COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

THOMAS C. RHINEHART
FINANCE DIRECTOR

BY AUTHORITY OF MAYOR AND COUNCIL

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

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Introductory Section (Unaudited)

City of Cartersville

January 26, 2015

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, 2014. The financial statements and related notes have been audited by Carr, Riggs, and Ingram, CPAs and Advisors, 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 and the Second Joint Cartersville-Bartow County Regional Industrial Development were created to promote development of industrial and manufacturing activities in Cartersville and Bartow County. The City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for these organizations. Therefore, these two entities were not included in the City's financial reports.

Local Economy

Even though our State and Nation has recovered 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 2014 increased by 2.7% over the 2013 valuation, resulting in property tax assessments increasing by $426,000. The business environment outlook for Cartersville continues to be favorable as industries, like Voestalpine, a car parts manufacturer, completed their manufacturing facility in Cartersville. New chain stores like Walgreens, Academy Sports, Firehouse Subs, and Mattress Firm 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 2014 adopted budget, the City prepared for a continuing 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 1.6% to 7.6% as of June 2014 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 remain stable during 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. The City saw a slight decrease in local option sales tax collections compared to the prior fiscal year and property tax and utility collections are expected 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 $3,635,321 at year end or 17.0% of total city-related general fund revenues of $20.9 million. The current total fund balance has decreased over last year by $0.9 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 intend 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 and a Second Joint Development Authority. Both of these Authorities have helped to bring new jobs to the area and are continuing to develop the industrial park for industries to locate in. The annual funding required by the city for the Joint Development Authorities and industrial park development is zero and has been funded through the use of Special Local Option Sales Tax revenue sources. The long-term benefits of these Authorities 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, 2014, the City's pension plan had net assets of $35.6 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 Carr, Riggs, and Ingram 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, 2013. 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.

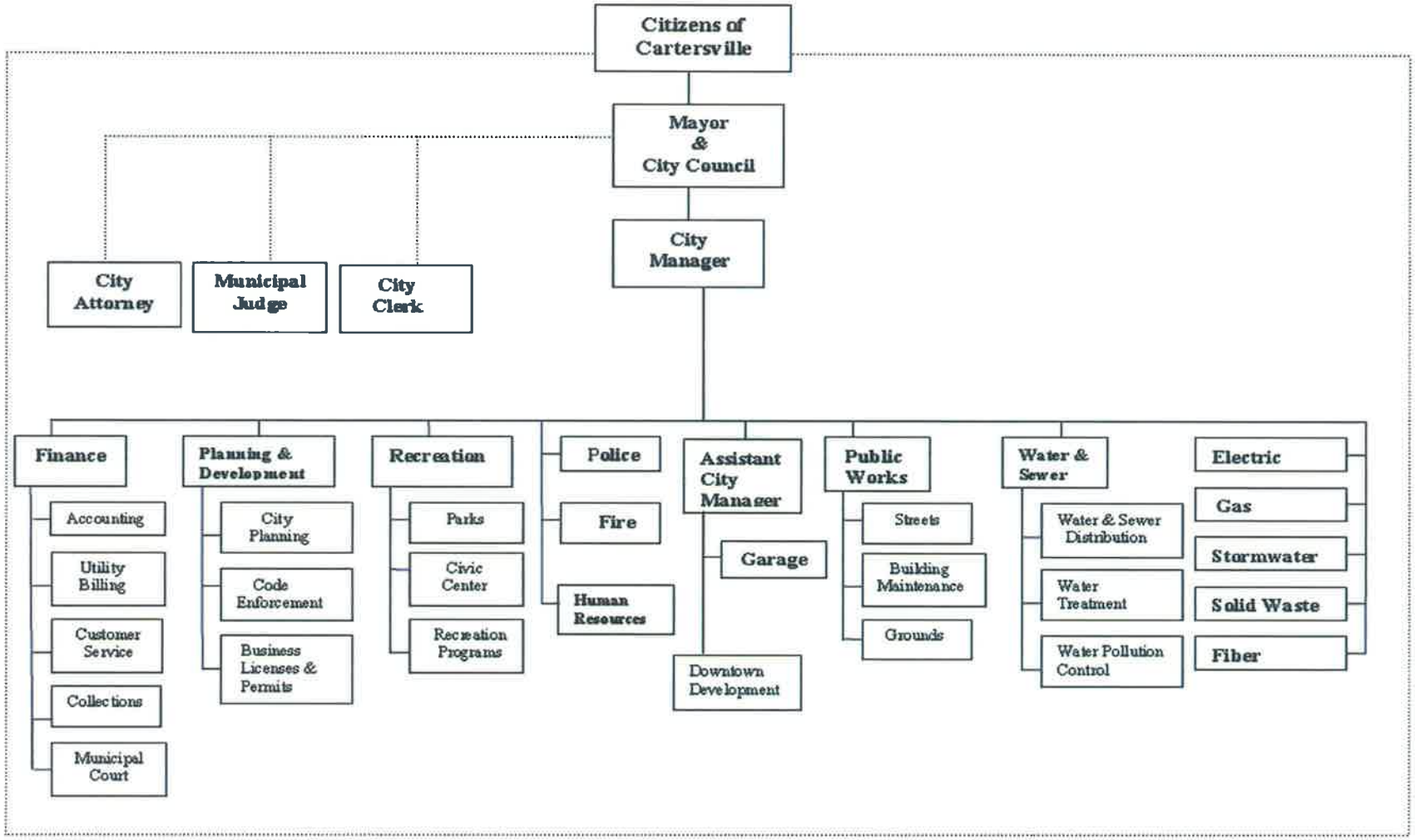
Respectfully submitted,

Samuel E. Grove
City Manager

Thomas C. Rhinehart
Finance Director

CITY OF CARTERSVILLE ORGANIZATIONAL CHART

June 30, 2014



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, 2013

Executive Director/CEO

Mayor

Matt Santini

City Council

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

City Administration

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
Catheryn Hembree	Deputy City Clerk
Scott Carter	Fire Chief
Thomas Culpepper	Police Chief
Tommy Sanders	Public Works Director
Greg Anderson	Recreation Director
Bob Jones	Water & Sewer Superintendent
Gary Riggs	Gas Superintendent
Don Hassebrock	Electric Superintendent
Bill Trott	Garage Superintendent
Lamar Greeson	Fiber Manager

Financial Section

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
202 Love Avenue
Tifton, GA 31794
P.O. Box 7650
Tifton, GA 31793

(229) 382-8576
(229) 238-0643 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City 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, 2014, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Cartersville Board of Education, which represent 81%, 152%, and 95%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Cartersville Board of Education, is based solely on the report of the other auditors 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 financial statement 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, 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, 2014, 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 16 and the Required Supplementary Information on pages 89 to 90 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cartersville, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedules of special purpose local option sales tax expenditures are presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedules of special purpose local option sales tax expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 by us and other auditors. In our opinion, based on our audit, the procedures as described above, and the report of other auditors, the combining and individual nonmajor fund financial statements and schedules and the schedules of special purpose local option sales tax expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2015, 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.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Certified Public Accountants
January 26, 2015

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, 2014. 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 $9.1 million, or 3.8% during fiscal year 2014 to $246.8 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 $9.6 million, or 6.9% from the previous year.

- Unrestricted net position, which may be used to meet the City's future obligations, consist of $15.5 million, or 6.3% of the City's total net position. Unrestricted net position for governmental activities is $2.0 million, or 2.0% of total net position for governmental activities; unrestricted net position for business activities is $13.5 million, or 9.1% of total net position for business-type activities.

- Total revenues for governmental activities, excluding transfers, increased by $0.3 million, or 0.8% less than fiscal year 2013. Governmental expenses, excluding transfers, decreased $0.7 million or 1.6% less than the previous fiscal year. Expenses exceeded revenues, excluding transfers from utilities and special items, by $3.6 million.

- The business-type activities, excluding transfers, generated revenues that were $12.7 million or 15.1% more than the previous fiscal year. Expenses, excluding transfers, increased $6.2 million or 7.9% over last year. Excluding transfers, revenues were $12.7 million more than expenditures.

- Total expenses of primary government programs exceeded revenues by $24.6 million in fiscal year 2014. This is a decrease of $2.1 million less than fiscal year 2013 and is due to decreased capital expenses.

- In fiscal year 2014, the ending unassigned fund balance for the General Fund, which is the City's primary operating fund, decreased by $0.9 million, or 2.2%, to $3.6 million.

- The principal balance on the City's outstanding bonds (Note 9) decreased by $1.1 million for governmental activities. The principal balance on the outstanding bonds for business-type activities decreased by $2.2 million.

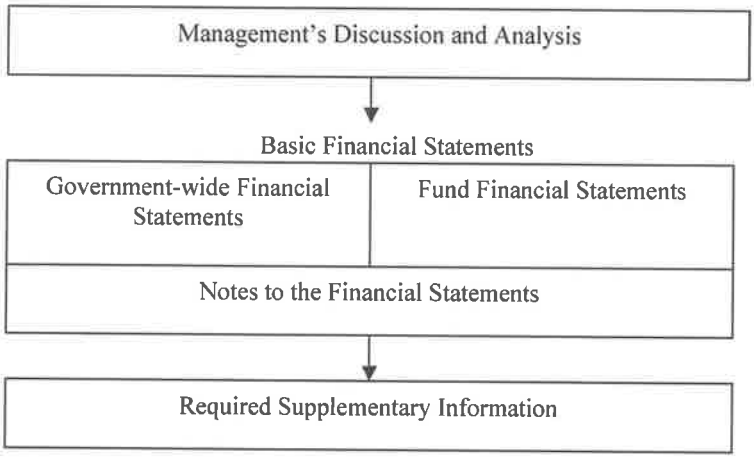
- The total fair market value of the City's pooled investments and cash, excluding fiduciary funds (Note 3) at June 30, 2014 was $27.8 million.

- The capital assets, net of accumulated depreciation, (Note 7) of the City at the end of the 2014 fiscal year totaled $257.3 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 deferred outflows and liabilities and deferred inflows, 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(blended), 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 $9.1 million in fiscal year 2014. The net position of the governmental activities of the City decreased by $0.5 million while the business-type activities increased by $9.6 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 $2.2 million, electric increased by $0.8 million, and gas increased by $6.0 million. The City's total assets and deferred outflows increased by $2.0 million to $297.2 million. Of the City's $246.8 million in net position, $224.1 million is net investment in capital assets. For more detailed information see the Statement of Net Position on page 17-18 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	
	2014	2013	2014	2013	2014	2013
ASSETS AND DEFERRED OUTFLOWS						
Current and other assets	$ 8.0	$ 9.5	$ 31.4	$ 32.8	$ 39.4	$ 42.3
Capital assets	107.3	111.6	150.0	140.7	257.3	252.3
Deferred Outflows of Resources	0.4	0.5	0.1	0.1	0.5	0.6
Total Assets and deferred outflows of resources	115.7	121.6	181.5	173.6	297.2	295.2
LIABILTIES AND DEFERRED INFLOWS						
Current and other liabilities	7.7	7.2	18.3	10.6	26.0	17.8
Long-term debt outstanding	10.0	15.9	14.2	23.8	24.2	39.7
Deferred Inflows	-	-	0.1	-	0.1	-
Total Liabilities and Deferred Inflows	17.7	23.1	32.6	34.4	50.3	57.5
NET POSITION						
Net investment in capital assets	94.2	92.5	129.9	121.5	224.1	214.0
Restricted	1.8	3.0	5.4	5.0	7.2	8.0
Unrestricted	2.0	3.0	13.5	12.7	15.5	15.7
Total Net Position	$ 98.0	$ 98.5	$ 148.8	$ 139.2	$ 246.8	$ 237.7

CHANGES IN NET POSITION

The City's total revenues before transfers increased by $13.0 million (10.6%) in the 2014 fiscal year compared to the previous year. Expenses before transfers increased by $4.6 million (3.8%) 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 $2.5 million, gas revenue increased by $3.7 million, water and sewer increased $0.6 million and solid waste and fiber optics revenue increased by $0.1 million each. The increase in electric generation costs drove electric expenses higher by $1.4 million over the previous year. Other city funds had variances in expenses over the prior year as follows: gas increased by $4.6 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 increased by $0.1 million. The next chart shows revenues and expenses by sources and programs and the resulting change in net position.

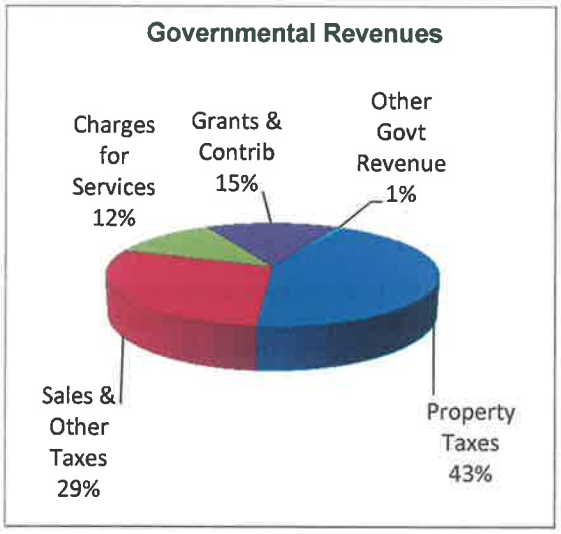
Table 2
Changes in Net Position
(in millions)

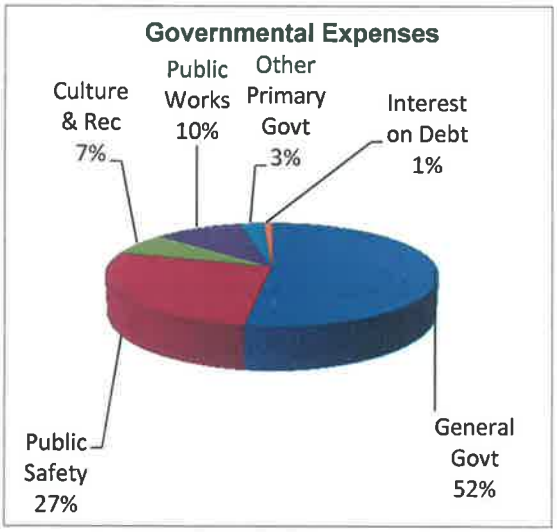
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for services	$ 4.8	$ 4.1	$ 91.3	$ 84.2	$ 96.1	$ 88.3
Operating grants and contributions	1.6	1.5	-	-	1.6	1.5
Capital grants and contributions	4.1	4.4	5.5	0.1	9.6	4.5
General revenues						
Property taxes	16.6	17.4	-	-	16.6	17.4
Local option sales tax	3.8	3.8	-	-	3.8	3.8
Other taxes	7.4	7.0	-	-	7.4	7.0
Investment income	0.1	-	0.2	-	0.3	-
Other general revenues	0.2	0.1	-	-	0.2	0.1
Total Revenues	38.6	38.3	97.0	84.3	135.6	122.6
Expenses						
General government	22.0	22.1	-	-	22.0	22.1
Public safety	11.5	11.9	-	-	11.5	11.9
Municipal Court	0.2	0.1	-	-	0.2	0.1
Culture and recreation	3.0	3.0	-	-	3.0	3.0
Public works	4.2	5.0	-	-	4.2	5.0
Downtown Development	0.2	0.1	-	-	0.2	0.1
Planning and development	0.7	0.7	-	-	0.7	0.7
Interest on long-term debt	0.4	0.5	-	-	0.4	0.5
Water and sewer	-	-	11.2	11.2	11.2	11.2
Electric	-	-	45.6	44.3	45.6	44.3
Gas	-	-	22.5	18.0	22.5	18.0
Other business-type activities	-	-	5.0	5.0	5.0	5.0
Total Expenses	42.2	43.4	84.3	78.5	126.5	121.9
Excess (deficiency) before transfers	(3.6)	(5.1)	12.7	5.8	9.1	0.7
Transfers	3.1	4.1	(3.1)	(4.1)	-	-
Increase (decrease) in net position	(0.5)	(1.0)	9.6	1.7	9.1	0.7
Net Position - Beginning	98.5	99.5	139.2	137.9	237.7	237.4
Prior Period Adjustment	-	-	-	(0.4)	-	(0.4)
Net Position - Ending	$ 98.0	$ 98.5	$ 148.8	$ 139.2	$ 246.8	$ 237.7

GOVERNMENTAL ACTIVITIES

The cost of all governmental activities in fiscal year 2014 was $42.2 million, while revenues received were $38.6 million. After transfers and special items, the decrease in net position was $0.5 million. See pages 19-20 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 2014





Revenue Impacts:

- Property taxes, which provide 43% of governmental revenues, a majority of which goes to the City School System decreased by $0.8 million (4.8%) 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 2014, which generated $1.1 million in property tax revenue for general operations and capital expenditures.

- Local option sales tax collections remained close to the prior year at $3.8 million as the economic conditions in the city improved. 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 $3.4 million.

Expense Impacts

- General government expenses related to Education decreased by $0.6 million compared to the prior year. The decrease was due to decreases in maintenance and operation expenses for the Cartersville School System.

- Fire department expenses increased by $0.3 million mainly due to increases in personnel cost.

- Public works expenditures decreased by approximately $0.7 million due to decreases in personnel expenses and capital expenses.

- Municipal court operations increased $0.1 million due to increased personnel cost and increased cost associated with the court operations.

BUSINESS-TYPE ACTIVITIES

Table 4
Business-type Activities
(in millions)

	Program Revenues		Program Expenses		Excess (deficiency) Before Transfers, Special Items and Investment Earnings	
	2014	2013	2014	2013	2014	2013
Water and Sewer	$ 13.8	$ 13.2	$ 11.1	$ 11.2	$ 2.7	$ 2.0
Electric	46.8	44.3	45.6	44.3	1.2	-
Gas	25.2	21.5	22.5	18.0	2.7	3.5
Stormwater	1.4	1.3	1.1	1.0	0.3	0.3
Solid Waste	2.2	2.1	2.2	2.3	-	(0.2)
Fiber Optics	1.9	1.8	1.8	1.7	0.1	0.1
Total	$ 91.3	$ 84.2	$ 84.3	$ 78.5	$ 7.0	$ 5.7

Revenues for business-type activities for the fiscal year 2014 were $91.3 million, a $7.1 million increase compared to the prior year. Expenses were $84.3 million, an increase of $6.2 million over the prior year. There was excess before transfers and investment earnings of $7.0 million in 2014 compared to $6.1 million in 2013. Activities for individual funds are summarized below.

