

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, 2013

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, 2013

Prepared by: Finance Department

City of Calhoun Board of Education
Comprehensive Annual Financial Report
For The Year Ended June 30, 2013

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(*Unaudited*)

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Introductory Section

December 31, 2013

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, 2013, 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, 2013. 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.

Established in 1902 the Calhoun City School System celebrates 111 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

DR. MICHELE TAYLOR, SUPERINTENDENT

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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 increase. Our 2013 enrollment was 3,476 in grades K – 12 plus 216 enrolled in the Pre-kindergarten program, a total of 3,692 students. Approximately 32% percent of our students are Hispanic, 7% black, 57% white, and approximately 4% Asian, Pacific Islander, multi-racial, or American Indian. The Calhoun City School System is a system of choice. Approximately 24% 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 2013 our school family included 210 classroom teachers, 133 support personnel and 11 administrators working in our schools (Pre-K-12). Five administrators, 19 support and 18 maintenance and transportation personnel provide system-wide support. Our multi-talented staff is committed to providing an exemplary education to our diverse student body.

Our fleet of eighteen route buses transport approximately 3,120 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 approximately 3,870 meals to our students, faculty, and support staff. The percentage of students receiving free and/or reduced meals increased this year with 65% of our students qualifying.

Our technology department supports an inventory of more than 2,300 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 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 15,800 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 continues to experience the impact of the slow recovery from the nationwide recession on all of these industries. Due to this, the Board continues to encounter financial challenges.

LONG-TERM FINANCIAL PLANNING

On September 5, 2013 the Calhoun City Board of Education made the final principal and interest payment on Series 2002 and 2003 bonds issued on behalf of the Board by the City of Calhoun for the construction of the existing Primary and Elementary School Complex, Eight Grade Classroom Wing, and Middle School Gym. The Series 2002 bonds ($14,995,000) were issued on March 14, 2002; the Series 2003 bonds ($5,000,000) were issued on March 11, 2003. Both Series 2002 and 2003 bonds were eligible for redemption at any time beginning October 1, 2012. On October 1, 2012 all of the outstanding Series 2002 bonds totaling $6,650,000 were redeemed. Also on October 1, 2012 $3,235,000 of the remaining $4,035,000 remaining Series 2003 bonds were redeemed. On August 6, 2013 the redemption notice was issued for the final $800,000 of Series 2003 bonds. The final principal and interest payment was made on September 5, 2013. All principal and interest payments on the Series 2002 and 2003 bonds were made using Board of Education ESPLOST funds collected and transferred to the City under ESPLOST Resolutions II, III, and IV. On November 2, 2010 the voters of the City of Calhoun and Gordon County approved the continuation of the existing ESPLOST effective July 2012 through June 2017, ESPLOST IV. 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). In August 2012, the City issued, on behalf of Calhoun City Schools, $12 million of local general obligation bonds at a premium netting approximately $12.7 million. In addition to these funds, $15.7 million of State Regular Advance funding for capital outlay projects repaid from future state capitalization earnings and approximately $4,850,000 of local funds to be repaid from ESPLOST funds will be used 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. Phase I of the construction project, new Calhoun High School classroom and administrative buildings, were completed in June 2013. All remaining phases of the project are scheduled to be completed in the fall 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, 2012. This was the fifth 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
Chief Financial Officer

Michele Taylor, Ed.D.
Superintendent

City of Calhoun
Board of Education, Georgia

Elected School Board Members
(In Office as of June 30, 2013)

