10,254	(6)
Total Revenues	24,645	34,565	32,594	(1,971)
Expenditures				
Current				
Downtown Development	24,645	77,750	6,410	71,340
Total Expenditures	24,645	77,750	6,410	71,340
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	26,184	-
Other Financing Sources (Uses)				
Transfers In	-	43,185	43,181	(4)
Total Other Financing Sources (Uses)	-	43,185	43,181	(4)
Net Change in Fund Balance	-	-	69,365	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 69,365	$ -

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2013

	Stormwater	Solid Waste	Fiber Optic	Total Nonmajor Enterprise Funds
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 264,685	$ 193,322	$ 383,982	$ 841,989
Restricted Cash:				
Drainage Improvements	236,064	-	-	236,064
Accounts Receivable - Net	91,836	184,263	141,672	417,771
Interfund Receivable	-	-	567	567
Inventory	-	16,416	37,809	54,225
Total Current Assets	592,585	394,001	564,030	1,550,616
Noncurrent Assets:				
Capital Assets:				
Land and Easements	362,481	-	-	362,481
Equipment	1,343,005	2,414,964	411,729	4,169,698
Buildings and Structures	130,165	8,000	8,531	146,696
Utility Systems	2,358,507	-	2,966,987	5,325,494
Less Accumulated Depreciation	(1,388,228)	(1,671,280)	(2,137,969)	(5,197,477)
Total Noncurrent Assets	2,805,930	751,684	1,249,278	4,806,892
Total Assets	$ 3,398,515	$ 1,145,685	$ 1,813,308	$ 6,357,508
Liabilities				
Current Liabilities:				
Accounts Payable	$ 8,707	$ 27,770	$ 94,247	$ 130,724
Accrued Wages and Withholdings Payable	4,472	11,147	7,416	23,035
Customer Deposits	18,280	-	-	18,280
Interfund Payable	-	-	720,000	720,000
Capital Leases Payable	-	188,693	-	188,693
Total Current Liabilities	31,459	227,610	821,663	1,080,732
Noncurrent Liabilities:				
Capital Leases Payable	-	468,450	-	468,450
OPEB Liability	57,821	151,602	-	209,423
Total Noncurrent Liabilities	57,821	620,052	-	677,873
Total Liabilities	89,280	847,662	821,663	1,758,605
Net Position				
Net Investment in Capital Assets	2,805,930	94,541	1,249,278	4,149,749
Restricted For Drainage Improvements	236,064	-	-	236,064
Unrestricted (Deficit)	267,241	203,482	(257,633)	213,090
Total Net Position	$ 3,309,235	$ 298,023	$ 991,645	$ 4,598,903

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended June 30, 2013

	Stormwater	Solid Waste	Fiber Optic	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for Services	$ 1,278,959	$ 2,066,605	$ 1,668,183	$ 5,013,747
Fees	-	57,840	99,692	157,532
Other Revenues	748	4,632	-	5,380
Total Operating Revenues	1,279,707	2,129,077	1,767,875	5,176,659
Operating Expenses				
Costs of Sales and Services	658,195	1,775,407	1,468,615	3,902,217
Administrative Expense	236,750	192,000	-	428,750
Depreciation Expense	97,793	134,304	234,471	466,568
Total Operating Expenses	992,738	2,101,711	1,703,086	4,797,535
Operating Income (Loss)	286,969	27,366	64,789	379,124
Nonoperating Revenues (Expenses)				
Investment Earnings	4	23,076	-	23,080
Interest Expense	-	(18,714)	-	(18,714)
Total Nonoperating Revenues (Expenses)	4	4,362	-	4,366
Income Before Contributions, Special Items and Transfers	286,973	31,728	64,789	383,490
Capital Contributions	146,390	-	5,177	151,567
Change in Net Position	433,363	31,728	69,966	535,057
Net Position - Beginning	2,875,872	266,295	921,679	4,063,846
Net Position - Ending	$ 3,309,235	$ 298,023	$ 991,645	$ 4,598,903

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2013

	Stormwater	Solid Waste	Fiber Optic	Total Nonmajor Enterprise Funds
Cash Flows From Operations				
Received from Customers	$ 1,277,057	$ 2,233,135	$ 1,683,243	$ 5,193,435
Payments to Suppliers	(542,759)	(956,848)	(848,344)	(2,347,951)
Payments to/for Employees	(347,535)	(1,020,498)	(602,619)	(1,970,652)
Net Cash Provided by (Used in) Operating Activities	386,763	255,789	232,280	874,832
Cash Flows from Noncapital Financing Activities				
Payments/Advances From Other Funds	-	-	10,644	10,644
Payments/Advances To Other Funds	-	-	(400,000)	(400,000)
Net Cash Provided By (Used In) Noncapital Financing Activities	-	-	(389,356)	(389,356)
Cash Flows from Capital and Related Financing Activities				
Principal Payments - Leases	-	(186,111)	-	(186,111)
Acquisition and Construction of Capital Assets	(468,218)	(314,687)	(184,202)	(967,107)
Capital Contributions	146,390	-	5,177	151,567
Proceeds From Capital Lease	-	314,635	-	314,635
Interest Paid	-	(18,714)	-	(18,714)
Net Cash Provided By (Used In) Capital and Related Financing Activities	(321,828)	(204,877)	(179,025)	(705,730)
Cash Flows from Investing Activities				
Investment Earnings	4	23,076	-	23,080
Net Increase (Decrease) in Cash	64,939	73,988	(336,101)	(197,174)
Cash - July 1, 2012 (Including Restricted Cash)	435,810	119,334	720,083	1,275,227
Cash - June 30, 2013 (Including Restricted Cash)	$ 500,749	$ 193,322	$ 383,982	$ 1,078,053
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	$ 286,969	$ 27,366	$ 64,789	$ 379,124
Adjustments to Reconcile to Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation	97,793	134,304	234,471	466,568
(Increase) Decrease in Assets:				
Accounts Receivable	(6,700)	104,058	(84,632)	12,726
Inventory	-	(9,333)	8,041	(1,292)
Increase (Decrease) in Liabilities				
Accounts Payable	(2,893)	(24,952)	9,637	(18,208)
Accrued Wages and Withholdings Payable	(372)	598	(26)	200
Customer Deposits	4,050	-	-	4,050
OPEB Liability	7,916	23,748	-	31,664
Net Cash Provided by (Used in) Operating Activities	$ 386,763	$ 255,789	$ 232,280	$ 874,832
Noncash Investing, Capital and Financing Activities				
Acquisition and Construction of Capital Assets	$ -	$ 53,188	$ 8,074	$ 61,262
Accumulated Depreciation	-	132,972	-	132,972
Disposal of Capital Assets	-	(186,160)	-	(186,160)
Accounts Payable	-	-	(8,074)	(8,074)
Net Noncash Activities	$ -	$ -	$ -	$ -
For the Purposes of Reporting Cash Flows, Cash Includes the Following Amounts as Presented in the Statement of Net Position				
Cash and Cash Equivalents	$ 264,685	$ 193,322	$ 383,982	$ 841,989
Drainage Improvements	236,064	-	-	236,064
Total	$ 500,749	$ 193,322	$ 383,982	$ 1,078,053