- Water & Sewer program revenues increased by $0.6 million to end the year at $13.8 million. Program expenses remained the same at $11.1 million.
- Electric program revenues increased by $2.5 million over the prior year due to a slightly higher consumption. Program expenses increased by $1.3 million due to the increased costs of purchased electricity.
- Gas program revenues increased by $3.7 million due to a cooler winter and expenses increased by $4.5 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 2014 increased by $0.1 million due to increased operating expenses.
- Solid Waste program revenues increased $0.1 million. Expenses decreased $0.1 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 6-30-13	Sources	Uses	Sources Over (Under) Uses	Fund Balance 6-30-14
General Fund	$ 4.6	$ 38.2	$ 39.1	$ (0.9)	$ 3.7
Capital Projects Fund	(1.5)	4.5	1.9	2.6	1.1
Other Governmental Funds	0.2	1.1	0.7	0.4	0.6
Totals	$ 3.3	$ 43.8	$ 41.7	$ 2.1	$ 5.4

At June 30, 2014, the governmental funds reported a combined fund balance of $5.4 million (see Statement on page 21 and 23), which is a $2.1 million increase from the previous year-end.

General Fund
The General Fund had a $0.9 million decrease to end the fiscal year at $3.7 million. The primary reasons for the decrease are highlighted in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances on page 23. The primary factors in the changes in fund balances include:

- Decreases in intergovernmental revenues due to fewer awards of federal grants.
- Transfer from the General Fund to pay off the TAN's issued in December 2013 and owed by the SPLOST fund.
- The increased cost of operations in the municipal court and the Downtown Development Authority in the General Fund.

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 special purpose 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 2014 were $0.1 million less than the prior year, while expenses decreased by $6.9 million over the prior year. The primary factors in the $2.6 million increase in the fund balance include:

- Tax revenue from the 2003 SPLOST referendum is no longer collected; therefore, all project expenditures are paid for out of the existing fund balance. There was 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 ($0.1 million), Mainstreet Gateway project ($0.2 million), and other projects like GIS improvements and street milling and resurfacing. 2007 SPLOST projects expenditures for this fiscal year include the payment of the Tax Anticipated Notes (TAN's) issued in December of 2013 in the amount of $4.3 million. In order to complete the two building construction projects, the city issued Tax Anticipation Notes (TANs) in the amount of $4.3 million. SPLOST 2014 projects include debt payment of $1.3 million.

Other Governmental Funds
Other Governmental Funds are made up of various special revenue funds of the City. Program revenues for fiscal year 2014 were $0.4 million more than the prior year, while expenses decreased $0.6 million. The primary factors in the $0.4 million increase in the fund balance include:

- Increases 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.

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 25 of the financial statements.

The City's original budget approved by the City Council in June 2013, appropriated $39.1 million for general fund expenditures. The original budget was amended during the fiscal year by almost $0.9 million to $38.2million to account for decreases in some revenue areas. Actual expenditures for the fiscal year were $38.2 million or $0.9 million less than the original approved budget.

ORIGINAL TO FINAL BUDGET COMPARISON

Revenues

The original revenue budget including transfers and capital leases was $38.8 million and was amended during the fiscal year to $38.2 million to account for decreased revenue areas. The following changes were made to the budgeted revenues of the general fund: property taxes collections decreased by $1.3 million; TAVT taxes increased $0.9 million; Local Option Sales Tax decreased $0.3 million; fines and forfeitures decreased $0.1 million; and franchise fees increased $0.1 million.

Expenditures

The original expenditures budget was approved in June 2013 at $39.1 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: General Government was decreased $1.0 million to account for decreased school board appropriations; Police Department was decreased by $136,000 for decreased personnel cost and maintenance of vehicles; Fire Department was increased by $188,000 for increases in personnel and maintenance of vehicles; Municipal Court increased $42,000 for decreased personnel cost and legal fees; Public Works increased by $61,000 to cover increases in maintenance of vehicles and streets and roads; Parks and Recreation Department increased $59,000 to cover increases in personnel expenses, communications, and capital expenses; Planning and Development Department decreased $2,000 for decreased personnel cost, planning commission meeting expenses and alcohol control board meeting expenses ; and Downtown Development Authority increased $535.

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 lower than the original budget.
- Local Option Sales Tax collected and distributed by the State of Georgia decreased by $266,000.
- Fines and forfeiture revenues decreased by $128,000 over the original budgeted amount.
- Charges for services increased due to increased franchise fee revenue which was caused by increased utility revenue.
- Alcohol tax revenues decreased by $58,000.
- Building permit and inspections fee revenues increased by $34,000.

Expenditures

- Personnel, communication, and maintenance expenses decreased in several departments.
- Decreased debt expenditures for the 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, 2014, amounted to $257.3 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 $5.0 million (2.0%). For more detailed information concerning capital assets see Note 7 to the financial statements.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	$ 9.4	$ 9.4	$ 3.0	$ 2.9	$ 12.4	$ 12.3
Construction in progress	3.1	6.0	5.8	1.7	8.9	7.7
Land improvements	1.8	1.9	-	-	1.8	1.9
Buildings and structures	30.0	31.6	1.0	1.1	31.0	32.7
Park improvements	2.5	2.6	-	-	2.5	2.6
Infrastructure	58.0	57.2	-	-	58.0	57.2
Utility systems	-	-	137.6	132.4	137.6	132.4
Furniture, machinery and equipment	2.5	2.9	2.6	2.6	5.1	5.5
Total	$ 107.3	$ 111.6	$ 150.0	$ 140.7	$ 257.3	$ 252.3

This year's major capital asset additions included:

Governmental Activities:

- Various street projects - $2,819,410, including completed construction in progress of $2,462,094
- Airport south apron rehab project - $41,145
- Equipment and vehicles – $177,101

Business-type Activities:

- Water and Sewer – water improvements - $6,597,860, sewer improvements - $365,204
- Gas mains, meters and settings, and service connections - $5,662,057 including $5,384,282 contributed gas line from Cartersville Building Authority, gas equipment $131,973
- Electric mains, meters and settings, and service connections - $707,525, electric vehicles and equipment $53,958
- Stormwater sewers - $82,172, vehicles $29,506
- Solid waste trucks - $139,890
- Fiber optics system improvements - $56,633

LONG-TERM DEBT

At the end of 2014 fiscal year, the City had $36.3 million in debt outstanding. This is a decrease of $4.2 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 9 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 $85,622,178, which is in excess of the City's outstanding general obligation debt.

Table 7
Outstanding Debt at June 30, 2014
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	$ 11.1	$ 12.3	$ -	$ -	$ 11.1	$ 12.3
Capital leases	1.3	1.4	1.0	1.0	2.3	2.4
Revenue bonds	-	-	16.6	18.7	16.6	18.7
Notes payable	1.0	1.0	5.3	6.1	6.3	7.1
Total	$ 13.4	$ 14.7	$ 22.9	$ 25.8	$ 36.3	$ 40.5

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

Impacts on governmental activities:

Fiscal year 2014 saw a continuation of slow residential housing development for Cartersville as residential permits had an increase of 34.3% from the previous fiscal year as 86 residential permits were issued during fiscal year 2014. Most of the 86 residential permits were issued for remodeling, not new construction. Commercial development decreased by 10.3% over the prior year as 52 commercial permits were issued for the fiscal year. The increase in residential and decrease in commercial permits resulted in an increase in general fund building permit revenue over the prior year. The City prepared for the slow construction market in the residential and commercial housing sector and slow economic recovery as department heads were informed in the March 2013 budget memo to further reduce overall budget requests for fiscal year 2014 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 2014 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 2014 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 2014 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 a slower economy, the original budgeted expenditures for 2014 were decreased by 0.6% 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 76% 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 2014 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 2015.

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 71% and 87% of the fiscal year 2014 gas and electric utility budgets, respectively. Natural gas expenses for 2014 were $18.1 million or 71.0% of total expenses. Electricity expenses for 2014 were $40.6 million or 87.0% 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 $5,095,879 with remaining commitments of $473,147 for completion of water and sewer improvements. See Note 16 for more information on the amount spent to date on these contracts and remaining commitment.

The City maintains a defined benefit pension plan, and also provides post-employment health care benefits for eligible retirees. For more information on these benefits see Notes 13 and 14.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's operating budget for fiscal year 2015 totals $144.7 million; $40.9 million for the General Fund, $4.3 million for Special Purpose Local Option Sales Tax Projects, $0.8 million for Special Revenue Funds and $98.7 million for the Enterprise Funds. The City will receive about $181,000 in grants in fiscal year 2015. Personnel expenditures account for 17.3% of the City's operating budget. The City had 358 full-time positions at the end of fiscal year 2014. The fiscal year 2015 budget includes 352 full time positions.

In the fiscal year 2015 budget, General Fund revenues including utility transfers are estimated to increase by $1.8 million compared to the 2014 budget. General property taxes make up 44.7% of General Fund budgeted revenues and transfers in. Sales tax receipts represent 10.3% of the General Fund budgeted revenues and transfers in. The City maintained its millage rate to 1.38, but with property reassessments and some new construction, tax revenues are expected to increase slightly. 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 Federal and State economic conditions, the City Council looked at all revenue and expenses prior to approving the fiscal year 2015 budget. The final approved budget of $144.7 million was $0.5 million less than the prior year. The decrease is due largely to decreases in debt servicing expenses and deceases in capital expenses. 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.

City of Cartersville, Georgia
Statement of Net Position
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Cartersville Building Authority	Cartersville Board of Education
Assets					
Cash and cash equivalents	$ 3,731,056	$ 5,403,491	$ 9,134,547	$ -	$ 23,974,340
Restricted cash and cash equivalents	1,630,960	17,075,094	18,706,054	1,121,354	-
Taxes receivable	257,865	34,851	292,716	-	765,620
Accounts receivable, net	691,298	7,591,890	8,283,188	-	3,026,741
Prepaid expenses	-	89,667	89,667	-	-
Inventory	134,619	1,915,102	2,049,721	-	144,533
Internal balances	721,441	(721,441)	-	-	-
Due from other governments	839,274	-	839,274	-	-
Notes receivable	-	-	-	6,375,000	-
Land and construction-in-progress	12,512,479	8,780,240	21,292,719	-	-
Other capital assets, net	94,798,083	141,288,144	236,086,227	-	3,408,555
Total assets	115,317,075	181,457,038	296,774,113	- 7,496,354	31,319,789
Deferred Outflows of Resources					
Unamortized loss on bond refunding	408,531	45,141	453,672	100,128	-
Total assets and deferred outflows of resources	115,725,606	181,502,179	297,227,785	7,596,482	31,319,789

-Continued-

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

City of Cartersville, Georgia
Statement of Net Position
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Cartersville Building Authority	Cartersville Board of Education
Liabilities					
Accounts payable	1,108,210	6,505,557	7,613,767	-	426,852
Accrued wages and withholdings	286,349	120,741	407,090	-	-
Customer deposits	4,845	1,545,034	1,549,879	-	4,699,754
Accrued interest	70,367	269,349	339,716	122,868	-
Compensated absences					
Due within one year	43,498	21,713	65,211	-	-
Due in more than one year	534,287	305,671	839,958	-	-
OPEB liability					
Due in more than one year	2,152,665	890,778	3,043,443	-	-
Notes payable					
Due within one year	-	730,000	730,000	-	-
Due in more than one year	1,045,000	4,600,000	5,645,000	-	-
Capital leases payable					
Due within one year	303,554	311,452	615,006	-	-
Due in more than one year	1,033,103	691,284	1,724,387	-	-
Bonds payable					
Due within one year	1,165,417	2,370,000	3,535,417	1,605,000	-
Due in more than one year	9,979,181	14,220,000	24,199,181	14,830,000	-
Total liabilities	17,726,476	32,581,579	50,308,055	16,557,868	5,126,606
Deferred Inflows of Resources					
Unearned revenue	-	113,850	113,850	-	42,590
Net Position					
Net investment in capital assets	94,192,838	129,939,023	224,131,861	-	3,408,555
Restricted for:					
Capital projects	1,149,693	-	1,149,693	-	8,719,728
Renewal and replacement	-	1,061,564	1,061,564	-	-
Debt service	-	4,291,480	4,291,480	-	-
Law enforcement activities	271,844	-	271,844	-	-
Planning and development	360,522	-	360,522	-	-
Cemetery	2,751	-	2,751	-	-
Other	-	-	-	-	1,338,052
Unrestricted (deficit)	2,021,482	13,514,683	15,536,165	(8,961,386)	12,684,258
Total net position	$ 97,999,130	$ 148,806,750	$ 246,805,880	$ (8,961,386)	$ 26,150,593

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

City of Cartersville, Georgia
Statement of Activities
For the Year Ended June 30, 2014

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental activities:					
General government	$ 22,064,158	$ 2,606,118	$ 1,537,560	$ -	$ (17,920,480)
Municipal court	230,179	695,745	-	-	465,566
Police	5,376,419	366,861	71,762	-	(4,937,796)
Fire	6,083,333	-	-	-	(6,083,333)
Public works	4,199,059	42,810	-	4,062,344	(93,905)
Culture and recreation	2,972,021	732,280	27,878	-	(2,211,863)
Planning and development	719,259	287,547	1,261	-	(430,451)
Downtown development authority	151,944	27,790	12,000	-	(112,154)
Interest on long-term debt	399,575	-	-	-	(399,575)
Total governmental activities	42,195,947	4,759,151	1,650,461	4,062,344	(31,723,991)
Business-type activities:					
Water and Sewer	11,119,046	13,830,081	-	-	2,711,035
Electric	45,549,773	46,777,882	-	-	1,228,109
Gas	22,507,024	25,235,340	-	-	2,728,316
Stormwater	1,096,753	1,296,940	-	56,891	257,078
Solid Waste	2,183,626	2,185,523	-	-	1,897
Fiber Optic	1,776,003	1,926,733	-	-	150,730
Total business-type activities	84,232,225	91,252,499	-	56,891	7,077,165
Total primary government	$ 126,428,172	$ 96,011,650	$ 1,650,461	$ 4,119,235	$ (24,646,826)
Component Units:					
Cartersville Building Authority	$ 5,840,451	$ -	$ 1,227,764	$ -	$ (4,612,687)
Cartersville Board of Education	43,590,204	1,262,633	23,003,502	9,749	(19,314,320)
Total component units	$ 49,430,655	$ 1,262,633	$ 24,231,266	$ 9,749	$ (23,927,007)

-Continued-

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

City of Cartersville, Georgia
Statement of Activities
For the Year Ended June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Cartersville Building Authority	Cartersville Board of Education
Change in net position:					
Net (expense) revenue	$ (31,723,991)	$ 7,077,165	$ (24,646,826)	$ (4,612,687)	$ (19,314,320)
General revenues:					
Taxes:					
Property	16,615,530	-	16,615,530	-	15,237,287
Franchise	4,850,026	-	4,850,026	-	-
Sales	3,792,539	-	3,792,539	-	4,297,269
Hotel/motel	521,653	-	521,653	-	-
Malt and mixed beverage	576,086	-	576,086	-	-
Vehicle rental	59,696	-	59,696	-	-
Occupation	284,628	-	284,628	-	-
Insurance premium	1,017,803	-	1,017,803	-	-
Financial institution	80,508	-	80,508	-	-
Unrestricted investment earnings	71,155	162,491	233,646	12,926	9,608
Miscellaneous	239,943	-	239,943	-	-
Gain on sale of capital assets	15,543	24,975	40,518	-	-
Contributions and donations	31,869	5,384,282	5,416,151	-	-
Transfers	3,084,665	(3,084,665)	-	-	-
Total general revenues, contributions and donations, and transfers	31,241,644	2,487,083	33,728,727	12,926	19,544,164
Change in net position	(482,347)	9,564,248	9,081,901	(4,599,761)	229,844
Net position, beginning of year, restated	98,481,477	139,242,502	237,723,979	(4,361,625)	25,920,749
Net position, end of year	$ 97,999,130	$ 148,806,750	$ 246,805,880	$ (8,961,386)	$ 26,150,593

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

City of Cartersville, Georgia
Balance Sheet – Governmental Funds
June 30, 2014

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 2,502,596	$ -	$ -	$ 2,502,596
Taxes receivable	256,946	-	919	257,865
Accounts receivable, net	184,688	-	482,966	667,654
Due from other governments	560,446	278,828	-	839,274
Interfund receivable	1,285,020	-	-	1,285,020
Restricted cash and cash equivalents	98,299	858,634	674,027	1,630,960
Total assets	4,887,995	1,137,462	1,157,912	7,183,369
Liabilities				
Accounts payable	522,633	14,150	27,253	564,036
Customer deposits	4,845	-	-	4,845
Accrued liabilities	282,559	-	-	282,559
Interfund payable	265,874	-	497	266,371
Total liabilities	1,075,911	14,150	27,750	1,117,811
Deferred Inflows of Resources				
Unearned revenue	174,012	-	471,415	645,427
Total deferred inflows of resources	174,012	-	471,415	645,427
Fund Balances				
Restricted for:				
Law enforcement activities	-	-	271,844	271,844
Grant programs	-	-	26,381	26,381
Cemetery	2,751	-	-	2,751
Capital outlay	-	1,123,312	-	1,123,312
Committed for:		-	-	
Planning and development	-	-	360,522	360,522
Unassigned, reported in:		-	-	
General fund	3,635,321	-	-	3,635,321
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balances	3,638,072	1,123,312	658,747	5,420,131
Total liabilities, deferred inflows of resources and fund balances	$ 4,887,995	$ 1,137,462	$ 1,157,912	$ 7,183,369

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

City of Cartersville, Georgia
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2014

Total governmental fund balances		$ 5,420,131
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		107,119,260
Certain revenues are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.		645,427
Internal service funds are used by management to charge the cost of group insurance, risk management and vehicle maintenance to to individual funds. Certain assets and liabilities of these internal service funds are included in governmental activities in the statement of net position.		724,405
Certain long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	(10,735,000)	
Notes payable	(1,045,000)	
Accrued interest payable	(70,367)	
Leases payable	(1,336,657)	
Unamortized loss on bond refunding	408,531	
Unamortized bond premium	(409,598)	
Compensated absences	(569,337)	
Other postemployment benefits liability	(2,152,665)	(15,910,093)
Net position of governmental activities		$ 97,999,130

