

CALHOUN CITY SCHOOLS

a tradition of excellence

City of Calhoun
Board of Education, Georgia

A Component Unit of the City of Calhoun, Georgia

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012

CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA

(A Component Unit of the City of Calhoun, Georgia)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2012

Prepared by: Finance Department

City of Calhoun Board of Education
Comprehensive Annual Financial Report
For The Year Ended June 30, 2012

TABLE OF CONTENTS

Introductory Section
(*Unaudited*)

Letter of Transmittal ..... v – ix
Elected School Board Members x
Principal Officials xi
Organizational Chart xii
GFOA Certificate of Achievement for Excellence in Financial Reporting xiii

Financial Section

Independent Auditor's Report ..... 1 - 2

Management's Discussion and Analysis (*Unaudited*) ..... 3 - 12

Basic Financial Statements

Government-wide Financial Statements:

Comparative Statements of Net Assets 13
Statement of Activities 14

Fund Financial Statements:

Governmental Funds:
Balance Sheet 15
Reconciliation of the Balance Sheet of Governmental Funds to the Government-wide Statement of Net Assets 16
Statement of Revenues, Expenditures and Changes in Fund Balances 17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities 18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – (Budgetary Basis) - *General Fund* 19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – *School Food Service Fund* 20

Fiduciary Funds:
Comparative Statements of Assets and Liabilities – *Agency Funds* 21

Notes to the Basic Financial Statements ..... 22 - 37

Supplementary Information

Governmental Funds - Combining and Individual Fund Statements and Schedules:

Major *General* Fund:
Comparative Balance Sheets 38
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances 39

Major Special Revenue Fund:
School Food Service Fund
Comparative Balance Sheets 40

Nonmajor Special Revenue Funds:
Combining Balance Sheet 41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 42
Community Education Fund
Comparative Balance Sheets 43
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 44
Vocational Education Fund
Comparative Balance Sheets 45
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 46
ESEA Title I Fund
Comparative Balance Sheets 47
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 48
ESEA Title II Fund
Comparative Balance Sheets 49
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 50
ESEA Title III Fund
Comparative Balance Sheets 51
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 52
ESEA Title VI Fund
Comparative Balance Sheets 53
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 54
IDEA and Preschool Program Fund
Comparative Balance Sheets 55
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 56
Education of Homeless Children and Youth Fund
Comparative Balance Sheets 57
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 58

Lottery Pre-Kindergarten Fund
Comparative Balance Sheets 59
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 60
Local School Activity Accounts Fund
Comparative Balance Sheets 61
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 62

Major Debt Service Fund
Comparative Balance Sheets 63
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances .. 64

Nonmajor SPLOST Capital Projects Fund
Comparative Balance Sheets 65
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances ... 66

Fiduciary Funds
Agency Funds
Combining Statement of Changes in Assets and Liabilities 67

Statistical Section
(Unaudited)

Introduction to the Statistical Section 68

Financial Trend Information
Government-wide Net Assets By Component 69
Chart – Total Government-wide Net Assets 70
Changes in Net Assets – Governmental Activities 71
Chart - Governmental Fund Revenues and Expenses 72
Changes in Net Assets – Governmental Activities – Percentage of Total 73
Chart – Changes in Total Net Assets – Governmental Activities 74
Fund Balances - Governmental Funds 75-76
Chart – Total Fund Balances - Governmental Funds 77
General Governmental Revenues by Source 78
Chart - Total General Governmental Revenues 79
General Governmental Expenditures by Function 80
Chart – Total General Governmental Expenditures 81
General Governmental Current Expenditures by Function 82
Summary of Changes in Fund Balances – Governmental Funds 83
Chart –Governmental Fund Revenues and Expenditures 84
Chart – Total Changes in Fund Balances – Governmental Funds 85

Revenue Capacity Information
Taxable Assessed Value and Estimated Actual Value of Property – By Type 86
Chart – Taxable Assessed Value – Before Tax Exempt Property 87
Direct and Overlapping Property Tax Rates 88

Chart - Direct and Overlapping Property Tax Rates 89
Property Tax Levies and Collections 90
Chart - Property Tax Levies and Collections 91
Principal Property Taxpayers 92
Overlapping Sales and Use Tax Rates 93
Taxable Sales by Category 94

Debt Burden Information
Ratios of Total Debt Outstanding - By Type 95
Overlapping Governmental Activities Debt 96

Demographic and Economic Information
Demographic and Economic Statistics 97
Principal Employers 98

Operating Information
Full Time Equivalent (FTE) Positions – by Function 99
Teachers' Salaries 100
School Building Information 101
Operating Statistics 102
Enrollment by Grade Level 103
Chart – Enrollment by Grade Level 104

Internal Control and Compliance Section

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* 105-106
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 107-108
Schedule of Expenditures of Federal Awards 109
Notes to Schedule of Expenditures of Federal Awards 110
Summary Schedule of Prior Audit Findings 111
Schedule of Findings and Questioned Costs 112
Special Sales Tax Proceeds
Independent Auditor's Report 113
Schedule of Approved Local Option Sales Tax Projects 114

Introductory Section

December 17, 2012

To the Members of the Calhoun City School Board,
The Citizens of the City of Calhoun, Georgia and the Financial Community:

The ***Comprehensive Annual Financial Report*** (CAFR) of the City of Calhoun School Board, Georgia (the Board) for the fiscal year ended June 30, 2012, is submitted herewith. This report was prepared by the Board's finance department and is intended to fulfill the requirements for audit prescribed by Georgia Statutes for local boards of education. A separate report is issued to fulfill Single Audit Requirements of Federal and State governments. Board management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements

The Finance Department prepared this report in conformance with standards of the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants and the Government Finance Officers Association.

R. M. Dobbs & Company, Certified Public Accountants, have issued an unqualified ("clean") opinion of the Board of Calhoun's financial statements for the fiscal year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

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

SCHOOL SYSTEM PROFILE

The Calhoun City School System was established under the laws of the State of Georgia and operates under the guidance of a school board elected by the voters and a Superintendent, appointed by the Board. The Board provides education for grades K-12 as well as Pre-kindergarten for students within the City of Calhoun and for non-resident students from surrounding communities. The School System is considered to be a component unit of the City of Calhoun.

DR. MICHELE TAYLOR, SUPERINTENDENT

380 BARRETT ROAD • CALHOUN, GA 30701 • PHONE 706.629.2900 • FAX 706.629.3235 • WWW.CALHOUNSCHOOLS.ORG

Established in 1902 the Calhoun City School System celebrates 110 years of excellence. Through its storied history, Calhoun City Schools has been known for its strong and rich tradition of excellence; excellence in academics, arts, and athletics. Throughout Calhoun City Schools' existence, stakeholder involvement has been a critical component of its success. Although challenges exist, Calhoun City Schools looks at these challenges as opportunities to reach its mission of inspiring all students to become life-long learners in the pursuit of excellence. Interwoven into the tapestry of the historical lineage of Calhoun City Schools, is a commitment to excellence and community spirit that rests on the very pulse of its existence. This rich tradition of the Calhoun City Schools would not be possible were it not for the involvement of stakeholders over the years.

Our diverse enrollment continues to rise. Our 2012 enrollment was 3,357 in grades K – 12 plus 218 enrolled in the Pre-kindergarten program, a total of 3,575 students. Thirty percent of our students are Hispanic, 7% black, 59% white, and approximately 4% Asian, Pacific Islander, multi-racial, or American Indian. The Calhoun City School System is a system of choice. Approximately 25% of our student's apply to attend our schools from surrounding districts. We serve our diverse student population through both regular and special education programs. Additionally, the system uses special programs such as English to Speakers of Other Languages (ESOL), Gifted Education, Early Intervention Programs (EIP), Remediation, and Advanced Placement to address the needs of those students needing additional help to maintain grade level as well those students needing additional academic challenges.

In FY 2012 our school family included 230 full-time and 7 part-time certified teachers and administrators and 153 support staff members. Our multi-talented staff is committed to providing an exemplary education to our diverse student body.

Our fleet of seventeen route buses transports approximately 1,600 students daily; three of these buses which are equipped to transport special needs children throughout the City are staffed with monitors to assist in caring for the students of varying ages and disabilities. In addition, we have nine buses used to replace out of service buses and to support extracurricular activities.

Each day our cafeteria workers prepare and serve more than 3,725 meals to our students, faculty, and support staff. The percentage of students receiving free and/or reduced meals increased this year with 62% of our students qualifying.

Our technology department supports an inventory of more than 2,100 laptops, desktops, and iPads, interactive white boards, projectors, document cameras and printers plus the network equipment necessary to provide wireless access throughout each school. In addition, they support a wide-area network powered by Citrix and VMware View that provides added capabilities within our schools via the Internet. This infrastructure insures that our students, faculty, and support staff have access to their lessons, lesson plans, application software, and data from computers, smart phones and tablets.

All of our schools have Emergency Response Plans approved by the Georgia Emergency Management Agency. The purpose of these plans is to provide a functional, procedural framework for school staff and school emergency responders to follow when responding to emergencies in and around a school campus. The plan insures as much as humanly possible the safety, security and medical treatment of school students, staff, and visitors in an actual or threatened emergency or full-fledged disaster.

The City of Calhoun offers a safe, friendly, small town atmosphere, conveniently located on I-75 one hour north of Atlanta and 45 minutes south of Chattanooga. This enviable location has attracted and continues to attract commercial and industrial enterprises such as major carpet and floor covering

manufacturers, food processors, heavy machinery assembly companies, and distribution firms. Additionally, the City and the surrounding area possess a vast array of quality-of-life resources including civil war historic sites, state parks, quality health care, excellent public and higher educational opportunities, a cultural arts center, and a regional outlet center.

The City incorporated in January 1852 occupies a land area of approximately 12 square miles and serves a residential population of 15,600 and a service delivery population of approximately 40,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation as deemed appropriate by the Mayor and Council. Section 5-102 (a) of the Charter of the City of Calhoun states that the "mayor and council of the city are authorized to levy a tax annually on the real and personal property in the City of Calhoun for the purpose of establishing and maintaining a system of public schools in the city; provided, however, that the money so raised shall be used for school purposes."

Section 7-105 of the Charter of the City of Calhoun states that the "school board of education shall submit to the mayor and council at a regularly scheduled council meeting an annual operating and capital budget to be funded from local sources of revenue. The mayor and council shall not be authorized to adopt the budget submitted by the school board of education until at least the next regular council meeting following the date of submission." To prepare the budget for submission the Board adopts a budget calendar which establishes the dates by which the Superintendent will submit the budget to accomplish the approved priorities and goals for the upcoming fiscal year. Through out the budget process meetings are held with school system administrators, the Board, and the Mayor and/or his City Council representative. Input received from each of the listed groups is used to formulate the tentative budget. Once the Board has reviewed and approved the Superintendent's tentative budget it is then submitted to the mayor and council in accordance with Section 7-105. The final budget is then approved by the Board and Council respectively at their next scheduled meeting.

LOCAL ECONOMY

The Board has a large industrial base, which includes several Fortune 500 companies. Calhoun is the home of manufacturing facilities for several major companies, including Mohawk Industries, Shaw Industries, Mannington Floor Covering, and Engineered Floors LLC. Other industries, such as Kerry Inc., Kobelco, FieldTurf USA, and Calhoun Outlets which represent food processing, heavy machinery production, synthetic turf production, and retail outlets help to provide a diverse base. However, the City of Calhoun has experienced the impact of the nation wide recession on all of these industries. Due to this the Board encountered financial challenges due to the impact of the recession on both state and local revenues.

LONG-TERM FINANCIAL PLANNING

In 2002 and 2003 the City of Calhoun issued $19.5 million in general obligation bonds to finance building a new primary/elementary school complex and the partial renovation of and addition to the existing elementary school to create a new middle school. These projects were completed and occupied in 2004. SPLOST funds collected during the period July 2002 to June 2007 were used to pay the principal and interest on the outstanding bonds. In September 2006 our voters approved the extension of the existing SPLOST until June 2012. The approved referendum authorized the use of up to $2.5 million of SPLOST funds collected between July 2007 and June 2012 for capital outlay

projects. The remainder of the SPLOST funds collected will be used to pay bond expenses and to fund a reserve fund to call outstanding bonds in October 2012. Due to a decrease in sales tax collections, the Board applied $1 million of the $2.5 million authorized for capital projects to the reserve to call outstanding bonds in October 2012. On November 2, 2010 the voters of the City of Calhoun and Gordon County approved the continuation of the existing SPLOST effective July 2012 through June 2017. The voters of the City of Calhoun also authorized the City to issue general obligation bonds in principal amount not to exceed $33,000,000 to pay the cost of the construction, furnishing, and equipping of a new middle-high complex and other projects as specified in the resolution calling the election. In May 2011 the City issued, on behalf of Calhoun City Schools, $21,000,000 of General Obligation School Bonds, Taxable – Qualified School Construction Bonds (QSCB). These bonds will be combined with $12 million of local general obligation bonds, $15.7 million of State Regular Advance funding for capital outlay projects and local funds to construct and equip the new middle-high school complex.

CONSTRUCTION

Construction of the new Calhoun Middle and High School Complex began in the summer of 2011 on the existing middle-high school site. The new school complex, which will provide approximately 330,000 square feet of new space, will be constructed in phases beginning with the new high school in Phase I. Phase II will include the demolition of the existing middle school and construction of the new middle school. Phase III will include the removal of the existing high school buildings and the construction of a new multipurpose field and track. All phases of the project are scheduled to be completed in the summer of 2014.

AWARDS

As demonstrated by the statements and schedules included in the financial and required supplemental information sections of this report, the Board continues meeting its responsibility for sound financial management.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Calhoun Board of Education for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

The preparation of this CAFR would not have been possible without the efficient and dedicated service of the Finance Department. Thank you to our department heads and principals for understanding the importance of the financial status of this Board and as such, working diligently to provide quality service within our financial means. We also wish to extend our appreciation to the auditing firm of R. M. Dobbs & Company, Certified Public Accountants for their professionalism in conducting the audit of the Board's basic financial statements and related note disclosures.

Finally, credit also must be given to the School Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Board's finances.

Respectfully Submitted,

Donald Hood, CPA
Executive Director of Finance

Michele Taylor, Ed.D.
Superintendent

City of Calhoun
Board of Education, Georgia

Elected School Board Members
(In Office as of June 30, 2012)

Amy Atkinson, Chairperson
In office since January 1998
Current term expires January 2014

Eddie Hall, Vice Chair
In office since January 2006
Current term expires January 2014

Rhoda Washington, Secretary
In office since January 2010
Current term expires January 2014

Eddie Reeves
In office since October 2009
Current term expires January 2016

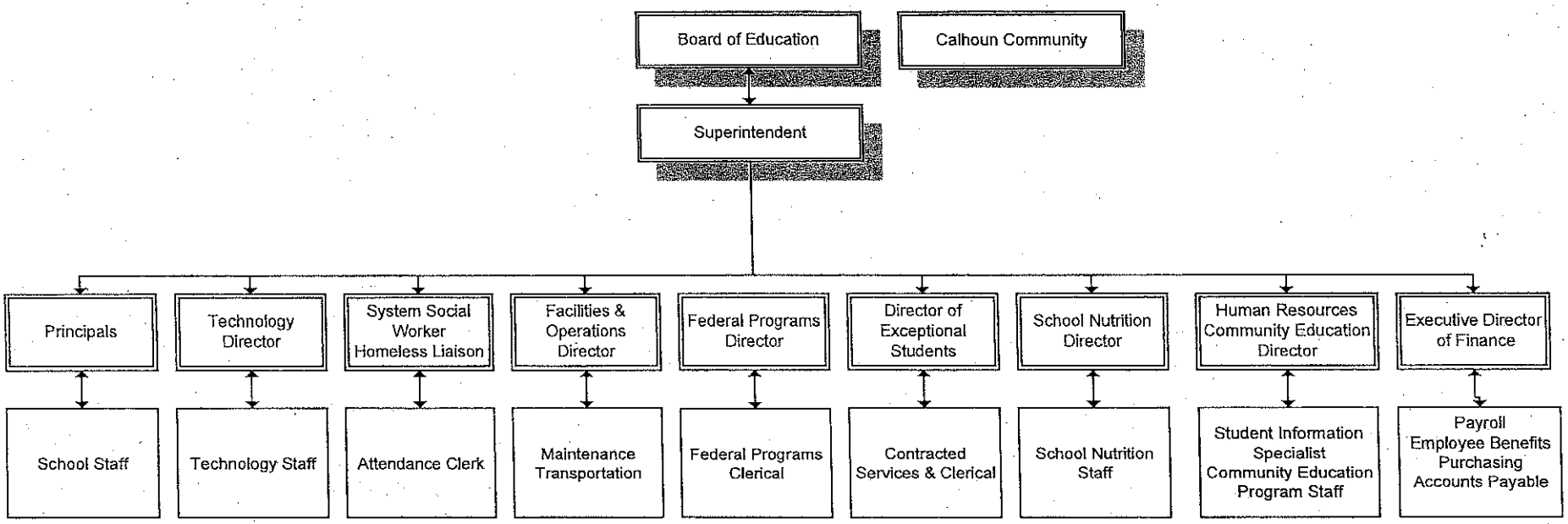
Debra Moyer
In office since January 2012
Current term expires January 2016

City of Calhoun
Board of Education, Georgia

Appointed Principal Officials

Name	Position
Dr. Michele Taylor	Superintendent
Donald Hood	Executive Director of Finance
Michelle Griffith	Human Resources, Community Education Director
Kelly Bumgardner	Facilities & Operations Director
Kimberly Kiker	School Nutrition Director
Bob Orfield	Special Education, Title I Director
Gregory Petersen	Federal Programs Director
Jody Maffetone	Technology Director
Beth Holcomb	Principal, Calhoun Primary School
Tammy Griffith	Principal, Calhoun Elementary School
Michelle Knight	Principal, Calhoun Middle School
Greg Green	Principal, Calhoun High School

Calhoun City Schools
Organizational Chart
FY12



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Calhoun Board of Education

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Christopher P Morrill

President

Jeffrey R. Emer

Executive Director

Financial Section

R.M. DOBBS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 423
CALHOUN, GEORGIA 30703-0423
706-629-4511

JERRY L. CLEMENTS, C.P.A.
LOUISE McGOWAN, C.P.A.
JUDY M. FAGAN, C.P.A.
JAN C. GOBLE, C.P.A.
MITZI B. POWELL, C.P.A.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of the
City of Calhoun Board of Education
Calhoun, Georgia

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Calhoun Board of Education, Georgia, a component unit of the City of Calhoun, Georgia as of and for the year ended June 30, 2012, which collectively comprise the City of Calhoun Board of Education, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Calhoun Board of Education, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Calhoun Board of Education, Georgia, as of June 30, 2012, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the School Food Service Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2012, on our consideration of the City of Calhoun Board of Education, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Calhoun Board of Education, Georgia's financial statements as a whole. The introductory section, combining and individual major and nonmajor fund financial statements, budgetary comparison schedules for nonmajor funds, statistical section, and project cost schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual major and nonmajor fund financial statements, budgetary comparison schedules for nonmajor funds, the schedule of expenditures of federal awards and project cost schedules 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. The 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

R. M. Dobbs & Company

Calhoun, Georgia
December 17, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of City of Calhoun Board of Education, Georgia's (the "Board") annual financial report, the Board's management is pleased to provide this narrative discussion and analysis of the financial activities of the Board for the fiscal year ended June 30, 2012. The Board's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Board's assets exceeded its liabilities by $14,862,611 - (net assets) for the fiscal year reported.
- Total net assets are comprised of the following:
  (1) Capital assets of $754,271 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net assets restricted of $1,353,012 by constraints imposed from outside the Board such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $12,755,328 represent the portion available to maintain the Board's continuing obligations to citizens and creditors.
- The Board's governmental funds reported total ending fund balance of $10,222,621 this year. This compares to the prior year ending fund balance of $8,043,710 showing an increase of $2,178,911 during the current year. The governmental unassigned fund balance of $4,300,501 for fiscal year 2012 shows a $518,290 increase from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $4,300,501 or 18.3% of total general fund expenditures.
- Overall, the Board continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Board's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Board also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

The Board's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Board's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets.* This is the government-wide statement of position presenting information that includes all of the Board's assets and liabilities, with the difference reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of the financial position of the Board as a whole. Evaluation of the overall health of the Board would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities,* which reports how the Board's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Board's distinct activities or functions on revenues provided by the Board's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Board that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include regular instruction, specialized instruction and numerous supporting services such as school administration and the operation and maintenance of the schools.

The government-wide financial statements are presented on pages 13 & 14 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Board uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Board's most significant funds rather than the Board as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The Board has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Board's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. Fund financial sstatements are useful in evaluating annual financing requirements of governmental programs and the commitment of current spendable resources.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements, including the general fund's budgetary statement are presented on pages 15-20 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

The other fund type, *fiduciary funds* are used to account for the Board's school activity accounts and the school construction account. This comparative statement of assets and liabilities is presented on page 21.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

As discussed, the Board reports major funds in the basic financial statements.

Supplementary Information

This final section of the financial report includes combining and individual statements and schedules for the general fund, capital projects fund and the nonmajor funds, beginning on page 36.

Financial Analysis of the Board as a Whole

The Board's net assets at fiscal year-end are $14,862,611. The following table provides a summary of the Board's net assets:

Summary of Net Assets

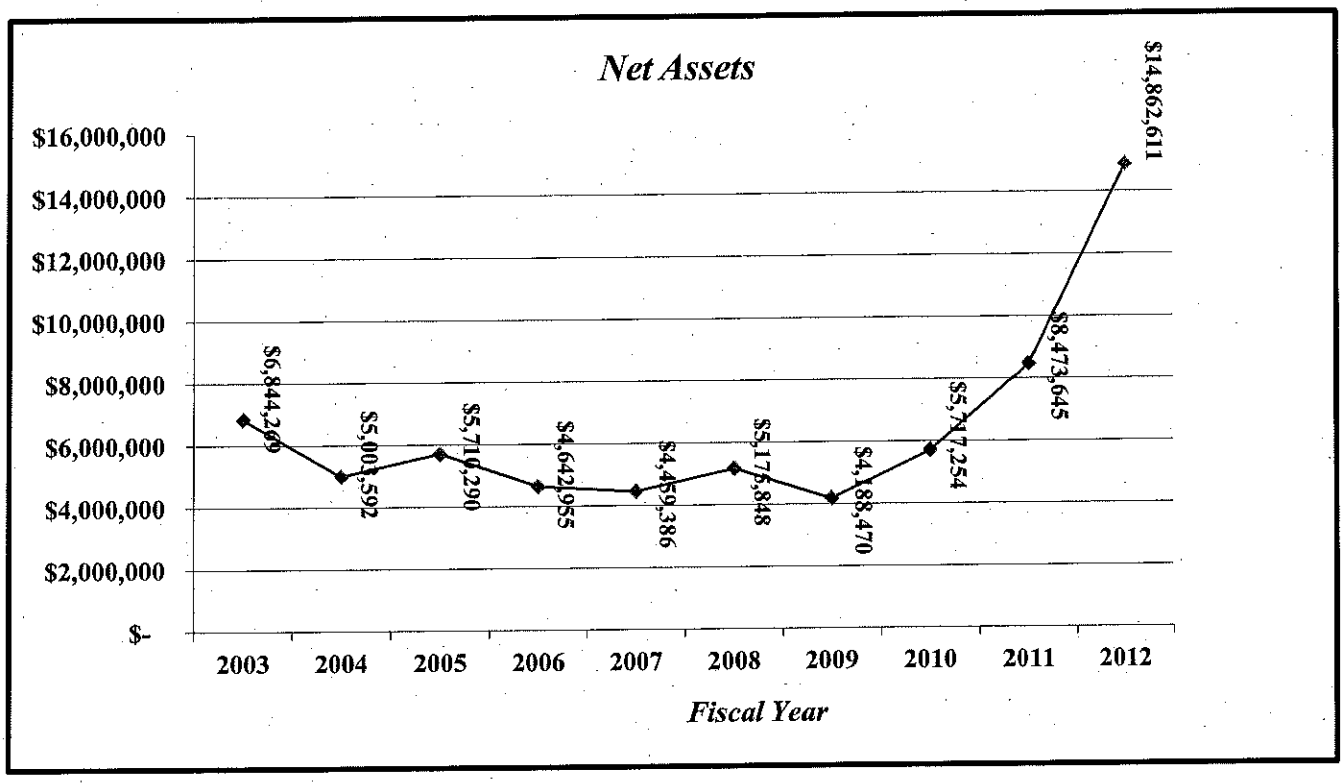
	2012		2011	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Assets:				
Current assets	$ 17,707,395	95%	$ 11,276,142	95%
Capital assets	4,772,579	5%	540,566	5%
Total assets	22,479,974	100%	11,816,708	100%
Liabilities:				
Current liabilities	7,488,450	98%	3,264,846	98%
Long-term liabilities	128,913	2%	78,217	2%
Total liabilities	7,617,363	100%	3,343,063	100%
Net assets:				
Invested in capital assets, net of related debt	754,271	6%	540,566	6%
Restricted	1,353,012	5%	455,369	5%
Unrestricted	12,755,328	89%	7,477,710	89%
Total net assets	$ 14,862,611	100%	$ 8,473,645	100%

The Board continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 2.4 to 1 at June 30, 2012 versus 3.5 to 1 at June 30, 2011.