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2013

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
Assets			
Current Assets			
Cash and Cash Equivalents	$ 1,956,158	$ -	$ 1,956,158
Accounts Receivable, Net	-	28,412	28,412
Inventory	-	133,128	133,128
Total Current Assets	1,956,158	161,540	2,117,698
Noncurrent Assets			
Capital Assets			
Equipment	-	475,919	475,919
Buildings and Structures	-	130,458	130,458
Less Accumulated Depreciation	-	(438,374)	(438,374)
Land and Easements	-	41,245	41,245
Total Noncurrent Assets	-	209,248	209,248
Total Assets	$ 1,956,158	$ 370,788	$ 2,326,946
Liabilities			
Current Liabilities			
Accounts Payable	$ 350,107	$ 56,468	$ 406,575
Accrued Wages and Withholdings Payable	-	3,333	3,333
Interfund Payable	951,180	145,274	1,096,454
Total Current Liabilities	1,301,287	205,075	1,506,362
Noncurrent Liabilities			
OPEB Liability	-	103,088	103,088
Total Noncurrent Liabilities	-	103,088	103,088
Total Liabilities	1,301,287	308,163	1,609,450
Net Position			
Net Investment In Capital Assets	-	209,248	209,248
Unrestricted (Deficit)	654,871	(146,623)	508,248
Total Net Position	$ 654,871	$ 62,625	$ 717,496

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2013

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
Operating Revenues			
Charges for Services	$ -	$ 267,755	$ 267,755
Other Revenues	179,357	2,023	181,380
Internal Service Charges	4,698,639	1,208,245	5,906,884
Total Operating Revenues	4,877,996	1,478,023	6,356,019
Operating Expenses			
Costs of Sales and Services	-	1,504,402	1,504,402
Administrative Expense	505,274	-	505,274
Claims	5,070,310	-	5,070,310
Depreciation Expense	-	8,941	8,941
Total Operating Expenses	5,575,584	1,513,343	7,088,927
Operating Income (Loss)	(697,588)	(35,320)	(732,908)
Nonoperating Revenues (Expenses)			
Investment Earnings	13	-	13
Total Nonoperating Revenues (Expenses)	13	-	13
Transfers In	-	35,320	35,320
Transfers Out	(35,320)	-	(35,320)
Income	(732,895)	-	(732,895)
Change In Net Position	(732,895)	-	(732,895)
Net Position- Beginning	1,387,766	62,625	1,450,391
Net Position - Ending	$ 654,871	$ 62,625	$ 717,496

CITY OF CARTERSVILLE, GEORGIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
Cash Flows From Operations			
Received From Customers	$ 4,905,962	$ 1,449,611	$ 6,355,573
Payments To Suppliers	(5,446,070)	(1,211,149)	(6,657,219)
Payments To/For Employees	-	(294,103)	(294,103)
Net Cash Provided By (Used In) Operating Activities	(540,108)	(55,641)	(595,749)
Cash Flows From Noncapital Financing Activities			
Payments/Advances To Other Funds	(35,320)	-	(35,320)
Payments/Advances From Other Funds	924,057	134,653	1,058,710
Net Cash Provided By (Used In) Noncapital Financing Activities	888,737	134,653	1,023,390
Cash Flows From Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	-	(79,012)	(79,012)
Net Cash Provided By (Used In) Capital and Related Financing Activities	-	(79,012)	(79,012)
Cash Flows From Investing Activities			
Investment Earnings	13	-	13
Net Cash Provided By (Used In) Investing Activities	13	-	13
Net Increase (Decrease) In Cash	348,642	-	348,642
Cash - July 1, 2012 (Including Restricted Cash)	1,607,516	-	1,607,516
Cash - June 30, 2013 (Including Restricted Cash)	$ 1,956,158	$ -	$ 1,956,158
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	$ (697,588)	$ (35,320)	$ (732,908)
Adjustments to Reconcile to Operating Income to Net Cash Provided (Used) By Operating Activities			
Depreciation	-	8,941	8,941
(Increase) Decrease In Assets:			
Accounts Receivable	27,966	(28,412)	(446)
Inventory	-	(53,854)	(53,854)
Increase (Decrease) In Liabilities			
Accounts Payable	129,514	31,986	161,500
Accrued Wages and Withholdings Payable	-	(91)	(91)
OPEB Liability	-	21,109	21,109
Net Cash Provided By (Used In) Operating Activities	$ (540,108)	$ (55,641)	$ (595,749)
Noncash Investing, Capital, and Financing Activities			
Accumulated Depreciation	-	15,400	15,400
Disposal of Capital Assets	-	(15,400)	(15,400)
Net Noncash Activities	-	-	-

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

Cash and Cash Equivalents	$ 1,956,158	$ -	$ 1,956,158
Total	$ 1,956,158	$ -	$ 1,956,158

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STATISTICAL SECTION

CITY OF CARTERSVILLE, GEORGIA
Statistical Section
June 30, 2013

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.