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

City of Cartersville, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 27,409,848	$ -	$ 608,113	$ 28,017,961
Licenses and permits	303,556	-	-	303,556
Intergovernmental	560,881	3,622,068	42,406	4,225,355
Payment from school board	1,487,450	-	-	1,487,450
Charges for services	2,958,625	-	-	2,958,625
Fines and forfeitures	710,155	-	240,540	950,695
Interest income	59,632	11,523	-	71,155
Contributions and donations	28,028	-	3,841	31,869
Other revenues	111,575	2,605	201,219	315,399
Total revenues	33,629,750	3,636,196	1,096,119	38,362,065
Expenditures				
Current:				
General government	19,263,248	1,358,322	325,937	20,947,507
Municipal court	235,095	-	-	235,095
Police	5,058,294	-	33,127	5,091,421
Fire	5,697,541	-	-	5,697,541
Public works	2,265,620	32,717	735	2,299,072
Culture and recreation	2,993,248	-	-	2,993,248
Planning and development	714,955	-	1,261	716,216
Downtown development	142,626	-	9,227	151,853
Capital outlays	-	516,281	41,145	557,426
Debt service:				
Principal	1,314,184	-	-	1,314,184
Interest	498,861	34,926	-	533,787
Total expenditures	38,183,672	1,942,246	411,432	40,537,350
Excess (deficiency) of revenues over (under) expenditures	(4,553,922)	1,693,950	684,687	(2,175,285)
Other Financing Sources (Uses)				
Transfers from other funds	4,320,709	915,162	-	5,235,871
Proceeds from sale of capital assets	13,630	-	22,343	35,973
Capital lease proceeds	204,311	-	-	204,311
Transfers to other funds	(915,162)	-	(255,412)	(1,170,574)
Total other financing sources (uses)	3,623,488	915,162	(233,069)	4,305,581
Net change in fund balances	(930,434)	2,609,112	451,618	2,130,296
Fund balances, beginning of year	4,568,506	(1,485,800)	207,129	3,289,835
Fund balances, end of year	$ 3,638,072	$ 1,123,312	$ 658,747	$ 5,420,131

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

City of Cartersville, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net change in fund balances - total governmental funds	$ 2,130,296
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	
Capital asset purchases capitalized	941,030
Depreciation Expense	(4,224,332)
Gain on sale of assets is not reported in the fund statements	(15,543)
Capital contributions of capital assets to proprietary funds are not reported in the fund statements.	(980,632)
Certain revenues are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.	
Property taxes	(224,378)
Grant revenues	470,496
Internal service funds are used by management to charge the cost of group insurance, risk management and vehicle maintenance to individual funds. A part of the net revenue (expense) of the internal service funds is reported with governmental activities.	234,943
Certain 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 fund statements.	
Accrued interest expense	101,039
Accrued compensated absences	9,590
Other postemployment benefit expenditures	(101,607)
Loss on bond refunding and premium on bonds payable are reported as expenditures or reduction of related expenditures on the fund statements, but are recorded as deferred charges or premiums on the government wide statements and amortized as follows:	
Amortization of loss on bond refunding	(48,539)
Amortization of premium on bonds	115,417
The issuance of long-term debt provides current financial resources to governmental funds but represents an increase in liability balances on the government-wide statement of net position.	(204,311)
The repayment of principal of long-term debt consumes the current financial resources of governmental funds but represents a decrease in liability balances on the government-wide statement of net position.	
Principal payments on bonds	1,050,000
Principal payments on capital leases	264,184
Change in net position of governmental activities	$ (482,347)

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

City of Cartersville, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Revenues				
Taxes	$ 28,528,380	$ 28,346,145	$ 27,409,848	$ (936,297)
Licenses and permits	297,000	303,575	303,556	(19)
Intergovernmental	90,000	560,930	560,881	(49)
Payment from school board	1,487,450	1,487,450	1,487,450	-
Charges for services	2,809,650	2,962,000	2,958,625	(3,375)
Fines and forfeitures	850,000	725,165	710,155	(15,010)
Interest income	33,500	61,580	59,632	(1,948)
Contributions and donations	-	28,030	28,028	(2)
Other revenues	115,425	111,590	111,575	(15)
Total revenues	34,211,405	34,586,465	33,629,750	(956,715)
Expenditures				
Current:				
General government	20,224,270	19,241,450	19,263,248	(21,798)
Municipal court	275,300	233,985	235,095	(1,110)
Police	5,188,585	5,052,170	5,058,294	(6,124)
Fire	5,517,900	5,705,970	5,697,541	8,429
Public works	2,239,140	2,300,460	2,265,620	34,840
Culture and recreation	2,939,375	2,998,175	2,993,248	4,927
Planning and zoning	724,230	722,455	714,955	7,500
Downtown development	141,805	142,340	142,626	(286)
Total current	37,250,605	36,397,005	36,370,627	26,378
Debt service:				
Principal	266,575	264,190	1,314,184	(1,049,994)
Interest	1,558,290	1,548,875	498,861	1,050,014
Total debt service	1,824,865	1,813,065	1,813,045	20
Total expenditures	39,075,470	38,210,070	38,183,672	26,398
Excess (deficiency) of revenues over (under) expenditures	(4,864,065)	(3,623,605)	(4,553,922)	(930,317)
Other Financing Sources (Uses)				
Transfers from other funds	4,270,285	4,333,135	4,320,709	(12,426)
Proceeds from sale of capital assets	-	13,630	13,630	-
Capital lease proceeds	274,500	204,315	204,311	(4)
Transfers to other funds	-	(927,575)	(915,162)	12,413
Total other financing sources (uses)	4,544,785	3,623,505	3,623,488	(17)
Net change in fund balances	(319,280)	(100)	(930,434)	(930,334)
Fund balances, beginning of year	4,568,506	4,568,506	4,568,506	-
Fund balances, end of year	$ 4,249,226	$ 4,568,406	$ 3,638,072	$ (930,334)

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

City of Cartersville, Georgia
Statement of Net Position– Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets:						
Cash and cash equivalents	$ -	$ 465,795	$ 3,811,415	$ 1,126,281	$ 5,403,491	$ 1,228,460
Restricted cash						
Customer deposits	478,825	791,898	473,214	-	1,743,937	-
Flexible operating account - MEAG	-	4,174,110	-	-	4,174,110	-
Renewal and replacement	4,128,094	-	-	-	4,128,094	-
Revenue bond covenant accounts	4,264,453	-	-	-	4,264,453	-
Bond construction cash	2,528,436	-	-	-	2,528,436	-
Drainage improvements	-	-	-	236,064	236,064	-
Accounts receivable, net	1,302,330	4,314,654	1,481,342	528,415	7,626,741	23,644
Interfund receivable	-	320,000	-	497	320,497	446,323
Prepaid expenses	-	45,255	44,412	-	89,667	-
Inventory	428,778	1,006,549	403,884	75,891	1,915,102	134,619
Total current assets	13,130,916	11,118,261	6,214,267	1,967,148	32,430,592	1,833,046
Noncurrent assets:						
Capital assets						
Land and easements	2,271,012	75,902	221,749	413,041	2,981,704	41,245
Construction in progress	5,798,536	-	-	-	5,798,536	-
Utility systems	146,157,607	25,167,489	26,565,708	5,405,336	203,296,140	-
Buildings and structures	1,225,576	489,882	210,569	146,696	2,072,723	130,458
Equipment	3,808,098	2,311,010	1,594,019	4,211,954	11,925,081	470,847
Less accumulated depreciation	(47,420,203)	(13,404,652)	(9,671,733)	(5,509,212)	(76,005,800)	(451,248)
Total noncurrent assets	111,840,626	14,639,631	18,920,312	4,667,815	150,068,384	191,302
Total assets	124,971,542	25,757,892	25,134,579	6,634,963	182,498,976	2,024,348
Deferred Outflows of Resources						
Unamortized loss on bond refunding	45,141	-	-	-	45,141	-
Total deferred outflows of resources	45,141	-	-	-	45,141	-

-Continued-

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

City of Cartersville, Georgia
Statement of Net Position– Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Liabilities						
Current liabilities:						
Accounts payable	870,027	3,997,733	1,506,899	130,898	6,505,557	544,174
Accrued wages and withholdings	42,616	29,110	22,912	26,103	120,741	3,790
Customer deposits	254,435	834,711	399,508	56,380	1,545,034	-
Accrued interest	269,349	-	-	-	269,349	-
Interfund payable	68,334	504,506	530,509	360,209	1,463,558	321,911
Compensated absences, current portion	3,266	6,070	7,051	5,326	21,713	1,346
Capital leases payable, current portion	19,799	-	68,302	223,351	311,452	-
Notes payable, current portion	730,000	-	-	-	730,000	-
Bonds payable, current portion	2,370,000	-	-	-	2,370,000	-
Total current liabilities	4,627,826	5,372,130	2,535,181	802,267	13,337,404	871,221
Long-term liabilities:						
Compensated absences	103,124	43,393	75,172	83,982	305,671	7,102
OPEB liability	361,274	128,859	179,189	221,456	890,778	113,783
Capital leases payable	59,395	-	218,570	413,319	691,284	-
Notes payable	4,600,000	-	-	-	4,600,000	-
Bonds payable	14,220,000	-	-	-	14,220,000	-
Total long-term liabilities	19,343,793	172,252	472,931	718,757	20,707,733	120,885
Total liabilities	23,971,619	5,544,382	3,008,112	1,521,024	34,045,137	992,106
Deferred Inflows of Resources						
Unearned revenue	-	-	-	113,850	113,850	-
Total deferred inflows of resources	-	-	-	113,850	113,850	-
Net Position						
Net investment in capital assets	92,434,808	14,639,631	18,633,440	4,031,144	129,739,023	191,302
Restricted						
Debt service	4,271,480	-	-	-	4,271,480	-
Renewal and replacement	825,500	-	-	236,064	1,061,564	-
Unrestricted	3,513,276	5,573,879	3,493,027	732,881	13,313,063	840,940
Total net position	$ 101,045,064	$ 20,213,510	$ 22,126,467	$ 5,000,089	$ 148,385,130	$ 1,032,242
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds					421,620	
Net position of business-type activities					$ 148,806,750	

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

City of Cartersville, Georgia
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues						
Charges for services	$ 13,357,031	$ 45,132,170	$ 24,996,419	$ 5,184,706	$ 88,670,326	$ 254,483
Fees	393,691	19,805	8,311	62,700	484,507	-
Other revenues	79,359	1,625,907	230,610	161,790	2,097,666	63,862
Internal service charges	-	-	-	-	-	7,240,179
Total operating revenues	13,830,081	46,777,882	25,235,340	5,409,196	91,252,499	7,558,524
Operating Expenses						
Cost of sales and service	7,122,973	4,433,764	3,377,894	4,144,073	19,078,704	2,046,646
Administrative expenses	470,400	350,000	454,000	428,750	1,703,150	-
Cost of electricity	-	40,129,698	-	-	40,129,698	-
Cost of gas	-	-	18,221,271	-	18,221,271	-
Claims	-	-	-	-	-	5,179,186
Depreciation expense	2,939,394	661,864	470,069	447,279	4,518,606	17,946
Total operating expenses	10,532,767	45,575,326	22,523,234	5,020,102	83,651,429	7,243,778
Operating income (loss)	3,297,314	1,202,556	2,712,106	389,094	7,601,070	314,746
Nonoperating Revenues (Expenses)						
Intergovernmental	-	-	-	-	-	-
Interest revenue	62,625	65,858	10,463	23,545	162,491	-
Interest expense	(603,687)	-	(9,965)	(24,377)	(638,029)	-
Amortization of refunding costs	(22,571)	-	-	-	(22,571)	-
Gain on asset disposal	9,794	13,636	1,545	-	24,975	-
Total nonoperating revenues (expenses)	(553,839)	79,494	2,043	(832)	(473,134)	-
Income (loss) before capital contributions and transfers	2,743,475	1,282,050	2,714,149	388,262	7,127,936	314,746
Capital contributions	940,617	-	5,384,282	96,906	6,421,805	-
Transfers out	(1,439,839)	(522,413)	(2,103,045)	-	(4,065,297)	-
Change in net position	2,244,253	759,637	5,995,386	485,168	9,484,444	314,746
Net position, beginning of year, restated	98,800,811	19,453,873	16,131,081	4,514,921	138,900,686	717,496
Net position, end of year	$ 101,045,064	$ 20,213,510	$ 22,126,467	$ 5,000,089	$ 148,385,130	$ 1,032,242

Change in net position - Funds Statements	$ 9,484,444
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds	79,804
Net position of business-type activities	$ 9,564,248

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

City of Cartersville, Georgia
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash Flows From Operating Activities						
Cash received from customers and users	$ 13,801,670	$ 46,497,548	$ 23,724,965	$ 5,021,751	$ 89,045,934	$ 7,562,804
Cash payments to employees	(3,200,376)	(1,712,866)	(1,799,978)	(2,177,965)	(8,891,185)	(306,092)
Cash payments to suppliers	(3,796,181)	(42,887,425)	(18,612,307)	(1,946,723)	(67,242,636)	(1,584,845)
Claims and premiums paid	-	-	-	-	-	(5,179,186)
Net cash provided by operating activities	6,805,113	1,897,257	3,312,680	897,063	12,912,113	492,681
Cash Flows From Noncapital Financing Activities						
Transfers from other funds	68,334	466,312	-	31,759	566,405	216,776
Transfers to other funds	(1,439,839)	(84,219)	(2,569,434)	(391,380)	(4,484,872)	(1,437,642)
Intergovernmental grants	-	-	-	-	-	-
Net cash used in capital and related financing activities	(1,371,505)	382,093	(2,569,434)	(359,621)	(3,918,467)	(1,220,866)
Cash Flows From Capital and Related Financing Activities						
Principal payments on notes payable	(810,280)	-	-	-	(810,280)	-
Principal payments on capital leases payable	(19,799)	-	(48,629)	(188,693)	(257,121)	-
Principal payments on bonds payable	(2,155,000)	-	-	-	(2,155,000)	-
Interest paid	(612,899)	-	(9,965)	(24,377)	(647,241)	-
Acquisition and construction of capital assets	(6,020,216)	(761,483)	(294,786)	(239,794)	(7,316,279)	-
Capital contributions	-	-	-	56,891	56,891	-
Proceeds from issuance of debt	-	-	-	119,378	119,378	-
Proceeds from disposal of capital assets	9,794	13,635	1,545	-	24,974	487
Net cash used in capital and related financing activities	(9,608,400)	(747,848)	(351,835)	(276,595)	(10,984,678)	487
Cash Flows From Investing Activities						
Interest received	62,625	65,858	10,463	23,445	162,391	-
Net cash provided by investing activities	62,625	65,858	10,463	23,445	162,391	-
Net increase (decrease) in cash and cash equivalents	(4,112,167)	1,597,360	401,874	284,292	(1,828,641)	(727,698)
Cash and cash equivalents, beginning of year	15,511,975	3,834,443	3,882,755	1,078,053	24,307,226	1,956,158
Cash and cash equivalents, end of year	$ 11,399,808	$ 5,431,803	$ 4,284,629	$ 1,362,345	$ 22,478,585	$ 1,228,460
Classified as:						
Cash and cash equivalents	$ -	$ 465,795	$ 3,811,415	$ 1,126,281	$ 5,403,491	$ 1,228,460
Restricted cash and cash equivalents:	11,399,808	4,966,008	473,214	236,064	17,075,094	-
Total	$ 11,399,808	$ 5,431,803	$ 4,284,629	$ 1,362,345	$ 22,478,585	$ 1,228,460

-Continued-

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

City of Cartersville, Georgia
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Noncash investing, capital, and financing activities						
Transfer of capital assets from other funds and component units	$ 940,617	$ -	$ 5,384,282	$ 40,015	$ 6,364,914	$ 11,999
Capital assets acquired with issuance of debt	-	-	114,462	28,894	143,356	-
Total noncash investing, capital and financing activities	$ 940,617	$ -	$ 5,498,744	$ 68,909	$ 6,508,270	$ 11,999
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	$ 3,297,314	$ 1,202,556	$ 2,712,106	$ 389,094	$ 7,601,070	$ 314,746
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	2,939,394	661,864	470,069	447,279	4,518,606	17,946
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	(29,763)	(317,796)	(59,745)	(110,645)	(517,949)	4,768
Prepaid expenses	-	3,222	2,888	-	6,110	-
Inventory	3,848	128,383	(10,339)	(21,666)	100,226	(1,491)
Increase (decrease) in:						
Accounts payable	567,752	168,319	206,815	174	943,060	137,113
Accrued wages and withholding	6,248	3,170	3,327	3,068	15,813	456
Customer deposits	(4,337)	37,459	(28,850)	38,100	42,372	-
Compensated absences	3,266	6,069	7,050	25,776	42,161	8,448
OPEB liability	21,391	4,011	9,359	12,033	46,794	10,695
Unearned revenue	-	-	-	113,850	113,850	-
Net cash provided by operating activities	$ 6,805,113	$ 1,897,257	$ 3,312,680	$ 897,063	$ 12,912,113	$ 492,681

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

City of Cartersville, Georgia
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2014

	Pension Trust Fund
Assets	
Cash	$ 243,152
Investments, at fair value	
Mutual Funds	37,841,837
Total assets	38,084,989
Liabilities	
Accounts payable	41,709
Total liabilities	41,709
Net Position	
Held in trust for pension benefits	$ 38,043,280

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

City of Cartersville, Georgia
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Year Ended June 30, 2014

	Pension Trust Fund
Additions	
Contributions:	
Employer	$ 2,079,647
Plan members	512,900
Other	30,965
Total contributions	2,623,512
Investment earnings:	
Interest and dividends	3,407,577
Net change in fair values of investments	2,656,720
Less: investment expenses	(123,345)
Net investment earnings	5,940,952
Total additions	8,564,464
Deductions	
Benefits	2,378,024
Refunds of contributions - employee	143,078
Total deductions	2,521,102
Change in net position	6,043,362
Net position, beginning of year	31,999,918
Net position, end of year	$ 38,043,280

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Cartersville, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

I. Reporting Entity

The City was incorporated February 1, 1850, under the provisions of the laws of the State of Georgia. The City operates under a Council/Manager form of government and provides the following services to its citizens: 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 administrative services.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Cartersville, Georgia (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Blended component units, although legally separate entities, are, in substance, part of the City's operations and thus, 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 City.