The Board reported a positive balance in net assets for its governmental activities. Net assets increased $6,388,966 or 75.4% for governmental activities in fiscal year 2012.

Note that only 5.1% of the governmental activities' net assets are tied up in capital. The Board uses these capital assets to provide services to its students. Our school board is unique, since we are a component unit of the City of Calhoun, the City owns all of the school buildings and the City issues the debt to finance these buildings. As a result, our percentage of net assets "invested in capital assets, net of debt" is very low as compared to other Georgia school boards.

The following chart reports the net asset balances from fiscal year 2003 - 2012.



Note that total net assets increased approximately $6.4 million or 75.4% in this fiscal year as compared to a $2.8 million or 48.2% increase in fiscal year 2011.

(This page continued on the subsequent page)

The following table provides a summary of the Board's changes in net assets:

Summary of Changes in Net Assets

	2012		2011	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenues:				
Program:				
Charges for services	$ 1,806,650	3.8%	$ 1,854,834	5.6%
Operating grants	17,881,593	37.9%	18,551,038	55.6%
Capital grants and contributions	13,434,503	28.5%	-	
General:				
Taxes	13,949,802	29.6%	12,589,741	37.7%
Other	98,256	0.2%	397,264	1.1%
Total revenues	47,170,804	100.0%	33,392,877	100.0%
Program Expenses:				
Instruction	26,024,529	63.9%	17,596,864	57.4%
Pupil	1,266,542	3.1%	1,265,702	4.1%
Improvement of instructional services	852,342	2.1%	1,150,953	3.8%
Media	421,924	1.0%	408,714	1.3%
General administration	303,211	0.7%	376,186	1.2%
Federal grant administration	107,889	0.3%	-	0.0%
School administration	1,397,422	3.4%	1,398,898	4.6%
Business administration	610,078	1.5%	523,210	1.7%
Operations and maintenance	1,947,591	4.8%	1,854,760	6.1%
Student transportation	712,198	1.7%	597,957	2.0%
Central support	56,598	0.1%	47,432	0.2%
School nutrition program	3,632,163	8.9%	1,951,579	6.4%
Other supporting services	115,316	0.4%	193,086	0.6%
Community services	413,348	1.0%	420,327	1.4%
Facilities acquisition and construction	-	0.0%	335,193	1.0%
Enterprise operations	28,089		-	0.0%
Debt service	2,892,598	7.1%	2,515,625	8.2%
Total expenses	40,781,838	100.0%	30,636,486	100.0%
Excess	6,388,966		2,756,391	
Beginning net assets	8,473,645		5,717,254	
Ending net assets	$ 14,862,611		$ 8,473,645	

GOVERNMENTAL REVENUES

The Board's primary revenue source is state aid, primarily the quality basic education aid. State aid and federal aid recognized for operating purposes total 37.9% of total revenue as compared to 55.6% in fiscal year 2011. In addition, the Board also is reliant on property taxes to support governmental operations and capital purposes. Property taxes provided 23.4% of the Board's total governmental revenues as compared to 30.2% in fiscal year 2011.

In fiscal year 2012, the millage rate was set to the rollback rate of 16.012 mills increased over the 2011 rate of 13.865. This increase was necessary because of a reduction in the tax digest. The net tax digest (gross digest less school tax exemptions) decreased from $750,934,577 in fiscal year 2011 to $682,598,214 in fiscal year 2012, a 10% decrease. School taxes levied increased from $10.4 million to $10.9 million, a 5% increase.

In addition, the Board earned $14,520 in unrestricted interest to support governmental activities. Also, note that program revenues (excluding capital program revenue) cover approximately 48.3% of governmental operating expenses. The majority of this aid is used for direct instruction. This means that the government's taxpayers fund 51.7% of the governmental activities.

The School Board recorded over $2.9 million in special purpose local option sales taxes (SPLOST) during the current fiscal year. This amount is up from $2.5 million in fiscal year 2011. Effective July 1, 2007 a referendum was approved for both Gordon County Schools and the Board, authorizing a 1% special purpose local option sales tax, which expired June 30, 2012.

The sales taxes are to be used for the following capital outlay projects:

- Acquisition, construction, and equipping of future school sites, including specifically but not limited to the acquisition of necessary land, site work, and construction for such schools.
- The construction of new facilities or additions and improvements to existing facilities throughout the Calhoun City School system.
- The construction of new athletic facilities or additions and improvements to existing facilities for the use of all the schools.
- The acquisition and installation of computers and technology throughout the Calhoun School System.

On November 2, 2010 the voters of the City of Calhoun and Gordon County approved the continuation of the existing special purpose local option sales tax (SPLOST) effective July 1, 2012 through June 30, 2017. The voters of the City of Calhoun also authorized the City to issue general obligation bonds in principal amount not to exceed $33,000,000 to pay the cost of the construction, furnishing, and equipping of a new middle-high complex and other projects as specified in the resolution calling the election.

(This page continued on the subsequent page)

GOVERNMENTAL FUNCTIONAL EXPENSES

This table presents the cost of each of the Board's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the Board's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
Instruction	$ 26,024,529	$ 17,596,864	$ 1,000,914	$ 5,591,509
Pupil	1,266,542	1,265,702	251,128	121,017
Improvement of instructional services	852,342	1,150,953	288,633	23,495
Media	421,924	408,714	167,021	136,783
General administration	303,211	376,186	25,799	105,066
Federal grant administration	107,889	-	107,889	-
School administration	1,397,422	1,398,898	445,601	511,629
Business administration	610,078	523,210	196,803	210,354
Operations and maintenance	1,947,591	1,854,760	864,762	729,994
Student transportation	712,198	597,957	66,171	275,824
Central support	56,598	47,432	25,327	(20,258)
Child nutrition program	3,632,163	1,951,579	1,304,116	(335,569)
Other supporting services	115,316	193,086	35,443	81,477
Community services	413,348	420,327	(41,202)	(51,525)
Facilities acquisition and construction	-	335,193	-	335,193
Enterprise operations	28,089	-	28,089	-
Debt service	2,892,598	2,515,625	2,892,598	2,515,625
Total	$ 40,781,838	$ 30,636,486	$ 7,659,092	$ 10,230,614

Since the Board does not own any school buildings, any new buildings they construct or improvements they make are not capitalized, rather they are written off as expenses. The City capitalizes these costs. The fiscal year 2012 debt service expense includes the School Board's payment to the City to retire the principal and interest on the City's bonds issued for school purposes.

The instruction function includes $7.1 million and the child nutrition program includes $1.5 million for non-capitalized capital outlay for the middle school complex that the Board constructed, but the complex becomes a capital asset of the City. The instruction function net program costs were about $1 million because $13.4 million of program revenue for construction was recognized because of the state aid and the payment from the City for this purpose.

Financial Analysis of the Board's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $10,222,621. Of this year-end total, $4,300,501 is unassigned indicating availability for continuing Board service requirements. $3.5 million is assigned for specific purposes and $1,027,914 is committed to specific purposes.

The total ending fund balances of governmental funds show an increase of $2,178,911 approximately 27.1% over the prior years' amount.

Major Governmental Funds

General Fund - The general fund is the School Board's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance increased $1,266,274 or 18.9%. This change compares to the general fund's fund balance which increased by $2,490,668 or 59.3% in fiscal year 2011.

Total general fund revenues increased 733,588 or just 3%. General fund local revenues increased $1,022,809. This increase relates to an increase in property taxes, due to aggressive collections of delinquent taxes.

State aid increased $192,913 or 1.5%. The majority of this increase relates to QBE formula earnings. Federal aid decreased $482,134 since 2011 included revenues from ARRA State Stimulus funds, which were used to replace QBE funds.

On the expenditure side, total general fund expenditures decreased $1,927,756 or 8.9%.

Instruction expenditures increased $1,337,315 or 8.7%. This increase relates to adding back four days of pay to the teachers' contracts, salary step increases built into the State Salary Schedule for certified personnel and salary increases due to advanced degrees earned.

Transportation costs increased $334,872 or 73%, due to:

- The purchase of two new buses at a cost of $225,000.
- Salary and benefit increases due to personnel changes.
- Salary step increases for bus drivers and maintenance personnel.

The costs of business administration increased $95,419 or 18.3% because of the addition of four days to contracts and the transfer of an employee into this function for training for a critical position.

In fiscal year 2012, revenues exceeded expenditures and transfers out by $1,266,274. Also in fiscal year 2011, revenues exceeded expenditures and transfers out by $2,490,668.

The General Fund's ending unassigned fund balance is considered adequate, representing the equivalent of 18.3% of annual expenditures. The unassigned fund balance was 17.5% in the prior year.

School Food Service Fund - In fiscal year 2012, revenues exceeded expenditures by $197,280 as $43,370 or 2.6% due to the number of meals served daily increasing. Expenditures increased $214,645 or 11.2%. This increase relates to salaries and benefits. The ending fund balance at June 30, 2012 is $652,649.

Debt Service Fund – This fund reports the School Board's share of the special purpose local option sales taxes, which are forwarded to the City of Calhoun to cover their debt service costs for school buildings. Revenues increased by $376,973 in the current fiscal year as compared to the prior fiscal year. Revenues and expenditures equaled for the last four years.

SPLOST Capital Project Fund – This is being funded by the State of Georgia and proceeds for the City's sale of bonds. A capital grant from the State of Georgia was recognized for $4.7 million and the transfer from the City's bond proceeds equaled approximately $8.7 million. The fiscal year 2012 expenditures exceeded $12.7 million for construction of the new middle school. Fund balance at June 30, 2012 equaled $700,363.

General Fund Budgetary Highlights

Total revenues were equal to the final 2011-2012 budget. The budget was amended upward by $1,709,108 or 7.1%. The local revenues budget was increased by approximately $811,000 due to delinquent tax collections. The State revenue budget increased $722,110 due to growth in the number of full-time equivalent (FTE) students, training and experience adjustments for teachers, and the receipt of charter system funds from the State of Georgia.

The expenditure side of the original budget for the general fund was revised upward just $254,915 or 1.2%, primarily to finance the purchase of the two buses.

The functions overspent were the improvement of instructional services by $39,640 and other supporting services by $44,766. This overage relates to the purchase of additional technology services and equipment. Other supporting services were overspent due to the early payment of the System's FY 2013 RESA dues. Overall, the Board spent 98.4% of the final budget.

Capital Assets and Debt Administration

Capital Assets

The Board's investment in capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2012, was $4,772,579. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity.

	2012	2011
Nondepreciable assets:		
Construction in progress	$ 4,134,335	$ -
Depreciable assets:		
Equipment	$ 223,399	$ 217,891
Food service equipment	492,381	501,097
Computer equipment	255,169	236,411
School buses	1,698,300	1,483,616
Other vehicles	98,792	98,792
Total depreciable assets	2,768,041	2,537,807
Less accumulated depreciation	2,129,797	1,997,241
Book value - depreciable assets	$ 638,244	$ 540,566
Percentage depreciated	77%	79%
Total capital assets	$ 4,772,579	$ 540,566

At June 30, 2012, the depreciable capital assets for governmental activities were 77% depreciated. This compares to 79% on June 30, 2011. The construction in progress includes the partial completion of approximately 38,850 sq. ft. of the 330,000 sq. ft. to be constructed. The completion includes the kitchen prep and serving areas, cafeteria, and approximately 21,000 sq. ft. of instructional space.

Long-term Debt

The Board's compensated absence liability increased $21,958 or 19.8%.

Economic Conditions Affecting the Board

The Board has all the power and authority to manage the public schools of the City of Calhoun as is provided to county boards of education in the Constitution of Georgia and the acts of the General Assembly of Georgia. The Board is fiscally dependent upon the City of Calhoun because the Mayor and City Council must approve the Board's annual budget, levy the necessary taxes for the Board, and issue general obligation debt for the Board.

The Board serves all of the area within the City of Calhoun. Approximately 25% of the School System's students are classified as non-residents; the majority of these reside in unincorporated Gordon County. Funds for the general maintenance and operation of the School System are derived from local, state, and federal sources. Local revenues consist primarily of ad valorem property taxes collected within the City. The other major revenue stream is state aid provided by the State of Georgia.

Since the Board receives the majority of its revenues from the State of Georgia, the State's continuing slow economic recovery and the withholding of funds earned by the System, austerity reductions, negatively impacts the Board's financial position.

The City is the county seat of Gordon County, and is located in the northwest section of Georgia. Gordon County's private employers are heavily concentrated in the carpet and carpet support industries. The public employers consist of City, the School Board and the County government. The School Board is the second largest public employer in Gordon County.

The fiscal year 2013 budget continues the system's emphasis on Excellence in Academics, Arts, and Athletics. Since the 2008-2009 school year, the system has endured reductions in personnel and programs due to reductions in state funding and a reduced local property tax digest. With increased accountability and class sizes, the School Board felt that the school system could no longer continue to make major cuts and sustain a system that met the needs of our students and the community.

The major challenges included escalating health care costs, continued austerity reductions by the state, increased cost to transport students, increased salary and benefits cost, and potential cuts to federal title programs.

The School Board and City Council approved a millage increase of 1.667 mills to help offset the impact of the expenditure challenges.

Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations, and demonstrate the Board's commitment to public accountability. If you have, questions about this report or would like to request additional information, contact the Board's Finance Director at 380 Barrett Road, Calhoun, GA 30701.

City of Calhoun Board of Education, Georgia
Comparative Statements of Net Assets
June 30, 2012 and 2011

	Governmental Activities	
	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	$ 12,347,557	$ 8,313,371
Receivables:		
Intergovernmental	5,151,894	2,787,417
Primary government	160,180	121,277
Inventory	47,764	54,077
Total Current Assets	17,707,395	11,276,142
Capital Assets		
Depreciable, net	4,772,579	540,566
Total Assets	22,479,974	11,816,708
Liabilities		
Current Liabilities		
Accounts payable	55,567	44,860
Construction contracts payable	4,018,308	-
Accrued salaries and wages	3,150,766	2,956,412
Compensated absences payable	3,676	32,414
Due to primary government	260,133	231,160
Total Current Liabilities	7,488,450	3,264,846
Long-Term Liabilities (net of current portion):		
Compensated absences payable	128,913	78,217
Total Liabilities	7,617,363	3,343,063
Net Assets		
Invested in capital assets, net of related debt	754,271	540,566
Restricted for school nutrition program	652,649	455,369
Restricted for capital outlay	700,363	-
Unrestricted	12,755,328	7,477,710
Total Net Assets	$ 14,862,611	$ 8,473,645

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
Statement of Activities
For the Year Ended June 30, 2012

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants, Contributions and Interest	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities
Primary Government					
Governmental Activities					
Instruction	$ 26,024,529	$ 13,436	$ 11,575,676	$ 13,434,503	$ (1,000,914)
Pupil	1,266,542	579,525	435,889	-	(251,128)
Improvement of instructional services	852,342	-	563,709	-	(288,633)
Media	421,924	45,445	209,458	-	(167,021)
General administration	303,211	-	277,412	-	(25,799)
Federal grant administration	107,889	-	-	-	(107,889)
School administration	1,397,422	103,678	848,143	-	(445,601)
Business administration	610,078	26,150	387,125	-	(196,803)
Operations and maintenance	1,947,591	14,139	1,068,690	-	(864,762)
Student transportation	712,198	5,488	640,539	-	(66,171)
Central support	56,598	-	31,271	-	(25,327)
School nutrition program	3,632,163	552,714	1,775,333	-	(1,304,116)
Other supporting services	115,316	11,525	68,348	-	(35,443)
Community services	413,348	454,550	-	-	41,202
Enterprise operations	28,089	-	-	-	(28,089)
Debt service	2,892,598	-	-	-	(2,892,598)
Total Governmental Activities	$ 40,781,838	1,806,650	17,881,593	13,434,503	(7,659,092)
		General Revenues			
		Property taxes levied for:			
		General government purposes			11,057,204
		Sales taxes			2,892,598
		Investment earnings			14,520
		Miscellaneous			83,736
		Total General Revenues			14,048,058
		Change in Net Assets			6,388,966
		Net Assets Beginning of Year			8,473,645
		Net Assets End of Year			$ 14,862,611

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
Balance Sheet
Governmental Funds
June 30, 2012
(With Comparative Totals at June 30, 2011)

	2012						2011
	General	School Food Service	Debt Service	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 8,344,637	$ 503,414	$ -	$ 2,424,578	$ 1,074,928	$ 12,347,557	$ 8,313,371
Receivables:							
Intergovernmental	1,952,962	230,387	246,987	2,303,504	418,054	5,151,894	2,787,417
Due from primary government	160,180	-	-	-	-	160,180	121,277
Interfund	272,021	-	-	-	-	272,021	381,735
Inventory	-	47,764	-	-	-	47,764	54,077
Total Assets	$ 10,729,800	$ 781,565	$ 246,987	$ 4,728,082	$ 1,492,982	$ 17,979,416	$ 11,657,877
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ 35,643	$ -	$ -	$ 9,411	$ 10,513	$ 55,567	$ 44,860
Contracts payable	-	-	-	4,018,308	-	4,018,308	-
Accrued salaries and wages	2,721,502	128,916	-	-	300,348	3,150,766	2,956,412
Due to primary government	13,146	-	246,987	-	-	260,133	231,160
Interfund payable	-	-	-	-	272,021	272,021	381,735
Total Liabilities	2,770,291	128,916	246,987	4,027,719	582,882	7,756,795	3,614,167
Fund Balances							
Nonspendable	-	47,764	-	-	-	47,764	54,077
Restricted	-	604,885	-	700,363	-	1,305,248	401,292
Committed	117,814	-	-	-	910,100	1,027,914	984,604
Assigned	3,541,194	-	-	-	-	3,541,194	2,826,588
Unassigned	4,300,501	-	-	-	-	4,300,501	3,777,149
Total Fund Balances	7,959,509	652,649	-	700,363	910,100	10,222,621	8,043,710
Total Liabilities and Fund Balances	$ 10,729,800	$ 781,565	$ 246,987	$ 4,728,082	$ 1,492,982	$ 17,979,416	$ 11,657,877

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Government-wide Statement of Net Assets
June 30, 2012

Total Governmental Fund Balances			$ 10,222,621
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet but are reported in the government-wide statement of net assets.			
Cost of capital assets	$	6,902,366	
Less accumulated depreciation		(2,129,787)	4,772,579
Interfund receivables and payables between governmental funds are reported on the governmental fund's balance sheet but eliminated on the government-wide statement of net assets.			
Interfund receivables	$	(272,021)	
Interfund payables		272,021	-
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net assets.			
Compensated absences			(132,589)
Net Assets Of Governmental Activities			$ 14,862,611

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012
(With Comparative Totals For The Year Ended June 30, 2011)

	2012						2011
	General	School Food Service	Debt Service	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Revenues							
Local	$ 11,263,673	$ 553,365	$ 2,892,598	$ 8,709,013	$ 1,143,784	$ 24,562,433	$ 14,902,527
Intergovernmental - state	13,369,575	54,146	-	4,726,779	832,289	18,982,789	14,131,914
Intergovernmental - federal	175,825	1,721,187	-	-	1,728,570	3,625,582	4,358,436
Total Revenues	24,809,073	2,328,698	2,892,598	13,435,792	3,704,643	47,170,804	33,392,877
Expenditures							
Current:							
Instruction	16,720,344	-	-	-	2,193,226	18,913,570	17,584,846
Supporting services:							
Pupil	689,086	-	-	-	572,676	1,261,762	1,265,702
Improvement of instructional services	661,953	-	-	-	175,388	837,341	1,172,904
Media	381,479	-	-	-	40,445	421,924	408,714
Federal grant administration	-	-	-	-	107,889	107,889	-
General administration	302,778	-	-	-	-	302,778	373,932
School administration	1,266,993	-	-	-	116,684	1,383,677	1,395,767
Business administration	618,206	-	-	-	-	618,206	522,787
Operations and maintenance	1,911,173	-	-	-	36,454	1,947,627	1,854,638
Student transportation	793,901	-	-	-	42,348	836,249	504,270
Central support	55,879	-	-	-	-	55,879	44,036
School nutrition program	-	2,131,418	-	-	-	2,131,418	1,916,773
Other supporting services	90,922	-	-	-	24,394	115,316	193,086
Community services	-	-	-	-	407,203	407,203	413,116
Enterprise operations	-	-	-	-	28,089	28,089	-
Intergovernmental	-	-	2,892,598	-	-	2,892,598	2,515,625
Capital Outlay	-	-	-	12,730,367	-	12,730,367	335,193
Total Expenditures	23,492,714	2,131,418	2,892,598	12,730,367	3,744,796	44,991,893	30,501,389
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,316,359	197,280	-	705,425	(40,153)	2,178,911	2,891,488
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	50,085	50,085	19,859
Transfers out	(50,085)	-	-	-	-	(50,085)	(19,859)
Total Other Financing Sources (Uses)	(50,085)	-	-	-	50,085	-	-
Net Change in Fund Balances	1,266,274	197,280	-	705,425	9,932	2,178,911	2,891,488
Fund Balances (Deficits) Beginning of Year	6,693,235	455,369	-	(5,062)	900,168	8,043,710	5,152,222
Fund Balances End of Year	$ 7,959,509	$ 652,649	$ -	$ 700,363	$ 910,100	$ 10,222,621	$ 8,043,710

See accompanying notes to the basic financial statements

City of Calhoun Board of Education
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities
For the Year Ended June 30, 2012

Net Changes In Fund Balances - Total Governmental Funds			$ 2,178,911
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay expenditures in the current period.			
	Depreciation expense	$ (165,692)	
	Capital outlay	4,397,705	4,232,013
Interfund transfers are reported in the governmental fund operating statement, but are eliminated in the government-wide statement of net assets.			
	Transfers in	$ (50,085)	
	Transfers out	50,085	-
Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund operating statement.			
	Liability @ 06/30/12	$ (132,589)	
	Liability @ 06/30/11	110,631	(21,958)
Change In Net Assets of Governmental Activities			$ 6,388,966

See accompanying notes to the basic financial statements

City of Calhoun Board of Education
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (BudgetaryBasis)
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ 10,452,500	$ 11,263,673	$ 11,263,673	$ -	$ 10,240,864
Intergovernmental - state	12,647,465	13,369,575	13,369,575	-	13,086,298
Intergovernmental - federal	-	175,825	175,825	-	657,959
Total Revenues	23,099,965	24,809,073	24,809,073	-	23,985,121
Expenditures					
Current:					
Instruction	17,060,681	16,988,681	16,720,344	268,337	15,309,748
Supporting services:					
Pupil	641,074	691,074	689,086	1,988	639,753
Improvement of instructional services	605,313	622,313	661,953	(39,640)	692,836
Media	376,597	381,597	381,479	118	360,061
General administration	403,269	381,931	302,778	79,153	310,621
School administration	1,295,140	1,295,140	1,266,993	28,147	1,265,114
Business administration	666,957	666,957	618,206	48,751	521,382
Operations and maintenance	1,964,885	1,951,027	1,911,173	39,854	1,813,813
Student transportation	525,168	793,941	793,901	40	457,533
Central support	50,697	55,879	55,879	-	43,835
Other supporting services	30,000	46,156	90,922	(44,766)	59,898
Total Expenditures	23,619,781	23,874,696	23,492,714	381,982	21,474,594
Excess (Deficiency) of Revenues Over (Under) Expenditures	(519,816)	934,377	1,316,359	381,982	2,510,527
Other Financing (Uses)					
Transfers out	(305,000)	(50,085)	(50,085)	-	(19,859)
Net Change in Fund Balances	$ (824,816)	$ 884,292	1,266,274	$ 381,982	2,490,668
Fund Balances Beginning of Year			6,693,235		4,202,567
Fund Balances End of Year - Budgetary Basis			7,959,509		6,693,235
Add:					
On-behalf payments reported as revenues			2,267,941		90,364
Less:					
On-behalf payments reported as expenditures			(2,267,941)		(90,364)
Fund Balances End of Year - GAAP Basis			$ 7,959,509		$ 6,693,235

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
School Food Service Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ 555,600	$ 553,365	$ 553,365	$ -	$ 555,356
Intergovernmental - state	49,000	54,146	54,146	-	54,610
Intergovernmental - federal	1,470,500	1,721,187	1,721,187	-	1,677,817
Total Revenues	2,075,100	2,328,698	2,328,698	-	2,287,783
Expenditures					
Current:					
Supporting services:					
School nutrition program	1,918,200	2,142,200	2,131,418	10,782	1,916,773
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 156,900	$ 186,498	197,280	$ 10,782	371,010
Fund Balances (Deficits) Beginning of Year			455,369		84,359
Fund Balances End of Year			$ 652,649		$ 455,369

See accompanying notes to the basic financial statements

City of Calhoun Board of Education
Comparative Statements of Assets and Liabilities
Agency Funds
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 300,171	$ 254,732
Liabilities		
Due to others	$ 300,171	$ 254,732

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2012

Index

Summary of Significant Accounting Policies 1
Reporting Entity 1-A
Basis of Presentation 1-B
Measurement Focus 1-C
Basis of Accounting 1-D
Assets, Liabilities and Fund Equity 1-E
Cash, Cash Equivalents and Investments 1-E-1
Receivables 1-E-2
Interfund Balances 1-E-3
Consumable Inventories 1-E-4
Capital Assets 1-E-5
Compensated Absences 1-E-6
Accrued Liabilities and Long-term Obligations 1-E-7
Fund Equity 1-E-8
Interfund Activity 1-E-9
Estimates 1-E-10
Comparative Data 1-E-11

Stewardship, Compliance and Accountability 2
Budgetary Information 2-A

Detailed Notes on All Funds 3
Deposits and Investments 3-A
Receivables 3-B
Property Taxes 3-C
Capital Assets 3-D
Interfund Balances and Transfers 3-E
Long-Term Debt 3-F
Pension 3-G
Fund Equity 3-H

Other Notes 4
Risk Management 4-A
Other Post-employment Benefits 4-B
Contingent Liabilities 4-C
On-Behalf Payments 4-D
Construction Commitments 4-E
Subsequent Event 4-F

The City of Calhoun Board of Education, Georgia (the "Board") was established under the laws of the State of Georgia and operates under the guidance of a school board elected by the voters and a Superintendent, appointed by the Board. The Board provides education for grades K-12 within the city limits of the City of Calhoun, Georgia.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities at the government-wide financial reporting level provided they do not conflict with or contradict GASB pronouncements.