CONTENTS **PAGES**

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. 103-107

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue source, the property tax. 108-111

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 112-116

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. 117-119

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. 120-121

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 Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net Investment in Capital Assets	$ 20,642,187	$ 18,408,018	$ 22,979,785	$ 24,219,096	$ 74,545,926	$ 78,025,075	$ 79,380,171	$ 79,382,322	$ 88,239,900	$ 93,572,037
Restricted	6,396,098	8,250,021	9,860,605	14,686,858	12,065,078	10,274,836	11,556,212	13,828,062	6,203,737	2,012,898
Unrestricted	1,182,044	2,802,685	3,179,756	3,672,474	3,119,893	4,449,014	4,713,239	5,797,860	5,083,628	3,475,469
Total Governmental Activities Net Position	$ 28,220,329	$ 29,460,724	$ 36,020,146	$ 42,578,428	$ 89,730,897	$ 92,748,925	$ 95,649,622	$ 99,008,244	$ 99,527,265	$ 99,060,404
Business-type Activities										
Net Investment in Capital Assets	$ 90,872,728	$ 94,945,247	$ 97,970,649	$ 79,039,134	$ 116,055,032	$ 115,085,261	$ 116,203,328	$ 118,095,203	$ 118,518,989	$ 121,502,698
Restricted	2,467,388	2,467,388	2,467,388	2,467,388	13,441,795	11,855,946	8,967,723	4,642,423	5,045,386	5,032,034
Unrestricted	17,999,344	20,497,978	20,133,928	44,192,360	1,531,389	3,601,702	7,494,887	13,845,627	14,329,219	13,013,441
Total Business-type Activities Net Position	$ 111,339,460	$ 117,910,613	$ 120,571,965	$ 125,698,882	$ 131,028,216	$ 130,542,909	$ 132,665,938	$ 136,583,253	$ 137,893,594	$ 139,548,173
Primary Government										
Net Investment in Capital Assets	$ 111,514,915	$ 113,353,265	$ 120,950,434	$ 103,258,230	$ 190,600,958	$ 193,110,336	$ 195,583,499	$ 197,477,525	$ 206,758,889	$ 215,074,735
Restricted	8,863,486	10,717,409	12,327,993	17,154,246	25,506,873	22,130,782	20,523,935	18,470,485	11,249,123	7,044,932
Unrestricted	19,181,388	23,300,663	23,313,684	47,864,834	4,651,282	8,050,716	12,208,126	19,643,487	19,412,847	16,488,910
Total Primary Government Net Position	$ 139,559,789	$ 147,371,337	$ 156,592,111	$ 168,277,310	$ 220,759,113	$ 223,291,834	$ 228,315,560	$ 235,591,497	$ 237,420,859	$ 238,608,577

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
General Government	$ 18,041,037	$ 18,646,651	$ 19,495,012	$ 20,649,004	$ 20,963,991	$ 22,307,959	$ 22,271,558	$ 22,378,199	$ 22,973,394	$ 21,991,762
Police	3,801,312	3,907,812	4,138,879	4,442,816	5,121,823	5,294,329	5,095,267	5,393,834	5,730,504	5,747,727
Fire	3,477,125	3,591,221	4,121,950	4,264,931	4,766,640	4,723,777	4,628,814	4,544,015	5,180,336	5,841,966
Municipal Court	-	-	-	-	-	-	-	-	-	155,409
Garage	495,524	540,516	710,141	654,762	-	-	-	-	-	-
Culture and Recreation	2,258,896	2,351,926	2,732,077	287,795	3,285,194	2,754,289	2,960,396	2,919,786	3,021,773	2,941,742
Planning and Development	598,372	685,629	812,566	1,711,678	2,337,102	1,397,227	1,076,218	862,648	843,541	746,903
Downtown Development	-	-	-	-	-	-	-	-	-	116,307
Public Works	2,237,710	2,155,159	2,432,190	900,397	2,171,071	3,841,410	3,956,411	4,358,913	4,789,364	4,890,938
Interest on Long-term Debt	1,160,029	1,150,696	1,148,413	1,112,661	1,008,068	838,431	887,714	809,593	428,369	508,231
Total Governmental Activities Expenses	32,070,005	33,029,610	35,591,228	34,024,044	39,653,889	41,157,422	40,876,378	41,266,988	42,967,281	42,940,985
Business-type Activities:										
Water/Sewer	9,809,201	9,900,327	10,375,658	10,252,476	10,886,845	11,194,243	10,712,422	10,538,869	11,059,866	11,103,405
Electric	32,247,930	32,740,870	33,897,007	34,784,238	42,012,191	40,635,211	37,391,452	40,580,168	42,651,594	44,236,793
Gas	26,175,435	28,651,371	40,988,621	32,581,638	34,447,805	29,061,874	20,946,076	20,805,062	17,786,447	17,929,667
Stormwater	-	-		700,425	880,756	917,658	912,630	933,049	1,092,313	1,008,045
Solid Waste	1,440,076	1,528,812	1,688,972	1,832,079	2,129,123	1,978,543	1,926,779	1,972,967	2,199,263	2,185,690
Fiber Optic	976,355	851,283	952,870	997,856	1,330,914	1,599,328	1,548,674	1,583,749	1,619,985	1,716,732
Total Business-type Activities Expenses	70,648,997	73,672,663	87,903,128	81,148,712	91,687,634	85,386,857	73,438,033	76,413,864	76,409,468	78,180,332
Total Primary Government Expenses	$102,719,002	$106,702,273	$123,494,356	$115,172,756	$131,341,523	$126,544,279	$114,314,411	$117,680,852	$ 119,376,749	$ 121,121,317
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 1,564,841	$ 1,761,974	$ 1,669,718	$ 5,989,798	$ 7,361,190	$ 8,988,869	$ 1,938,474	$ 1,908,414	$ 1,923,014	$ 2,042,828
Police	752,212	1,098,206	1,177,719	1,659,055	655,852	1,001,506	1,133,856	937,540	939,681	286,563
Fire	35,186	13,542	57,923	13,600	-	14,428	-	-	-	-
Municipal Court	-	-	-	-	-	-	-	-	-	798,319
Garage	84,713	146,013	170,812	156,648	-	-	-	-	-	-
Culture and Recreation	481,688	496,137	565,193	581,726	749,926	636,248	670,379	676,347	692,948	744,501
Planning and Development	555,253	658,260	789,238	559,955	235,790	103,515	320,798	282,696	308,464	266,650
Downtown Development	-	-	-	-	-	-	-	-	-	4,596
Public Works	124,722	118,769	113,200	96,156	-	9,812	26,737	31,380	30,190	35,240
Operating Grants and Conributions	1,729,551	1,950,772	2,040,401	2,024,158	2,056,334	152,000	3,073,369	2,587,902	2,581,648	1,510,121
Capital Grants and Contributions	883,187	245,612	1,134,218	728,128	4,151,446	1,878,435	3,771,521	4,975,791	4,584,760	4,361,206
Total Governmental Activities Program Rrevenues	6,211,353	6,489,285	7,718,422	11,809,224	15,210,538	12,784,813	10,935,134	11,400,070	11,060,705	10,050,024
Business-type Activities:										
Charges for Services										
Water/Sewer	11,238,254	11,277,499	11,486,126	12,140,723	12,688,374	12,480,790	13,070,010	12,858,689	12,875,545	13,187,596
Electric	34,299,839	33,708,521	34,663,599	36,835,470	40,268,059	42,929,881	40,060,789	41,749,932	44,071,269	44,318,299
Gas	27,931,478	30,567,135	41,870,411	33,619,670	37,164,273	30,302,206	25,704,640	23,344,384	19,640,137	21,536,355
Solid Waste	1,455,092	1,621,835	1,637,983	1,913,084	1,998,803	2,075,943	1,997,599	2,004,356	2,013,838	1,279,707
Stormwater				518,744	1,205,529	1,204,794	1,199,868	1,186,170	1,228,427	2,129,077
Fiber Optic	830,972	879,749	1,303,221	1,358,736	1,571,194	1,726,028	1,759,869	1,797,550	1,679,365	1,767,875
Operating Grants and Conributions	-	-	-	-	-	-	-	-	425	5,177
Capital Grants and Contributions	1,327,244	1,362,324	1,389,024	1,449,967	189,484	-	229,732	560,635	26,487	146,390
Total Business-type Activities Program Revenues	77,082,879	79,417,063	92,350,364	87,836,394	95,085,716	90,719,642	84,022,507	83,501,716	81,535,493	84,370,476