Blended Component Unit

Downtown Development Authority of Cartersville

The 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Reporting Entity (Continued)

Related Organizations

The Etowah Area Consolidated Housing Authority (the "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 (the "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 (the "Authority") 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 (the "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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Reporting Entity (Continued)

Related Organizations (Continued)

The Cartersville-Bartow Second Joint Development Authority (the "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, four 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.

Discretely Presented Component Units

City of Cartersville Board of Education

The 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 (the "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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

The Cartersville Building Authority (Continued)

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.

II. 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. 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.

Government-wide financial statements do not provide information by fund or account group, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

II. Government-wide and Fund Financial Statements (Continued)

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

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

Government-wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of the governmental and business-type activities for the City.These statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, 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 types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function, and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Government-wide Financial Statements (Continued)

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Amounts reported as program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

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 City 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

Property taxes, sales taxes, intergovernmental grants, and investment income 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.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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 governmental 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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

fund sign and facade 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 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 principal operating revenues are charge to customers for sales and services. Proprietary funds distinguish operating revenues and expenses from nonoperating items. 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 of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses

The City reports the following major proprietary funds:

The Water & Sewer Fund accounts for the activities necessary to provide water and sewer services to the City's residents.

The Electric Fund accounts for activities necessary to provide electric services to the City's residents.

The Gas Fund accounts for activities necessary to provide gas services to the City's residents.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

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 Pension Trust Fund in the fiduciary fund category. The Pension Trust 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.

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and the local government investment pool.

State statutes authorize the City and it's discretely presented component units to invest in the following: (1) obligations of the State of Georgia or other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool (Georgia Fund 1); (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia.

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.

Any investment or deposit in excess of federal depository insured amounts must be collateralized by an equivalent amount of state of U.S. obligations. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments are stated at fair value based on published quoted market prices. The fair values of investments in external investment pools are the same as the value of the pool shares.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Interfund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advance to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net position as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts Receivable

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 receivables is presented net of uncollectible allowance and is comprised of all taxes unpaid from current and prior years.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

Prepaid Items

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Inventory

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.

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 accost 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of assets constructed. No interest expense was capitalized during the fiscal year ended June 30, 2014.

Capital assets of the primary government and each discretely presented component unit are depreciated using the straight line method over the following useful lives:

Asset Category	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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Long-term Obligations

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).

In the fund financial statements, governmental fund types 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 $45,141 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 $174,012 for unavailable revenues.

Compensated Absences

The liability for accumulated unpaid vacation pay and other salary-related benefits has been accrued in the proprietary funds and the governmentwide statement of net position as compensated absences. These amounts are not considered a current liability within the governmental fund types' balance sheets since they will be paid with appropriations of subsequent years.

Fund Equity

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

Fund Balance – Fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the 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 (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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's highest level of decision-making authority, 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 that do not meet any of the above criterion are reported as unassigned. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Fund Equity (Continued)

Flow Assumptions – 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 amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted. 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 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

Subsequent Events

The City has performed an evaluation of subsequent events, as defined under FASB ASC 855-10, through January 26, 2015, which is the date the financial statements were available to be issued.

NOTE 2: LEGAL COMPLIANCE - 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 2014, 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.

NOTE 2: LEGAL COMPLIANCE - BUDGETS (CONTINUED)

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, 2014, the following general fund department's expenditures exceeded appropriations:

Department	Excess Amount
General government	$ 21,798
Municipal court	1,110
Police	6,124
Downtown development	286

Component Unit

Cartersville Board of Education

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.

NOTE 2: LEGAL COMPLIANCE - BUDGETS (CONTINUED)

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: DEPOSITS 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, 2014 the City's cash and investments was as follows:

Primary Government:		
Cash and cash equivalents	$	9,134,547
Restricted cash and cash equivalents		18,706,054
Fiduciary Fund		
Cash and cash equivalents		243,152
Investments		37,841,837
Total cash and investments	$	65,925,590

Cash deposits in financial institutions	$	28,083,753
Investments (Fiduciary Fund)		37,841,837
Total cash and investments	$	65,925,590

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk - Investments - is the risk that changes in interest rates will adversely affect the fair value of an investment. At June 30, 2014, 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	$ 11,138,183	2.91	5.07 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.

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Primary Government (Continued)

Credit Risk – Investments (Continued)

Investment Type		Fair Value	Rating
Corporate Stocks (Fiduciary Fund)	$	26,703,654	N/A
Corporate Bonds (Fiduciary Fund)		5,503,731	A
High Yield Bonds (Fiduciary Fund)		5,634,452	B

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 – deposits - Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U. S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2014 , the City's deposits were fully collateralized in compliance with the state requirements.

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 AAAf 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 $376,767 at year-end with a weighted-average maturity of 62 days.

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Component Units

Cartersville Board of Education

At June 30, 2014 the Cartersville Board of Education's cash and investments was as follows:

Cash and cash equivalents on deposit in financial institutions	$	23,974,340

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 I 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 AAAf 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 $10,003,084 at year-end with a weighted-average maturity of 62 days.

Cartersville Building Authority

At June 30, 2014 the Cartersville Building Authority's cash and investments was as follows:

Restricted cash and cash equivalents on deposit in financial institutions	$	1,121,354

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

NOTE 4: RECEIVABLES AND TAX REVENUE

I. Property Tax

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property, including motor vehicles, are valued as of January 1st each year. Property tax returns must be filed by April 1st. Property taxes are levied by the City based on the assessed value of property as of January 1.

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 1, 2013. Tax notices were mailed on September 16, 2013 and taxes were due by November 15, 2013 after which time penalties and interest began accruing. Generally, liens may attach to property for unpaid taxes on January 1st of the subsequent year.

The tax billing cycle for fiscal year 2014 is as follows:

Levy date	September 16, 2013
Payment due date	November 15, 2013
Delinquency date	November 18, 2013
Lien filing date	March 4, 2014

In the governmental funds, the net receivables collected during the year ended June 30, 2014, and expected to be collected by August 31, 2014, are recognized as revenues for the year ended June 30, 2014, whereas net receivables estimated to be collectible subsequent to August 31, 2014, are recorded as revenue when received.

NOTE 4: RECEIVABLES AND TAX REVENUE (CONTINUED)

II. Receivables

Receivables at June 30, 2014 for the City's individual major funds and nonmajor funds in the aggregate are as follows:

Governmental Funds

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmenta Funds
Receivables				
Taxes	$ 297,558	$ -	$ 919	$ 298,477
Accounts	348,814	-	482,966	831,780
Due from other governments	560,446	278,828	-	839,274
Gross receivable	1,206,818	278,828	483,885	1,969,531
Less allowance for doubtful accounts	(204,738)	-	-	(204,738)
Total net receivable	$ 1,002,080	$ 278,828	$ 483,885	$ 1,764,793

NOTE 4: RECEIVABLES AND TAX REVENUE (CONTINUED)

Proprietary Funds

	Water and Sewer Fund	Electric Revenue Fund	Gas Fund	Nonmajor Enterprise Fund	Internal Service Funds	Total Proprietary Funds
Receivables						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Accounts	1,580,185	5,074,319	1,745,806	649,716	0	9,050,026
Due from other governments	-	-	-	-	-	-
Gross receivable	1,580,185	5,074,319	1,745,806	649,716	-	9,050,026
Less allowance for doubtful accounts	(277,855)	(759,665)	(264,464)	(121,301)	-	(1,423,285)
Total net receivable	$ 1,302,330	$ 4,314,654	$ 1,481,342	$ 528,415	$ -	$ 7,626,741

NOTE 5: DUE FROM OTHER GOVERNMENTS

The total amount due from other governments as of June 30, 2014, was $839,274. A total of $278,828 is due from Bartow County for property taxes and sales taxes. A total of $346,893 is due from the State of Georgia for sales tax. The remaining $213,553 is due from various government agencies.

NOTE 6: INTERFUND ACTIVITY

I. Interfund Balances

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund balances between funds are eliminated in the Statement of Net Position.

NOTE 6: INTERFUND ACTIVITY (CONTINUED)

The composition of interfund balances as of June 30, 2014 was as follows:

	Due From				
Due to	General Fund	Capital Projects Fund	Water and Sewer Fund	Electric Revenue Fund	Gas Fund
General Fund	$ -	$ -	$ 5,686	$ 466,312	$ 496,898
Capital Projects Fund	-	-	-	-	-
Water and Sewer Fund	-	-	-	-	-
Electric Revenue Fund	-	-	-	-	-
Gas Fund	-	-	-	-	-
Nonmajor Governmental Funds	-	-	-	-	-
Nonmajor Enterprise Funds	-	-	-	-	-
Internal Service Funds	265,874	-	62,648	38,194	33,611
Total	$ 265,874	$ -	$ 68,334	$ 504,506	$ 530,509

	Due From			
Due to	Nonmajor Governmental Fund	Nonmajor Enterprise Fund	Internal Service Funds	Total
General Fund	$ -	$ -	$ 316,124	$ 1,285,020
Capital Projects Fund	-	-	-	-
Water and Sewer Fund	-	-	-	-
Electric Revenue Fund	-	320,000	-	320,000
Gas Fund	-	-	-	-
Nonmajor Governmental Funds	-	-	-	-
Nonmajor Enterprise Funds	497	-	-	497
Internal Service Funds	-	40,209	5,787	446,323
Total	$ 497	$ 360,209	$ 321,911	$ 2,051,840

NOTE 6: INTERFUND ACTIVITY (CONTINUED)

II. Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated. Transfers of capital assets from governmental funds to business-type funds are reported as contributed capital in the business-type funds but have no effect on the governmental funds.

Interfund transfers for the year ended June 30, 2014 consisted of the following:

	Transfer To				
Transfer From	General Fund	Capital Projects Fund	Water and Sewer Fund	Electric Revenue Fund	Gas Fund
General Fund	$ -	$ 915,162	$ -	$ -	$ -
Capital Projects Fund	-	-	-	-	-
Water and Sewer Fund	1,439,839	-	-	-	-
Electric Revenue Fund	522,413	-	-	-	-
Gas Fund	2,103,045	-	-	-	-
Nonmajor Governmental Funds	255,412	-	-	-	-
Nonmajor Enterprise Funds	-	-	-	-	-
Internal Service Funds	-	-	-	-	-
Total	$ 4,320,709	$ 915,162	$ -	$ -	$ -

	Due From			
Due to	Nonmajor Governmental Fund	Nonmajor Enterprise Fund	Internal Service Funds	Total
General Fund	$ -	$ -	$ -	$ 915,162
Capital Projects Fund	-	-	-	-
Water and Sewer Fund	-	-	-	1,439,839
Electric Revenue Fund	-	-	-	522,413
Gas Fund	-	-	-	2,103,045
Nonmajor Governmental Funds	-	-	-	255,412
Nonmajor Enterprise Funds	-	-	-	-
Internal Service Funds	-	-	-	-
Total	$ -	$ -	$ -	$ 5,235,871

NOTE 7: CAPITAL ASSETS

The following is a summary of capital asset activity as of June 30, 2014:

Primary Government: *Governmental Activities*	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Nondepreciable					
Land	$ 9,440,879	$ -	$ -	$ -	9,440,879
Construction in progress	6,001,864	679,433	(2,637,468)	(972,229)	3,071,600
Total nondepreciable capital assets	15,442,743	679,433	(2,637,468)	(972,229)	12,512,479
Other capital assets					
Land improvements	4,007,863	333	-	-	4,008,196
Infrastructure	86,388,534	2,623,715	-	-	89,012,249
Buildings	51,093,759	78,839	-	-	51,172,598
Improvements	5,760,754	10,675	-	-	5,771,429
Machinery & equipment	13,057,242	185,503	(189,181)	44,894	13,098,458
Total other capital assets at cost	160,308,152	2,899,065	(189,181)	44,894	163,062,930
Less accumulated depreciation for:					
Land improvements	(2,065,861)	(168,051)	-	-	(2,233,912)
Infrastructure	(29,199,874)	(1,834,386)	-	-	(31,034,260)
Buildings	(19,535,654)	(1,562,077)	-	-	(21,097,731)
Improvements	(3,128,093)	(190,652)	-	-	(3,318,745)
Machinery & equipment	(10,208,542)	(469,616)	151,256	(53,297)	(10,580,199)
Total accumulated depreciation	(64,138,024)	(4,224,782)	151,256	(53,297)	(68,264,847)
Other capital assets, net	96,170,128	(1,325,717)	(37,925)	(8,403)	94,798,083
Governmental activities capital assets, net	$ 111,612,871	$ (646,284)	$ (2,675,393)	$ (980,632)	$ 107,310,562

NOTE 7: CAPITAL ASSETS (CONTINUED)

Primary Government: *Business-type Activities*	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Nondepreciable					
Land	$ 2,931,144	$ 50,560	$ -	$ -	$ 2,981,704
Construction in progress	1,689,702	5,573,109	-	(1,464,275)	5,798,536
Total nondepreciable capital assets	4,620,846	5,623,669	-	(1,464,275)	8,780,240
Other capital assets					
Buildings	2,072,724	-	-	-	2,072,724
Infrastructure	194,063,024	7,768,840	-	1,464,275	203,296,139
Machinery & equipment	11,752,786	432,040	(206,449)	(53,296)	11,925,081
Total other capital assets at cost	207,888,534	8,200,880	(206,449)	1,410,979	217,293,944
Less accumulated depreciation for:					
Buildings	(992,632)	(56,665)	-	-	(1,049,297)
Infrastructure	(61,630,985)	(4,022,417)	-	-	(65,653,402)
Machinery & equipment	(9,123,322)	(439,524)	206,449	53,296	(9,303,101)
Total accumulated depreciation	(71,746,939)	(4,518,606)	206,449	53,296	(76,005,800)
Other capital assets, net	136,141,595	3,682,274	-	1,464,275	141,288,144
Business-type activities capital assets, net	$ 140,762,441	$ 9,305,943	$ -	$ -	$ 150,068,384

NOTE 7: CAPITAL ASSETS (CONTINUED)

Depreciation expense for the governmental activities charged to functions as follows:

Governmental activities:	
General government	$ 1,159,630
Police	438,642
Fire	443,889
Public works	1,939,935
Culture and recreation	241,240
Planning and development	1,446
Total governmental activities depreciation expense	$ 4,224,782

Depreciation expense for the business-type activities was charged to funds as follows:

Water and Sewer fund	$ 2,939,394
Electric Fund	661,864
Gas Fund	470,069
Stormwater Fund	108,266
Solid Waste Fund	116,528
Fiber Optic Fund	222,485
Total business-type activities depreciation expense	$ 4,518,606

NOTE 7: CAPITAL ASSETS (CONTINUED)

Component Units

Component Unit: ***Cartersville School Board***	**Beginning Balance**	**Increases**	**Decreases**	**Transfers**	**Ending Balance**
Other capital assets					
Buildings and land improvements	$ 312,801	$ -	$ -	$ (41,676)	$ 271,125
Vehicles	2,541,712	209,603	-	-	2,751,315
Computers	1,309,784	551,466	(10,000)	27,647	1,878,897
Furniture and equipment	2,227,397	164,793	(67,330)	14,029	2,338,889
Total other capital assets at cost	6,391,694	925,862	(77,330)	-	7,240,226
Less accumulated depreciation for:					
Buildings and land improvements	29,371	6,778	-	(12,284)	23,865
Vehicles	1,746,303	215,140	-	-	1,961,443
Computers	482,108	197,377	(333)	8,149	687,301
Furniture and equipment	1,087,718	100,334	(33,125)	4,135	1,159,062
Total accumulated depreciation	3,345,500	519,629	(33,458)	-	3,831,671
Other capital assets, net	$ 3,046,194	$ 406,233	$ (43,872)	$ -	$ 3,408,555

Component Unit: ***Cartersville Building Authority***	**Beginning Balance**	**Increases**	**Decreases**	**Transfers**	**Ending Balance**
Nondepreciable Construction in Progress	$ 5,384,282	$ -	$(5,384,282)	$ -	$ -
Other capital assets, net	$ 5,384,282	$ -	$(5,384,282)	$ -	$ -

During the year ended June 30, 2014, the Cartersville Building Authority contributed $5,384,282 of completed infrastructure to the Gas Fund.

NOTE 8: SHORT-TERM DEBT

The details of short – term debt and the activity for the year are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Note payable to fund construction of public safety headquarters and new fire station	$ 4,300,000	$ -	$ (4,300,000)	$ -
Premiums	18,490	-	(18,490)	-
Total short - term debt	$ 4,318,490	$ -	$ (4,318,490)	$ -

NOTE 9: LONG-TERM DEBT

General Obligation Bonds

Governmental Activities

The City issued general obligation bonds of $13,380,000 in 2011 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, 2014 are as follows:

Series 2011 $13,380,000 School Serial Bonds, due in annual installments of $1,050,000 to $1,400,000 through November 1, 2022, plus interest of 1.15% to 4.50%	$ 10,735,000

NOTE 9: LONG-TERM DEBT (CONTINUED)

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

Fiscal Year Ending,	Principal	Interest	Total
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	1,165,000	253,862	1,418,862
2020 - 2023	5,240,000	462,500	5,702,500
	$ 10,735,000	$ 2,136,400	$ 12,871,400

Revenue Bonds

Business-type Activities

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The City's Water and Sewer fund revenue bonds outstanding at June 30, 2014 are as follows:

Series 2005 $7,620,000 Water and Sewer Revenue Bonds, due in semi-annual installments of $75,000 to $740,000 through January 1, 2018, plus interest of 3.63%	$ 4,370,000
Series 2009 $9,600,000 Water and Sewer Revenue Bonds, due in semi-annual installments of $1,100,000 to $580,000 through January 1, 2018, plus interest of 3.25%	5,600,000
Series 2012 $6,620,000 Water and Sewer Revenue Bonds, due in semi-annual of $- to $860,000 through January 1, 2022, plus interest of 2.19%	6,620,000
	$ 16,590,000

NOTE 9: LONG-TERM DEBT (CONTINUED)

The following schedule presents debt service requirements to maturity for business-type activity revenue bonds:

Fiscal Year Ending,	Principal	Interest	Total
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	1,600,000	136,273	1,736,273
2020 - 2022	5,020,000	194,089	5,214,089
	$ 16,590,000	$ 1,698,469	$ 18,288,469

Notes Payable

Governmental Activities

The City has notes payable to the Cartersville Building Authority at June 30, 2014 for borrowed funding to renovate the public swimming pool as follows:

Note payable to the Cartersville Building Authority, interest at 1.2% payable semiannually, with semi-annual principal payments beginning February 2016.	$ 1,045,000

NOTE 9: LONG-TERM DEBT (CONTINUED)

The following schedule presents debt service requirements to maturity for governmental activity notes payable:

Fiscal Year Ending,	Principal	Interest	Total
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
	$ 1,045,000	$ 43,980	$ 1,088,980

Business-type Activities

The City's Water and Sewer fund has notes payable to the Cartersville Building Authority at June 30, 2014 as follows:

Note payable to the Cartersville Building Authority, due in semi-annual installments of $360,000 to $390,000 through August 1, 2021, plus interest of 1.2%	$ 5,330,000

The following schedule presents debt service requirements to maturity for business-type activity notes payable:

Fiscal Year Ending,	Principal	Interest	Total
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	765,000	26,100	791,100
2020 - 2022	1,600,000	24,810	1,624,810
	$ 5,330,000	$ 245,040	$ 5,575,040

NOTE 9: LONG-TERM DEBT (CONTINUED)

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%).