The most significant of the Board's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Board consists of all funds, departments, boards and agencies that are not legally separate from the Board.

Component units are legally separate organizations for which the Board is financially accountable. The Board is financially accountable for an organization if the Board appoints a voting majority of the organization's governing board and (1) the Board is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Board is legally entitled to or can otherwise access the organization's resources; the Board is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Board is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the Board in that the Board approves the budget, levies their taxes or issues their debt. Based upon this criterion, the reporting entity is limited to the Board.

Board members are elected by the public and have decision-making authority, the power to designate management, and the ability to significantly influence operations, but do not have the authority to levy taxes or incur bonded indebtedness. The Board is required to submit a budget to the City of Calhoun, Georgia City Council for approval. The City Council determines the amount of tax revenues levied for the Board. As a result, the Board is a discretely presented component unit of the City of Calhoun, Georgia.

1-B. Basis of Presentation

The Board's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Board as a whole. Individual funds are not displayed. Fiduciary funds are not presented within the government-wide financial statements.

The statement of net assets presents the financial position of the governmental activities of the Board.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Board's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The Board does not allocate indirect expenses to functions in the statement of activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the Board's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted.*

Other revenue sources not properly included with program revenues are reported as general revenues of the Board. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the Board.

Fund Financial Statements - During the year, the Board segregates transactions related to certain governmental functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Board at this more detailed level. Fund financial statements are provided for the governmental funds.

Major individual governmental funds are reported in separate columns.

Fund Accounting - The Board uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Board uses two fund categories, governmental and fiduciary.

> ***Governmental Funds*** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The Board reports the difference between governmental fund assets and liabilities as fund balance. The following is the Board's major governmental fund:
>
> > ***The General Fund*** – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the Board for any purpose provided it is expended or transferred according to the general laws of Georgia.
> >
> > ***The School Food Service Fund*** – This fund is used to account for the Board's school nutrition program.
> >
> > ***The Debt Service Fund*** – This fund recognizes special purpose local option sales taxes and forwards them to the City of Calhoun, GA, who retires the debt on school buildings.
> >
> > ***SPLOST Capital Projects Fund*** - This fund accounts for the special purpose local option sales tax as authorized in 2010 and is being used primarily for constructing and equipping a new middle-high school
>
> ***Fiduciary Funds*** – Fiduciary fund reporting focuses on changes in assets and liabilities. The Board's fiduciary funds are agency funds.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Board are included on the statement of net assets. The statement of activities reports revenues and expenses. The facilities and acquisitions function includes the School Board's expenses for school buildings that are owned by the City of Calhoun, Georgia.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Board, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the Board receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School System must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School System on a reimbursement basis.

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School System over the same twelve month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent fiscal year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each fiscal year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, and federal and state grants.

Deferred/Unearned Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Note 1 - Summary of Significant Accounting Policies (Continued)

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenue is reclassified as "*unearned revenue*" on the government-wide statement of net assets.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Board.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the Board to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

1-E-4 Consumable Inventories

Inventories of donated food commodities used in the preparation of meals are valued at their federally assigned value. Purchased food inventories are reported at cost, on a first-in, first-out basis. Donated food commodities are recorded as revenues and expenditures at the time commodity items are received. Purchased food inventories are recorded as expenditures at the time of purchase. The inventories reported on the balance sheet are offset by classifying fund balance as Nonspendable, which indicated that these amounts do not constitute "available spendable resources" although they are a component of net current assets.

1-E-5 Capital Assets

General capital assets are those assets used by the Board to provide educational and supporting services. These assets generally result from expenditures in governmental funds. The Board reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the Board fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Board maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All land, land improvements and buildings used by the Board are the property of the primary government, the City of Calhoun, Georgia. If the Board purchases or constructs any of these assets, they are recorded as expenditures in the facilities acquisition and construction function and not capitalized on the Board's statement of net assets. All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Governmental Activities
Equipment	10 Years
Food service equipment	10 Years
Computer equipment	5 Years
School buses	10 Years
Other vehicles	5 Years

1-E-6 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "*when due.*"

1-E-7 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

1-E-8 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 assets."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund balances are classified as follows:

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

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the School System Board of Education through the approval of a motion. Only, the Board of Education also may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the School System's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Education has authorized the School System's superintendent or designee to assign fund balances.

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

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

- Committed
- Assigned
- Unassigned

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

1-E-9 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between funds reported in the governmental activities column are eliminated.

1-E-10 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-11 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The Board adopts an annual operating budget for the general fund and each special revenue fund. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each function's appropriation in each fund.

The budgets are adopted on a basis consistent with GAAP except for certain non cash items including on behalf payments. The general fund budget basis does not include on behalf payments made by the state (note 4-D), which is included in revenues and expenditures on a GAAP basis. Budgets for capital projects funds are adopted on a basis consistent with GAAP except the budget period is a project period rather than an annual period.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the fund level for the governmental fund type. Any change in the total fund level requires approval of the school board.

However, the annual budget is prepared by fund type, fund, function, and object.

All unexpended annual appropriations lapse at year-end.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – The Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral in an amount of not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. OCGA Section 45-8-11 provides an officer holding public funds may, in his discretion, waive the requirement for security in the case of operating funds placed in demand deposit checking accounts.

Acceptable security for deposits consists of any one of or any combination of the following:

- Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
- Insurance on accounts provided by the Federal Deposit Insurance Corporation,
- Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
- Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
- Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

Note 3 - Detailed Notes on All Funds (Continued)

- Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
- Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

At June 30, 2012, all bank balances were covered by Federal Depository Insurance or collateral held by the pledging banks' agent in the Board's name.

Investments – The Board invests excess cash in the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Funds included in the State Treasurer's Investment Pool are not required to be collateralized. The pool is regulated by the oversight of the Georgia Office of Treasury and Fiscal Services. The fair value of the Board's position in the pool approximates the value of the Board's pool shares. The pool is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a Rule 2a-7 like pool.

Credit risk, value, and interest risk at June 30, 2012 are as follows:

Credit Risk	Value	Interest Risk
AAAm rated	$ 795,009	48 day WAM

The fair value of the Board's position in the pool approximates the value of the Board's pool shares. This pool is managed under the policies included in Georgia Law (O.C.G.A. 36-83-4). The entire portfolio, including the Board's pro-rata portion, consists of collateralized certificates of deposit and Board or Board agency securities owned outright and under agreement to resale. The title to all investments, including collateral pledged to secure certificates of deposit, is held in the custody of the Director, Fiscal Division, Department of Administrative Services, State of Georgia, in accordance with Georgia law. Since these investments are not evidenced by securities that exist in physical or book entry form, they are not classified by category of credit risk.

The School Board has no specific financial policy regarding the credit risk or interest rate risk of investments.

Cash & Investment Reconciliation:

	Cash and Cash Equivalents
Fund Reporting Level:	
Governmental Funds - Balance Sheet	$ 12,347,557
Statement of Fiduciary Assets and Liabilities	300,171
Total	$ 12,647,728

	Per Categorization
Deposits	$ 11,852,719
LGIP	795,009
Total	$ 12,647,728

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at June 30, 2012, consisted of intergovernmental receivables arising from grants and taxes due from the Primary Government.

Receivables and payables are recorded on the Board's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

3-C. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. The City of Calhoun levied property taxes September 26, 2011. Property taxes were billed on October 20, 2011 and were payable on December 31, 2011. The lien date was June 15, 2012. The City of Calhoun Clerk bills and collects the property taxes for the Board and remits the taxes collected to the Board.

(this page continued on the subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance 7/1/2011	Additions	Deductions	Balance 6/30/2012
Governmental activities:				
Nondepreciable capital assets				
Construction in progress	$ -	$ 4,134,335	$ -	$ 4,134,335
Depreciable capital assets:				
Equipment	217,891	5,508	-	223,399
Food service equipment	501,097	24,420	33,136	492,381
Computer equipment	236,411	18,758	-	255,169
School buses	1,483,616	214,684	-	1,698,300
Other vehicles	98,792	-	-	98,792
Total depreciable capital assets	2,537,807	263,370	33,136	2,768,041
Total capital assets	2,537,807	4,397,705	33,136	6,902,376
Accumulated depreciation:				
Equipment	172,198	8,716	-	180,914
Food service equipment	400,216	35,891	33,136	402,971
Computer equipment	126,129	24,584	-	150,713
School buses	1,201,027	89,329	-	1,290,356
Other vehicles	97,671	7,172	-	104,843
Total accumulated depreciation	1,997,241	165,692	33,136	2,129,797
Governmental activities capital assets, net	$ 540,566	$ 4,232,013	$ -	$ 4,772,579

Governmental activities depreciation expense

Instruction	$ 14,419
Improvement of instructional services	17,091
School administration	715
Business administration	275
Operations and maintenance	1,451
Transportation	90,129
School nutrition	35,890
Community services	5,722
Total governmental activities depreciation expense	$ 165,692

3-E. - Interfund Balances and Transfers

Interfund Balances - At June 30, 2012, the nonmajor governmental funds owed the general fund $272,021 to cover the cash deficits in the cash pool. Normally, these amounts are repaid in the current year.

Note 3 - Detailed Notes on All Funds (Continued)

Interfund Transfers - Interfund transfers for the year ended June 30, 2012, consisted of a transfer of $50,085 from the general fund to the lottery pre-kindergarten fund to cover the difference between revenues and expenditures.

3-F. Long-Term Debt

The Board does not have the authority to issue general long-term debt. Therefore, the only long-term debt of the Board was the compensated absences liability.

Changes in Long-term Debt - Changes in the Board's long-term obligations consisted of the following for the year ended June 30, 2012:

Governmental Activities	Outstanding 7/1/2011	Additions	Reductions	Outstanding 6/30/2012	Amounts Due in One Year	Long-term Portion
Compensated absences	$ 110,631	$ 54,373	$ 32,415	$ 132,589	$ 3,676	$ 128,913

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, generally the general fund.

3-G. Pension

Teachers Retirement System of Georgia (TRS)

Substantially all teachers, administrative and clerical personnel employed by local school systems are covered by the Teachers Retirement System of Georgia (TRS), which is a cost-sharing multiple employer defined benefit pension plan. TRS provides service retirement, disability retirement and survivors' benefits for its members in accordance with State statute. The Teachers Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

TRS Contributions Required and Made

Employees of the Board who are covered by TRS are required by State statute to contribute 5% of their gross earnings to TRS. The Board makes monthly employer contributions to TRS at rates adopted by the TRS Board of Trustees in accordance with State statute and as advised by their independent actuary. The employer contribution rate was 10.28% for fiscal year 2012 and 10.28% for fiscal year 2011 and 9.74% for fiscal year 2010.

Total actual and required contributions for the last three fiscal years were as follows:

2012	100%	$ 1,596,517
2011	100%	$ 1,512,800
2010	100%	$ 1,527,972

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Fund Equity

Fund Balances – Fund balances are classified as follows:

- ***Nonspendable*** – The following fund balances are nonspendable because they are not in spendable form:

Major Governmental Fund:	
School Food Service Fund:	
Inventory	$ 47,764

- ***Restricted*** – The following fund balances are legally restricted to specified purposes:

Major Governmental Funds:	
School Food Service Fund:	
School nutrition program	$ 604,885
SPLOST Capital Projects Fund:	
Capital outlay	$ 700,363

- ***Committed*** – The following fund balances are committed to specific purposes:

General Fund:	
Dental and flex plan	$ 117,814
Nonmajor Special Revenue Funds:	
Community education	$ 571,129
Local School Activity Accounts	338,971
Total Nonmajor Special Revenue Funds	$ 910,100

- ***Assigned*** – The following fund balances are assigned to specific purposes:

General Fund:	
Project budget shortfall	$ 41,194
Capital projects	3,500,000
Total General Fund	$ 3,541,194

Note 3 - Detailed Notes on All Funds (Continued)

Invested in Capital Assets, Net of Related Debt - The account "invested in capital assets, net of related debt " amount reported on the government-wide statement of net assets as of June 30, 2012 is as follows:

Invested in capital assets, net of related debt	Governmental Activities
Cost of capital assets	$ 6,902,376
Less accumulated depreciation	2,129,797
Book value	4,772,579
Less construction contracts	4,018,308
Invested in capital assets, net of related debt	$ 754,271

Note 4 - Other Notes

4-A. Risk Management

The Board is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The School District has established a limited risk management program for Unemployment Compensation. Estimated $18,388 in fiscal year 2012, $78,936 in fiscal year 2011, and $2,280 in fiscal year 2010. The Board purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

4-B. Other Postemployment Benefits

Plan Description. The Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers eligible former employees of public school systems, libraries, and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Insurance Plan administered by the Georgia Department of Community Health. The Official Code of Georgia Annotated (OCGA) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board).

Funding Policy. The contribution requirements of plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. On average, plan members pay approximately twenty-five percent (25%) of the cost of health insurance coverage.

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

Note 4 - Other Notes (Continued)

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund for the fiscal year ended June 30, 2012, were as follows:

Certified employees

July 2011	18.534 of covered payroll for July Coverage
August 2011 – March 2012	24.000% of covered payroll for August - March Coverage
April 2012 – June 2012	3.958% of covered payroll for April – June Coverage

Non-Certificated Employees

July 2011 – August 2011	$246.20 per member per month
September 2011 – June 2012	$296.20 per member per month

No additional contribution was required by the Board for fiscal year 2012 nor contributed to GRBHF to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the State plan for other postemployment benefits and are subject to appropriation.

The School System's contributions to the health insurance plans for the years ended June 30, 2012, June 30, 2011, and June 30, 2010 were $2,607,278, $2,402,308, and $,2,320,338 respectively, which equaled the required OPEB cost.

4-C. Contingent Liabilities

The Board has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Board believes such disallowances, if any, will be immaterial.

4-D. On-Behalf Payments

The Board has recognized revenues and expenditures in the amount of $2,267,941 for health insurance and retirement contributions paid on the Board's behalf by the following State Agencies.

Georgia Department of Education	
Paid to Georgia Department of Community Health	
For Health Insurance of Non-Certified Personnel	$ 2,210,781
Teachers Retirement System of Georgia	
For Teachers Retirement System Employer's Cost	34,458
Office of Treasury and Fiscal Services	
Paid to the Public School Employees Retirement System	
For Public School Employees Retirement (PSERS) Employer's Cost	22,702
	$ 2,267,941

4-E. Construction Commitments

As of June 30, 2012, the School System has made a significant construction commitment to RA-LIN and Associates, Inc. The total contract was $45,825,427 and the remaining commitment at June 30, 2012 is $32,760,992.

Note 4 - Other Notes (Continued)

4-F. Subsequent Event

On August 22, 2012, the City issued $12,000,000 City of Calhoun General Obligation School Bonds, Series 2012, as authorized by a vote of the qualified voters of the City of Calhoun in an election held on November 2, 2010. These bonds combined with the $21,000,000 City of Calhoun General Obligation School Bonds (Taxable Qualified School Construction Bonds – Direct Payment), Series 2011, issued on May 19, 2011 complete the issuance of the $33,000,000 of general obligation school bonds authorized by the voters on November 2, 2010. The bond proceeds are being used to build a new middle school for the Board. The City of Calhoun will have the ultimate title to the building.

City of Calhoun Board of Education, Georgia
General Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and investments	$ 8,344,637	$ 6,895,708
Receivables:		
Intergovernmental	1,952,962	1,854,366
Due from primary government	160,180	121,277
Interfund	272,021	381,735
Total Assets	$ 10,729,800	$ 9,253,086
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 35,643	$ 24,990
Salaries and benefits payable	2,721,502	2,534,861
Due to primary government	13,146	-
Total Liabilities	2,770,291	2,559,851
Fund Balances		
Commiitted	117,814	84,436
Assigned	3,541,194	2,826,588
Unassigned	4,300,501	3,782,211
Total Fund Balances	7,959,509	6,693,235
	$ 10,729,800	$ 9,253,086

City of Calhoun Board of Education
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2012 and 2011

	2012	2011
Revenues		
Local	$ 11,263,673	$ 10,240,864
Intergovernmental - state	13,369,575	13,176,662
Intergovernmental - federal	175,825	657,959
Total Revenues	24,809,073	24,075,485
Expenditures		
Current:		
Instruction	16,720,344	15,383,029
Supporting services:		
Pupil	689,086	642,633
Improvement of instructional services	661,953	694,380
Media	381,479	361,961
General administration	302,778	311,869
School administration	1,266,993	1,270,504
Business administration	618,206	522,787
Operations and maintenance	1,911,173	1,814,832
Student transportation	793,901	459,029
Central support	55,879	44,036
Other supporting services	90,922	59,898
Total Expenditures	23,492,714	21,564,958
Excess of Revenues Over Expenditures	1,316,359	2,510,527
Other Financing (Uses)		
Transfers out	(50,085)	(19,859)
Net Change in Fund Balances	1,266,274	2,490,668
Fund Balances Beginning of Year	6,693,235	4,202,567
Fund Balances End of Year	$ 7,959,509	$ 6,693,235

City of Calhoun Board of Education, Georgia
School Food Service Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 503,414	$ 358,988
Intergovernmental receivable	230,387	163,126
Inventory	47,764	54,077
Total Assets	$ 781,565	$ 576,191
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 9,823
Accrued salaries and wages	128,916	110,999
Total Liabilities	128,916	120,822
Fund Balances		
Nonspendable	47,764	54,077
Restricted	604,885	401,292
Total Fund Balances	652,649	455,369
Total Liabilities and Fund Balances	$ 781,565	$ 576,191

City of Calhoun Board of Education
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Community Education	Vocational Education	Elementary and Secondary Education				Individuals With Disabilities Education Act - IDEA and Preschool Program	Education of Homeless	Lottery Pre-kindergarten	Local School Activity Accounts	Total Nonmajor Special Revenue Funds
			Title I	Title II	Title III	Title VI					
Assets											
Cash and cash equivalents	$ 584,467	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 151,490	$ 338,971	$ 1,074,928
Intergovernmental receivable	-	4,205	219,328	18,276	8,680	17,744	124,427	25,394	-	-	418,054
Total Assets	$ 584,467	$ 4,205	$ 219,328	$ 18,276	$ 8,680	$ 17,744	$ 124,427	$ 25,394	$ 151,490	$ 338,971	$ 1,492,982
Liabilities and Fund Balances											
Liabilities											
Accounts payable	$ 398	$ -	$ -	$ 529	$ -	$ -	$ 9,586	$ -	$ -	$ -	$ 10,513
Accrued salaries and wages	12,940	-	66,060	-	874	6,302	62,682	-	151,490	-	300,348
Interfund payable	-	4,205	153,268	17,747	7,806	11,442	52,159	25,394	-	-	272,021
Total Liabilities	13,338	4,205	219,328	18,276	8,680	17,744	124,427	25,394	151,490	-	582,882
Fund Balances											
Committed	571,129	-	-	-	-	-	-	-	-	338,971	910,100
Total Liabilities and Fund Balances	$ 584,467	$ 4,205	$ 219,328	$ 18,276	$ 8,680	$ 17,744	$ 124,427	$ 25,394	$ 151,490	$ 338,971	$ 1,492,982

City of Calhoun Board of Education
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2012

	Community Education	Vocational Education	Elementary and Secondary Education				Individuals With Disabilities Education Act - IDEA and Preschool Program	Education of Homeless	Lottery Pre-kindergarten	Local School Activity Accounts	Total Nonmajor Special Revenue Funds
			Title I	Title II	Title III	Title VI					
Revenues											
Local	$ 426,461	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 717,323	$ 1,143,784
Intergovernmental - state	-	-	-	-	-	-	-	-	832,289	-	832,289
Intergovernmental - federal	-	24,958	834,210	67,656	32,220	65,185	640,016	64,325	-	-	1,728,570
Total Revenues	426,461	24,958	834,210	67,656	32,220	65,185	640,016	64,325	832,289	717,323	3,704,643
Expenditures											
Current:											
Instruction	-	9,974	722,469	5,755	22,852	64,862	506,958	-	846,920	13,436	2,193,226
Supporting services:											
Pupil	-	-	-	-	-	-	10,104	47,102	85	515,385	572,676
Improvement of instructional services	-	14,984	15,382	53,004	8,359	323	76,401	6,935	-	-	175,388
Media	-	-	-	-	-	-	-	-	-	40,445	40,445
Federal grant administration	-	-	81,982	8,897	386	-	6,727	9,897	-	-	107,889
School administration	-	-	-	-	-	-	-	-	13,006	103,678	116,684
Operations and maintenance	-	-	-	-	-	-	-	-	22,363	14,091	36,454
Student transportation	-	-	2,131	-	-	-	39,826	391	-	-	42,348
Other supporting services	-	-	12,246	-	623	-	-	-	-	11,525	24,394
Community services	407,203	-	-	-	-	-	-	-	-	-	407,203
Enterprise operations	-	-	-	-	-	-	-	-	-	28,089	28,089
Total Expenditures	407,203	24,958	834,210	67,656	32,220	65,185	640,016	64,325	882,374	726,649	3,744,796
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,258	-	-	-	-	-	-	-	(50,085)	(9,326)	(40,153)
Other Financing Sources											
Transfers in	-	-	-	-	-	-	-	-	50,085	-	50,085
Net Change in Fund Balances	19,258	-	-	-	-	-	-	-	-	(9,326)	9,932
Fund Balances Beginning of Year	551,871	-	-	-	-	-	-	-	-	348,297	900,168
Fund Balances End of Year	$ 571,129	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 338,971	910,100

City of Calhoun Board of Education, Georgia
Community Education Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 584,467	$ 564,634
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 398	$ 460
Accrued salaries and wages	12,940	12,303
Total Liabilities	13,338	12,763
Fund Balances		
Committed	571,129	551,871
Total Liabilities and Fund Balances	$ 584,467	$ 564,634