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Primary Government Program Revenues	$ 83,294,232	$ 85,906,348	$100,068,786	$ 99,645,618	$110,296,254	$103,504,456	$ 94,957,641	$ 94,901,786	$ 92,596,198	$ 94,420,500
Net (Expense) Revenue										
Governmental Activities	$ (25,858,652)	$ (26,540,325)	$ (27,872,806)	$ (22,214,820)	$ (24,443,351)	$ (28,372,608)	$ (29,941,244)	$ (29,866,918)	$ (31,906,576)	$ (32,890,961)
Business-type Activities	6,433,882	5,744,400	4,447,236	6,687,682	3,398,082	5,332,785	10,584,474	7,087,852	5,126,025	6,190,144
Total Primary Government Net (Expense)	$ (19,424,770)	$ (20,795,925)	$ (23,425,570)	$ (15,527,138)	$ (21,045,269)	$ (23,039,823)	$ (19,356,770)	$ (22,779,066)	$ (26,780,551)	$ (26,700,817)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property	$ 13,728,744	$ 14,519,450	$ 15,535,349	$ 16,411,884	$ 17,514,949	$ 18,437,522	$ 18,207,749	$ 17,539,911	$ 16,827,703	$ 17,454,934
Sales	6,401,305	7,384,598	8,775,911	8,892,746	8,833,353	8,080,216	4,768,761	4,747,051	4,385,725	3,801,605
Hotel/Motel	146,484	159,113	180,003	207,412	201,128	216,129	279,468	379,104	420,156	465,752
Vehicle Rental	40,710	49,541	76,014	75,816	71,325	52,696	42,242	51,011	49,582	52,989
Insurance Premium	684,060	741,335	797,579	834,468	870,443	891,294	882,932	857,271	925,467	983,000
Malt and Mixed Beverage	685,091	671,771	677,093	733,750	756,235	668,673	580,963	646,164	679,399	627,425
Franchise	3,947,347	4,067,740	4,643,067	732,718	740,500	789,554	4,317,713	4,432,437	4,476,982	4,501,238
Other	357,267	229,171	208,604	-	262	88,770	343,858	368,516	391,211	401,766
Investment Earnings	89,903	210,726	443,867	940,191	565,500	101,572	122,311	54,806	53,615	44,037
Miscellaneous	217,540	200,052	412,465	267,311	153,726	228,574	170,779	131,816	116,852	36,311
Gain/(Loss) on Asset Disposal	-	-	-	-	-	-	-	(66,850)	17,211	-
Transfers	3,379,629	(452,777)	2,682,276	3,406,098	(771,774)	3,239,989	3,182,733	3,590,112	4,017,815	4,182,290
Total Governmental Activities	29,678,080	27,780,720	34,432,228	32,502,394	28,935,647	32,794,989	32,899,509	32,731,349	32,361,718	32,551,347
Business-type Activities:										
Investment Earnings	128,952	364,577	896,392	1,716,039	920,390	523,884	242,042	101,597	146,869	37,907
Miscellaneous	6,641	9,399	-	-	-	-	-	36,182	-	472
Special Items	-	-	-	-	-	(1,994,719)	(5,298,020)	-	28,567	-
Transfers	(3,379,629)	452,777	(2,682,276)	(3,406,098)	771,774	(3,239,989)	(3,182,733)	(3,590,112)	(4,017,815)	(4,182,290)
Total Business-type Activities	(3,244,036)	826,753	(1,785,884)	(1,690,059)	1,692,164	(4,710,824)	(8,238,711)	(3,452,333)	(3,842,379)	(4,143,911)
Total Primary Government	$ 26,434,044	$ 28,607,473	$ 32,646,344	$ 30,812,335	$ 30,627,811	$ 28,084,165	$ 24,660,798	$ 29,279,016	$ 28,519,339	$ 28,407,436
Change in Net Position										
Governmental Activities	$ 3,819,428	$ 1,240,395	$ 6,559,422	$ 10,287,574	$ 4,492,296	$ 4,422,381	$ 2,958,265	$ 2,864,431	$ 455,142	$ (339,614)
Business-type Activities	3,189,846	6,571,153	2,661,352	4,997,623	5,090,246	621,961	2,345,763	3,635,519	1,283,646	2,046,233
Total Primary Government	$ 7,009,274	$ 7,811,548	$ 9,220,774	$ 15,285,197	$ 9,582,542	$ 5,044,342	$ 5,304,028	$ 6,499,950	$ 1,738,788	$ 1,706,619