Equipment acquired under capital leases has a net book value of $3,269,947 at June 30, 2014. Amortization for assets acquired under capital leases is included in depreciation expense.

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, 2014.

Fiscal Year Ending,	Governmental Activities	Business-type Activities
2015	$ 358,635	$ 349,679
2016	269,377	268,327
2017	258,615	232,848
2018	212,350	184,731
2019	122,294	54,372
2020 - 2022	302,186	-
Total minimum lease payments	1,523,457	1,089,957
Less amount representing interest	(186,800)	(87,221)
Present value of future minimum lease payments	$ 1,336,657	$ 1,002,736

NOTE 9: LONG-TERM DEBT (CONTINUED)

Changes in Long-term Liabilities

The following is a summary of long-term debt activity for the year ended June 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 11,785,000	$ -	$(1,050,000)	$ 10,735,000	$ 1,050,000
Deferred amounts for issuance premiums	525,015	-	(115,417)	409,598	115,417
Total bonds payable	12,310,015	-	(1,165,417)	11,144,598	1,165,417
Capital leases	1,396,530	204,311	(264,184)	1,336,657	303,554
Notes payable	1,045,000	-	-	1,045,000	-
OPEB liability	2,040,364	112,301	-	2,152,665	-
Compensated absences, restated	578,927	626,329	(635,919)	569,337	42,152
Total Governmental activities long-term liabilities	$ 17,370,836	$ 942,941	$(2,065,520)	$ 16,248,257	$ 1,511,123
Business-type activities:					
Revenue bonds	$ 18,745,000	$ -	$(2,155,000)	$ 16,590,000	$ 2,370,000
Deferred amounts for issuance premiums	-	-	-	-	-
Total bonds payable	18,745,000	-	(2,155,000)	16,590,000	2,370,000
Capital leases	976,675	115,143	(89,082)	1,002,736	311,452
Notes payable	6,140,280	-	(810,280)	5,330,000	730,000
OPEB liability	843,984	46,794	-	890,778	-
Compensated absences, restated	305,671	384,300	(354,139)	335,832	23,059
Total Business-type activities long-term liabilities	$ 27,011,610	$ 546,237	$(3,408,501)	$ 24,149,346	$ 3,434,511

As of June 30, 2014, OPEB claims payable are considered 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.

NOTE 9: LONG-TERM DEBT (CONTINUED)

The various bond indentures contain certain limitations and restrictions as defined in the agreements. Management believes the City is in compliance with all such significant financial limitations and restrictions.

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. The 2013 bonds were issued to fund recreational improvements and to repay water and sewer GEFA loans. 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. The Authority's revenue bonds outstanding at June 30, 2014 are as follows:

Series 2008 $4,360,000 Revenue Bonds, due in annual installments through February 1, 2028, interest at 3.83% due semi-annually	$ 3,785,000
Series 2012 $7,610,000 Revenue Bonds, due in annual installments through April 1, 2019, interest at 1.95% due semi-annually	6,275,000
Series 2013 $7,095,000 Revenue Bonds, due in annual installments through August 1, 2021, interest at 1.20% due semi-annually	6,375,000
	$ 16,435,000

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

Fiscal Year Ending,	Principal	Interest	Total
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	4,825,000	208,702	$ 5,033,702
2020 - 2024	2,965,000	435,003	$ 3,400,003
2025 - 2028	1,300,000	126,963	$ 1,426,963
	$ 16,435,000	$ 1,947,482	$ 18,382,482

NOTE 9: LONG-TERM DEBT (CONTINUED)

Changes in Long-term Liabilities

The following is a summary of the Authority's long-term debt activity for the year ended June 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 18,015,000	$ -	$ (1,580,000)	$ 16,435,000	$ 1,605,000

NOTE 10: RESTRICTIONS OF FUND BALANCES AND NET POSITION

Restrictions are used to indicate that a portion of the fund balance or net position 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 grant programs – restricted to reflect resources legally restricted for grant programs.

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.

NOTE 10: RESTRICTIONS OF FUND BALANCES AND NET POSITION (CONTINUED)

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 11: DEFICIT FUND BALANCES / NET POSITION

The Garage Fund reported a deficit fund balance of $30,411. This deficit is intended to be eliminated through increased charges or by transfers from the General Fund and Enterprise Funds.

NOTE 12: RISK MANAGEMENT

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, 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 60% of single premium and 55% of family premium for this coverage. Costs are charged to City funds through a charge per employee per pay period.

NOTE 12: RISK MANAGEMENT (CONTINUED)

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 pays 85% of single premium and 75% 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, 2014.

Changes in the balances of claims liability are as follows:

	Workers' Compensation		Property and Casualty		Dental		Health	
	2014	2013	2014	2013	2014	2013	2014	2013
Beginning of year	$ 58,622	21,328	$ 57,445	3,725	$ 9,006	10,062	$ 225,034	185,478
Claims and changes in estimates	185,228	251,786	12,596	253,748	199,650	228,412	4,938,600	4,465,879
Claim payments	(211,449)	(214,492)	(70,041)	(200,028)	(198,418)	(229,468)	(4,699,278)	(4,426,323)
End of year	$ 32,401	$ 58,622	$ -	$ 57,445	$ 10,238	$ 9,006	$ 464,356	$ 225,034

NOTE 13: PENSION PLAN

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.

NOTE 13: PENSION PLAN (CONTINUED)

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.

Plan membership

As of January 1, 2014 employee membership data related to the plan were as follows:

Number of retirees and beneficiaries current receiving benefits	139
Number of terminated employees entitled to benefits but not yet receiving them	16
Number of active plan participants	321

Contributions:

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.

NOTE 13: PENSION PLAN (CONTINUED)

The most current valuation, dated February, 2014, determined that for the period beginning January 1, 2014, employer contributions of 16.9% of covered payroll and a 4.1% contribution by police and fire employees and a 3.1% contribution by all other participants, are required to meet the current cost of the Plan. These contribution rates are based on an estimated total covered annual payroll of $14,400,857.

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.

The City's annual pension cost and net pension obligation for the year ended June 30, 2014 were as follows:

Annual Pension Cost	
Annual required contribution	$ 600,261
Interest on net pension obligation	52,523
Adjustment	-
Annual pension cost	$ 652,784

Net Pension Obligation	
Annual pension cost	$ 652,784
Contributions	(652,784)
Increase (decrease) in net pension obligation	-
Net pension obligation, beginning of period	-
Net pension obligation, end of period	$ -

NOTE 13: PENSION PLAN (CONTINUED)

The City's annual pension cost, percentage of annual cost contributed, and net pension obligation for the most recent three years was as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Actual City Contribution	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	$ 869,997	$ 869,997	100%	$ -
6/30/2013	850,060	850,060	100%	-
6/30/2014	652,784	652,784	100%	-

As of the most recent valuation date, January 1, 2014, the funded status of the plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UUAL as a Percentage of Covered Payroll (b-a)/c
1/1/2014	$ 35,649,461	$ 34,710,454	$ (939,007)	102.7%	$ 14,400,857	-6.5%

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 are as follows:

Valuation date	January 1, 2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Asset valuation method	Market value
Investment Rate of Return	8.75%
Projected salary increases	5.50%
Cost of living adjustments	None
Inflation rate	3.0%
Amortization of unfunded actuarial unfunded liability	15 years for gains and losses, 20 years for plan changes, and 30 years for assumption changes

NOTE 13: PENSION PLAN (CONTINUED)

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, 2014 contributions were $49,969.

Component Units:

Cartersville 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.

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 12.28% of annual salary. The contribution requirements of the plan members and the Cartersville Board of Education are established and may be amended by the TRS Board of Trustees. The Cartersville Board Education's contribution to the TRS for the years ending June 30, 2014, 2013, and 2012 were $2,493,157 $2,333,282, and $2,199,278 respectively, equal to the required contributions for each year.

NOTE 13: PENSION PLAN (CONTINUED)

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 creditable service and less than age 60, at a reduced benefit. 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.

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 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.

NOTE 13: PENSION PLAN (CONTINUED)

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 Board of Education's required contributions for the current year and each of the two preceding years ending June 30th were $2,151, $2,201 and $2,408, respectively, equal to the required contribution for each year.

NOTE 14: OTHER POST-EMPLOYMENT BENEFITS

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 15% for single and 25% for family medical insurance premiums and 40% for single and 45% for family dental insurance premiums. The City covers all additional costs.

NOTE 14: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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, 2014, the effective date of the OPEB valuation is as follows:

In pay status	124
Active employees	124
	248

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:

Fiscal Year Ending	OPEB Cost	Amount Contributed	Percentage Contributed	Net OPEB Obligation
6/30/2012	$ 1,234,470	$ 622,274	50.41%	$ 2,551,874
6/30/2013	941,327	608,852	64.68%	2,884,349
6/30/2014	833,703	674,609	80.92%	3,043,443

NOTE 14: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The funded status of the OPEB plan is as follows:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Ratio of the UAAL to Covered Payroll (b-a)/c
7/1/2013	$ -	$ 14,169,226	$ 14,169,226	0.0%	$ 7,207,672	196.6%

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	
Annual required contribution	$ 873,372
Interest on net OPEB obligation	150,745
Adjustment	(190,414)
Annual OPEB cost	$ 833,703

Net OPEB Obligation	
Annual OPEB cost	$ 833,703
Contributions	(674,609)
Increase (decrease) in net OPEB obligation	159,094
Net OPEB obligation, beginning of period	2,884,349
Net OPEB obligation, end of period	$ 3,043,443

NOTE 14: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Economic Assumptions:	
Interest rates	
Discount rate	4.5%
Return on assets	n/a
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 are entitled to medicare benefits
Disability	50% of 1975 SSA Study
Average Per Capita Claims Cost	$5,807
Projected to Ages 55-59	$10,036
Retiree Copay Percentage	3.57% - Pre 65 Employee 30.42% - Pre 65 Spouse 9.31% - Post 65 Employee 66.07% - Post 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

NOTE 14: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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 15: MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA OPERATING AGREEMENTS

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, 2014, the outstanding debt of MEAG was $5.84 billion. The City of Cartersville's guarantee varies by individual MEAG project and totals $355,072,163.

NOTE 15: MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA OPERATING AGREEMENTS (CONTINUED)

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, 2014, the City paid $228,682 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, 2014 the balance in this account was $4,174,110. 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, 2014 was $0, $13,259,556 and $35,005,715, respectively. Due to the restrictive nature of these funds, they are not presented in the cash balance for the Electric Fund.

The City and other members of MEAG's telecommunication project created Georgia Public Web (GPW), 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, 2014 the City's cost was $33,945.

NOTE 16: COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in a number of legal matters, which have or could result in litigation. The nature of the lawsuits varies considerably. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Construction Commitments

As of June 30, 2014, the City had open contracts for architectural design or construction of projects for buildings, road and street improvements and water and sewer system improvements with original contract amounts totaling $5,095,879 and remaining commitments of $473,147.

NOTE 17: 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.

NOTE 17: JOINT VENTURES (CONTINUED)

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 18: 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". 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 and ended December 31, 2013. The City of Cartersville's distributive share of this amount is projected to be $37,314,000 or 20.73%. The City is using the tax for street and road improvements, water and sewer system improvements, utilities improvements, and building improvements.

NOTE 18: SPECIAL PURPOSE LOCAL OPTION SALES TAX (CONTINUED)

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 began 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 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, 2014, the total amount the City collected was $521,653, the amount collected above 3 percent was $260,827 and the amount spent was $305,937.

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, 2014, the total amount the City collected was $59,696. 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: PRIOR PERIOD ADJUSTMENT

In 2014, the City determined that certain costs relating to accumulated unpaid vacation pay and other salary-related benefits had not been accrued as compensated absences in prior years in the proprietary funds and in the governmentwide statement of net position. As a result, beginning balances for net position have been restated.

NOTE 20: PRIOR PERIOD ADJUSTMENT (CONTINUED)

The effect on beginning balances for net position was as follows:

	Net Position at June 30, 2013 as Previously Reported	Prior Period Adjustment	Net Position at June 30, 2013 as Restated
Governmental Activities	$ 99,060,404	$ (578,927)	$ 98,481,477
Business-type Activities			
Water and sewer fund	98,903,935	(103,124)	98,800,811
Electric fund	19,497,266	(43,393)	19,453,873
Gas fund	16,206,253	(75,172)	16,131,081
Nonmajor enterprise funds and internal service fund allocation	4,940,719	(83,982)	4,856,737
Total Business-type Activities	139,548,173	(305,671)	139,242,502
Total Governmentwide	$238,608,577	$ (884,598)	$237,723,979

NOTE 21: SUBSEQUENT EVENT

In November 2014, the voters approved a referendum authorizing the issuance of $8.4 million of general obligation bonds to fund various park and recreation projects.

Required Supplementary Information

City of Cartersville, Georgia
Schedule of Funding Progress – Pension Trust Fund
For the Year Ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (b-a)/c
1/1/2014	$ 35,649,461	$ 34,710,454	$ (939,007)	102.71%	$ 14,400,857	-6.52%
1/1/2013	29,631,814	32,289,627	2,657,813	91.77%	13,441,624	19.8%
1/1/2012	25,493,250	31,602,610	6,109,360	80.67%	13,451,957	45.4%
1/1/2011	25,912,286	30,490,644	4,578,358	84.98%	13,266,474	34.5%
1/1/2010	23,046,682	27,964,329	4,917,647	82.41%	13,639,703	36.1%
1/1/2009	18,901,415	23,397,933	4,496,518	80.78%	14,034,763	32.0%
1/1/2008	23,337,935	28,096,607	4,758,672	83.06%	13,902,353	34.2%
1/1/2007	21,585,524	28,219,142	6,633,618	76.49%	12,514,811	53.0%
1/1/2006	19,585,646	32,197,050	12,611,404	60.83%	11,824,422	106.7%
1/1/2005	18,974,802	29,505,378	10,530,576	64.31%	11,503,965	91.5%

The assumptions used in the preparation of the above schedules are disclosed in Note 13 to the financial statements.

City of Cartersville, Georgia
Schedule of Funding Progress – Post-Employment Healthcare Plan
For the Year Ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (b-a)/c
7/1/2013	$ -	$ 14,169,226	$ 14,169,226	0.00%	$ 7,207,672	196.6%
7/1/2012	-	13,600,189	13,600,189	0.00%	7,098,093	191.6%
7/1/2011	-	17,366,613	17,366,613	0.00%	7,179,762	241.9%
7/1/2010	-	12,804,622	12,804,622	0.00%	6,727,581	190.3%
7/1/2009	-	12,474,752	12,474,752	0.00%	6,628,159	188.2%
7/1/2008	-	12,356,261	12,356,261	0.00%	6,373,230	193.9%
7/1/2007	-	11,966,453	11,966,453	0.00%	6,128,106	195.3%

The assumptions used in the preparation of the above schedules are disclosed in Note 14 to the financial statements.

Supplementary Information
Combining and Individual Fund
Statements and Schedules

City of Cartersville, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Revenues				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	2,490,000	3,622,085	3,622,068	(17)
Payment from school board	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	11,530	11,523	(7)
Contributions and donations	-	-	-	-
Other revenues	-	2,610	2,605	(5)
Total revenues	2,490,000	3,636,225	3,636,196	(29)
Expenditures				
Current:				
General government	-	1,542,015	1,358,322	183,693
Municipal court	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	32,717	(32,717)
Culture and recreation	-	-	-	-
Planning and development	-	-	-	-
Downtown development	-	-	-	-
Capital outlays	5,917,910	689,770	516,281	173,489
Debt service:	-	-	-	-
Principal	-	2,625,060	-	2,625,060
Interest	53,420	34,930	34,926	4
Total expenditures	5,971,330	4,891,775	1,942,246	2,949,529
Excess (deficiency) of revenues over (under) expenditures	(3,481,330)	(1,255,550)	1,693,950	2,949,500
Other Financing Sources (Uses)				
Transfers from other funds	-	797,040	915,162	118,122
Proceeds from sale of capital assets	-	-	-	-
Capital lease proceeds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	797,040	915,162	118,122
Net change in fund balances	(3,481,330)	(458,510)	2,609,112	3,067,622
Fund balances (deficit), beginning of year	(1,485,800)	(1,485,800)	(1,485,800)	-
Fund balances (deficit), end of year	$ (4,967,130)	$ (1,944,310)	$ 1,123,312	$ 3,067,622

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The **DEA Confiscated Assets Fund** is used to account for federal confiscated assets.

The **State Forfeiture Fund** is used to account for state forfeitures.

The **CDBG Supplemental Disaster Fund** is used to account for funds from CDBG federal grants.

The **Development Agreement Fund** is used to account for revenue and expense associated with development agreements with developers.

The **Business Improvement District Fund** is used to account for special assessments on downtown property.

The **Development Fee Fund** is used to account for revenue and expense associated with development fee charges to developers.

The **Hotel/Motel Tax Fund** is used to account for excise taxes on lodging and accommodations.

The **Rental Vehicle Excise Tax Fund** is used to account for excise taxes on rental motor vehicles

The **Grant Fund** is used to account for grants received from various agencies.