City of Calhoun Board of Education, Georgia
Community Education Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ 407,500	$ 426,461	$ 426,461	$ -	$ 444,243
Expenditures					
Current:					
Community services	349,564	409,564	407,203	2,361	413,116
Excess of Revenues Over Expenditures	$ 57,936	$ 16,897	19,258	$ 2,361	31,127
Fund Balances Beginning of Year			551,871		520,744
Fund Balances End of Year			$ 571,129		$ 551,871

City of Calhoun Board of Education, Georgia
Vocational Education Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Intergovernmental receivable	$ 4,205	$ 22,039
Liabilities		
Interfund payable	$ 4,205	$ 22,039

City of Calhoun Board of Education, Georgia
Vocational Education Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 20,958	$ 24,958	$ 24,958	$ -	$ 37,186
Expenditures					
Current:					
Instruction	7,958	9,974	9,974	-	12,339
Supporting services:					
Improvement of instructional services	13,000	14,984	14,984	-	24,847
Total Expenditures	20,958	24,958	24,958	-	37,186
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun Board of Education, Georgia
ESEA Title I Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Intergovernmental receivable	$ 219,328	$ 263,060
Liabilities		
Accrued salaries and wages	$ 66,060	$ 62,015
Interfund payable	153,268	201,045
Total Liabilities	$ 219,328	$ 263,060

City of Calhoun Board of Education, Georgia
ESEA Title I Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 707,372	$ 948,964	$ 834,210	$ (114,754)	$ 815,616
Expenditures					
Current:					
Instruction	662,500	755,906	722,469	33,437	548,466
Supporting services:					
Pupil	-	-	-	-	-
Improvement of instructional services	-	85,000	15,382	69,618	169,205
Federal grant administration	37,564	85,272	81,982	3,290	
General administration	-	-	-	-	54,382
School administration	-	-	-	-	-
Student transportation	-	2,133	2,131	2	-
Other supporting services	7,308	12,653	12,246	407	43,563
				-	
Total Expenditures	707,372	940,964	834,210	106,754	815,616
Excess of Revenues Over Expenditures	$ -	$ 8,000	-	$ (8,000)	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun Board of Education, Georgia
ESEA Title II Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Intergovernmental receivable	$ 18,276	$ 66,273
Liabilities		
Accounts payable	$ 529	$ -
Interfund payable	17,747	66,273
Total Liabilities	$ 18,276	$ 66,273

City of Calhoun Board of Education, Georgia
ESEA Title II Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 74,487	$ 87,436	$ 67,656	$ (19,780)	$ 212,040
Expenditures					
Current:					
Instruction	6,000	6,000	5,755	245	72,455
Supporting services:					
Improvement of instructional services	59,553	72,502	53,004	19,498	120,194
Federal grant administration	8,934	8,934	8,897	37	-
General administration	-	-	-	-	5,400
Other supporting services	-	-	-	-	13,991
Total Expenditures	74,487	87,436	67,656	19,780	212,040
Excess of Revenues Over Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun Board of Education, Georgia
ESEA Title III Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Intergovernmental receivable	$ 8,680	$ 9,157
Liabilities		
Accrued salaries and wages	$ 874	$ 163
Interfund payable	7,806	8,994
Total Liabilities	$ 8,680	$ 9,157

City of Calhoun Board of Education, Georgia
ESEA Title III Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 45,364	$ 45,620	$ 32,220	$ (13,400)	$ 80,247
Expenditures					
Current:					
Instruction	31,200	33,939	22,852	11,087	72,463
Supporting services:					
Improvement of instructional services	12,664	9,925	8,359	1,566	6,051
Federal grant administration	500	756	386	370	
General administration	-	-	-	-	314
Other support services	1,000	1,000	623	377	1,419
Total Expenditures	45,364	45,620	32,220	13,400	80,247
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun Board of Education, Georgia
ESEA Title VI Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Intergovernmental receivable	$ 17,744	$ 5,008
Liabilities		
Accrued salaries and wages	$ 6,302	$ 5,353
Interfund payable	11,442	5,008
Total Liabilities	$ 17,744	$ 10,361

City of Calhoun Board of Education
ESEA Title VI Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 79,956	$ 79,956	$ 65,185	$ (14,771)	$ 17,992
Expenditures					
Current:					
Instruction	68,456	68,456	64,862	3,594	12,977
Supporting services:					
Improvement of instructional services	11,500	11,500	323	11,177	4,574
General administration	-	-	-	-	386
Other supporting services	-	-	-	-	55
Total Expenditures	79,956	79,956	65,185	14,771	17,992
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun Board of Education, Georgia
IDEA and Preschool Program Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Intergovernmental receivable	$ 124,427	$ 155,048
Liabilities		
Accounts payable	$ 9,586	$ 9,587
Accrued salaries and wages	62,682	86,199
Interfund payable	52,159	59,262
Total Liabilities	$ 124,427	$ 155,048

City of Calhoun Board of Education, Georgia
IDEA and Preschool Program Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 570,232	$ 718,957	$ 640,016	$ (78,941)	$ 777,670
Expenditures					
Current:					
Instruction	468,781	564,001	506,958	57,043	606,972
Supporting services:					
Pupil	11,000	11,524	10,104	1,420	10,750
Improvement of instructional services	77,731	83,881	76,401	7,480	114,221
Federal grant administration	-	12,300	6,727	5,573	-
General administration	-	-	-	-	1,398
Student transportation	12,720	47,251	39,826	7,425	44,329
Total Expenditures	570,232	718,957	640,016	78,941	777,670
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun Board of Education, Georgia
Education of Homeless Children and Youth Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Intergovernmental receivable	$ 25,394	$ 18,202
Liabilities		
Accrued salaries and wages	$ -	$ 4,150
Interfund payable	25,394	14,052
Total Liabilities	$ 25,394	$ 18,202

City of Calhoun Board of Education, Georgia
Education of Homeless Children and Youth Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 61,907	$ 64,325	$ 64,325	$ -	$ 81,909
Expenditures					
Current:					
Supporting services:					
Pupil	44,685	47,102	47,102	-	37,655
Improvement of instructional services	6,258	6,935	6,935	-	2,672
Federal grant administration	10,664	9,897	9,897		
Student transportation	300	391	391	-	912
Other supporting services	-	-	-	-	40,670
Total Expenditures	61,907	64,325	64,325	-	81,909
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun Board of Education, Georgia
Lottery Pre-Kindergarten Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 151,490	$ 145,722
Liabilities		
Accrued salaries and wages	$ 151,490	$ 145,722

City of Calhoun Board of Education, Georgia
Lottery Pre-Kindergarten Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - state	$ 626,645	$ 626,645	$ 832,289	$ 205,644	$ 900,642
Intergovernmental - federal	-	-	-	-	-
Total Revenues	626,645	626,645	832,289	205,644	900,642
Expenditures					
Current:					
Instruction	909,977	909,977	846,920	63,057	874,563
Supporting services:					
Pupil	-	-	85	(85)	132
Improvement of instructional services	-	-	-	-	183
School administration	-	-	13,006	(13,006)	24,959
Operations and maintenance	21,668	21,668	22,363	(695)	20,664
Total Expenditures	931,645	931,645	882,374	49,271	920,501
Excess (Deficiency) of Revenues Over (Under) Expenditures	(305,000)	(305,000)	(50,085)	254,915	(19,859)
Other Financing Sources					
Transfers in	305,000	305,000	50,085	(254,915)	19,859
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun Board of Education, Georgia
Local School Activity Accounts Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 338,971	$ 348,297
Fund Balances		
Committed	$ 338,971	$ 348,297

City of Calhoun Board of Education, Georgia
Local School Activity Accounts Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
and Changes in Fund Balances
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ -	$ 717,323	$ 717,323	$ -	$ 816,314
Expenditures					
Current:					
Instruction	-	13,436	13,436	-	1,582
Supporting services:	-			-	
Pupil	-	515,385	515,385	-	574,532
Improvement of instructional services	-	-	-	-	36,760
Media	-	40,445	40,445	-	46,753
School administration	-	103,678	103,678	-	100,304
Operations and maintenance	-	14,091	14,091	-	19,142
Other supporting services	-	11,525	11,525	-	5,881
Enterprise operations	-	28,089	28,089	-	27,609
Total Expenditures	-	726,649	726,649	-	812,563
Excess of Revenues Over Expenditures	$ -	$ (9,326)	(9,326)	-	3,751
Fund Balances Beginning of Year			348,297	-	344,546
Fund Balances End of Year			$ 338,971	$ -	$ 348,297

City of Calhoun Board of Education, Georgia
Debt Service Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ -	$ 22
Intergovernmental receivable	246,987	231,138
Total Assets	$ 246,987	$ 231,160
Liabilities		
Due to primary government	$ 246,987	$ 231,160

City of Calhoun Board of Education, Georgia
Debt Service Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2012 and 2011

	2012	2011
Revenues		
Local	$ 2,892,598	$ 2,515,625
Expenditures		
Intergovernmental	2,892,598	2,515,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ -	$ -

City of Calhoun Board of Education, Georgia
SPLOST Capital Projects Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 2,424,578	$ -
Intergovernmental receivable -state	2,303,504	-
Total Assets	$ 4,728,082	$ -
Liabilities and Fund Balances (Deficits)		
Liabilities		
Accounts payable	$ 9,411	$ -
Contracts payable	4,018,308	-
Interfund payable	-	5,062
Total Liabilities	4,027,719	5,062
Fund Balances (Deficits)		
Restricted	700,363	-
Unassigned (deficits)	-	(5,062)
Total Fund Balances	700,363	(5,062)
Total Liabilities and Fund Balances (Deficits)	$ 4,728,082	$ -

City of Calhoun Board of Education, Georgia
SPLOST Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2012 and 2011

	2012	2011
Revenues		
Local	$ 8,709,013	$ 330,125
Intergovernmental-state	4,726,779	-
Total Revenues	13,435,792	330,125
Expenditures		
Capital Outlay	12,730,367	335,193
Excess (Deficiency) of Revenues Over (Under) Expenditures	705,425	(5,068)
Fund Balances Beginning of Year	(5,062)	6
Fund Balances End of Year	$ 700,363	$ (5,062)

City of Calhoun Board of Education
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2012

Local School Activity Accounts	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Assets				
Cash and cash equivalents	$ 227,208	$ 519,653	$ 468,068	$ 278,793
Liabilities				
Due to others	$ 227,208	$ 519,653	$ 468,068	$ 278,793

Calhoun Educational Foundation	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Assets				
Cash and cash equivalents	$ 27,524	$ 6,854	$ 13,000	$ 21,378
Liabilities				
Due to others	$ 27,524	$ 6,854	$ 13,000	21,378

Total	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Assets				
Cash and cash equivalents	$ 254,732	$ 526,507	$ 481,068	$ 300,171
Liabilities				
Due to others	$ 254,732	$ 526,507	$ 481,068	$ 300,171

Statistical Section

City of Calhoun Board of Education, Georgia
Introduction to the Statistical Section
(Unaudited)

This part of the City of Calhoun Board of Education's (the Board) comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents	*Exhibit #*
Financial Trends These tables contain trend information that may assist the reader in assessing the Board's current financial performance by placing it in an historical perspective.	I - VII
Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the Board's two most significant "own-source" revenue sources, property taxes and sales taxes.	VIII - XIII
Debt Capacity Generally, the Board is not authorized to issue long-term debt. However, the Board may enter into capital leases that include an annual fiscal funding clause. These tables present information that may assist the reader in analyzing the affordability of the Board's current levels of outstanding debt and the Board's ability to enter into a capital lease in the future. The calculation of the legal debt margin is not applicable to the Board.	XIV - XV
Demographic and Economic Information These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Board operates and (2) to provide information that facilitates comparisons of financial statement information over time and among Boards.	XVI - XVII
Operating Information These tables contain service indicators that can inform one's understanding how the information in the Board's financial statements relates to the services the Board provides and the activities it performs. The Board will be expanding the disclosure of operating information in future years.	XVIII - XXII

Data Source:

Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the applicable year.

City of Calhoun Board of Education, Georgia

Government-wide Net Assets by Component (Unaudited) [1]

Last Ten Fiscal Years

(accrual basis of accounting)

	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
	Amounts									
Governmental Activities										
Invested in capital assets, net of related debt[3]	$ 548,573	$ 480,553	$ 843,224	$ 801,251	$ 880,738	$ 897,290	$ 787,489	$ 662,646	$ 540,566	$ 754,271
Restricted	2,453,922	63,625	-	-	-	734,917	164,044	6	455,369	1,353,012
Unrestricted	3,841,774	4,459,414	4,867,066	3,841,704	3,578,648	3,543,641	3,236,937	5,054,602	7,477,710	12,755,328
Total	$ 6,844,269	$ 5,003,592	$ 5,710,290	$ 4,642,955	$ 4,459,386	$ 5,175,848	$ 4,188,470	$ 5,717,254	$ 8,473,645	$ 14,862,611
Total Percentage Change From Prior Year	0.0%	-26.9%	14.1%	-18.7%	-4.0%	16.1%	-19.1%	36.5%	48.2%	75.4%
	Percentage of Total									
Governmental Activities										
Invested in capital assets, net of related debt2	8.02%	9.60%	14.77%	17.26%	19.75%	17.34%	18.80%	11.59%	6.38%	5.08%
Restricted	35.85%	1.27%	0.00%	0.00%	0.00%	14.20%	3.92%	0.00%	5.37%	9.10%
Unrestricted	56.13%	89.12%	85.23%	82.74%	80.25%	68.46%	77.28%	88.41%	88.25%	85.82%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.01%

Notes:

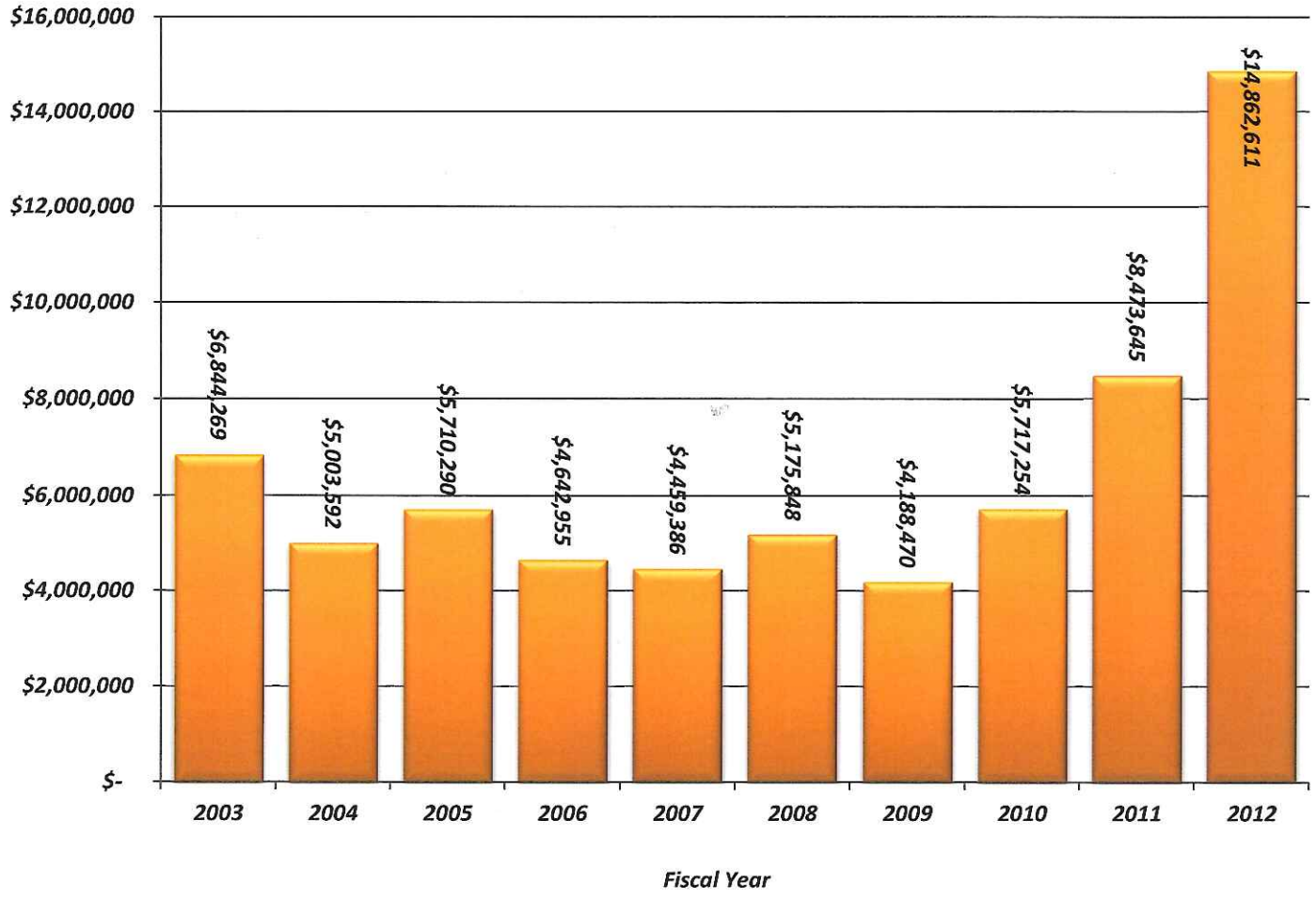
[1] Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when (1) an external party, such as the Georgia Department of Education or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the Board There are no restrictions currently reported as a result of enabling legislation.

[2] The Board's land and buildings are owned by the City of Calhoun, Georgia, therefore, they are not reported in these amounts.

Data Source:

Applicable years' comprehensive annual financial report.

City of Calhoun Board of Education, Georgia
Chart-Total Government-wide Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)



City of Calhoun Board of Education, Georgia
Changes in Net Assets - Governmental Activities (Unaudited)
Last Ten Fiscal Years [1]
(accrual basis of accounting)

	For the Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Instruction[5]	$ 12,893,697	$ 13,278,332	$ 14,346,498	$ 17,109,730	$ 18,544,480	$ 19,233,326	$ 19,091,906	$ 18,184,827	$ 17,596,864	$ 26,024,529
Support services										
Pupil	869,357	934,856	1,119,268	840,596	948,035	1,324,096	1,343,498	1,280,961	1,265,702	1,266,542
Improvement of instructional services	590,079	496,221	748,667	775,508	839,954	737,319	995,816	1,036,198	1,150,953	852,342
Media	412,509	427,058	551,781	534,538	528,722	522,303	524,107	467,280	408,714	421,924
General administration	231,505	240,434	210,941	229,777	241,225	275,219	339,109	390,913	376,186	303,211
Federal grant administration	-	-	-	-	-	-	-	-	-	107,889
School administration	1,100,640	1,209,012	1,375,395	1,338,852	1,438,627	1,652,582	1,618,073	1,307,193	1,398,898	1,397,422
Business administration	314,929	374,594	375,250	451,413	454,467	466,326	491,541	539,991	523,210	610,078
Operations and maintenance	1,269,954	1,295,913	1,696,327	1,937,298	2,118,730	2,167,265	1,917,311	1,814,777	1,854,760	1,947,591
Student transportation	279,238	321,023	417,834	501,841	650,330	649,092	525,304	572,792	597,957	712,198
Central support	25,098	25,340	25,838	25,961	28,256	29,149	438	45,374	47,432	56,598
School nutrition program[5]	1,331,863	1,397,695	1,825,843	1,909,101	2,105,675	2,142,361	2,037,831	1,970,751	1,951,579	3,632,163
Enterprise operations	97,743	64,967	58,786	40,144	38,949	-	-	-	-	28,089
Other supporting services	17,806	23,763	21,352	11,750	39,678	24,595	132,796	218,745	193,086	115,316
Community services	379,546	306,510	349,526	330,036	323,324	381,377	337,464	331,620	420,327	413,348
Facilities acquisition and construction[4]	3,657,765	5,124,772	1,589,706	50,613	-	639,561	775,395	202,827	335,193	-
Debt service[2]	2,052,878	2,201,864	2,324,906	2,663,276	2,732,691	3,120,979	3,270,217	2,661,165	2,515,625	2,892,598
Total Expenses	25,524,607	27,722,354	27,037,918	28,750,434	31,033,143	33,365,550	33,400,806	31,025,414	30,636,486	40,781,838
Program Revenues:										
Charges for services:										
Instruction	5,498	12,708	10,740	758,183	-	9,483	23,294	17,178	1,582	13,436
Pupil	259,285	399,630	372,897	-	354,480	491,126	763,681	636,034	623,720	579,525
Instructional	208	2,981	2,328	-	-	-	22	262	36,760	-
Media	49,616	32,937	41,126	-	-	-	24,454	44,608	46,753	45,445
General administration	-	13,703	-	-	-	-	-	-	-	-
School administration	13,819	82,786	126,853	-	-	-	-	82,793	100,304	103,678
Business administration	-	-	-	-	-	-	-	-	-	26,150
Operations and maintenance	619	50	-	-	-	-	8,384	8,022	19,142	14,139
Student transportation	-	-	-	-	-	-	-	-	-	5,488
Enterprise operations	92,587	-	35,924	-	-	-	-	-	-	-
Other supporting services	-	1,092	-	-	-	-	-	-	-	11,525
School nutrition program	668,254	737,927	743,567	779,437	839,868	764,190	651,803	585,794	554,721	552,714
Community services	299,312	402,980	353,331	367,247	356,981	380,191	386,017	395,312	471,852	454,550
Operating grants and contributions[3]	11,722,029	11,491,998	14,048,229	15,089,742	17,574,829	18,419,263	17,097,261	17,767,813	18,551,038	17,881,593
Capital grants and contributions	4,532,567	2,731,152	1,637,696	9,000	-	1,355,672	100,000	-	-	13,434,503
Total Program Revenues	17,643,794	15,909,944	17,372,691	17,003,609	19,126,158	21,419,925	19,054,916	19,537,815	20,405,872	33,122,746
Net (Expense) Revenue	(7,880,813)	(11,812,410)	(9,665,227)	(11,746,825)	(11,906,985)	(11,945,625)	(14,345,890)	(11,487,599)	(10,230,614)	(7,659,092)
General Revenues:										
Taxes:										
Property	7,299,943	7,711,463	7,938,403	7,846,388	8,781,866	9,403,828	10,044,093	10,298,725	10,074,116	11,057,204
Sales	2,052,878	2,201,864	2,324,906	2,657,108	2,727,675	3,117,692	3,268,549	2,661,165	2,515,625	2,892,598
Investment earnings	55,223	58,406	108,616	175,994	213,875	140,567	45,870	17,967	25,852	14,520
Miscellaneous	348,103	-	-	-	-	-	-	38,526	371,412	83,736
Total General Revenues	9,756,147	9,971,733	10,371,925	10,679,490	11,723,416	12,662,087	13,358,512	13,016,383	12,987,005	14,048,058
Change in Net Assets	$ 1,875,334	$ (1,840,677)	$ 706,698	$ (1,067,335)	$ (183,569)	$ 716,462	$ (987,378)	$ 1,528,784	$ 2,756,391	$ 6,388,966

Notes:

[1] The School District implemented GASB Statement No. 34 in fiscal yea2003, therefore, only eight years of government-wide financial data is presented.

[2] This amount are the sales taxes collected by the school district and forwarded to the City of Calhoun for debt service on school bonds and interest on capital leases.