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

	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 795,894	$ -	$ -
Restricted	-	-	-	-	-	-	-	105,027	2,280	2,280
Unnassigned	-	-	-	-	-	-	-	5,086,905	5,177,556	4,566,226
Reserved	309,278	213,010	303,530	133,947	121,365	111,379	-	-	-	-
Unreserved	1,017,972	2,318,356	3,187,200	3,139,167	3,010,168	3,672,440	5,009,947	-	-	-
Total General Fund	$ 1,327,250	$ 2,531,366	$ 3,490,730	$ 3,273,114	$ 3,131,533	$ 3,783,819	$ 5,009,947	$ 5,987,826	$ 5,179,836	$ 4,568,506
All Other Governmental Funds										
Restricted	-	-	-	-	-	-	-	13,295,341	5,804,709	44,685
Committed	-	-	-	-	-	-	-	426,141	396,748	162,444
Unassigned	-	-	-	-	-	-	-	-	-	(1,485,800)
Reserved	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	$ 6,086,820	$ 8,120,728	$ 9,639,845	$ 14,539,715	$ 11,943,713	$ 10,163,457	$ 11,542,155	$ 13,721,482	$ 6,201,457	$ (1,278,671)

* Beginning fiscal 2011, governmental fund balances reflect the implementation of *GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions*

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	$ 25,856,340	$ 27,804,068	$ 30,929,324	$ 27,800,228	$ 28,833,230	$ 29,224,853	$ 28,809,153	$ 29,228,003	$ 28,131,083	$ 28,327,422
Licenses and Permits	543,065	610,448	459,985	925,605	872,708	594,912	316,320	294,531	324,209	279,995
Intergovernmental	994,289	465,386	1,269,018	1,011,946	675,444	1,898,894	4,299,371	5,026,357	4,715,456	4,756,536
Payment from School Board	1,729,551	1,730,638	1,733,159	1,732,256	1,732,668	2,523,243	2,518,698	2,518,768	2,377,677	1,147,975
Fines and Forfeitures	615,956	1,056,282	1,153,455	1,659,054	655,852	959,397	1,073,167	823,314	813,173	936,926
Charges for Services	2,306,424	2,649,031	2,954,793	6,472,278	7,474,198	6,636,443	2,699,539	2,669,090	2,705,492	2,893,594
Contributions	-	-	-	8,085	21,672	-	-	-	-	-
Miscellaneous Income	199,188	149,896	297,377	267,311	153,726	228,574	148,815	136,640	142,226	66,749
Investment Earnings	89,903	210,726	443,867	931,944	555,526	101,572	122,311	117,993	152,939	48,597
Total Revenues	32,334,716	34,676,475	39,240,978	40,808,707	40,975,024	42,167,888	39,987,374	40,814,696	39,362,255	38,457,794
Expenditures										
General Government	17,038,575	17,655,653	18,558,217	19,520,471	23,992,283	21,344,586	20,851,949	21,104,431	21,564,928	20,736,362
Police	3,806,704	3,900,466	4,076,669	4,330,318	5,570,996	4,889,058	4,889,828	5,094,101	5,254,187	5,151,249
Fire	3,726,921	4,256,469	3,882,840	3,994,501	4,678,718	4,442,252	4,254,955	4,415,165	5,775,228	5,268,994
Municipal Court	-	-	-	-	-	-	-	-	-	213,621
Garage	489,598	577,335	697,624	691,535	-	-	-	-	-	-
Planning and Development	590,168	705,014	844,930	1,697,872	2,343,157	1,175,965	1,048,513	854,851	827,236	717,454
Downtown Development	-	-	-	-	-	-	-	-	-	129,114
Culture and Recreation	2,304,419	2,436,151	3,104,553	3,036,295	3,307,226	2,886,687	2,687,230	2,701,534	3,051,100	3,198,607
Public Works	2,194,231	2,283,879	2,473,921	2,030,828	2,359,034	2,237,460	2,174,168	2,628,348	2,918,867	2,835,052
Capital Outlay	2,230,442	2,016,452	4,408,721	1,519,400	7,066,562	6,899,158	2,657,690	2,070,762	10,669,831	12,241,358
Debt Service										
Principal	1,153,054	873,182	1,060,011	1,206,072	1,119,139	1,894,679	2,041,214	2,248,750	2,199,073	901,324
Interest	1,158,502	1,146,113	1,143,830	1,112,661	1,008,068	838,431	887,714	775,088	503,953	545,386
Bond Issuance Costs	-	-	-	-	-	-	-	139,462	-	-
Total Expenditures	34,692,614	35,850,714	40,251,316	39,139,953	51,445,183	46,608,276	41,493,261	42,032,492	52,764,403	51,938,521
Excess of Revenues Over (Under) Expenditures	(2,357,898)	(1,174,239)	(1,010,338)	1,668,754	(10,470,159)	(4,440,388)	(1,505,887)	(1,217,796)	(13,402,148)	(13,480,727)
Other Financing Sources (Uses)										
Transfers In	3,379,629	3,723,591	2,714,229	3,454,545	3,405,250	4,024,644	4,223,054	4,226,721	4,241,882	5,756,381
Transfers Out	-	(560,750)	(31,953)	(514,736)	(130,925)	(784,655)	(233,579)	(185,072)	(176,227)	(1,574,091)
Capital Leases	287,843	1,201,376	74,592	199,784	737,597	72,429	26,207	-	991,267	177,813
Bonds Issued	-	-	-	-	-	-	-	13,380,000	-	1,045,000
Costs on Bonds Issued	-	-	-	-	-	-	-	-	-	(15,834)
Premium on Bonds Issued	-	-	-	-	-	-	-	774,655	-	-
Proceeds From Asset Disposal	30,305	27,658	263,100	3,200	-	-	50,000	53,891	17,211	-
Capital Contributions	-	-	-	-	3,790,456	-	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	-	-	-	-	(13,875,193)	-	-
Total Other Financing Sources (Uses)	3,697,777	4,391,875	3,019,968	3,142,793	7,802,378	3,312,418	4,065,682	4,375,002	5,074,133	5,389,269
Increase (Decrease) in Reserve for Inventory	13,247	20,388	(947)	-	-	-	-	-	-	-
Net Change in Fund Balances	$ 1,353,126	$ 3,238,024	$ 2,008,683	$ 4,811,547	$ (2,667,781)	$ (1,127,970)	$ 2,559,795	$ 3,157,206	$ (8,328,015)	$ (8,091,458)
Debt Service as a Percentage of Noncapital Expenditures	7.4%	6.3%	6.4%	6.3%	5.0%	7.0%	7.6%	7.6%	6.6%	3.7%