City of Cartersville, Georgia
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds					
	DEA Confiscated Assets Fund	State Forfeiture Fund	CDBG Supplemental Disaster Fund	Development Agreement Fund	Business Improvement District Fund	Development Fee Fund
Assets						
Taxes receivable	$ -	$ -	$ -	$ -	$ 919	$ -
Accounts receivable, net	-	-	482,966	-	-	-
Due from other governments	-	-	-	-	-	-
Restricted cash and cash equivalents	257,925	15,474	11,304	96,920	86,902	176,700
Total assets	257,925	15,474	494,270	96,920	87,821	176,700
Liabilities						
Accounts payable	1,058	-	-	-	-	-
Interfund payable	497	-	-	-	-	-
Total liabilities	1,555	-	-	-	-	-
Deferred Inflows of Resources						
Unearned revenue	-	-	470,496	-	919	-
Total deferred inflows of resources	-	-	470,496	-	919	-
Fund Balances						
Restricted for:						
Law enforcement activities	256,370	15,474	-	-	-	-
Grant programs	-	-	23,774	-	-	-
Cemetery	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Committed for:						
Planning and development	-	-	-	96,920	86,902	176,700
Unassigned, reported in:						
Special revenue funds	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Total fund balances	256,370	15,474	23,774	96,920	86,902	176,700
Total liabilities, deferred inflows of resources and fund balances	$ 257,925	$ 15,474	$ 494,270	$ 96,920	$ 87,821	$ 176,700

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City of Cartersville, Georgia
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Rental Vehicle Excise Tax Fund	Grant Fund	
Assets				
Taxes receivable	$ -	$ -	$ -	$ 919
Accounts receivable, net	-	-	-	482,966
Due from other governments	-	-	-	-
Restricted cash and cash equivalents	26,195	-	2,607	674,027
Total assets	26,195	-	2,607	1,157,912
Liabilities				
Accounts payable	26,195	-	-	27,253
Interfund payable	-	-	-	497
Total liabilities	26,195	-	-	27,750
Deferred Inflows of Resources				
Unearned revenue	-	-	-	471,415
Total deferred inflows of resources	-	-	-	471,415
Fund Balances				
Restricted for:				
Law enforcement activities	-	-	-	271,844
Grant programs	-	-	2,607	26,381
Cemetery	-	-	-	-
Capital outlay	-	-	-	-
Committed for:				-
Planning and development	-	-	-	360,522
Unassigned, reported in:				-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balances	-	-	2,607	658,747
Total liabilities, deferred inflows of resources and fund balances	$ 26,195	$ -	$ 2,607	$ 1,157,912

City of Cartersville, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds					
	DEA Confiscated Assets Fund	State Forfeiture Fund	CDBG Supplemental Disaster Fund	Development Agreement Fund	Business Improvement District Fund	Development Fee Fund
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ 26,764	$ -
Intergovernmental	-	-	-	-	-	-
Fines and forfeitures	240,540	-	-	-	-	-
Interest income	-	-	-	-	-	-
Contributions and donations	-	-	-	3,841	-	-
Other revenues	10	-	24,509	-	-	176,700
Total revenues	240,550	-	24,509	3,841	26,764	176,700
Expenditures						
Current:						
General government	-	-	-	-	-	-
Police	33,127	-	-	-	-	-
Public works	-	-	735	-	-	-
Planning and development	-	-	-	-	-	-
Downtown development	-	-	-	-	9,227	-
Capital outlays	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-
Total expenditures	33,127	-	735	-	9,227	-
Excess (deficiency) of revenues over (under) expenditures	207,423	-	23,774	3,841	17,537	176,700
Other Financing Sources (Uses)						
Transfers from other funds	-	-	-	-	-	-
Proceeds from sale of capital assets	22,343	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Total other financing sources (uses)	22,343	-	-	-	-	-
Net change in fund balances	229,766	-	23,774	3,841	17,537	176,700
Fund balances, beginning of year	26,604	15,474	-	93,079	69,365	-
Fund balances, end of year	$ 256,370	$ 15,474	$ 23,774	$ 96,920	$ 86,902	$ 176,700

-Continued-

City of Cartersville, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Rental Vehicle Excise Tax Fund	Grant Fund	
Revenues				
Taxes	$ 521,653	$ 59,696	$ -	$ 608,113
Intergovernmental	-	-	42,406	42,406
Fines and forfeitures	-	-	-	240,540
Interest income	-	-	-	-
Contributions and donations	-	-	-	3,841
Other revenues	-	-	-	201,219
Total revenues	521,653	59,696	42,406	1,096,119
Expenditures				
Current:				
General government	305,937	20,000	-	325,937
Police	-	-	-	33,127
Public works	-	-	-	735
Planning and development	-	-	1,261	1,261
Downtown development	-	-	-	9,227
Capital outlays	-	-	41,145	41,145
Debt service - interest	-	-	-	-
Total expenditures	305,937	20,000	42,406	411,432
Excess (deficiency) of revenues over (under) expenditures	215,716	39,696	-	684,687
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	22,343
Transfers to other funds	(215,716)	(39,696)	-	(255,412)
Total other financing sources (uses)	(215,716)	(39,696)	-	(233,069)
Net change in fund balances	-	-	-	451,618
Fund balances, beginning of year	-	-	2,607	207,129
Fund balances, end of year	$ -	$ -	$ 2,607	$ 658,747

City of Cartersville, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – DEA Confiscated Assets Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final
	Original	Final Amended	Actual	Budget
Revenues				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Payment from school board	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	31,020	240,540	240,540	-
Interest income	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	15	10	(5)
Total revenues	31,020	240,555	240,550	(5)
Expenditures				
Current:				
General government	-	-	-	-
Municipal court	-	-	-	-
Police	22,020	253,900	33,127	220,773
Fire	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Planning and development	-	-	-	-
Downtown development	-	-	-	-
Capital outlays	9,000	9,000	-	9,000
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	31,020	262,900	33,127	229,773
Excess (deficiency) of revenues over (under) expenditures	-	(22,345)	207,423	229,768
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Proceeds from sale of capital assets	-	22,345	22,343	(2)
Capital lease proceeds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	22,345	22,343	(2)
Net change in fund balances	-	-	229,766	229,766
Fund balances, beginning of year	26,604	26,604	26,604	-
Fund balances, end of year	$ 26,604	$ 26,604	$ 256,370	$ 229,766

City of Cartersville, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – State Forfeiture Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Revenues				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Payment from school board	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	3,000	3,000	-	(3,000)
Interest income	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
Total revenues	3,000	3,000	-	(3,000)
Expenditures				
Current:				
General government	-	-	-	-
Municipal court	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	3,000	3,000	-	3,000
Culture and recreation	-	-	-	-
Planning and development	-	-	-	-
Downtown development	-	-	-	-
Capital outlays	-	-	-	-
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,000	3,000	-	3,000
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Capital lease proceeds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	15,474	15,474	15,474	-
Fund balances, end of year	$ 15,474	$ 15,474	$ 15,474	$ -

City of Cartersville, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – CDBG Supplemental Disaster Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Revenues				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Payment from school board	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	24,510	24,509	(1)
Total revenues	-	24,510	24,509	(1)
Expenditures				
Current:				
General government	-	-	-	-
Municipal court	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	24,510	735	23,775
Culture and recreation	-	-	-	-
Planning and development	-	-	-	-
Downtown development	-	-	-	-
Capital outlays	-	-	-	-
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	24,510	735	23,775
Excess (deficiency) of revenues over (under) expenditures	-	-	23,774	23,774
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Capital lease proceeds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	23,774	23,774
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ 23,774	$ 23,774

City of Cartersville, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Development Agreement Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Revenues				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Payment from school board	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Contributions and donations	5,000	5,000	3,841	(1,159)
Other revenues	-	-	-	-
Total revenues	5,000	5,000	3,841	(1,159)
Expenditures				
Current:				
General government	-	-	-	-
Municipal court	-	-	-	-
Police	2,500	2,500	-	2,500
Fire	-	-	-	-
Public works	-	-	-	-
Culture and recreation	2,500	2,500	-	2,500
Planning and development	-	-	-	-
Downtown development	-	-	-	-
Capital outlays	-	-	-	-
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	5,000	5,000	-	5,000
Excess (deficiency) of revenues over (under) expenditures	-	-	3,841	3,841
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Capital lease proceeds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	3,841	3,841
Fund balances, beginning of year	93,079	93,079	93,079	-
Fund balances, end of year	$ 93,079	$ 93,079	$ 96,920	$ 3,841

City of Cartersville, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Business Improvement District Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Revenues				
Taxes	$ 24,940	$ 27,830	$ 26,764	$ (1,066)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Payment from school board	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
Total revenues	24,940	27,830	26,764	(1,066)
Expenditures				
Current:				
General government	-	-	-	-
Municipal court	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Planning and development	-	-	-	-
Downtown development	4,940	9,250	9,227	23
Capital outlays	20,000	18,580	-	18,580
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	24,940	27,830	9,227	18,603
Excess (deficiency) of revenues over (under) expenditures	-	-	17,537	17,537
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Capital lease proceeds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	17,537	17,537
Fund balances, beginning of year	69,365	69,365	69,365	-
Fund balances, end of year	$ 69,365	$ 69,365	$ 86,902	$ 17,537

City of Cartersville, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Development Fee Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Revenues				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Payment from school board	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	-	176,700	176,700
Total revenues	-	-	176,700	176,700
Expenditures				
Current:				
General government	-	-	-	-
Municipal court	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Planning and development	-	-	-	-
Downtown development	-	-	-	-
Capital outlays	-	-	-	-
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	176,700	176,700
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Capital lease proceeds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	176,700	176,700
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ 176,700	$ 176,700

City of Cartersville, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Hotel/Motel Tax Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Revenues				
Taxes	$ 443,000	$ 521,660	$ 521,653	$ (7)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Payment from school board	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
Total revenues	443,000	521,660	521,653	(7)
Expenditures				
Current:				
General government	228,145	305,940	305,937	3
Municipal court	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Planning and development	-	-	-	-
Downtown development	-	-	-	-
Capital outlays	-	-	-	-
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	228,145	305,940	305,937	3
Excess (deficiency) of revenues over (under) expenditures	214,855	215,720	215,716	(4)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Capital lease proceeds	-	-	-	-
Transfers to other funds	(214,855)	(215,720)	(215,716)	4
Total other financing sources (uses)	(214,855)	(215,720)	(215,716)	4
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

City of Cartersville, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Rental Vehicle Excise Tax Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final
	Original	Final Amended	Actual	Budget
Revenues				
Taxes	$ 50,000	$ 59,700	$ 59,696	$ (4)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Payment from school board	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
Total revenues	50,000	59,700	59,696	(4)
Expenditures				
Current:				
General government	20,000	20,000	20,000	-
Municipal court	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Planning and development	-	-	-	-
Downtown development	-	-	-	-
Capital outlays	-	-	-	-
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	20,000	20,000	20,000	-
Excess (deficiency) of revenues over (under) expenditures	30,000	39,700	39,696	(4)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Capital lease proceeds	-	-	-	-
Transfers to other funds	(30,000)	(39,700)	(39,696)	4
Total other financing sources (uses)	(30,000)	(39,700)	(39,696)	4
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

City of Cartersville, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Grant Fund
For the Year Ended June 30, 2014

	Budget			Variance With Final Budget
	Original	Final Amended	Actual	
Revenues				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	42,415	42,406	(9)
Payment from school board	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Contributions and donations	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	42,415	42,406	(9)
Expenditures				
Current:				
General government	-	-	-	-
Municipal court	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Planning and development	-	1,265	1,261	4
Downtown development	-	-	-	-
Capital outlays	-	41,150	41,145	5
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	42,415	42,406	9
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Capital lease proceeds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	2,607	2,607	2,607	-
Fund balances, end of year	$ 2,607	$ 2,607	$ 2,607	$ -

The **Stormwater Fund** is used to account for revenues and expenses related to storm water management.

The **Solid Waste Fund** is used to account for revenues and expenses related to solid waste management.

The **Fiber Optic Fund** is used to account for revenues and expenses related to the management of the fiber optic system.

City of Cartersville, Georgia
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2014

	Business-type Activities - Enterprise Funds			
	Stormwater Fund	Solid Waste Fund	Fiber Optic Fund	Total Nonmajor Enterprise Funds
Assets				
Current assets:				
Cash and cash equivalents	$ 616,825	$ 44,819	$ 464,637	$ 1,126,281
Restricted cash				
Customer deposits	-	-	-	-
Flexible operating account - MEAG	-	-	-	-
Renewal and replacement	-	-	-	-
Revenue bond covenant accounts	-	-	-	-
Bond construction cash	-	-	-	-
Drainage improvements	236,064	-	-	236,064
Accounts receivable, net	124,815	324,689	78,911	528,415
Interfund receivable	-	-	497	497
Prepaid expenses	-	-	-	-
Inventory	-	26,213	49,678	75,891
Total current assets	977,704	395,721	593,723	1,967,148
Noncurrent assets:				
Capital assets				
Land and easements	413,041	-	-	413,041
Construction in progress	-	-	-	-
Utility systems	2,390,119	-	3,015,217	5,405,336
Buildings and structures	130,165	8,000	8,531	146,696
Equipment	1,372,511	2,419,310	420,133	4,211,954
Less accumulated depreciation	(1,496,494)	(1,652,264)	(2,360,454)	(5,509,212)
Total noncurrent assets	2,809,342	775,046	1,083,427	4,667,815
Total assets	3,787,046	1,170,767	1,677,150	6,634,963
Deferred Outflows of Resources				
Unamortized loss on bond refunding	-	-	-	-
Total deferred outflows of resources	-	-	-	-

-Continued-

City of Cartersville, Georgia
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2014

	Business-type Activities - Enterprise Funds			
	Stormwater Fund	Solid Waste Fund	Fiber Optic Fund	Total Nonmajor Enterprise Funds
Liabilities				
Current liabilities:				
Accounts payable	29,389	30,282	71,227	130,898
Accrued wages and withholdings	4,697	11,801	9,605	26,103
Customer deposits	56,380	-	-	56,380
Accrued interest	-	-	-	-
Interfund payable	7,259	24,330	328,620	360,209
Compensated absences, current portion	1,180	899	3,247	5,326
Capital leases payable, current portion	5,672	217,679	-	223,351
Notes payable, current portion	-	-	-	-
Bonds payable, current portion	-	-	-	-
Total current liabilities	104,577	284,991	412,699	802,267
Long-term liabilities:				
Compensated absences	19,120	20,448	44,414	83,982
OPEB liability	61,832	159,624	-	221,456
Capital leases payable	22,690	390,629	-	413,319
Notes payable	-	-	-	-
Bonds payable	-	-	-	-
Total long-term liabilities	103,642	570,701	44,414	718,757
Total liabilities	208,219	855,692	457,113	1,521,024
Deferred Inflows of Resources				
Unearned revenue	-	-	113,850	113,850
Total deferred inflows of resources	-	-	113,850	113,850
Net Position				
Net investment in capital assets	2,780,980	166,738	1,083,426	4,031,144
Restricted				
Debt service	-	-	-	-
Renewal and replacement	236,064	-	-	236,064
Unrestricted	561,783	148,337	22,761	732,881
Total net position	$ 3,578,827	$ 315,075	$ 1,106,187	$ 5,000,089

City of Cartersville, Georgia
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	Stormwater Fund	Solid Waste Fund	Fiber Optic Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	$ 1,296,940	$ 2,119,113	$ 1,768,653	$ 5,184,706
Fees	-	62,700	-	62,700
Other revenues	-	3,710	158,080	161,790
Internal service charges	-	-	-	-
Total operating revenues	1,296,940	2,185,523	1,926,733	5,409,196
Operating Expenses				
Cost of sales and service	751,715	1,838,663	1,553,695	4,144,073
Administrative expenses	236,750	192,000	-	428,750
Cost of electricity	-	-	-	-
Cost of gas	-	-	-	-
Claims	-	-	-	-
Depreciation expense	108,266	116,528	222,485	447,279
Total operating expenses	1,096,731	2,147,191	1,776,180	5,020,102
Operating income (loss)	200,209	38,332	150,553	389,094
Nonoperating Revenues (Expenses)				
Intergovernmental	-	-	-	-
Interest revenue	-	23,545	-	23,545
Interest expense	-	(24,377)	-	(24,377)
Amortization of refunding costs	-	-	-	-
Gain on asset disposal	-	-	-	-
Total nonoperating revenues (expenses)	-	(832)	-	(832)
Income (loss) before capital contributions and transfers	200,209	37,500	150,553	388,262
Capital contributions	88,503	-	8,403	96,906
Transfers out	-	-	-	-
Change in net position	288,712	37,500	158,956	485,168
Net position, beginning of year, restated	3,290,115	277,575	947,231	4,514,921
Net position, end of year	$ 3,578,827	$ 315,075	$ 1,106,187	$ 5,000,089

City of Cartersville, Georgia
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	Stormwater Fund	Solid Waste Fund	Fiber Optic Fund	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities				
Cash received from customers and users	$ 1,065,311	$ 1,853,097	$ 2,103,343	$ 5,021,751
Cash payments to employees	(470,812)	(1,088,966)	(618,187)	(2,177,965)
Cash payments to suppliers	(254,804)	(726,959)	(964,960)	(1,946,723)
Claims and premiums paid	-	-	-	-
Net cash provided by operating activities	339,695	37,172	520,196	897,063
Cash Flows From Noncapital Financing Activities				
Transfers from other funds	7,259	24,430	70	31,759
Transfers to other funds	-	-	(391,380)	(391,380)
Intergovernmental grants	-	-	-	-
Net cash used in capital and related financing activities	7,259	24,430	(391,310)	(359,621)
Cash Flows From Capital and Related Financing Activities				
Principal payments on notes payable	-	-	-	-
Principal payments on capital leases payable	-	(188,693)	-	(188,693)
Principal payments on bonds payable	-	-	-	-
Interest paid	-	(24,377)	-	(24,377)
Acquisition and construction of capital assets	(51,705)	(139,858)	(48,231)	(239,794)
Capital contributions	56,891	-	-	56,891
Proceeds from issuance of debt	-	119,378	-	119,378
Proceeds from disposal of capital assets	-	-	-	-
Net cash used in capital and related financing activities	5,186	(233,550)	(48,231)	(276,595)
Cash Flows From Investing Activities				
Interest received	-	23,445	-	23,445
Net cash provided by investing activities	-	23,445	-	23,445
Net increase (decrease) in cash and cash equivalents	352,140	(148,503)	80,655	284,292
Cash and cash equivalents, beginning of year	500,749	193,322	383,982	1,078,053
Cash and cash equivalents, end of year	$ 852,889	$ 44,819	$ 464,637	$ 1,362,345
Classified as:				
Cash and cash equivalents	$ 616,825	$ 44,819	$ 464,637	$ 1,126,281
Restricted cash and cash equivalents:	236,064	-	-	236,064
Total	$ 852,889	$ 44,819	$ 464,637	$ 1,362,345