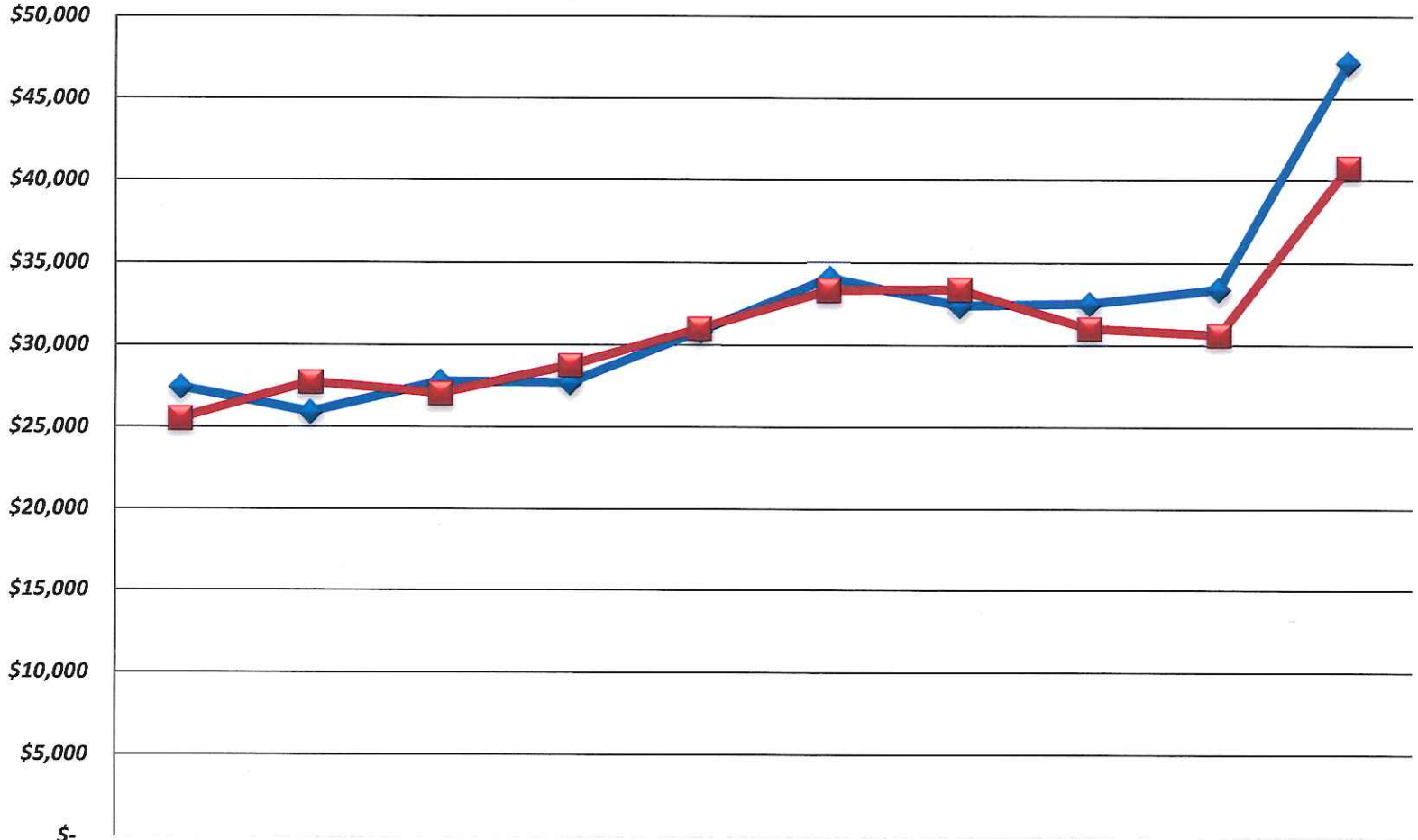
[3] In the State of Georgia, the Quality Basic Education school aid is legally restricted to specific expense functions, therefore it is reported as a program revenue.

[4] These are the amounts of capital outlay, not capitalized. There are reported under "other supporting services" at the government-wide statement of activities.

[5] In fiscal year 2012, The instruction function includes $7.1 million and the child nutrition program includes $1.5 million for non-capitalized capital outlay for the middle school complex that the Board constructed, but the complex becomes a capital asset of the City.

Data Source:
Applicable years' comprehensive annual financial report.

City of Calhoun Board of Education, Georgia
Chart - Governmental Fund Revenues and Expenses
(In $1,000)
Last Ten Fiscal Years



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Revenues	$27,400	$25,882	$27,745	$27,683	$30,850	$34,082	$32,413	$32,554	$33,393	$47,171
Total Expenses	$25,525	$27,722	$27,038	$28,750	$31,033	$33,366	$33,401	$31,025	$30,636	$40,782

City of Calhoun Board of Education, Georgia
Changes in Net Assets - Governmental Activities - Percentage of Total (Unaudited)
Last Ten Fiscal Years [1]
(accrual basis of accounting)

	For the Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Instruction	50.51%	47.90%	53.06%	59.51%	59.76%	57.64%	57.16%	58.61%	57.44%	63.81%
Support services										
Pupil	3.41%	3.37%	4.14%	2.92%	3.05%	3.97%	4.02%	4.13%	4.13%	3.11%
Improvement of instructional services	2.31%	1.79%	2.77%	2.70%	2.71%	2.21%	2.98%	3.34%	3.76%	2.09%
Media	1.62%	1.54%	2.04%	1.86%	1.70%	1.57%	1.57%	1.51%	1.33%	1.03%
General administration	0.91%	0.87%	0.78%	0.80%	0.78%	0.82%	1.02%	1.26%	1.23%	0.74%
Federal grant administration	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.26%
School administration	4.31%	4.36%	5.09%	4.66%	4.64%	4.95%	4.84%	4.21%	4.57%	3.43%
Business administration	1.23%	1.35%	1.39%	1.57%	1.46%	1.40%	1.47%	1.74%	1.71%	1.50%
Operations and maintenance	4.98%	4.67%	6.27%	6.74%	6.83%	6.50%	5.74%	5.85%	6.05%	4.78%
Student transportation	1.09%	1.16%	1.55%	1.75%	2.10%	1.95%	1.57%	1.85%	1.95%	1.75%
Central support	0.10%	0.09%	0.10%	0.09%	0.09%	0.09%	0.00%	0.15%	0.15%	0.14%
School nutrition program	5.22%	5.04%	6.75%	6.64%	6.79%	6.42%	6.10%	6.35%	6.37%	8.91%
Enterprise operations	0.38%	0.23%	0.22%	0.14%	0.13%	0.00%	0.00%	0.00%	0.00%	0.07%
Other supporting services	0.07%	0.09%	0.08%	0.04%	0.13%	0.07%	0.40%	0.71%	0.63%	0.28%
Community services	1.49%	1.11%	1.29%	1.15%	1.04%	1.14%	1.01%	1.07%	1.37%	1.01%
Facilities acquisition and construction	14.33%	18.49%	5.88%	0.18%	0.00%	1.92%	2.32%	0.65%	1.09%	0.00%
Debt service[2]	8.05%	7.94%	8.59%	9.25%	8.79%	9.35%	9.79%	8.58%	8.21%	7.09%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Program Revenues:										
Charges for services:										
Instruction	0.03%	0.08%	0.06%	4.46%	0.00%	0.04%	0.12%	0.09%	0.01%	0.04%
Pupil	1.47%	2.51%	2.15%	0.00%	1.85%	2.29%	4.01%	3.26%	3.06%	1.75%
Instructional	0.00%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.00%
Media	0.28%	0.21%	0.24%	0.00%	0.00%	0.00%	0.13%	0.23%	0.23%	0.14%
General administration	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School administration	0.08%	0.52%	0.73%	0.00%	0.00%	0.00%	0.00%	0.42%	0.49%	0.31%
Business administration	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
Operations and maintenance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.04%	0.09%	0.04%
Student transportation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
Enterprise operations	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
Other supporting services	0.52%	0.00%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School nutrition program	3.79%	4.64%	4.28%	4.58%	4.39%	3.57%	3.42%	3.00%	2.72%	1.67%
Community services	1.70%	2.53%	2.03%	2.16%	1.87%	1.77%	2.03%	2.02%	2.31%	1.37%
Operating grants and contributions[3]	66.44%	72.23%	80.86%	88.74%	91.89%	85.99%	89.73%	90.94%	90.91%	53.99%
Capital grants and contributions	25.69%	17.16%	9.43%	0.06%	0.00%	6.34%	0.52%	0.00%	0.00%	40.56%
Total Program Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Revenues:										
Taxes:										
Property	74.82%	77.33%	76.54%	73.47%	74.91%	74.27%	75.19%	79.12%	77.57%	78.71%
Sales	21.04%	22.08%	22.42%	24.88%	23.27%	24.62%	24.47%	20.44%	19.37%	20.59%
Investment earnings	0.57%	0.59%	1.04%	1.65%	1.82%	1.11%	0.34%	0.14%	0.20%	0.10%
Miscellaneous	3.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.30%	2.86%	0.60%
Total General Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes:

[1] The School District implemented GASB Statement No. 34 in fiscal year 2003, therefore, only eight years of government-wide financial data is presented.

[2] This amount are the sales taxes collected by the school district and forwarded to the City of Calhoun for debt service on school bonds.

[3] In the State of Georgia, the Quality Basic Education school aid is legally restricted to specific expense functions, therefore it is reported as a program revenue.

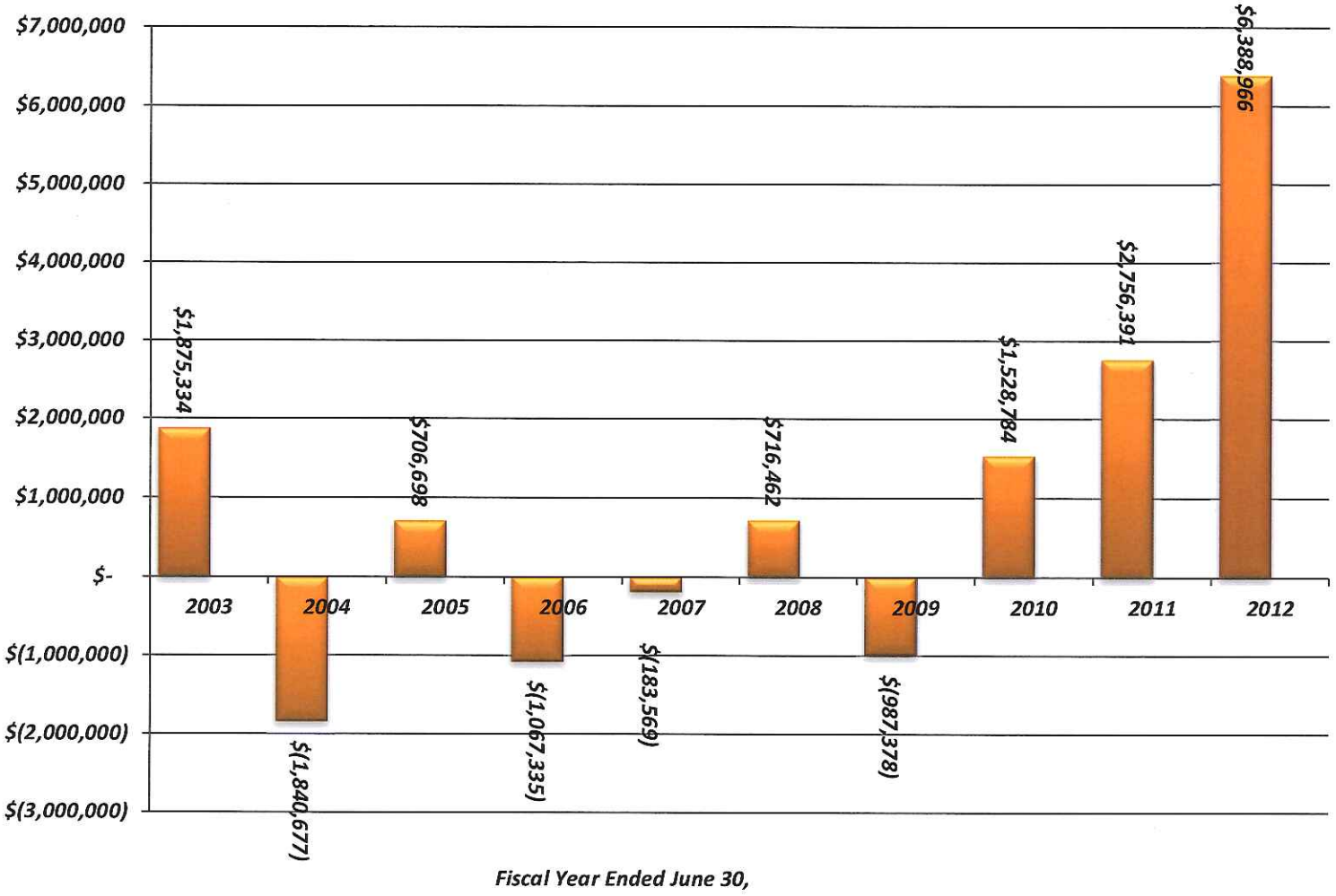
Data Source:
Applicable years' comprehensive annual financial report.

City of Calhoun Board of Education, Georgia

Chart-Changes in Total Net Assets - Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)



City of Calhoun Board of Education, Georgia
Fund Balances - Governmental Funds (Unaudited)
Last Eight Fiscal Years
(modified accrual basis of accounting)

	June 30,							
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
General Fund								
Unreserved[1]	$ 3,580,972	$ 4,066,839	$ 4,827,771	$ 3,543,050	$ 3,323,925	$ 3,393,735	$ 2,998,613	$ 4,202,567
General Fund Percentage Change	29.0%	13.6%	18.7%	-26.6%	-6.2%	2.1%	-11.6%	40.2%
All Other Governmental Funds								
Reserved	2,495,481	110,576	49,712	54,100	88,959	79,582	65,679	51,133
Unreserved								
Special Revenue Funds	290,449	432,191	254,631	306,191	255,398	184,240	264,065	898,516
Capital Projects Funds	-	-	(199,126)	(798)	-	734,917	164,044	6
Subtotal All Other Governmental Funds	2,785,930	542,767	105,217	359,493	344,357	998,739	493,788	949,655
All Other Governmental Funds Percentage Change	83.4%	-80.5%	-80.6%	241.7%	-4.2%	190.0%	-50.6%	92.3%
Total Governmental Funds								
Reserved	2,495,481	110,576	49,712	54,100	88,959	79,582	65,679	51,133
Unreserved	3,871,421	4,499,030	4,883,276	3,848,443	3,579,323	4,312,892	3,426,722	5,101,089
Total Governmental Funds	$ 6,366,902	$ 4,609,606	$ 4,932,988	$ 3,902,543	$ 3,668,282	$ 4,392,474	$ 3,492,401	$ 5,152,222
All Governmental Funds Percentage Change	48.2%	-27.6%	7.0%	-20.9%	-6.0%	19.7%	-20.5%	47.5%

Notes:
The Board implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*, in Fiscal Year 2010 (See Exhibit XIIIA). The Board did not restate the prior eight years.

Data Source:
Applicable years' comprehensive annual financial report.

Exhibit IIIA

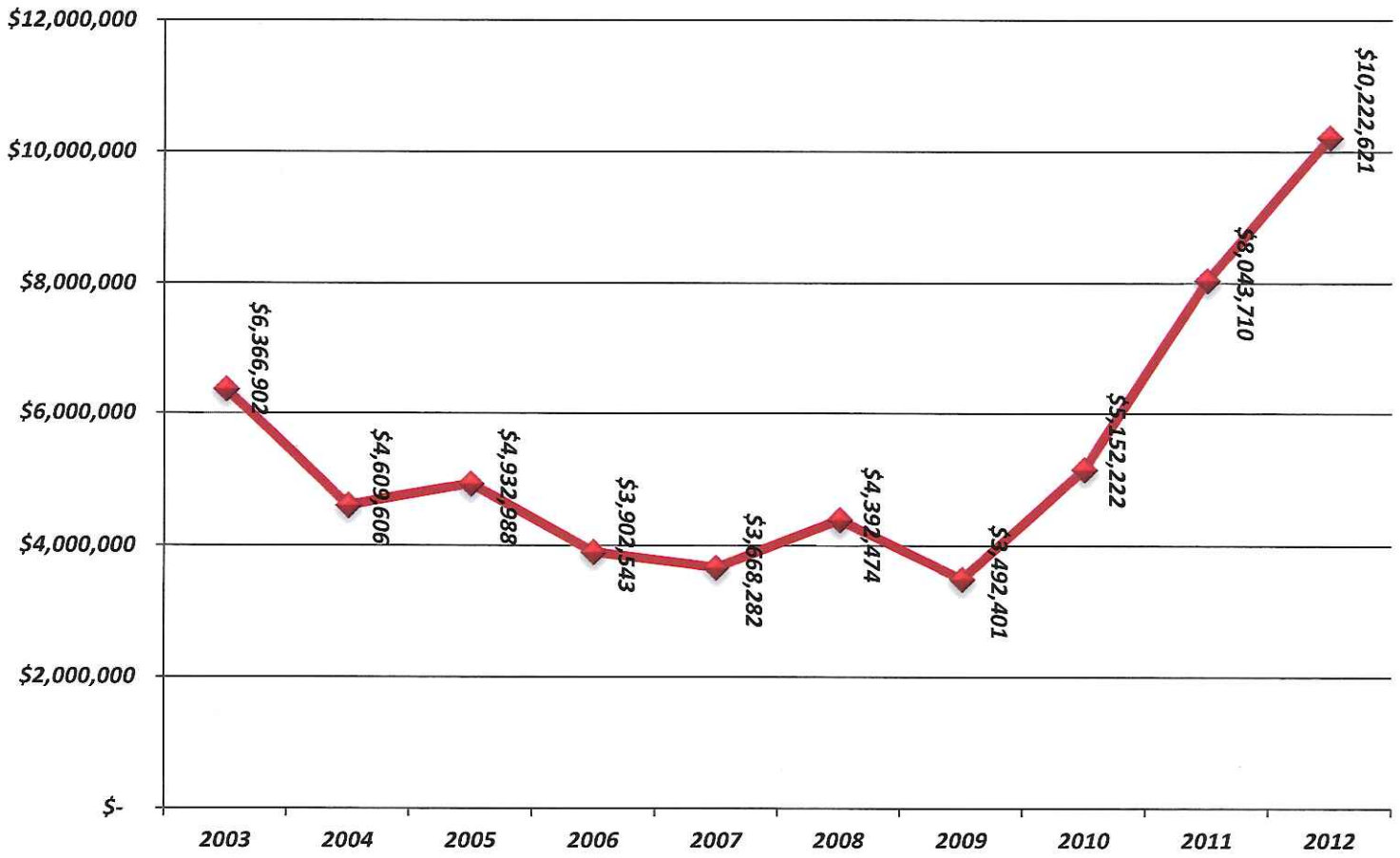
City of Calhoun Board of Education, Georgia
Fund Balances - Governmental Funds
June 30, 2011 and June 30, 2012
(modified accrual basis of accounting)

	June 30, 2011	June 30, 2012
General Fund		
Committed	$ 84,436	$ 117,814
Assigned	2,826,588	3,541,194
Unassigned	3,782,211	4,300,501
Total General Fund	$ 6,693,235	$ 7,959,509
General Fund Percentage Change	59.3%	18.9%
All Other Governmental Funds		
Nonspendable - Special Revenue Funds	$ 54,077	$ 47,764
Restricted - Special Revenue Funds	401,292	604,885
Restricted - Capital Projects Funds	-	700,363
Committed - Special Revenues Funds	900,168	910,100
Unassigned - Capital Projects Funds	(5,062)	-
Subtotal All Other Governmental Funds	$ 1,350,475	$ 2,263,112
All Other Governmental Funds Percentage Change	42.2%	67.6%
Total Governmental Funds		
Nonspendable	$ 54,077	$ 47,764
Restricted	401,292	1,305,248
Committed	984,604	1,027,914
Assigned	2,826,588	3,541,194
Unassigned	3,777,149	4,300,501
Total Governmental Funds	$ 8,043,710	$ 10,222,621
All Governmental Funds Percentage Change	56.1%	27.1%

Notes:
The Board implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*, in Fiscal Year 2011. The Board did not restate the prior eight years.

Data Source:
Applicable years' comprehensive annual financial report.

City of Calhoun Board of Education, Georgia
Chart-Total Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)



City of Calhoun Board of Education, Georgia
General Governmental Revenues by Source (Unaudited) [1]
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Revenue Source	**Amounts**									
Local revenue	$11,719,951	$11,658,526	$12,312,746	$ 12,748,903	$13,677,776	$15,839,044	$ 15,521,822	$ 14,902,115	$ 14,902,527	$ 24,562,433
State	14,413,654	12,628,621	13,345,274	12,578,416	14,487,120	15,622,239	13,841,262	12,568,221	14,131,914	18,982,789
Federal	1,266,336	1,594,530	2,086,596	2,355,780	2,684,678	2,620,729	3,050,344	5,083,862	4,358,436	3,625,582
Total Revenues	$27,399,941	$25,881,677	$27,744,616	$ 27,683,099	$30,849,574	$34,082,012	$ 32,413,428	$ 32,554,198	$ 33,392,877	$ 47,170,804
% change from prior year	26.4%	-5.5%	7.2%	-0.2%	11.4%	10.5%	-4.9%	0.4%	2.6%	41.3%
	Percentage of Total									
Local revenue	42.8%	45.0%	44.4%	46.1%	44.3%	46.5%	47.9%	45.8%	44.6%	52.1%
State	52.6%	48.8%	48.1%	45.4%	47.0%	45.8%	42.7%	38.6%	42.3%	40.2%
Federal	4.6%	6.2%	7.5%	8.5%	8.7%	7.7%	9.4%	15.6%	13.1%	7.7%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:
[1] Includes all governmental fund types.

Data Source:
Applicable years' comprehensive annual financial report.

City of Calhoun Board of Education, Georgia
Chart - Total General Governmental Revenues
Last Ten Fiscal Years
(accrual basis of accounting)

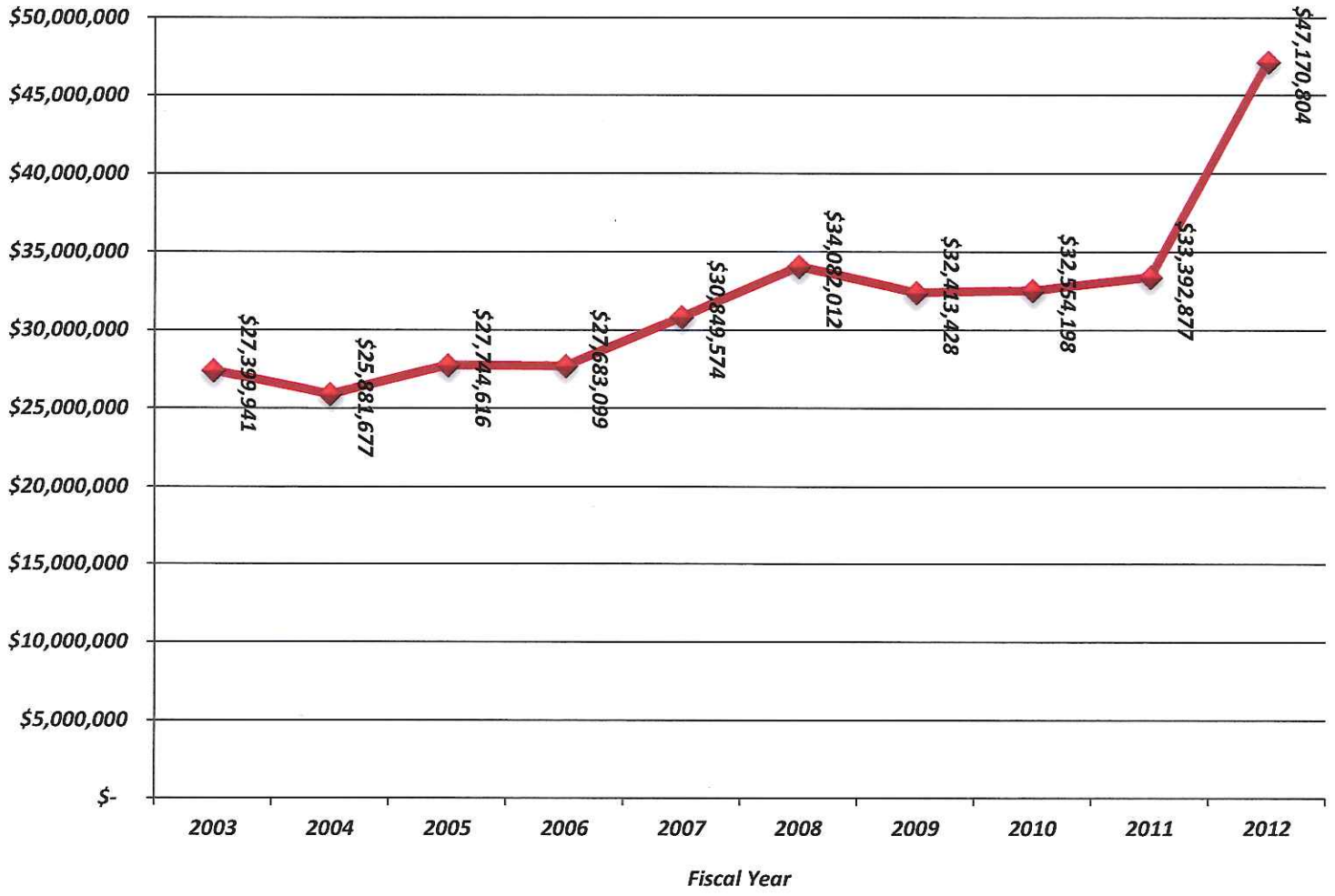


Exhibit V

City of Calhoun Board of Education, Georgia
General Governmental Expenditures by Function (Unaudited) [1]
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Year Ended June 30,									
Function	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Current:										
Instruction	$ 12,889,777	$ 13,267,229	$ 14,343,118	$ 17,135,140	$ 18,536,493	$ 19,243,279	$ 19,088,783	$ 18,198,848	$ 17,584,846	$ 18,913,570
Support services										
Pupil	867,141	931,376	1,118,194	840,596	948,035	1,324,096	1,343,498	1,280,961	1,265,702	1,261,762
Instructional	593,128	519,132	778,620	777,366	823,967	714,275	1,007,389	1,018,007	1,172,904	837,341
Media	410,930	426,940	552,408	534,106	527,542	520,080	531,072	467,280	408,714	421,924
General administration	229,899	238,949	221,885	229,331	241,553	273,151	338,397	390,413	373,932	302,778
Federal grant administration										107,889
School administration	1,092,271	1,205,686	1,383,995	1,353,644	1,421,481	1,641,968	1,624,535	1,314,951	1,395,767	1,383,677
Business administration	311,638	370,144	376,042	451,700	453,265	466,649	490,695	537,730	522,787	618,206
Operations and maintenance	1,264,408	1,289,964	1,681,168	1,923,349	2,107,565	2,180,896	1,918,314	1,813,768	1,854,638	1,947,627
Student transportation	338,658	257,407	487,751	647,114	712,671	632,614	492,916	469,754	504,270	836,249
Central support	25,098	25,340	25,838	25,961	28,256	29,149	438	40,708	44,036	55,879
Food service operations	1,340,601	1,403,087	1,828,604	1,913,490	2,140,534	2,093,236	1,906,178	1,954,300	1,916,773	2,131,418
Other supporting services	17,806	23,763	21,352	11,750	39,678	24,595	132,796	218,745	193,086	115,316
Community services	377,859	308,197	349,526	330,036	323,324	400,775	334,215	324,920	413,116	407,203
Enterprise	83,203	50,515	29,566	-	-	-	-	-	-	28,089
Intergovernmental [2]	2,400,981	2,581,864	2,324,906	2,657,108	2,727,675	3,117,692	3,268,549	2,661,165	2,515,625	2,892,598
Total Current	22,243,398	22,899,593	25,522,973	28,830,691	31,032,039	32,662,455	32,477,775	30,691,550	30,166,196	32,261,526
% Change From Prior Year	15.1%	3.0%	11.5%	13.0%	7.6%	5.3%	-0.6%	-5.5%	-1.7%	6.9%
Capital Outlay	3,309,662	4,744,772	1,901,022	50,613	-	639,561	775,395	202,827	335,193	12,730,367
% Change From Prior Year	156.4%	43.4%	-59.9%	-97.3%	-100.0%	100.0%	21.2%	-73.8%	65.3%	3697.9%
Debt Service [3]										
Principal	-	-	-	46,429	81,671	43,140	44,760	-	-	-
Interest and fees	-	-	-	6,168	5,016	3,287	1,668	-	-	-
Total Debt Service	-	-	-	52,597	86,687	46,427	46,428	-	-	-
% Change From Prior Year	0.0%	0.0%	0.0%	100.0%	64.8%	-46.4%	0.0%	-100.0%	0.0%	0.0%
Total Expenditures	$ 25,553,060	$ 27,644,365	$ 27,423,995	$ 28,933,901	$ 31,118,726	$ 33,348,443	$ 33,299,598	$ 30,894,377	$ 30,501,389	$ 44,991,893
% Change From Prior Year	23.9%	8.2%	-0.8%	5.5%	7.6%	7.2%	-0.1%	-7.2%	-1.3%	47.5%
Debt Service as a % of Noncapital Expenditures	0.0%	0.0%	0.0%	0.2%	0.3%	0.1%	0.1%	0.0%	0.0%	0.0%