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					
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%
2011	368,008,218	278,272,133	277,993,575	42,000,562	82,468	13,127,881	953,229,075	18.61	2,383,072,688	40%
2012	352,205,890	271,704,442	276,528,987	40,419,370	57,599	13,594,461	927,321,827	18.61	2,318,304,568	40%
2013	319,127,942	279,207,328	280,087,929	42,338,234	96,833	14,968,555	905,889,711	19.61	2,264,724,278	40%

Source: Bartow County Tax Assessor

Property in Bartow County is reassessed annually. The county assesses property at 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.

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	Total Direct Rates	Bartow County	State of Georgia	Total Direct and Overlapping Rates
2004	0.99	17.18	18.17	8.98	0.25	27.40
2005	1.49	17.68	19.17	8.88	0.25	28.30
2006	1.46	17.68	19.14	9.85	0.25	29.24
2007	1.42	17.23	18.65	9.58	0.25	28.48
2008	1.40	17.23	18.63	9.30	0.25	28.18
2009	1.38	17.23	18.61	9.07	0.25	27.93
2010	1.38	17.23	18.61	9.07	0.25	27.93
2011	1.38	17.23	18.61	9.07	0.25	27.93
2012	1.38	17.23	18.61	9.07	0.25	27.93
2013	1.38	18.23	19.61	9.07	0.25	28.93

Source: Bartow County Tax Commissioner

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

	2013				2004		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Anheuser Busch	$ 121,706,228	1	13.4%	Anheuser Busch	$ 128,371,033	1	16.5%
Shaw Industries	24,866,428	2	2.7%	Shaw Industries	30,268,304	2	3.9%
Aqualfil USA, Inc	17,817,605	3	2.0%	Glad Manufacturing	21,496,367	3	2.8%
Continental Pet Technlogies	11,604,723	4	1.3%	Lever Brothers Company	17,752,828	4	2.3%
Forty One Connector, LTD	9,976,320	5	1.1%	Continental	16,535,674	5	2.1%
Applied Thermoplastic	9,882,121	6	1.1%	Trinity Industries	12,875,083	6	1.7%
Colloid Environmental	8,490,582	7	0.9%	Bellsouth Communications	6,200,793	7	0.8%
Gerdau Ameristeel, US Inc.	5,393,989	8	0.6%	Academic Books	5,510,568	8	0.7%
Bellsouth Communications	5,381,039	9	0.6%	TI Group	4,895,074	9	0.6%
Ampacet	5,349,989	10	0.6%	St. Albans, LLC	4,856,840	10	0.6%
Totals	$ 220,469,024		24.3%	Totals	$ 248,762,564		32.0%

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 (Original Levy)	Adjustments	Total Adjusted Levy	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2004	$ 12,459,834	$ (105,523)	$ 12,354,311	$ 12,206,322	97.97%	$ 147,653	$ 12,353,975	100.00%
2005	13,304,550	(49,655)	13,254,895	13,088,990	98.38%	165,694	13,254,684	100.00%
2006	14,087,316	(31,695)	14,055,621	13,908,614	98.73%	146,797	14,055,411	100.00%
2007	14,698,463	(65,533)	14,632,930	14,387,835	97.89%	232,034	14,619,869	99.91%
2008	15,831,119	(206,875)	15,624,244	15,324,424	96.80%	294,553	15,618,977	99.97%
2009	16,721,447	(171,917)	16,549,530	15,932,043	95.28%	581,169	16,513,212	99.78%
2010	17,437,137	(264,878)	17,172,259	16,474,788	94.48%	458,297	16,933,085	98.61%
2011	16,416,077	(63,935)	16,352,142	15,889,271	96.79%	320,900	16,210,171	99.13%
2012	15,907,496	(62,678)	15,844,818	15,412,054	96.89%	466,947	15,879,001	100.22%
2013	16,011,092	(10,076)	16,001,016	15,619,489	97.55%	-	15,619,489	97.62%

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
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
2011	14,410,000	-	702,846	15,795,000	7,784,295	402,955	39,095,096	0.06%	1,932
2012	12,470,000	-	1,435,041	20,610,000	6,843,264	558,668	41,916,973	0.05%	2,039
2013	11,785,000	4,300,000	1,396,530	18,745,000	90,280	976,675	37,293,485	0.06%	1,586

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 115 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
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
2011	15,795,000	0.66%	710
2012	12,470,000	0.54%	560
2013	11,785,000	0.52%	501

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

(1) Population data can be found in the Schedule of Demographic and Economic Statistics on page 117.