City of Cartersville, Georgia
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	Stormwater Fund	Solid Waste Fund	Fiber Optic Fund	Total Nonmajor Enterprise Funds
Noncash investing, capital, and financing activities				
Transfer of capital assets from other funds	$ 31,612	$ -	$ 8,403	$ 40,015
Capital assets acquired with issuance of debt	28,894	-	-	28,894
Total noncash investing, capital and financing activities	$ 60,506	$ -	$ 8,403	$ 68,909
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 200,209	$ 38,332	$ 150,553	$ 389,094
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	108,266	116,528	222,485	447,279
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(32,979)	(140,426)	62,760	(110,645)
Prepaid expenses	-	-	-	-
Inventory	-	(9,797)	(11,869)	(21,666)
Increase (decrease) in:				
Accounts payable	20,682	2,512	(23,020)	174
Accrued wages and withholding	225	654	2,189	3,068
Customer deposits	38,100	-	-	38,100
Compensated absences	1,181	21,347	3,248	25,776
OPEB liability	4,011	8,022	-	12,033
Unearned revenue	-	-	113,850	113,850
Net cash provided by operating activities	$ 339,695	$ 37,172	$ 520,196	$ 897,063

City of Cartersville, Georgia
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
Assets			
Current assets:			
Cash and cash equivalents	$ 1,228,460	$ -	$ 1,228,460
Restricted cash			
Customer deposits	-	-	-
Flexible operating account - MEAG	-	-	-
Renewal and replacement	-	-	-
Revenue bond covenant accounts	-	-	-
Bond construction cash	-	-	-
Drainage improvements	-	-	-
Accounts receivable, net	-	23,644	23,644
Interfund receivable	446,323	-	446,323
Prepaid expenses	-	-	-
Inventory	-	134,619	134,619
Total current assets	1,674,783	158,263	1,833,046
Noncurrent assets:			
Capital assets			
Land and easements	-	41,245	41,245
Construction in progress	-	-	-
Utility systems	-	-	-
Buildings and structures	-	130,458	130,458
Equipment	-	470,847	470,847
Less accumulated depreciation	-	(451,248)	(451,248)
Total noncurrent assets	-	191,302	191,302
Total assets	1,674,783	349,565	2,024,348
Deferred Outflows of Resources			
Unamortized loss on bond refunding	-	-	-
Total deferred outflows of resources	-	-	-

-Continued-

City of Cartersville, Georgia
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
Liabilities			
Current liabilities:			
Accounts payable	506,995	37,179	544,174
Accrued wages and withholdings	-	3,790	3,790
Customer deposits	-	-	-
Accrued interest	-	-	-
Interfund payable	105,135	216,776	321,911
Compensated absences, current portion	-	1,346	1,346
Capital leases payable, current portion	-	-	-
Notes payable, current portion	-	-	-
Bonds payable, current portion	-	-	-
Total current liabilities	612,130	259,091	871,221
Long-term liabilities:			
Compensated absences	-	7,102	7,102
OPEB liability	-	113,783	113,783
Capital leases payable	-	-	-
Notes payable	-	-	-
Bonds payable	-	-	-
Total long-term liabilities	-	120,885	120,885
Total liabilities	612,130	379,976	992,106
Deferred Inflows of Resources			
Deferred revenue	-	-	-
Total deferred inflows of resources	-	-	-
Net Position			
Net investment in capital assets	-	191,302	191,302
Restricted			
Debt service	-	-	-
Renewal and replacement	-	-	-
Unrestricted (deficit)	1,062,653	(221,713)	840,940
Total net position	$ 1,062,653	$ (30,411)	$ 1,032,242

City of Cartersville, Georgia

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended June 30, 2014

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
Operating Revenues			
Charges for services	$ -	$ 254,483	$ 254,483
Fees	-	-	-
Other revenues	60,856	3,006	63,862
Internal service charges	6,051,208	1,188,971	7,240,179
Total operating revenues	6,112,064	1,446,460	7,558,524
Operating Expenses			
Cost of sales and service	525,096	1,521,550	2,046,646
Administrative expenses	-	-	-
Cost of electricity	-	-	-
Cost of gas	-	-	-
Claims	5,179,186	-	5,179,186
Depreciation expense	-	17,946	17,946
Total operating expenses	5,704,282	1,539,496	7,243,778
Operating income (loss)	407,782	(93,036)	314,746
Nonoperating Revenues (Expenses)			
Intergovernmental	-	-	-
Interest revenue	-	-	-
Interest expense	-	-	-
Amortization of refunding costs	-	-	-
Gain on asset disposal	-	-	-
Total nonoperating revenues (expenses)	-	-	-
Income (loss) before capital contributions and transfers	407,782	(93,036)	314,746
Capital contributions	-	-	-
Transfers out	-	-	-
Change in net position	407,782	(93,036)	314,746
Net position, beginning of year	654,871	62,625	717,496
Net position, end of year	$ 1,062,653	$ (30,411)	$ 1,032,242

City of Cartersville, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
Cash Flows From Operating Activities			
Cash received from customers and users	$ 6,112,064	$ 1,450,740	$ 7,562,804
Cash payments to employees	-	(306,092)	(306,092)
Cash payments to suppliers	(368,208)	(1,216,637)	(1,584,845)
Claims and premiums paid	(5,179,186)	-	(5,179,186)
Net cash provided by operating activities	564,670	(71,989)	492,681
Cash Flows From Noncapital Financing Activities			
Transfers from other funds	-	216,776	216,776
Transfers to other funds	(1,292,368)	(145,274)	(1,437,642)
Intergovernmental grants	-	-	-
Net cash used in capital and related financing activities	(1,292,368)	71,502	(1,220,866)
Cash Flows From Capital and Related Financing Activities			
Principal payments on notes payable	-	-	-
Principal payments on capital leases payable	-	-	-
Principal payments on bonds payable	-	-	-
Interest paid	-	-	-
Acquisition & construction of capital assets	-	-	-
Capital contributions	-	-	-
Proceeds from issuance of debt	-	-	-
Proceeds from disposal of capital assets	-	487	487
Net cash used in capital and related financing activities	-	487	487
Cash Flows From Investing Activities			
Interest received	-	-	-
Net cash provided by investing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	(727,698)	-	(727,698)
Cash and cash equivalents, beginning of year	1,956,158	-	1,956,158
Cash and cash equivalents, end of year	$ 1,228,460	$ -	$ 1,228,460
Classified as:			
Cash and cash equivalents	$ 1,228,460	$ -	$ 1,228,460
Restricted cash and cash equivalents:	-	-	-
Total	$ 1,228,460	$ -	$ 1,228,460

City of Cartersville, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
Noncash investing, capital, and financing activities			
Transfer of capital assets from other funds	$ -	$ 11,999	$ 11,999
Capital assets acquired with issuance of debt	-	-	-
Total noncash investing, capital and financing activities	$ -	$ 11,999	$ 11,999
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 407,782	$ (93,036)	$ 314,746
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	17,946	17,946
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	-	4,768	4,768
Prepaid expenses	-	-	-
Inventory	-	(1,491)	(1,491)
Increase (decrease) in:			
Accounts payable	156,888	(19,775)	137,113
Accrued wages and withholding	-	456	456
Customer deposits	-	-	-
Compensated absences	-	8,448	8,448
OPEB liability	-	10,695	10,695
Unearned revenue	-	-	-
Net cash provided by operating activities	$ 564,670	$ (71,989)	$ 492,681

Statistical Section

This part of the City of Cartersville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Financial Trends ..... 118 - 122

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

Revenue Capacity ..... 123 - 126

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity ..... 127 - 131

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.

Demographic and Economic Information ..... 132 - 133

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

Operating Information ..... 134 - 136

These schedules contain services and infrastructure 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.

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

Note: Unless otherwise noted, the financial information in these schedules does not include the City's discretely presented component units.

City of Cartersville, Georgia
Net Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net investment in capital assets	$ 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	$ 94,192,838
Restricted	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	1,784,810
Unrestricted	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	2,021,482
Total governmental activities	$ 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	$ 97,999,130
Business-type activities										
Net investment in capital assets	$ 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	$ 129,939,023
Restricted	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	5,353,044
Unrestricted	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	13,514,683
Total business-type activities	$ 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	$ 148,806,750
Primary government										
Net investment in capital assets	$ 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	$ 224,131,861
Restricted	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	7,137,854
Unrestricted	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	15,536,165
Total primary government	$ 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	$ 246,805,880

Notes:

Amounts presented for fiscal years 2005-2013 have not been adjusted for the effects of prior period adjustments recorded in fiscal year 2014.

City of Cartersville, Georgia
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
General government	$ 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	$ 22,064,158
Police	3,907,812	4,138,879	4,442,816	5,121,623	5,294,329	5,095,267	5,393,834	5,730,504	5,747,727	5,376,419
Fire	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	6,083,333
Municipal court	-	-	-	-	-	-	-	-	155,409	230,179
Garage	540,516	710,141	654,762	-	-	-	-	-	-	-
Culture and recreation	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	2,972,021
Planning and development	685,629	812,566	1,711,678	2,337,102	1,397,227	1,076,218	862,648	843,541	746,903	719,259
Downtown development	-	-	-	-	-	-	-	-	116,307	151,944
Public Works	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	4,199,059
Interest on long-term debt	1,150,696	1,148,413	1,112,661	1,008,068	838,431	887,714	809,593	428,369	508,231	399,575
Total Governmental Activities	33,029,610	35,591,228	34,024,044	39,653,689	41,157,422	40,876,378	41,266,988	42,967,281	42,940,985	42,195,947
Business-type activities										
Water and Sewer	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	11,119,046
Electric	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	45,549,773
Gas	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	22,507,024
Stormwater	-	-	700,425	880,756	917,658	912,630	933,049	1,092,313	1,008,045	1,096,753
Solid Waste	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	2,183,626
Fiber Optic	851,283	952,870	997,856	1,330,914	1,599,328	1,548,674	1,583,749	1,619,985	1,716,832	1,776,003
Total Business-Type Activities	73,672,663	87,903,128	81,148,712	91,687,634	85,386,857	73,438,033	76,413,864	76,409,468	78,180,432	84,232,225
Total Primary Government	$ 106,702,273	$ 123,494,356	$ 115,172,756	$ 131,341,323	$ 126,544,279	$ 114,314,411	$ 117,680,852	$ 119,376,749	$ 121,121,417	$ 126,428,172
Program Revenue										
Governmental activities										
Charges for services										
General government	$ 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	$ 2,606,118
Police	1,098,206	1,177,719	1,659,055	655,852	1,001,506	1,133,856	937,540	939,681	286,563	366,861
Fire	13,542	57,923	13,600	-	14,428	-	-	-	-	-
Municipal court	-	-	-	-	-	-	-	-	798,319	695,745
Garage	146,013	170,812	156,648	-	-	-	-	-	-	-
Culture and recreation	496,137	565,193	581726	749,926	636,248	670,379	676,347	692,948	744,501	732,280
Planning and development	658,260	789,238	559,955	235,790	103,515	320,798	282,696	308,464	266,650	287,547
Downtown development	-	-	-	-	-	-	-	-	4,596	27,790
Public Works	118,769	113,200	96,156	-	9,812	26,737	31,380	30,190	35,240	42,810
Operating grants and contributior	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	1,650,461
Capital grants and contributions	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	4,062,344
Total governmental activities	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	10,471,956
Business-type activities										
Charges for services										
Water and sewer	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	13,830,081
Electric	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	46,777,882
Gas	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	25,235,340
Stormwater			518,744	1,205,529	1,204,794	1,199,868	1,186,170	1,228,427	2,129,077	1,296,940
Solid Waste	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	2,185,523
Fiber Optic	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	1,926,733
Operating grants and contributior	-	-	-	-	-	-	-	425	5,177	-
Capital grants and contributions	1,362,324	1,389,024	1,449,967	189,484	-	229,732	560,635	26,487	146,390	56,891
Total business-type activities	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	91,309,390
Total primary government	$ 85,906,348	$ 100,068,786	$ 99,645,618	$ 110,296,254	$ 103,504,455	$ 94,957,641	$ 94,901,786	$ 92,596,198	$ 94,420,500	$ 101,781,346

-Continued-

City of Cartersville, Georgia
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense) Revenue										
Governmental activities	$ (26,540,325)	$ (27,872,806)	$ (22,214,820)	$ (24,443,151)	$ (28,372,609)	$ (29,941,244)	$ (29,866,918)	$ (31,906,576)	$ (32,890,961)	$ (31,723,991)
Business-type activities	5,744,400	4,447,236	6,687,682	3,398,082	5,332,785	10,584,474	7,087,852	5,126,025	6,190,044	7,077,165
Total primary government	$ (20,795,925)	$ (23,425,570)	$ (15,527,138)	$ (21,045,069)	$ (23,039,824)	$ (19,356,770)	$ (22,779,066)	$ (26,780,551)	$ (26,700,917)	$ (24,646,826)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property	$ 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	$ 16,615,530
Sales	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	3,792,539
Hotel/Motel	159,113	180,003	207,412	201,128	216,129	279,468	379,104	420,156	465,752	521,653
Vehicle Rental	49,541	76,014	75,816	71,325	52,696	42,242	51,011	49,582	52,989	59,696
Insurance Premium	741,335	797,579	834,468	870,443	891,294	882,932	857,271	925,467	983,000	1,017,803
Malt and Mixed Beverage	671,771	677,093	733,750	756,235	668,673	580,963	646,164	679,399	627,425	576,086
Franchise	4,067,740	4,643,067	732,718	740,500	789,554	4,317,713	4,432,437	4,476,982	4,501,238	4,850,026
Other	229,171	208,604	-	262	88,770	343,858	368,516	391,211	401,766	365,136
Investment Earnings	210,726	443,867	940,191	565,500	101,572	122,311	54,806	53,615	44,037	71,155
Miscellaneous	200,052	412,465	267,311	153,726	228,574	170,779	131,816	116,852	36,311	239,943
Gain/(Loss) on Asset Disposal	-	-	-	-	-	-	(66,850)	17,211	-	15,543
Contributions and donations	-	-	-	-	-	-	-	-	-	31,869
Transfers	(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	3,084,665
Total Governmental Activities	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	31,241,644
Business-Type Activities										
Investment Earnings	364,577	896,392	1,716,039	920,390	523,884	242,042	101,597	146,869	37,907	162,491
Miscellaneous	9,399	-	-	-	-	-	36,182	-	472	24,975
Special Items	-	-	-	-	(1,994,719)	(5,298,020)	-	28,567	-	-
Contributions and donations	-	-	-	-	-	-	-	-	-	5,384,282
Transfers	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)	(3,084,665)
Total Business-Type Activities	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)	2,487,083
Total Primary Government	$ 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	$ 33,728,727
Change In Net Position										
Governmental Activities	$ 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)	$ (482,347)
Business-Type Activities	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	9,564,248
Total Primary Government	$ 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	$ 9,081,901

City of Cartersville, Georgia
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ 795,894	$ -	$ -	$ -
Restricted	-	-	-	-	-	-	105,027	2,280	2,280	2,751
Unnassigned	-	-	-	-	-	-	5,086,905	5,177,556	4,566,226	3,635,321
Reserved	213,010	303,530	133,947	121,365	111,379	-	-	-	-	-
Unreserved	2,318,356	3,187,200	3,139,167	3,010,168	3,672,440	5,009,947	-	-	-	-
Total General Fund	$ 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	$ 3,638,072
All Other Governmental Funds										
Restricted	-	-	-	-	-	-	13,295,341	5,804,709	44,685	1,421,537
Committed	-	-	-	-	-	-	426,141	396,748	162,444	360,522
Unnassigned	-	-	-	-	-	-	-	-	(1,485,800)	-
Reserved	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	$ 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)	$ 1,782,059
Total All Governmental Funds	$ 10,652,094	$ 13,130,575	$ 17,812,829	$ 15,075,246	$ 13,947,276	$ 16,552,102	$ 19,709,308	$ 11,381,293	$ 3,289,835	$ 5,420,131

Notes:
GASB 54 was implemented during fiscal 2011.