Notes:
[1] Includes all governmental fund types.
[2] Includes a payment to the primary government, the City of Calhoun, GA for debt service on school bonds.
[3] Principal and interest details for fiscal year 2000 are not available.

Data Source:
Applicable years' comprehensive annual financial report.

City of Calhoun Board of Education, Georgia
Chart-Total General Governmental Expenditures
Last Ten Fiscal Years
(accrual basis of accounting)

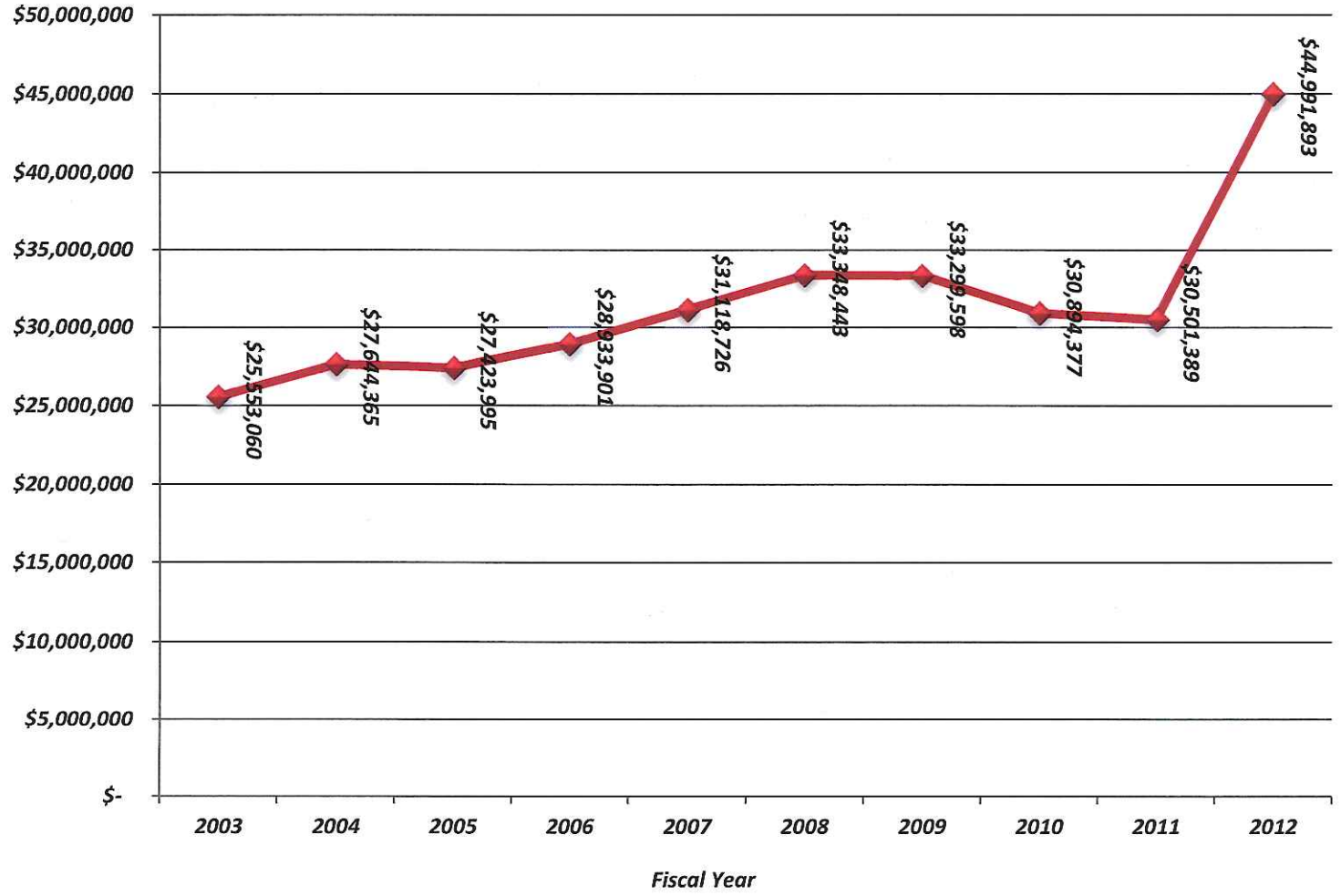


Exhibit VI

City of Calhoun Board of Education, Georgia
General Governmental Current Expenditures by Function (Unaudited) [1]
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function	Amounts									
Current:										
Instruction	$ 12,889,777	$ 13,267,229	$ 14,343,118	$ 17,135,140	$ 18,536,493	$ 19,243,279	$ 19,088,783	$ 18,198,848	$ 17,584,846	$ 18,913,570
Support services:										
Pupil	867,141	931,376	1,118,194	840,596	948,035	1,324,096	1,343,498	1,280,961	1,265,702	1,261,762
Instructional	593,128	519,132	778,620	777,366	823,967	714,275	1,007,389	1,018,007	1,172,904	837,341
Media	410,930	426,940	552,408	534,106	527,542	520,080	531,072	467,280	408,714	421,924
General administration	229,899	238,949	221,885	229,331	241,553	273,151	338,397	390,413	373,932	302,778
Federal grant administration	-	-	-	-	-	-	-	-	-	107,889
School administration	1,092,271	1,205,686	1,383,995	1,353,644	1,421,481	1,641,968	1,624,535	1,314,951	1,395,767	1,383,677
Business administration	311,638	370,144	376,042	451,700	453,265	466,649	490,695	537,730	522,787	618,206
Operations and maintenance	1,264,408	1,289,964	1,681,168	1,923,349	2,107,565	2,180,896	1,918,314	1,813,768	1,854,638	1,947,627
Student transportation	338,658	257,407	487,751	647,114	712,671	632,614	492,916	469,754	504,270	836,249
Central support	25,098	25,340	25,838	25,961	28,256	29,149	438	40,708	44,036	55,879
Food service operations	1,340,601	1,403,087	1,828,604	1,913,490	2,140,534	2,093,236	1,906,178	1,954,300	1,916,773	2,131,418
Other supporting services	17,806	23,763	21,352	11,750	39,678	24,595	132,796	218,745	193,086	115,316
Community services	377,859	308,197	349,526	330,036	323,324	400,775	334,215	324,920	413,116	407,203
Enterprise	83,203	50,515	29,566	-	-	-	-	-	-	28,089
Intergovernmental [2]	2,400,981	2,581,864	2,324,906	2,657,108	2,727,675	3,117,692	3,268,549	2,661,165	2,515,625	2,892,598
Total Current	$ 22,243,398	$ 22,899,593	$ 25,522,973	$ 28,830,691	$ 31,032,039	$ 32,662,455	$ 32,477,775	$ 30,691,550	$ 30,166,196	$ 32,261,526
Current:										
Instruction	57.9%	57.9%	56.2%	59.4%	59.7%	58.9%	58.8%	59.3%	58.3%	58.6%
Support services										
Pupil	3.9%	4.1%	4.4%	2.9%	3.1%	4.1%	4.1%	4.2%	4.2%	3.9%
Instructional	2.7%	2.3%	3.1%	2.7%	2.7%	2.2%	3.1%	3.3%	3.9%	2.6%
Media	1.8%	1.9%	2.2%	1.9%	1.7%	1.6%	1.6%	1.5%	1.4%	1.3%
General administration	1.0%	1.0%	0.9%	0.8%	0.8%	0.8%	1.0%	1.3%	1.2%	0.9%
Federal grant administration	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
School administration	4.9%	5.3%	5.4%	4.7%	4.6%	5.0%	5.0%	4.3%	4.6%	4.3%
Business administration	1.4%	1.6%	1.5%	1.6%	1.5%	1.4%	1.5%	1.8%	1.7%	1.9%
Operations and maintenance	5.7%	5.6%	6.6%	6.7%	6.8%	6.7%	5.9%	5.9%	6.1%	6.0%
Student transportation	1.5%	1.1%	1.9%	2.2%	2.3%	1.9%	1.5%	1.5%	1.7%	2.6%
Central support	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.2%
Food service operations	6.0%	6.1%	7.2%	6.6%	6.9%	6.4%	5.9%	6.4%	6.4%	6.6%
Other supporting services	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.4%	0.7%	0.6%	0.4%
Community services	1.7%	1.3%	1.2%	1.2%	0.9%	1.3%	1.1%	1.2%	1.5%	1.3%
Enterprise	0.5%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Intergovernmental [2]	10.8%	11.3%	9.1%	9.2%	8.8%	9.5%	10.1%	8.7%	8.3%	9.0%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

[1] Includes all governmental fund types.

[2] Includes a payment to the primary government, the City of Calhoun, GA for debt service on school

Data Source:

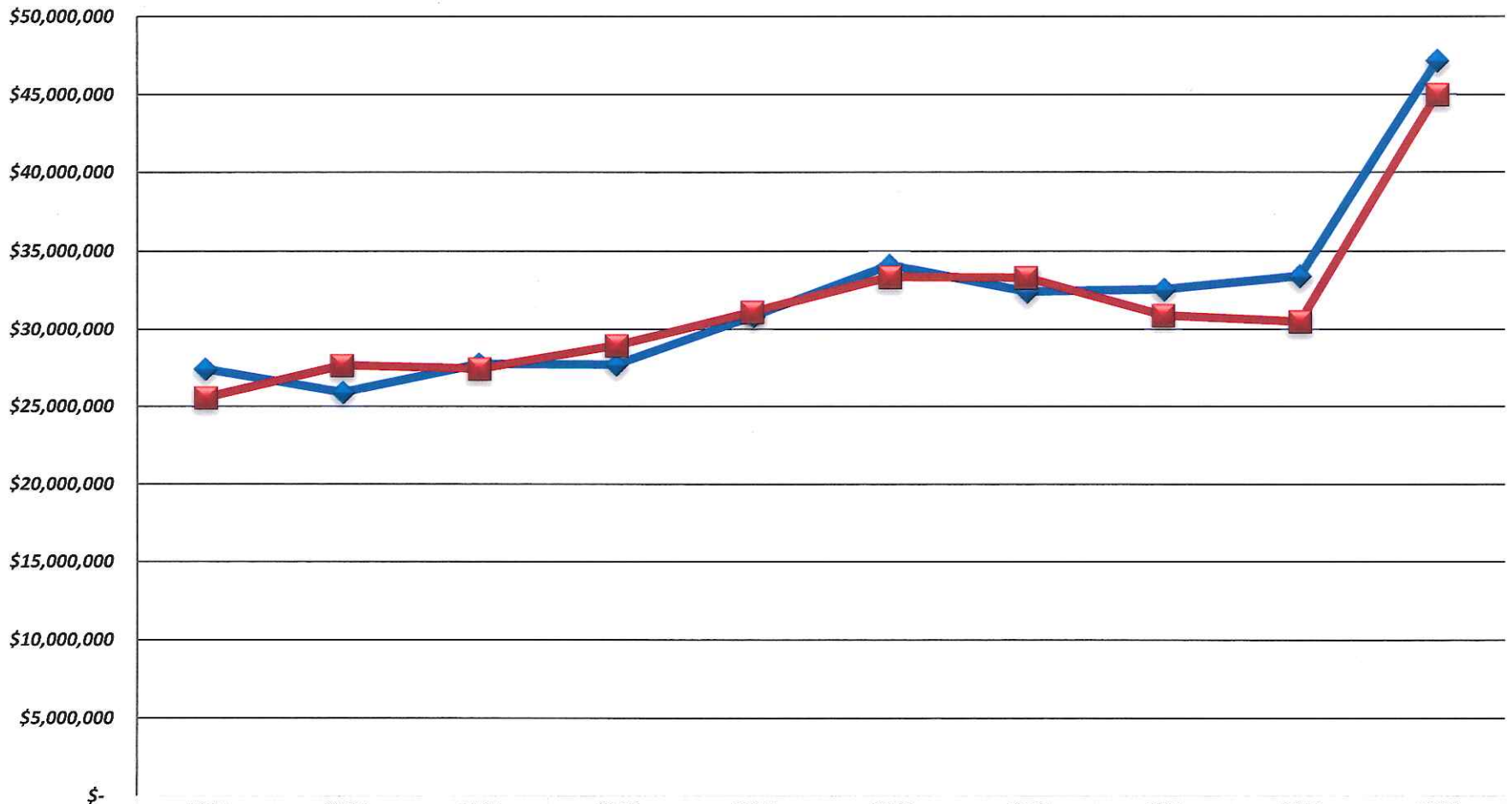
Applicable years' comprehensive annual financial report.

City of Calhoun Board of Education, Georgia
Summary of Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Revenues	$ 27,399,941	$ 25,881,677	$ 27,744,616	$ 27,683,099	$ 30,849,574	$ 34,082,012	$ 32,413,428	$ 32,554,198	$ 33,392,877	$ 47,170,804
Total Expenditures	25,553,060	27,644,365	27,423,995	28,933,901	31,118,726	33,348,443	33,299,598	30,894,377	30,501,389	44,991,893
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,846,881	(1,762,688)	320,621	(1,250,802)	(269,152)	733,569	(886,170)	1,659,821	2,891,488	2,178,911
Other Financing Sources (Uses)										
Inception of capital lease	-	-	-	216,000	-	-	-	-	-	-
Transfers in	90,242	45,987	38,063	462,241	81,963	63,094	161,537	428,150	19,859	50,085
Transfers out	(90,242)	(45,987)	(38,063)	(462,241)	(81,963)	(63,094)	(161,537)	(428,150)	(19,859)	(50,085)
Total Other Financing Sources (Uses)	-	-	-	216,000	-	-	-	-	-	-
Net Change in Fund Balances	$ 1,846,881	$ (1,762,688)	$ 320,621	$ (1,034,802)	$ (269,152)	$ 733,569	$ (886,170)	$ 1,659,821	$ 2,891,488	$ 2,178,911

Data Source:
Applicable years' comprehensive annual financial report.

City of Calhoun Board of Education, Georgia
Chart - Governmental Fund Revenues and Expenditures
Last Ten Fiscal Years



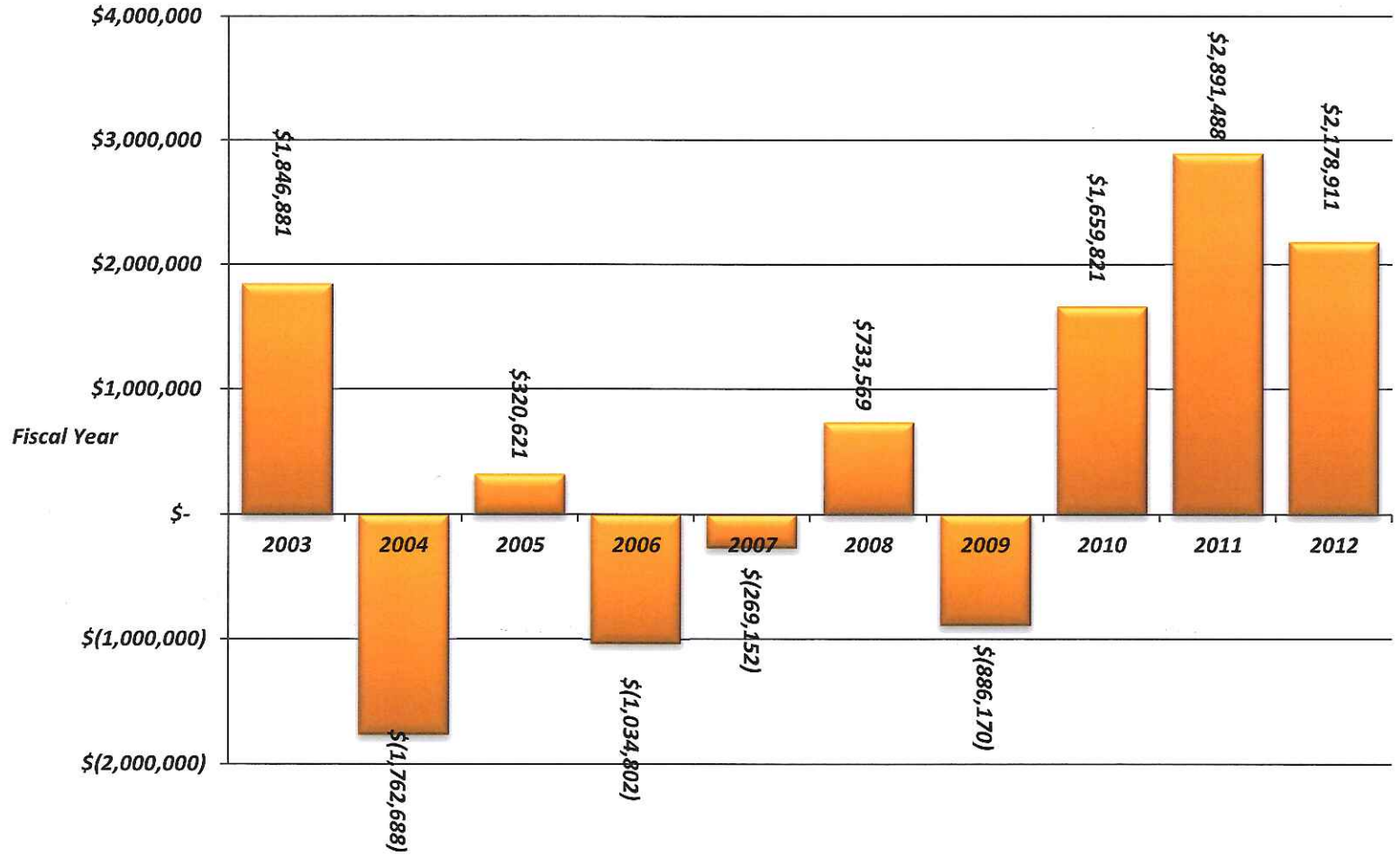
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues	$27,399,941	$25,881,677	$27,744,616	$27,683,099	$30,849,574	$34,082,012	$32,413,428	$32,554,198	$33,392,877	$47,170,804
Expenditure	$25,553,060	$27,644,365	$27,423,995	$28,933,901	$31,118,726	$33,348,443	$33,299,598	$30,894,377	$30,501,389	$44,991,893

City of Calhoun Board of Education, Georgia

Chart-Total Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)



City of Calhoun Board of Education, Georgia

Taxable Assessed Value[1] and Estimated Actual Value of Property - By Type (Unaudited)
Last Ten Fiscal Years

Fiscal Year Ended June 30,[3]	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Conservation Use Property - Heavy Equipment	Utility Property	Motor Vehicles and Mobile Homes	Less: Tax Exempt Property[2]	Total Taxable Assessed Value[1]	Total Direct Tax Rate[5]	Estimated Actual Value	Annual Percentage Change
	Amounts											
2003	$ 107,941,511	$149,943,526	$ 224,467,488	$ 698,703	$ 483,601	$ 5,326,912	$ 29,383,949	$ 652,692	$ 517,592,998	14.570	$1,293,982,495	1.4%
2004	117,037,411	163,293,929	209,474,719	961,195	409,524	5,305,764	26,789,422	5,673,840	517,598,124	14.710	1,293,995,310	0.0%
2005	131,107,494	169,409,914	208,682,617	946,183	528,269	5,080,289	26,695,620	7,180,928	535,269,458	14.950	1,338,173,645	3.4%
2006	147,635,828	184,826,861	220,011,373	1,987,883	571,179	4,881,636	26,812,348	762,124	585,964,984	13.660	1,464,912,460	9.5%
2007	159,759,954	203,388,143	233,582,318	3,146,493	698,725	5,134,608	27,909,773	942,124	632,677,890	14.580	1,581,694,725	8.0%
2008[4]	175,724,678	263,465,118	253,688,864	3,326,224	845,086	4,250,240	30,465,273	1,274,871	730,490,612	14.080	1,826,226,530	15.5%
2009	181,711,525	283,887,880	336,873,110	2,800,366	759,435	4,220,012	29,822,460	1,072,777	839,002,011	14.080	2,097,505,028	14.9%
2010	212,661,056	302,043,691	295,461,603	3,417,332	1,446,541	4,006,938	31,739,856	1,974,710	848,802,307	13.865	2,122,005,768	1.2%
2011	206,864,772	329,964,480	234,597,536	4,544,767	1,443,645	4,007,168	28,300,546	20,936,744	788,786,170	13.865	1,971,965,425	-7.1%
2012	173,589,485	324,327,025	204,160,467	3,377,648	1,338,534	4,468,028	27,676,924	1,639,757	737,298,354	16.012	1,843,245,885	-6.5%
*	$ 160,049,359	$227,802,616	$ 246,315,514	$ 2,425,461	$ 798,445	$ 4,690,396	$ 28,657,694	$ 4,496,757	$ 666,242,728		$1,665,606,821	
**	60.8%	116.3%	-9.0%	383.4%	176.8%	-16.1%	-5.8%	151.2%	42.4%		42.4%	
	Percentage of Total											
2003	20.8%	28.9%	43.3%	0.1%	0.1%	1.0%	5.8%	0.1%	99.9%			
2004	22.4%	31.2%	40.0%	0.2%	0.1%	1.0%	5.1%	1.1%	98.9%			
2005	24.2%	31.2%	38.5%	0.2%	0.1%	0.9%	4.9%	1.3%	98.7%			
2006	25.2%	31.5%	37.5%	0.3%	0.1%	0.8%	4.6%	0.1%	99.9%			
2007	25.2%	32.1%	36.9%	0.5%	0.1%	0.8%	4.4%	0.1%	99.9%			
2008	24.0%	36.0%	34.7%	0.5%	0.1%	0.6%	4.1%	0.2%	99.8%			
2009	21.6%	33.8%	40.1%	0.3%	0.1%	0.5%	4.1%	0.1%	99.9%			
2010	25.0%	35.5%	34.7%	0.4%	0.2%	0.5%	0.0%	0.2%	99.8%			
2011	25.5%	40.8%	29.0%	0.6%	0.2%	0.5%	0.0%	2.7%	97.3%			
2012	23.5%	43.9%	27.6%	0.5%	0.2%	0.6%	0.0%	0.2%	99.8%			

*** Dollar average for ten years.**
**** Percentage change in dollars over ten years.**

Notes:

[1] All property is assessed at 40% of fair market value.