CITY OF CARTERSVILLE, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes: Bartow County	$ 38,255,000	25%	$ 9,563,750
City of Cartersville Direct Debt	40,088,485	100%	40,088,485
Total Direct and Overlapping Debt	$ 78,343,485		$ 49,652,235

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	$ 77,883,306	$ 79,677,840	$ 84,615,717	$ 88,366,173	$ 94,834,195	$ 100,168,450	$ 101,392,935	$ 95,322,908	$ 92,732,183	$ 90,588,971
Total Net Debt Applicable to Limit	22,535,000	21,900,000	21,220,000	20,495,000	19,720,000	18,085,000	16,365,000	14,410,000	12,470,000	11,785,000
Legal Debt Margin	$ 55,348,306	$ 57,777,840	$ 63,395,717	$ 67,871,173	$ 75,114,195	$ 82,083,450	$ 85,027,935	$ 80,912,908	$ 80,262,183	$ 78,803,971
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	28.93%	27.49%	25.08%	23.19%	20.79%	18.05%	16.14%	15.12%	13.45%	13.01%

Total Taxable Assessed Value	$ 905,889,711
Debt Limit (10% of Assessed Taxable Value)	90,588,971
Debt Applicable to Limit:	
General Obligation Bonds	11,785,000
Legal Debt Margin	$ 78,803,971

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					
Fiscal Year	Utility Service Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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	2,215,000	615,420	2.04
2011	12,633,927	6,926,411	5,707,516	2,260,000	560,894	2.02
2012	12,747,273	7,465,216	5,282,057	1,805,000	710,072	2.10
2013	12,839,636	7,311,399	5,528,237	1,865,000	545,442	2.29

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, issuance cost, 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 *
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%
2011	100,157	23,135	27,405	37.3	4,159	10.90%
2012	100,968	22,149	28,334	35.9	4,162	9.40%
2013	101,282	23,512	26,667	36.3	4,046	9.20%

(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, 2013

	2013		
Employer	Number of Employees	Rank	% of Total
Shaw Industries	2,562	1	26.40%
Bartow County School System	1,820	2	18.76%
Toyo Tire North America	1,070	3	5.11%
Bartow County	882	4	9.09%
Cartersville Medical Center	750	5	5.11%
Anheuser-Busch	496	6	4.33%
Quest Global	489	7	4.27%
Wal-Mart	420	8	4.33%
Cartersville School System	414	9	4.27%
Georgia Power/Plant Bowen	400	10	4.12%
Total	9,303		

Source: Cartersville-Bartow County Chamber of Commerce

Note: Comparable data for 2004 is not available.

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	29	31	31	33	32	29	27	27	27	26
Police	61	55	58	58	58	64	66	66	65	64
Fire	55	55	58	59	62	62	62	62	62	74
Garage	6	6	7	7	6	6	5	4	4	4
Municipal Court	*	*	*	*	*	*	*	*	*	2
Culture and Recreation	24	25	25	27	27	27	27	27	27	27
Planning and Development	6	8	9	9	10	10	8	8	8	8
Public Works	28	27	27	20	21	20	18	18	19	19
Water and Sewer	52	52	52	50	51	51	49	50	50	50
Electric	24	24	23	23	28	28	28	28	28	28
Gas	20	22	23	21	27	26	24	24	24	24
Solid Waste	18	18	18	21	19	18	18	18	18	19
Stormwater	0	0	0	7	7	7	6	6	7	7
Fiber Optic	1	1	2	5	6	6	6	6	7	7
Total	324	324	333	340	354	354	344	344	346	359

Source: City of Cartersville Human Resource Department

* In fiscal periods prior to 2013, Municipal Court employees were included in the Police department.

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical Arrests	(1)	(1)	1,199	1,208	1,080	1,827	1,479	2,035	856	2,306
Parking Violations	(1)	(1)	1,364	1,420	931	505	235	176	156	102
Traffic Violations	(1)	(1)	4,539	4,857	4,666	4,557	4,679	5,879	4,888	4,730
Fire										
Emergency Responses	(1)	2,422	2,515	2,697	2,938	2,333	3,038	3,165	3,301	3,395
Fires Extinguished	(1)	89	92	183	167	91	142	179	159	107
Inspection	(1)	765	925	820	510	2,396	1,054	2,290	2,346	2,218
Culture and Recreation										
Admissions/Fees	$ 417,867	$ 434,134	$ 476,952	$ 668,805	$ 804,997	$ 705,319	$ 730,160	$688,593	$695,729	$693,925
Library Volumes	63,088	67,345	68,118	75,220	75,338	79,753	85,890	98,961	107,835	113,516
Library Circulation	(1)	(1)	262,774	309,071	448,165	481,862	529,711	499,739	523,827	469,414
Public Works										
Street Resurfacing Miles	(1)	6.8	2.4	5	3.5	3.4	3.0	3.13	3.62	2.52
Planning and Development										
Building Permits - Residential	147	221	214	283	166	69	38	47	45	64
Value of Building Permits - Residential	$ 13,384,543	$ 21,955,699	$ 22,567,911	$ 33,873,252	$ 20,903,039	$ 5,704,907	$ 2,064,705	$ 2,011,417	$ 1,503,916	$ 4,657,200
Building Permits - Commercial	83	99	108	114	102	47	31	37	48	58
Value of Building Permits - Commercial	$ 20,056,676	$ 23,428,339	$ 24,828,201	$ 25,972,858	$ 51,372,346	$ 6,285,100	$ 8,704,341	$ 10,505,841	$ 18,645,723	$ 5,719,963
Water										
Number of Customers	10,389	10,658	11,155	11,181	10,431	10,438	10,331	10,121	10,841	8,481
Average Daily Demand	12.0	12.3	13.6	11.9	11.2	11.1	11.0	11.02	10.87	10.94
Sewer										
Number of Customers	6,045	6,045	6,045	6,865	6,607	6,635	6,739	6,456	6,889	5,550
Average Daily Demand	7.8	9.6	9.9	8.0	6.4	6.8	5.7	7.22	5.74	6.82
Electric										
Number Customers	7,355	7,195	7,713	7,743	8,172	8,153	8,055	7,999	7,979	7,780
Average Annual Residential Consumption	11,000	12,000	12,000	12,400	12,420	11,925	12,272	12,987	12,028	12,326
Gas										
Number of Customers	9,204	9,277	10,322	10,637	10,697	10,785	10,807	10,788	10,801	10,796
Solid Waste										
Number of Customers	6,158	6,279	6,413	6,552	6,741	7,129	6,831	6,856	6,751	6,897
Fiber Optic										
Number of Customers	(1)	65	61	59	54	66	80	74	80	72