City of Cartersville, Georgia
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	$ 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	$ 28,017,961
Licenses and permits	610,448	459,985	925,605	872,708	594,912	316,320	294,531	324,209	279,995	303,556
Intergovernmental	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	4,225,355
Payment from School Board	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	1,487,450
Fines and forfeitures	1,056,282	1,153,455	1,659,054	655,852	959,397	1,073,167	823,314	813,173	936,926	950,695
Charges for services	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	2,958,625
Contributions	-	-	8,085	21,672	-	-	-	-	-	31,869
Miscellaneous income	149,896	297,377	267,311	153,726	228,574	148,815	136,640	142,226	66,749	315,399
Investment earnings	210,726	443,867	931,944	555,526	101,572	122,311	117,993	152,939	48,597	71,155
Total Revenues	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	38,362,065
Expenditures										
General Government	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	20,947,507
Police	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	5,091,421
Fire	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	5,697,541
Municipal court	-	-	-	-	-	-	-	-	213,621	235,095
Garage	577,335	697,624	691,535	-	-	-	-	-	-	
Planning and development	705,014	844,930	1,697,872	2,343,157	1,175,965	1,048,513	854,851	827,236	717,454	716,216
Downtown development	-	-	-	-	-	-	-	-	129,114	151,853
Culture and recreation	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	2,993,248
Public Works	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	2,299,072
Capital outlay	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	557,426
Debt service:										
Principal	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	1,314,184
Interest	1,146,113	1,143,830	1,112,661	1,008,068	838,431	887,714	775,088	503,953	545,386	533,787
Bond issuance costs	-	-	-	-	-	-	139,462	-	-	-
Total Expenditures	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	40,537,350
Excess (deficiency) of revenues over (under) expenditures	(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)	(2,175,285)
Other Financing Sources										
Transfers in	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	5,235,871
Transfers out	(560,750)	(31,953)	(514,736)	(130,925)	(784,655)	(233,579)	(185,072)	(176,227)	(1,574,091)	(1,170,574)
Capital leases	1,201,376	74,592	199,784	737,597	72,429	26,207	-	991,267	177,813	204,311
Bonds issued	-	-	-	-	-	-	13,380,000	-	1,045,000	-
Costs on bonds issued	-	-	-	-	-	-	-	-	(15,834)	-
Premium on bonds issued	-	-	-	-	-	-	774,655	-	-	-
Proceeds from asset disposal	27,658	263,100	3,200	-	-	50,000	53,891	17,211	-	35,973
Capital contributions	-	-	-	3,790,456	-	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-	-	(13,875,193)	-	-	-
Total other financing sources (uses)	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	4,305,581
Inventory reserve increase (decrease)	20,388	(947)	-	-	-	-	-	-	-	-
Net change in fund balances	$ 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)	$ 2,130,296
Debt service as a percentage of noncapital expenditures	6.3%	6.4%	6.3%	5.0%	7.0%	7.6%	7.6%	6.6%	3.7%	4.8%

City of Cartersville, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Tax Digest Year	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					
2005	2004	$ 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	40.00%
2006	2005	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	40.00%
2007	2006	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	40.00%
2008	2007	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	40.00%
2009	2008	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	40.00%
2010	2009	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	40.00%
2011	2010	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	40.00%
2012	2011	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	40.00%
2013	2012	319,127,942	279,207,328	280,087,929	42,388,234	96,833	14,968,555	905,889,711	19.61%	2,264,724,278	40.00%
2014	2013	272,172,217	297,606,531	268,131,905	47,371,852	94,226	29,154,952	856,221,779	19.61%	2,140,554,448	40.00%

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

		City Direct Rate			Overlapping Rates		
Fiscal Year	Digest Year	City of Cartersville Operating Millage	Cartersville School Board	Total Direct Rates	Bartow County	State of Georgia	Total Direct and Overlapping Rates
2005	2004	1.49	17.68	19.17	8.88	0.25	28.30
2006	2005	1.46	17.68	19.14	9.85	0.25	29.24
2007	2006	1.42	17.23	18.65	9.58	0.25	28.48
2008	2007	1.40	17.23	18.63	9.30	0.25	28.18
2009	2008	1.38	17.23	18.61	9.07	0.25	27.93
2010	2009	1.38	17.23	18.61	9.07	0.25	27.93
2011	2010	1.38	17.23	18.61	9.07	0.25	27.93
2012	2011	1.38	17.23	18.61	9.07	0.25	27.93
2013	2012	1.38	18.23	19.61	9.07	0.25	28.93
2014	2013	1.38	18.23	19.61	10.97	0.25	30.83

Source:

Bartow County Tax Commissioner

Notes:

Overlapping rates are those of the local governments that apply to property owners within the City of Cartersville, Georgia.

City of Cartersville, Georgia
Principal Property Taxpayers
Last Ten Fiscal Years

	2014			2005		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Anheuser Busch	$ 119,930,224	1	14.54%	$ 131,328,428	1	16.55%
Shaw Industries	25,496,873	2	3.09%	23,641,896	2	2.98%
Aqualfil USA, Inc	18,652,978	3	2.26%	20,797,809	3	2.62%
Continental Pet Technologies	12,538,373	4	1.52%	10,311,054	4	1.30%
Forty-One Connector LTD	9,380,160	5	1.14%	16,231,517	5	2.05%
Ampacet	9,065,342	6	1.10%	18,685,335	6	2.35%
Colloid Environmental	7,148,040	7	0.87%	6,629,730	7	0.84%
Monitor Manufacturing Co	6,939,493	8	0.84%	6,489,512	8	0.82%
Applied Thermoplastic	6,642,204	9	0.81%	6,487,942	9	0.82%
TI Group Automotive Systems	5,337,012	10	0.65%	5,546,696	10	0.70%
Total	$ 221,130,699		26.80%	$ 246,149,919		31.01%

Source:
Bartow County Tax Commissioner

Notes:
The above information is based on the tax year digest.

City of Cartersville, Georgia
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Tax Digest Year	Taxes Levied (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 Adjusted Levy [1]		Amount	Percentage of Adjusted Levy [1]
2005	2004	$ 13,304,550	$ (49,655)	$ 13,254,895	$ 13,088,990	98.38%	$ 165,905	$ 13,254,895	100.00%
2006	2005	14,087,316	(31,695)	14,055,621	13,908,614	98.73%	146,797	14,055,411	100.00%
2007	2006	14,698,463	(65,533)	14,632,930	14,387,835	97.89%	245,095	14,632,930	100.00%
2008	2007	15,831,119	(206,875)	15,624,244	15,324,424	96.80%	299,820	15,624,244	100.00%
2009	2008	16,721,447	(171,917)	16,549,530	15,932,043	95.28%	597,173	16,529,216	99.88%
2010	2009	17,437,137	(264,678)	17,172,459	16,474,788	94.48%	677,731	17,152,519	99.88%
2011	2010	16,416,077	(66,243)	16,349,834	15,889,271	96.79%	459,479	16,348,750	99.99%
2012	2011	15,907,496	(98,673)	15,808,823	15,412,054	96.89%	393,622	15,805,676	99.98%
2013	2012	16,333,470	(287,411)	16,046,059	15,619,489	95.63%	282,997	15,902,486	99.11%
2014	2013	15,195,145	(236,857)	14,958,288	14,720,506	96.88%	-	14,720,506	98.41%

Source:
Bartow County Tax Commissioner
Notes:
[1] Changes in assessed values constituted an increase in taxes collected versus amount levied.

City of Cartersville, Georgia
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years

	Governmental Activities			Business-Like Activities					
Fiscal Year	General Obligation Bonds	Notes Payable	Capital Leases	Water/Sewer Bonds	Notes	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2005	$ 21,900,000	$ -	$ 1,736,833	$ 18,829,213	$ 13,528,829	$ 686,984	$ 56,681,859	3.43%	$ 652
2006	21,220,000	-	1,431,414	25,125,035	12,519,327	563,186	60,858,962	3.59%	682
2007	20,495,000	-	1,150,126	23,712,637	11,478,028	442,278	57,278,069	3.31%	628
2008	19,720,000	-	1,543,584	22,490,000	10,464,043	701,021	54,918,648	2.49%	566
2009	18,085,000	-	1,356,333	20,270,000	9,594,044	483,249	49,788,626	2.28%	509
2010	16,365,000	-	996,596	18,055,000	8,701,005	463,717	44,581,318	2.04%	448
2011	14,410,000	-	702,846	15,795,000	7,784,295	402,955	39,095,096	1.69%	390
2012	12,470,000	-	1,435,041	20,610,000	6,843,264	558,668	41,916,973	1.87%	415
2013	11,785,000	1,045,000	1,396,530	18,745,000	6,140,280	976,675	40,088,485	1.68%	396
2014	10,735,000	1,045,000	1,336,657	16,590,000	5,330,000	1,002,736	36,039,393	1.60%	353

Notes:
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 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
2005	21,900,000	1.12%	252
2006	21,220,000	1.02%	238
2007	20,495,000	0.93%	225
2008	19,720,000	0.83%	203
2009	18,085,000	0.72%	185
2010	16,365,000	0.65%	164
2011	15,795,000	0.66%	158
2012	12,470,000	0.54%	124
2013	11,785,000	0.52%	116
2014	10,735,000	0.50%	105

Notes:

Details regarding the City of Cartersville, Georgia's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for population data.

See the schedule of Assessed Value and Actual Value of Taxable Property for property value data.

City of Cartersville, Georgia
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Bartow County	$ 55,520,000	25%	$ 13,880,000
City of Cartersville			
Direct Debt	10,735,000	100%	10,735,000
Total Direct and Overlapping Debt	$ 66,255,000		$ 24,615,000

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

Notes:
Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Legal Debt Margin										
Debt limit	$ 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	$ 85,622,178
Total net debt applicable to limit	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	10,735,000
Legal debt margin	$ 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	$ 74,887,178
Total net debt applicable to the limit as a percentage of a debt limit	27.49%	25.08%	23.19%	20.79%	18.05%	16.14%	15.12%	13.45%	13.01%	12.54%

Total taxable assessed value	$ 856,221,779
Debt limit (10% of total assessed value)	85,622,178
Debt applicable to limit	
General obligation bonds	10,735,000
Legal debt margin	$ 74,887,178

Notes:
Under State of Georgia law, the City of Cartersville outstanding general obligation debt is limited to 10 percent of total assessed property value. The legal debt margin is the difference between the debt limit and the City's net general obligation debt outstanding applicable to the limit, and represents of the City's legal borrowing authority.

City of Cartersville, Georgia
Pledged Revenue Coverage
Last Ten Fiscal Years

	Water Revenue Bonds					
	Utility Service	Less:	Net	Debt Service		
Fiscal Year	Charges and Other	Operating Expenses	Available Revenue	Principal	Interest	Coverage
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
2014	13,499,015	7,593,373	5,905,642	2,155,000	540,474	2.19

Notes:
Details regarding the City's oustanding 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 deprciation, 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*
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	37.30	4,159	10.90%
2012	100,968	22,149	28,334	35.90	4,162	9.40%
2013	101,282	23,512	26,667	36.30	4,046	9.20%
2014	102,000	22,119	29,144	36.10	3,998	7.60%

Source:

[1] Cartersville-Bartow County Chamber of Commerce

[2] City Board of Education

* County-wide data

** City only

City of Cartersville, Georgia
Principal Employers
June 30, 2014

	2014		
Employer	Number of Employees	Rank	% of Total
Shaw Industries	2,562	1	27.97%
Bartow County School system	1,765	2	19.27%
Bartow County	882	3	6.22%
Cartersville Medical	750	4	8.19%
Toyo Tire NA	732	5	6.22%
Anheuser-Busch	570	6	5.46%
Quest Global	500	7	5.23%
Cartersville School System	500	8	5.46%
City of Cartersville	479	9	5.23%
WalMart	420	10	4.59%
Total Employees	9,160		

Source:

Cartersville-Bartow County Chamber of Commerce

Notes:

Comparable data for 2005 is not available

City of Cartersville, Georgia
Full-time Equivalent City Employees by Function/Program
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
General government	31	31	33	32	29	27	27	27	26	23
Police	55	58	58	58	64	66	66	65	64	64
Fire	55	58	59	62	62	62	62	62	74	74
Garage	6	7	7	6	6	5	4	4	4	4
Municipal court	*	*	*	*	*	*	*	*	2	2
Culture and recreation	25	25	27	27	27	27	27	27	27	25
Planning and development	8	9	9	10	10	8	8	8	8	8
Public Works	27	27	20	21	20	18	18	19	19	21
Business-type activities										
Water and Sewer	52	52	50	51	51	49	50	50	50	50
Electric	24	23	23	28	28	28	28	28	28	27
Gas	22	23	21	27	26	24	24	24	24	24
Solid waste	18	18	21	19	18	18	18	18	19	19
Stormwater	-	-	7	7	7	6	6	7	7	7
Fiber Optic	1	2	5	6	6	6	6	7	7	7
Total	324	333	340	354	354	344	344	346	359	355

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Physical arrests	(1)	1,199	1,208	1,080	1,827	1,479	2,035	856	2,306	1,765
Parking violations	(1)	1,364	1,420	931	505	235	176	156	102	121
Traffic violations	(1)	4,539	4,857	4,666	4,567	4,679	5,879	4,888	4,730	3,591
Fire										
Emergency responses	2,422	2,515	2,697	2,938	2,333	3,038	3,165	3,301	3,395	3,510
Fires extinguished	89	92	183	167	91	142	179	159	107	152
Inspections	765	925	820	510	2,396	1,054	2,290	2,346	2,218	2,029
Culture and Recreation										
Admission/Fees	$ 434,434	$ 476,952	$ 668,805	$ 804,997	$ 705,319	$ 730,160	$ 688,593	$ 695,729	$ 693,925	$ 729,458
Library volumes	67,345	68,118	75,220	75,338	79,753	85,890	98,961	107,835	113,516	115,945
Library circulation	(1)	262,774	309,071	448,165	481,862	529,711	499,739	523,827	469,414	444,923
Public Works										
Streets resurfacing miles	6.8	2.4	5	3.5	3.4	3.0	3.13	3.62	2.52	-
Planning and Development										
Building permits - residential	221	214	283	166	69	38	47	45	64	86
Value of building permits - reside	$ 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	$ 844,523
Building permits - commercial	99	108	114	102	47	31	37	48	58	52
Value of building permits - comm	$ 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	$ 10,256,259
Water										
Number of customers	10,658	11,155	11,181	10,431	10,438	10,331	10,121	10,841	8,481	8,486
Average daily demand	12.3	13.6	11.9	11.2	11.1	11.0	11.02	10.87	10.94	10.71
Sewer										
Number of customers	6,045	6,045	6,865	6,607	6,635	6,739	6,456	6,889	5,550	5,561
Average daily demand	9.6	9.9	8.0	6.4	6.8	5.7	7.22	5.74	6.82	7.27
Electric										
Number of customers	7,195	7,713	7,743	8,172	8,153	8,055	7,999	7,979	7,780	8,031
Average annual residential consu	12,000	12,000	12,400	12,420	11,925	12,272	12,987	12,028	12,326	12,231
Gas										
Number of customers	9,277	10,322	10,637	10,697	10,785	10,807	10,788	10,801	10,796	10,789
Solid Waste										
Number of customers	6,279	6,413	6,552	6,741	7,129	6,831	6,856	6,751	6,897	7,012
Fiber Optic										
Number of customers	65	61	59	54	66	80	74	80	72	82

(1) Information not available

Source:
Various City departments

City of Cartersville, Georgia
Capital Asset Statistics By Function/Program
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	2	4	4	4	4	4	3	2
Vehicles	37	41	44	66	66	66	88	74	64	79
Fire										
Stations	3	3	3	3	3	3	3	3	4	4
Culture and Recreation										
Acreage	627	627	640	640	640	655	641	644	645	648
Baseball/Softball Fields	15	15	15	15	15	15	15	15	15	15
Soccer/Football Fields	5	6	6	6	6	6	6	6	6	6
Public Works										
Miles of Streets	115	115	121	128	129	129	129	129	130	129
Water										
Fire hydrants	1,204	1,204	1,204	1,351	1,360	1,359	1,366	1,383	1,389	1,434
Miles of Water Mains	161	164	169	171	181	181	231	283	264	225
Sewer										
Miles of Sanitary Sewer	118	119	121	123	129	129	145	146	160	192
Electric										
Street lights	1,531	1,671	1,967	2,150	2,730	2,169	2,176	2,186	2,223	2,108
Miles of electric lines	160	162	198	202	202	204	204	204	205	209
Gas										
Miles of gas mains	296	298	314	314	347	350	351	335	337	339
Solid Waste										
Collection vehicle	16	16	19	19	17	20	20	21	20	20
Fiber Optic										
Miles of cable	54	54	55	60	62	64	64	65	68	69

Source:
Various City departments

Compliance Section

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
202 Love Avenue
Tifton, GA 31794
P.O. Box 7650
Tifton, GA 31793

(229) 382-8576
(229) 238-0643 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' 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 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, 2014, and the related notes to the financial statements, which collectively comprise the City of Cartersville, Georgia's basic financial statements, and have issued our report thereon dated January 26, 2015.

Internal Control Over Financial Reporting

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

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

January 26, 2015
Tifton, Georgia

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued	[Unmodified]
Internal Control over financial reporting:	
Material weakness(es) identified?	_____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes __X__ None reported
Noncompliance material to financial statements noted?	_____ Yes __X__ No

Federal Awards

Not applicable, as a single audit was not performed for the year ended June 30, 2014 due to the City not expending $500,000 or more of federal funds.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION II – FEDERAL AWARDS FINDINGS AND QUESTIONED COST

Not Applicable.

SECTION IV – STATUS OF PRIOR YEAR FINDINGS

None reported.

City of Cartersville, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
SPLOST II (2002)
For the Year Ended June 30, 2014

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Streets and roads	$ 8,805,900	$ 8,805,900	$ 12,396,967	$ 433,689	$ 12,830,656
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	768,855	136,810	905,665
Miscellaneous					
Fiber link (GIS mapping)	500,000	500,000	452,949	8,403	461,352
Public safety training facility - joint project	1,250,000	1,250,000	2,107,910	1,600	2,109,510
Cartersville/Bartow County library expansion	2,500,000	2,500,000	2,460,356	-	2,460,356
Total	$ 17,105,900	$ 17,105,900	$ 21,261,707	$ 580,502	$ 21,842,209

City of Cartersville, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
SPLOST III (2007)
For the Year Ended June 30, 2014

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Streets and Roads	$ 13,838,000	$ 13,838,000	$ 1,695,224	$ 30,950	$ 1,726,174
Water and Sewer Improvements					
Utility Relocate - Water	1,232,000	1,232,000	503,545	-	503,545
Raw Water Mains	-	200,000	162,198	-	162,198
New Line - Allatoona Dam	2,000,000	1,700,000	969,430	-	969,430
Other Utility Improvements					
Relocate Gas Lines	1,353,250	1,353,250	30,986	-	30,986
Relocate Fiber Lines	150,000	150,000	-	20,450	20,450
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	450,033	-	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	15,688,472	25,583	15,714,055
Fire Station #3 - Old Mill	5,808,000	5,808,000	458,160	-	458,160
Fire Station #2 - MLK	-	100,000	3,402,750	333	3,403,083
Old Courthouse Renovations	1,500,000	1,500,000	1,413,429	-	1,413,429
Total	$ 37,314,000	$ 37,314,000	$ 24,899,449	$ 77,316	$ 24,976,765

City of Cartersville, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
SPLOST IV (2014)
For the Year Ended June 30, 2014

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Fire safety improvements	$ 2,000,000	$ 2,000,000	$ -	$ -	$ -
Parks and recreation improvements	5,338,800	5,338,800	1,018,541	10,675	1,029,216
Building and 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	3,094,170	3,094,170	-	-	-
Remote meters - all utilities	6,300,000	6,300,000	-	-	-
JDA park debt retirement	4,069,076	4,069,076	-	1,273,753	1,273,753
Total	$ 27,822,796	$ 27,822,796	$ 1,018,541	$ 1,284,428	$ 2,302,969