[2] Tax exempt property includes homestead or freeport exemptions, resulting in subtantial flucations from year to year.

[3] The tax year is one year prior to the fiscal year.

[4] In fiscal year 2008, Gordon County completed a reevaluation of selected property, resulting in substantial increases in the values.

[5] Tax rates expressed in rate per $1,000

Data Source:

Georgia Department of Revenue, Tax Digest Consolidation Summary, http://www.etax.dor.ga.gov/PTD/cds/csheets/index.aspx

City of Calhoun Board of Education, Georgia
Chart-Taxable Assessed Value - Before Tax Exempt Property
Last Ten Fiscal Years

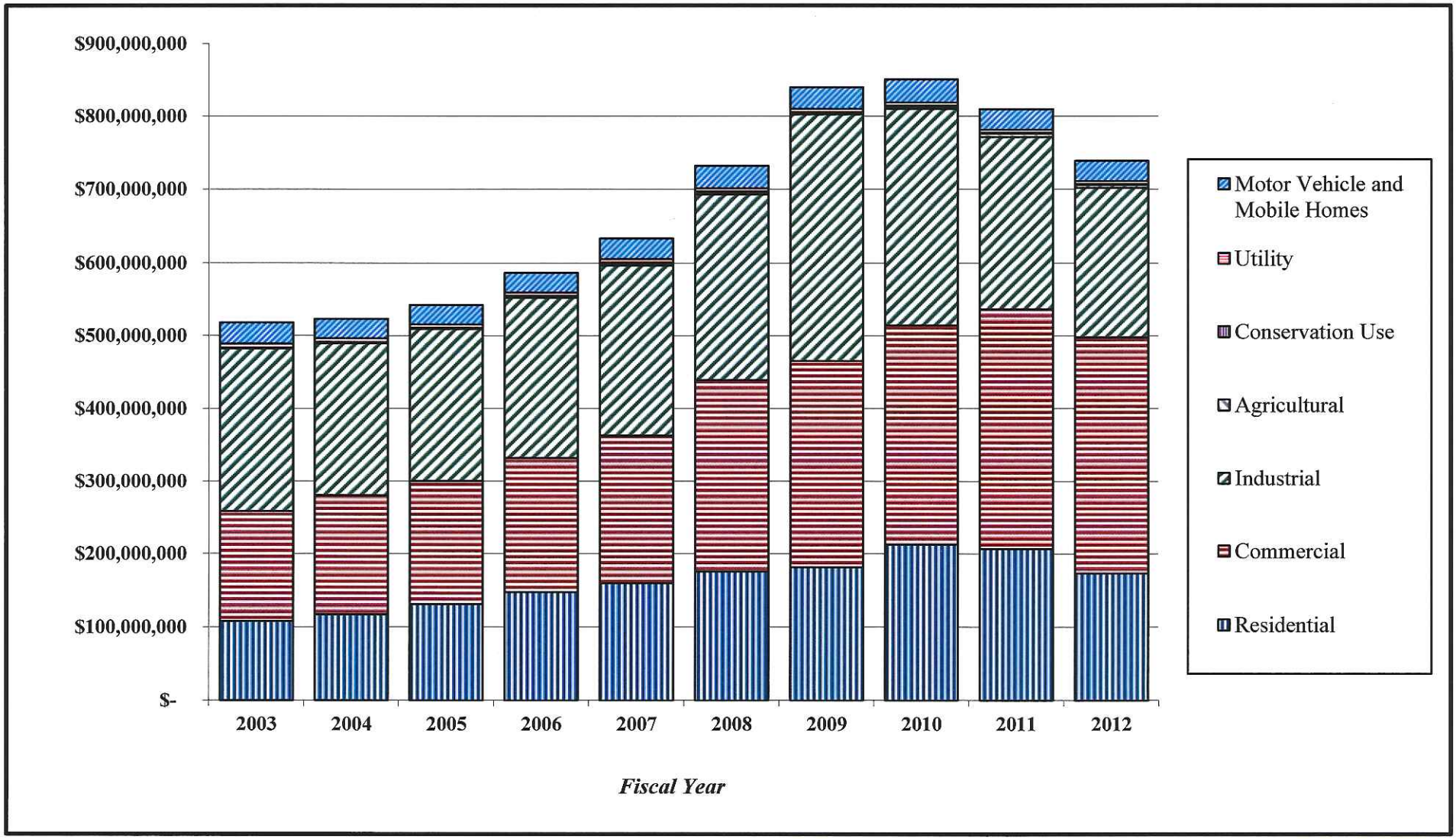


Exhibit IX

City of Calhoun Board of Education, Georgia

Direct and Overlapping Property Tax Rates [1]

Last Ten Fiscal Years

	Overlapping Rates [2, 3]			Direct Rates	
Fiscal Year Ended June 30,	**City of Calhoun**	**State of Georgia[4]**	**Gordon County**	**City of Calhoun Schools Operating[5]**	**Total Rate**
2003	1.570	0.250	4.830	14.570	21.220
2004	1.540	0.250	5.540	14.710	22.040
2005	1.500	0.250	7.570	14.950	24.270
2006	1.750	0.250	7.570	13.660	23.230
2007	1.670	0.250	10.671	14.580	27.171
2008	1.615	0.250	10.174	14.080	26.119
2009	1.615	0.250	9.528	14.080	25.473
2010	1.591	0.250	8.815	13.865	24.521
2011	1.591	0.250	8.910	13.865	24.616
2012	1.591	0.250	9.800	16.012	27.653
% Change From 2002 -2011	1.3%	0.0%	102.9%	9.9%	30.3%

Notes:

[1] Tax rates expressed in rate per $1,000 of annual taxable

[2] Overlapping rates are those of governments that overlap the City's geographic boundaries.

[3] Although Gordon County School District is overlapping, City property owners do not pay Gordon County school tax, therefore, this government's tax rates are not presented.

[4] The State of Georgia levies one quarter of one mill on each county's taxable property to help finance their certification of each Georgia County's tax digests.

[5] The City of Calhoun levies the property taxes for the Calhoun City Schools, a discretely presented component unit of the City.

Data Source:

[1] Georgia Department of Revenue, Property Tax Division,

City of Calhoun Board of Education, Georgia
Chart-Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 of assessed taxable value)

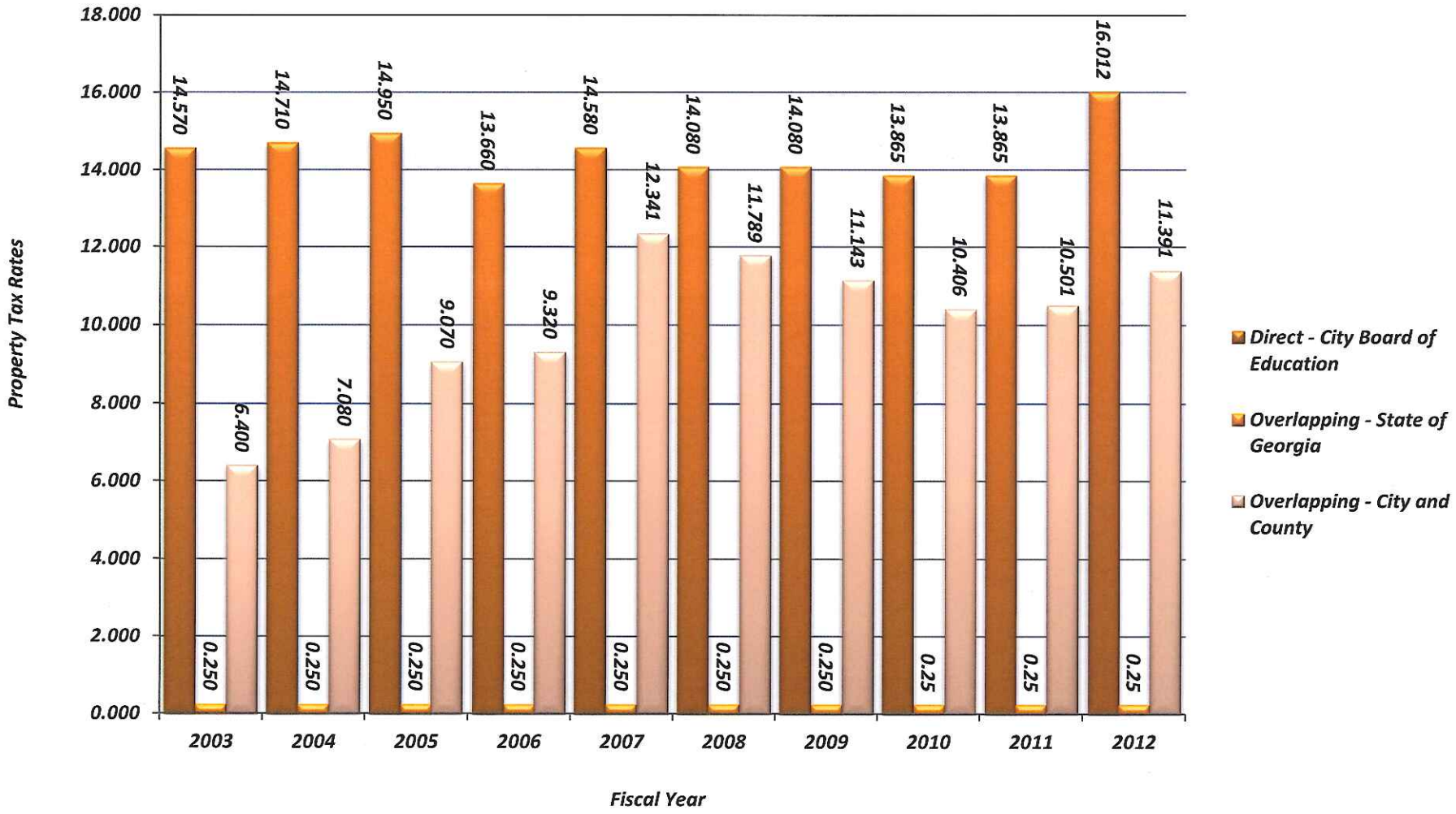


Exhibit X

City of Calhoun Board of Education, Georgia

Property Tax Levies and Collections [1]

Last Ten Fiscal Years

(amounts expressed in thousand dollars)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Uncollected Taxes	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage Of Levy 3
2003	$ 7,707	$ 7,219	93.67%	$ 406	$ 7,625	98.94%	$ 82	1.06%
2004	7,940	7,550	95.09%	373	7,923	99.79%	17	0.21%
2005	8,353	8,059	96.48%	267	8,326	99.68%	27	0.32%
2006	8,548	8,320	97.33%	215	8,535	99.85%	13	0.15%
2007	9,484	9,246	97.49%	214	9,460	99.75%	24	0.25%
2008	10,323	9,940	96.29%	262	9,940	96.29%	121	3.71%
2009	11,670	10,430	89.37%	939	11,369	97.42%	301	2.58%
2010	11,911	10,939	91.84%	489	11,428	95.94%	483	4.06%
2011	11,377	10,631	93.44%	302	10,933	96.10%	444	3.90%
2012	12,012	11,341	94.41%	-	11,341	94.41%	671	5.59%

Notes:

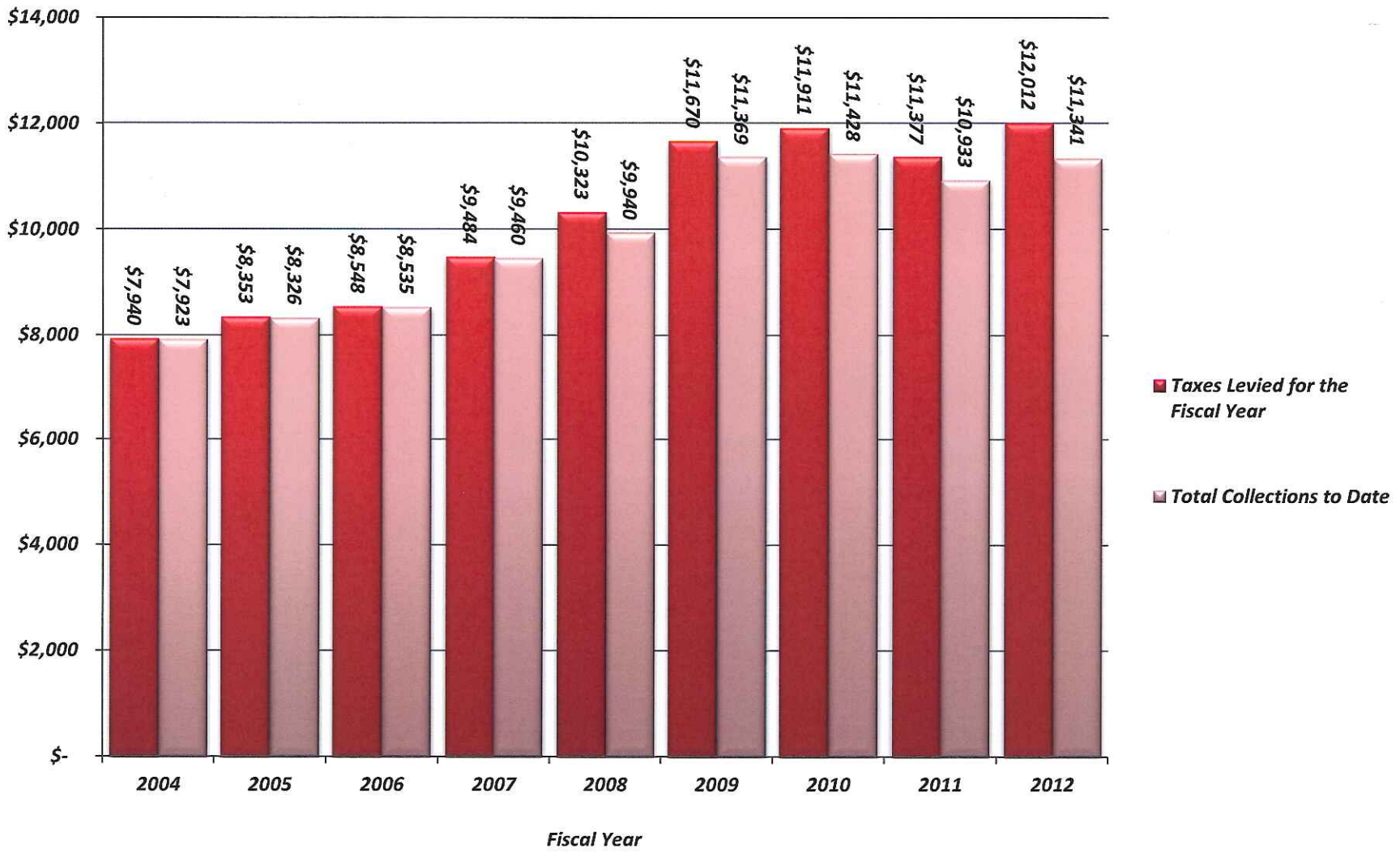
[1] Includes property taxes levied for both the Board and the City of Calhoun. The Board is a component unit of the City and the City levies the property taxes for the Board. Information for the Board excluding the City's tax information is not available.

[2] The amounts reported in the total uncollected taxes column are the uncollected taxes for each specific years' tax levy.

Data Source:

City of Calhoun, Georgia tax collection records.

City of Calhoun Board of Education, Georgia
Chart-Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousand dollars)



City of Calhoun Board of Education, Georgia

Principal Property Taxpayers (Unaudited)

Fiscal Years Ended June 30, 2012 and 2003

(amounts expressed in thousands)

2012				2003			
Principal Taxpayer	**Taxable Assessed Value [1]**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Principal Taxpayer**	**Taxable Assessed Value [1]**	**Rank**	**Percentage of Total Taxable Assessed Value**
Mohawk Industries	$ 78,870	1	10.70%	Aladdin (Mohawk) Industries	$ 57,963	1	10.04%
Shaw Industries Group, Inc.	32,459	2	4.40%	The Dixie Group	45,565	2	7.89%
Engineered Floors, LLC	24,903	3	3.38%	Mannington Carpets	15,170	3	2.63%
Kobelco	24,288	4	3.29%	Kobelco	14,887	4	2.58%
Faus	14,742	5	2.00%	Prime Calhoun Outlets	9,993	5	1.73%
Mannington	16,909	6	2.29%	Springs Industries	9,162	6	1.59%
Fieldturf USA	13,171	7	1.79%	Wal-Mart	6,051	7	1.05%
Apache Mills, Inc.	7,329	8	0.99%	Shaw Industries	4,106	8	0.71%
Brumlow Mills	4,985	9	0.68%	Georgia Corp	3,389	9	0.59%
CAF Extrusions, LLC	4,937	10	0.67%	Beaulieu	2,628	10	0.45%
Total Principal Taxpayers	222,593		30.19%	**Total Principal Taxpayers**	168,914		29.24%
All Other Taxpayers	514,705		69.81%	**All Other Taxpayers**	408,679		70.76%
Total	$ 737,298		100.00%	**Total**	$ 577,593		100.00%

Data Source:

City of Calhoun tax records.

Exhibit XII

City of Calhoun Board of Education, Georgia

Overlapping Sales and Use Tax Rates [1]

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Overlapping Gordon County LOST [2]	Gordon County SPLOST [3]	Schools [4] EDSPLOST	State of Georgia	Total
2003	1.00%	1.00%	1.00%	4.00%	7.00%
2004	1.00%	1.00%	1.00%	4.00%	7.00%
2005	1.00%	1.00%	1.00%	4.00%	7.00%
2006	1.00%	1.00%	1.00%	4.00%	7.00%
2007	1.00%	1.00%	1.00%	4.00%	7.00%
2008	1.00%	1.00%	1.00%	4.00%	7.00%
2009	1.00%	1.00%	1.00%	4.00%	7.00%
2010	1.00%	1.00%	1.00%	4.00%	7.00%
2011	1.00%	1.00%	1.00%	4.00%	7.00%
2012	1.00%	1.00%	1.00%	4.00%	7.00%

Notes:

[2] The local option sales tax was approved by referendum and is effective indefinitely. Both the City and the County is required to reduce their property tax millage rate in the current year by the amount of these taxes collected in the prior year.

[3] The previous special purpose local option sales tax was approved effective April 1, 2001 and expired March 31, 2006. The current special purpose local option sales tax was approved effective April 1, 2006 and expired March 31, 2012.

[4] Effective January 1, 1998 the Gordon County Board of Education and the Calhoun City Board of Education began levying a 1% education special purpose local option sales tax, that is allocated between the City and County Schools. The current tax was approved effective July 1, 2007 and expires June 30, 2012.

Data Source :

[1] Georgia Departmentof Revenue, Sales and Use Tax Division.

City of Calhoun Board of Education, Georgia
Taxable Sales by Category (Unaudited)
Calendar Years 2004 - 2011

	2004		2005		2006		2007		2008		2009		2010		2011	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Category:																
NAICS codes																
General merchandise											$ 165,009,085	20.23%	$ 159,810,958	19.21%	$150,726,327	17.96%
Food/bars											114,968,896	14.09%	109,287,805	13.14%	106,969,981	12.75%
Manufacturing											106,428,249	13.05%	61,702,722	7.42%	30,915,366	3.68%
Utilities											89,024,099	10.91%	70,070,380	8.43%	53,701,051	6.40%
Other retail											85,951,003	10.54%	98,120,054	11.80%	158,443,411	18.88%
Wholesale											74,397,977	9.12%	134,101,103	16.13%	120,551,365	14.36%
Automotive											61,769,180	7.57%	82,437,277	9.91%	107,167,095	12.77%
Home furnishings											51,269,676	6.28%	38,867,124	4.67%	31,769,995	3.79%
Miscellaneous services											46,749,549	5.73%	55,350,997	6.66%	51,320,508	6.12%
Other services											10,967,548	1.34%	13,940,083	1.68%	19,996,879	2.38%
Accommodations											8,134,834	1.00%	6,637,362	0.80%	6,168,429	0.73%
Construction											1,157,038	0.14%	1,228,360	0.15%	1,523,562	0.18%
SIC codes																
Food	$ 202,336,294	26.84%	$ 229,479,330	28.09%	$ 263,668,725	28.24%	$ 266,367,180	28.87%	$ 248,033,221	26.46%						
General	127,184,616	16.86%	119,028,388	14.57%	130,658,021	13.99%	133,137,354	14.43%	128,337,853	13.69%						
Automotive	105,727,771	14.01%	103,784,171	12.70%	125,588,081	13.45%	127,872,364	13.86%	181,476,183	19.36%						
Utilities	81,059,723	10.74%	85,379,904	10.45%	102,568,352	10.98%	101,143,479	10.96%	104,754,382	11.18%						
Home	49,214,233	6.52%	56,428,268	6.91%	72,328,857	7.75%	71,209,452	7.72%	56,555,421	6.03%						
Lumber	60,901,578	8.07%	77,460,636	9.48%	68,947,268	7.38%	61,643,192	6.68%	36,407,673	3.88%						
Miscellaneous	41,742,067	5.53%	49,635,004	6.07%	54,119,166	5.80%	48,488,363	5.25%	49,024,559	5.24%						
Apparel	29,374,697	3.89%	39,012,999	4.77%	41,906,426	4.49%	41,698,856	4.52%	44,186,632	4.71%						
Manufacturing	25,800,415	3.42%	25,187,736	3.08%	37,578,602	4.02%	34,536,234	3.74%	37,229,008	3.97%						
Miscellaneous	31,061,956	4.12%	31,738,678	3.88%	36,392,180	3.90%	36,628,897	3.97%	51,318,460	5.48%						
Total	$ 754,403,350	100.00%	$ 817,135,114	100.00%	$ 933,755,678	100.00%	$ 922,725,371	100.00%	$ 937,323,392	100.00%	$ 815,827,134	100.00%	$ 831,554,225	100.00%	839,253,969	100.00%
Dollar increase from previous year			$ 62,731,764		$ 116,620,564		$ (11,030,307)		$ 14,598,021		$ (121,496,258)		$ 15,727,091		$ 7,699,744	
Percent increase from previous year			8.32%		14.27%		-1.18%		1.58%		-12.96%		1.93%		0.93%	

Notes:

[1] Only eight years of data is available.

[2] Sales data only available for Gordon County.

[3] Information prior to calendar year 2004 is not available. Beginning in 2009, the Georgia Department of Revenue changed their sales classifications.

Data Source:
Georgia Department of Revenue

City of Calhoun Board of Education, Georgia
Ratios of Total Debt Outstanding by Type (Unaudited)
Last Ten Fiscal Years

June 30,	Governmental Activities [2] Capital Leases	Percentage of Personal Income [3]	Estimated [3] Population	Per Capita
2003	$ -	0.00000%	12,184	$ -
2004	-	0.00000%	12,342	-
2005	-	0.00000%	13,666	-
2006 [1]	169,571	0.00013%	14,015	12
2007	87,900	0.00006%	14,379	6
2008	44,760	0.00003%	14,753	3
2009	-	0.00000%	14,807	-
2010	-	0.00000%	14,955	-
2011	-	0.00000%	15,000	-
2012	-	0.00000%	15,650	-

Notes:

[1] In fiscal year 2006, the Board entered into a capital lease for the acquisition of three 72-passenger buses.

Data Sources:

[2] Applicable years' comprehensive annual financial report.