(1) Information not available

Source: Various City Departments

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Stations	1	1	1	2	4	4	4	4	4	3
Vehicles	(1)	37	41	44	66	66	66	88	74	64
Fire										
Stations	3	3	3	3	3	3	3	3	3	4
Culture and Recreation										
Acreage	627	627	627	640	640	640	655	641	644	645
Baseball/Softball Fields	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	5	5	6	6	6	6	6	6	6	6
Public Works										
Miles of Streets	112	115	115	121	128	129	129	129	129	130
Water										
Fire Hydrants	(1)	1,204	1,204	1,204	1,351	1,360	1359	1366	1383	1389
Miles of Water Mains	153	161	164	169	171	181	181	231	283	264
Sewer										
Miles of Sanitary Sewer	115	118	119	121	123	129	129	145	146	160
Electric										
Street Lights	1,491	1,531	1,671	1,967	2,150	2,730	2,169	2,176	2,186	2,223
Miles of Electric Lines	160	160	162	198	202	202	204	204	204	205
Gas										
Miles of Gas Mains	292	296	298	314	314	347	350	351	335	337
Solid Waste										
Collection Vehicles	16	16	16	19	19	17	20	20	21	20
Fiber Optic										
Miles of Cable	54	54	54	55	60	62	64	64	65	68

(1) Information Not Available
Source: Various City Departments

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COMPLIANCE SECTION

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P.O. BOX 473
CARTERSVILLE, GA 30120
(770) 382-3361
FAX (770) 386-8382
WWW.WCPAS.COM

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

LLOYD WILLIAMSON
CHRISTIAN HATCH

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements, which collectively comprise City of Cartersville, Georgia's basic financial statements, and have issued our report thereon dated December 13, 2013

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Cartersville, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Cartersville, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Cartersville, Georgia's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 are 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 13, 2013.

Purpose of this Report

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

Williamson and Company

Williamson and Company
Certified Public Accountants
December 13, 2013

CITY OF CARTERSVILLE, GEORGIA
Schedule of Special Local Option Sales Tax Expenditures
For the Year Ended June 30, 2013

	Estimated Cost		Expenditures		
	Original	Current	Prior	Current	Total
SPLOST II Project Description (2002)					
Streets and Roads*	$ 8,805,900	$ 8,805,900	$ 10,030,513	$ 2,366,454	$ 12,396,967
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	450,528	318,327	768,855
Miscellaneous					
Fiber Link (GIS Mapping)	500,000	500,000	447,949	5,000	452,949
Public Safety Traning Facility - Joint Project**	1,250,000	1,250,000	1,791,288	316,622	2,107,910
Cartersville/Bartow County Library Expansion**	2,500,000	2,500,000	2,460,356	-	2,460,356
Totals	$ 17,105,900	$ 17,105,900	$ 18,255,304	$ 3,006,403	$ 21,261,707

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

* Current year Street and Roads expenditures are shown net of reimbursements totaling $808,089.

** Joint project with Bartow County.

CITY OF CARTERSVILLE, GEORGIA
Schedule of Special Local Option Sales Tax Expenditures
For the Year Ended June 30, 2013

	Estimated Cost		Expenditures		
	Original	Current	Prior	Current	Total
SPLOST III Project Description (2007)					
Streets and Roads	$ 13,838,000	$ 13,838,000	$ 1,742,913	$ (47,689)	$ 1,695,224
Water and Sewer Improvements					
Utility Relocate - Water	1,232,000	1,232,000	503,358	187	503,545
Raw Water Mains	-	200,000	162,198	-	162,198
New Water Line - Allatoona Dam	2,000,000	1,700,000	969,430	-	969,430
Other Utility Improvements					
Relocte Gas Lines	1,353,250	1,353,250	30,986	-	30,986
Relocate Fiber Lines	150,000	150,000	-	-	-
Relocate Electric Lines	229,320	229,320	-	-	-
Miscellaneous Stormwater Improvements	-	25,000	20,008	-	20,008
Underground Fiber - Main Street Corridor	150,000	150,000	-	-	-
GIS Upgrades	100,000	100,000	900	-	900
Culvert Replacement - Lee Street	225,000	200,000	61,456	-	61,456
Underground Electric Project - Main Street	1,028,057	1,028,057	-	-	-
Land and Buildings					
Grassdale Road	861,250	861,250	42,858	-	42,858
New Equipment Barn - Public Works	600,000	600,000	425,674	24,359	450,033
Northside Park - Land	1,500,000	1,500,000	-	-	-
Milam Farm Festival Area	100,000	100,000	-	-	-
Joint Station #1 - Police and Fire	6,639,123	6,639,123	9,709,619	5,978,853	15,688,472
Fire Station #3 - Old Mill	5,808,000	5,808,000	458,160	-	458,160
Fire Station #2 - MLK	-	100,000	1,130,512	2,272,238	3,402,750
Old Courthouse Renovations	1,500,000	1,500,000	1,413,429	-	1,413,429
Totals	$ 37,314,000	$ 37,314,000	$ 16,671,501	$ 8,227,948	$ 24,899,449

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

* Current year Street and Roads expenditures are shown net of reimbursements totaling $56,949

CITY OF CARTERSVILLE, GEORGIA
Schedule of Special Local Option Sales Tax Expenditures
For the Year Ended June 30, 2013

	Estimated Cost		Expenditures		
	Original	Current	Prior	Current	Total
SPLOST IV Project Description (2014)					
Fire Safety Improvements	$ 2,000,000	$ 2,000,000	-	$ -	$ -
Parks and Recreation Improvements	5,338,800	5,338,800	-	1,018,541	1,018,541
Building Improvements	1,600,000	1,600,000	-	-	-
Information Technology	100,000	100,000	-	-	-
Roads, Streets, Sidewalks, Bridges, and Stormwater Improvements	5,320,750	5,320,750	-	-	-
Water and Sewer Improvements	9,394,170	9,394,170	-	-	-
Gas Improvements	4,069,076	4,069,076	-	-	-
Totals	$ 27,822,796	$ 27,822,796	$ -	$ 1,018,541	$ 1,018,541

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