[3] Exhibit XVI

City of Calhoun Board of Education, Georgia

Overlapping Governmental Activities Debt[4] (Unaudited)

June 30, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Overlapping Debt [2, 3]			
Gordon County - Debt repaid with property taxes	$ 10,782,116	100.0%	$ 10,782,116
Gordon County - Debt repaid with sales taxes	3,750,000	100.0%	3,750,000
City of Calhoun - general obligation bonds[3]	32,152,673	100.0%	32,152,673
Calhoun Recreation Authority	1,952,100	100.0%	1,952,100
Total Overlapping Debt			$ 48,636,889

Notes:

[1] Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the Board's geographic boundaries and dividing it by each government's total assessed valuation.

[2] Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Board.

[3] The City issued these general obligation bonds for the construction of school buildings, which are owned by the City.

[4] The Board of Education has no outstanding debt.

Data Sources:

[3] Each specific government

City of Calhoun Board of Education, Georgia

Demographic and Economic Statistics (Unaudited) [1]

Last Ten Years

Year	Population [2]	(thousands of dollars) Personal Income [2A]	Per Capita Personal Income [2] Gordon County	United States	% of U.S.	Median Age [3]	Unemployment Rate [7] Dalton Metro Area [4]	State of Georgia [5]	United States [6]
2003	12,184	$ 1,137,348	$ 23,623	$ 31,466	75.1%	33.9	4..9%	4.8%	5.8%
2004	12,342	1,214,927	24,581	33,090	74.3%	33.9	4.5%	5.0%	6.3%
2005	13,666	1,274,403	25,185	34,471	73.1%	33.9	4.9%	4.7%	5.6%
2006	14,015	1,323,325	25,370	34,510	73.5%	34.0	4.5%	5.2%	5.1%
2007	14,379	1,402,189	26,254	35,260	74.5%	34.0	4.7%	4.8%	4.6%
2008	14,753	1,490,766	27,320	35,204	77.6%	34.0	6.8%	4.5%	4.6%
2009	14,807	1,410,689	25,675	38,615	66.5%	34.4	12.5%	6.0%	5.6%
2010	14,955	1,543,676	27,970	40,148	69.7%	34.4	11.7%	10.0%	9.5%
2011	15,000	1,593,472	28,649	41,353	69.3%	37.5	12.1%	10.0%	9.4%
2012	15,650	1,622,633	28,836	41,560	69.4%	37.5	11.3%	9.9%	9.1%

Notes:

[1] Generally, the information in this table relates to the City of Calhoun, GA or Gordon County, GA, as specific information for the Board is not available.

[7] The significant increase in the 2009 unemployment relates to the nationwide recession.

Data Sources:

[2] City of Calhoun, Georgia comprehensive annual financial reports

[2A] Gordon County, Georgia comprehensive annual financial reports

[3] U.S. Census Bureau - http://usgovinfo.about.com/gi/dynamic/offsite.htm?site=http://factfinder.census.gov/ - 2001-2010 estimated by management

[4] U.S. Department of Labor, Bureau of Labor Statistics, Dalton, GA, Metropolitan Statistical Area - http://data.bls.gov/cgi-bin/surveymost?la+13

[5] U.S. Department of Labor, Bureau of Labor Statistics , http://data.bls.gov/cgi-bin/surveymost

[6] U.S. Department of Labor, Bureau of Labor Statistics, http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=LNS14000000

N/A - Not Available

City of Calhoun Board of Education, Georgia

Principal Employers (Unaudited)

For the Fiscal Years Ended June 30, 2012 and 2003

Employer	Type of Business	2012 Number of Employees	2012 Rank	2012 Percentage of Major County Employers
Mohawk Industries	Flooring	1,797	1	7.13%
Shaw Industries	Flooring	1,292	2	5.13%
Gordon County Schools	Government	984	3	3.91%
Mannington	Flooring	675	4	2.68%
Gordon Hospital	Hospital	601	5	2.39%
Gordon County Government	Government	401	6	1.59%
Calhoun City Schools	Government	391	7	1.55%
Apache Mills	Flooring	318	8	1.26%
Beaulieu Group	Flooring	299	9	1.19%
Calhoun City Government	Government	264	10	1.05%
Total Principal Employers		7,022		27.88%
Other Employers		18,167		72.12%
Total Employers [1]		25,189		100.00%

Employer	Type of Business	2003 Number of Employees	2003 Rank	2003 Percentage of Major County Employers
Mohawk Industries, Inc. (Aladdin)	Flooring	4,000	1	17.88%
Shaw Industries	Flooring	2,000	2	8.94%
Gordon County Schools	Government	970	3	4.34%
Gordon Hospital	Hospital	600	4	2.68%
Mannington Carpets	Flooring	592	5	2.65%
Springs Industries	Manufacturing	398	6	1.78%
Calhoun City Schools	Government	384	7	1.72%
City of Calhoun Government	Government	341	8	1.52%
Beaulieu Group	Flooring	336	9	1.50%
Apache Mills	Flooring	320	10	1.43%
Total Principal Employers		9,941		44.43%
Other Employers		12,434		55.57%
Total Employers		22,375		100.00%

Data Source:

Estimated by Gordon County Chamber of Commerce.

City of Calhoun Board of Education, Georgia

Full Time Equivalent (FTE) Positions - by Function

Last Ten Fiscal Years [1]

Positions	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Calhoun Primary School[2]										
Classroom Teachers	49	49	52	57	56	56	57	53	52	52
Support Personnel	45	48	62	66	65	64	61	44	43	42
Administrators	2	2	3	3	3	3	3	2	2	2
Calhoun Elementary School										
Classroom Teachers	43	42	43	45	46	47	47	44	44	43
Support Personnel[1]	28	30	23	25	25	25	24	26	27	25
Administrators	2	2	3	3	3	3	3	2	2	2
Calhoun Middle School										
Classroom Teachers	38	40	41	46	49	49	48	43	44	44
Support Personnel[1]	16	16	25	28	31	32	31	22	23	23
Administrators	2	2	3	2	2	2	2	2	2	2
Calhoun High School										
Classroom Teachers	46	46	48	53	58	62	63	59	54	56
Support Personnel[1]	36	36	41	38	44	46	44	35	32	27
Administrators	4	4	5	5	4	4	5	5	5	5
Pre-K Program										
Classroom Teachers	6	6	7	8	8	8	8	10	10	10
Support Personnel[1]	8	8	10	10	10	10	12	15	14	13
Administrators	-	-	-	-	-	-	-	-	-	-
Central Office										
Support Personnel	14	13	15	17	17	16	16	16	15	16
Administrators	4	3	4	4	4	6	6	5	5	5
Maintenance	4	3	3	3	3	3	3	3	3	2
Transportation	9	9	12	15	18	17	17	15	14	16
Community Education	2	2	2	2	2	2	2	1	1	1
Total	357	360	400	429	446	452	452	402	392	386
Percentage Change From Prior Year	6.8%	0.8%	11.1%	7.2%	4.0%	1.4%	0.0%	-11.1%	-2.5%	-1.5%

Notes:

[1] School nutrition personnel included as support personnel at their respective schools.

[2] School Nutrition personnel at Primary/Elementary Complex listed with Primary Support Personnel fiscal year 2005 forward.

Data Source:

CPI Data Collection System (report Georgia Department of Education - CP0026)

Exhibit XIX

City of Calhoun Board of Education, Georgia
Teachers' Salaries
Last Ten Fiscal Years

Fiscal Year	*Minimum Salary* [1]	*Minimum State Salary* [2]	*Minimum Salary as a % of Minimum State Salary*	*Maximum Salary* [1]	*Average Salary* [1]	*Statewide Average Salary* [3]
2003	$ 31,509	$ 27,650	114.0%	$ 65,241	$ 41,758	$ -
2004	31,509	27,650	114.0%	65,241	43,012	45,848
2005	32,094	28,203	113.8%	68,362	44,866	46,437
2006	32,961	28,767	114.6%	69,706	46,126	48,247
2007	33,959	29,918	113.5%	73,150	48,791	49,836
2008	34,909	30,816	113.3%	75,211	49,810	51,466
2009	35,724	31,586	113.1%	76,890	52,775	49,836
2010	34,596	31,586	109.5%	74,549	53,723	53,155
2011	33,844	31,586	107.1%	72,929	52,142	-
2012	34,973	31,586	110.7%	75,360	54,400	-

Notes:

[4] Information not completed is not available.

Data Sources:

[1] District records

[2] Georgia Department of Education, http://www.doe.k12.ga.us/fbo_budget.aspx

[3] State of Georgia, 2009-2010 Report Card

Exhibit XX

City of Calhoun Board of Education, Georgia
School Building Information [1, 2]
Last Ten Fiscal Years

School	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
School: Calhoun Primary										
Square feet	50,459	50,459	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456
Enrollment[3]	668	697	795	815	805	798	804	856	928	933
School: Calhoun Elementary										
Square feet	51,687	51,687	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456
Enrollment[3]	621	650	713	720	740	788	792	773	776	766
School: Calhoun Middle										
Square feet	61,412	61,412	85,645	85,645	85,645	85,645	85,645	85,645	85,645	85,645
Enrollment[3]	597	613	714	745	765	717	712	726	772	794
School: Calhoun High										
Square feet	109,836	109,836	171,248	171,248	171,248	171,248	171,248	171,248	171,248	94,628
Enrollment[3]	661	690	739	797	827	850	904	878	869	863

Notes:

[1] School capacity data not available.

[3] Georgia Department of Education, Enrollment, 1st annual count, October of each fiscal year.

Data Sources:

[2] District records

Exhibit XXI

City of Calhoun Board of Education, Georgia
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Operating Expenditures [2]	Fall Student Count (FTE)	Cost Per Pupil	% Change	Teaching Staff [3]	Pupil/ Teacher Ratio	Enrollment Eligibility % of Free and Reduced Meals [1]
2003	$ 16,919,367	2,666	$ 6,346	3.56%	185	14.41	37.36%
2004	17,395,308	2,777	6,264	-1.30%	185	15.01	40.94%
2005	19,666,949	3,110	6,324	0.95%	186	16.72	44.92%
2006	21,923,712	3,228	6,792	7.40%	204	15.82	46.87%
2007	24,569,964	3,283	7,484	10.19%	212	15.49	50.99%
2008	25,802,346	3,298	7,824	4.54%	215	15.34	53.34%
2009	25,487,759	3,361	7,583	-3.07%	221	15.21	52.59%
2010	24,017,387	3,423	7,016	-7.48%	210	16.30	59.08%
2011	23,602,090	3,531	6,684	-4.73%	210	16.81	57.78%
2012	25,133,976	3,435	7,317	9.47%	210	16.36	65.25%

Data Sources:

[1] Georgia Department of Education,
http://app.doe.k12.ga.us/ows-bin/owa/fte_pack_frl001_public.entry_form

[2] Georgia Department of Education,
http://app3.doe.k12.ga.us/ows-bin/owa/fin_pack_revenue.entry_form

[3] Fiscal year 2012 data not yet available from the Georgia Department of Education.

City of Calhoun Board of Education, Georgia

Enrollment by Grade Level (Unaudited)

Last Ten Fiscal Years [1]

Grade Level	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
PK	119	127	149	151	146	145	149	190	189	218
KK	232	262	273	276	276	290	294	306	343	312
Grade 1	218	230	273	268	257	259	267	288	305	324
Grade 2	218	205	249	271	272	249	243	262	278	297
Grade 3	222	214	226	238	269	272	252	240	263	266
Grade 4	204	219	226	235	245	265	272	268	241	256
Grade 5	195	217	261	247	226	251	268	265	271	244
Grade 6	210	200	258	270	245	233	251	254	262	271
Grade 7	190	217	219	261	256	229	230	247	258	264
Grade 8	197	196	237	214	264	255	231	225	252	259
Grade 9	216	226	242	247	241	267	273	241	221	265
Grade 10	155	178	195	205	220	216	246	234	222	195
Grade 11	157	157	164	195	189	201	200	220	221	185
Grade 12	133	129	138	150	177	166	185	183	205	218
Total	2,666	2,777	3,110	3,228	3,283	3,298	3,361	3,423	3,531	3,574
Annual % Change	2.0%	4.2%	12.0%	3.8%	1.7%	0.5%	1.9%	1.8%	3.2%	1.2%

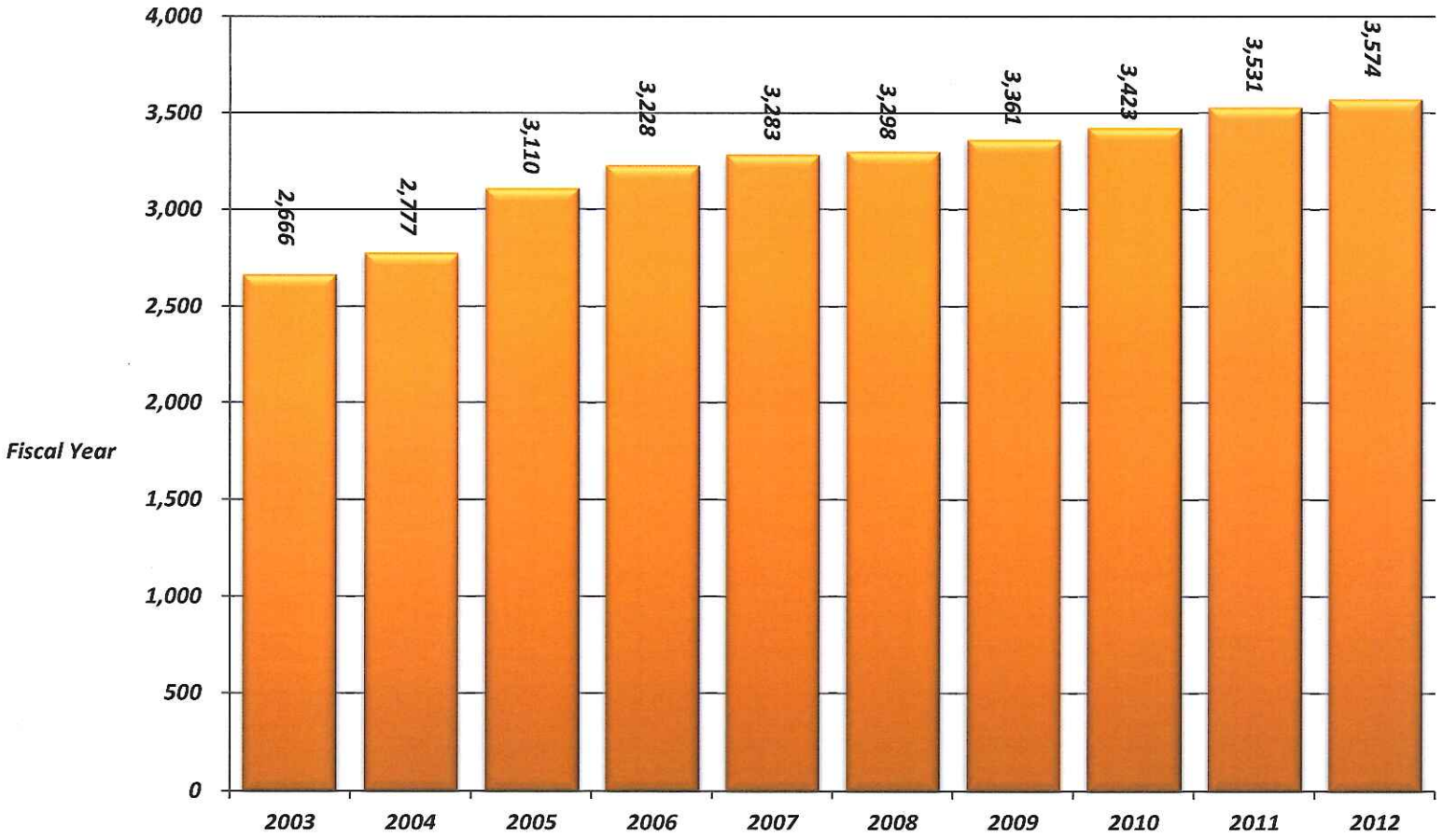
Notes:

[1] Georgia Department of Education, 1st annual count, October of each fiscal year

Data Source:

http://app.doe.k12.ga.us/ows-bin/owa/fte_pack_enrollgrade.entry_form

City of Calhoun Board of Education, Georgia
Chart-Enrollment by Grade Level
Last Ten Fiscal Years
(modified accrual basis of accounting)



Compliance Section

R.M. DOBBS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 423
CALHOUN, GEORGIA 30703-0423
706-629-4511

JERRY L. CLEMENTS, C.P.A.
LOUISE McGOWAN, C.P.A.
JUDY M. FAGAN, C.P.A.
JAN C. GOBLE, C.P.A.
MITZI B. POWELL, C.P.A.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Superintendent and Members of the
City of Calhoun Board of Education
Calhoun, Georgia

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Calhoun Board of Education, Georgia, component unit of the City of Calhoun, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City of Calhoun Board of Education, Georgia's basic financial statements and have issued our report thereon dated December 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City of Calhoun Board of Education, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Calhoun Board of Education, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Calhoun Board of Education, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Calhoun Board of Education Georgia's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, members of the board, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

R. M. Dobbs & Company

Calhoun, Georgia
December 17, 2012

R.M. DOBBS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 423
CALHOUN, GEORGIA 30703-0423
706-629-4511

JERRY L. CLEMENTS, C.P.A.
LOUISE McGOWAN, C.P.A.
JUDY M. FAGAN, C.P.A.
JAN C. GOBLE, C.P.A.
MITZI B. POWELL, C.P.A.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Superintendent and Members of the
City of Calhoun Board of Education
Calhoun, Georgia

Compliance

We have audited the City of Calhoun Board of Education, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Calhoun Board of Education, Georgia's major federal programs for the year ended June 30, 2012. The City of Calhoun Board of Education, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Calhoun Board of Education, Georgia's management. Our responsibility is to express an opinion on the City of Calhoun Board of Education, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Calhoun Board of Education, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Calhoun Board of Education, Georgia's compliance with those requirements.

In our opinion, the City of Calhoun Board of Education, Georgia, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

Management of the City of Calhoun Board of Education, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Calhoun Board of Education, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of the City of Calhoun Board of Education, Georgia's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, members of the board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

R. M. Dobbs & Company

Calhoun, Georgia
December 17, 2012

CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Funding Agency Program/Grant	CFDA Number	Federal Expenditures
Agriculture, U.S. Department		
Child Nutrition Cluster		
Pass-Through From Georgia Department of Education		
Food and Nutrition Program Food Services		
School Breakfast Program	10.553	$ 451,301
National School Lunch Program	10.555	1,214,174
Total Child Nutrition Cluster		1,665,475
Other Programs		
Pass-Through From Georgia Department of Education		
Food and Nutrition Program		
Food Distribution Program (1)	10.550	55,712
Total U.S. Department of Agriculture		1,721,187
Education, U. S. Department of		
Special Education Cluster		
Pass-Through From Georgia Department of Education		
Individuals with Disabilities Education Act Part B		
Flow Through & Capacity Bldg/Improv	84.027	616,611
Preschool	84.173	23,405
Total Special Education Cluster		640,016
Other Programs		
Pass-Through From Georgia Department of education		
ARRA - Education Job Fund	84.410	8,222
Elementary and Secondary Education Act		
Title I- Improving the Academic Achievement of the Disadvantaged	84.010	834,210
Title II		
A- Improving Teacher Quality	84.367	66,977
Advance Placement Grant	84.367	679
		67,656
Title III-A		
Limited English Proficient	84.365	32,220
Title VI - Part B		
Rural & Low-Income Schools	84.358	65,185
Education for Homeless Children and Youth	84.196	64,325
CTE-Perkins IV Grants-Program Improvement	84.048	20,958
CTE-Perkins IV-Reserve-Perkins Plus	84.048	4,000
Total U. S. Department of Education		1,736,792
Total Federal Financial Assistance		$ 3,457,979

See accompanying notes to schedule of expenditures of federal awards

CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

(1) The amounts shown for Food Distribution Program represents the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the system during the current fiscal year.

(2) The Board did not provide Federal Assistance to any Subrecipient.

(3) The accompanying schedule of expenditures of Federal awards includes the federal grant activity of the City of Calhoun Board of Education and is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the general purpose financial statements.

CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

None Reported

CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Calhoun Board of Education.

2. No significant deficiencies were disclosed during the audit of the financial statements.

3. No instances of noncompliance material to the financial statements of the City of Calhoun Board of Education which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.

5. The auditor's report on compliance for the major federal award programs for the City of Calhoun Board of Education expresses an unqualified opinion on all major federal programs.

6. There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.

7. The programs tested as major programs included: Child Nutrition Cluster (CFDA#10.553, 10.555).

8. The threshold used for distinguishing between Type A and B programs was $300,000.

9. The City of Calhoun Board of Education was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

R.M. DOBBS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 423
CALHOUN, GEORGIA 30703-0423
706-629-4511

JERRY L. CLEMENTS, C.P.A.
LOUISE McGOWAN, C.P.A.
JUDY M. FAGAN, C.P.A.
JAN C. GOBLE, C.P.A.
MITZI B. POWELL, C.P.A.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE LOCAL OPTION SALES AND USE TAX

To the Superintendent and Members of
City of Calhoun Board of Education
Calhoun, Georgia 30701

We have audited the accompanying project cost schedule for projects constructed with special sales tax proceeds for the City of Calhoun Board of Education, Georgia, a component unit of the City of Calhoun, Georgia, as of June 30, 2012. The project cost schedule is the responsibility of the City of Calhoun Board of Education, Georgia's management. Our responsibility is to express an opinion on the project cost schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance that the project cost schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the project cost schedule. We believe that our audit provides a reasonable basis for our opinion.

The accompanying project cost schedule was prepared to present each identified project and information required by Section 48-8-121 OCGA and is not intended to be a complete presentation of the City of Calhoun Board of Education, Georgia's assets and liabilities.

In our opinion, the accompanying project cost schedule presents fairly, in all material respects, the original estimated cost of each project, expenditures incurred and the estimated percentage of completion of each project as of June 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of members of the board, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

R. M. Dobbs & Company

Calhoun, Georgia
December 17, 2012

CALHOUN CITY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
FOR THE YEAR ENDED JUNE 30, 2012

PROJECT	ORIGINAL ESTIMATED COST (1) (6)	CURRENT ESTIMATED COSTS (2) (5) (6)	AMOUNT EXPENDED IN CURRENT YEAR (3) (4) (6)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4) (6)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED	ESTIMATED COMPLETION DATE
ESPLOST III July 2007 - June 2012:							
(i)to bond sinking fund for repaying outstanding general obligation school bonds of the City of Calhoun	$13,600,000	$18,214,523	$2,892,598	$9,439,792	$0	$0	10/15/2013
(ii) acquiring, constructing, and equipping capital outlay projects including future school sites, land, site work, and construction site work, and construction for such schools, construction of new facilities or additions and improvements to existing facilities, and computers and new technology	$6,213,500	$1,598,977	$0	$1,598,977	$1,598,977	$0	Completed
	$ 19,813,500	$ 19,813,500	$ 2,892,598	$ 11,038,769	$ 1,598,977	$ 15,530,344	
Bond Proceeds used to be repaid from: ESPLOST IV (July 2012 - June 2017) (iii) (a) acquisition, construction, furnishing, equipping of a new high-middle school complex; (b) acquisition of real property for future schools, facilities, admin offices, support services, or any othe purpose of the Calhoun City School System; c) equipping, renovation, construction, improvements and additions to existing academic and athletic facilities; d) acquisition of new and refurbish- of existing school buses; e) equipping, renovation and improvement of existing auditorium to adapt for use by all schools in the System; f) acquisition and installation of computers and new technology throughout the Calhoun School System; g) retirement of previously incurred GO debt; h) repaying, in part, principal of and interest on GO debt of the City of Calhoun anticipated to be issued for capital outlay projects of the City of Calhoun School System if approved, prior to the impostion of the one percent sales and use tax for educational purposes.	$19,873,000	$49,849,228	$12,730,367	$355,193	$0	$0	6/30/2014
	$19,873,000	$49,849,228	$12,730,367	$355,193	$0	$0	

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

(2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.

(3) The voters of Gordon County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

(4) ESPLOST revenues received by the City Schools are disbursed to the City of Calhoun for debt service on Series 2002 and 2003 General Obligation bonds issued by the City on behalf of the school system.

(5) All Series 2002 and a portion of Series2003 bonds outstanding were called in October 2012. The Current Estimated Costs for Item (ii) was reduced to equal the Amount Expended In Prior Years and the remaining funds moved to Item (i). The remaining Series 2003 bonds are scheduled to be called in October 2013.

(6) The Original Estimated Cost and Current Estimated Cost represent Calhoun City Schools projected revenue from ESPLOST IV approved by the voters November 2010. The amount expended in current year shows bond funds expended that will be repaid with ESPLOST IV funds.