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

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

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

David Scoggins
In office since September 2012
Current term expires January 2014

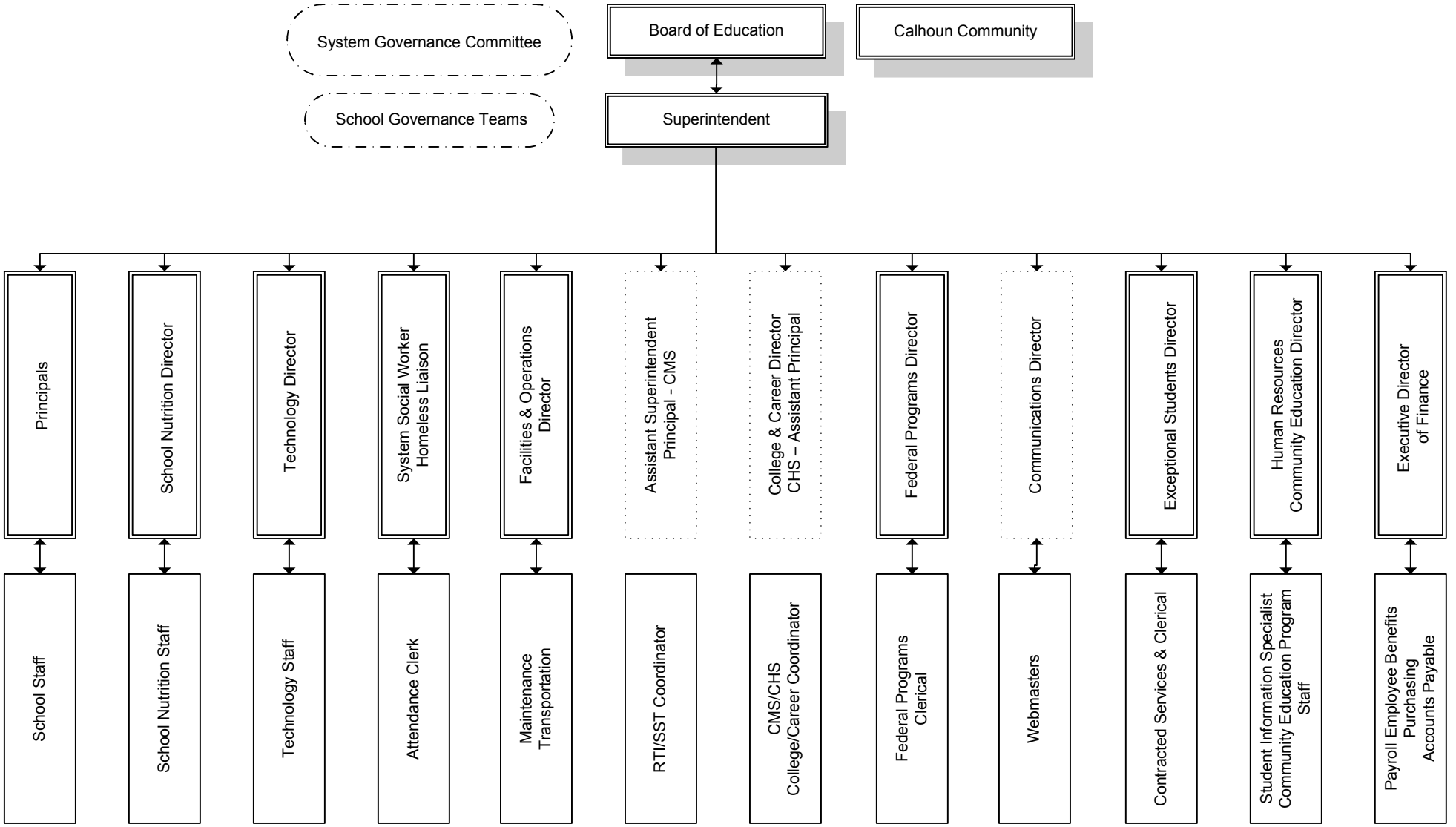
Tony Swink
In office since January 2013
Current term expires January 2016
(Prior Service January 2004 – December 2011)

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
FY 13



Government Finance Officers Association

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, 2012

Executive Director/CEO

Financial Section

R.M. DOBBS & COMPANY

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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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of 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, 2013, and the related notes to the financial statements, which collectively comprise the City of Calhoun Board of Education, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material 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, 2013, 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–12 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Calhoun Board of Education's basic financial statements. The introductory section, combining and individual comparative fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013, 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* in considering City of Calhoun Board of Education, Georgia's internal control over financial reporting and compliance.

R. M. Dobbs & Company

Calhoun, Georgia
December 31, 2013

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, 2013. 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 $19,370,295 - (net position) for the fiscal year reported.

- Total net position is comprised of the following:

  (1) The net investment in capital assets of $4,508,310 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position restricted of $366,546 by constraints imposed from outside the Board such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $14,495,439 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 $11,791,348 this year. This compares to the prior year ending fund balance of $ 10,222,621 showing an increase of $1,568,727 during the current year. The governmental unassigned fund balance of $4,798,913 for fiscal year 2013 shows a $498,412 increase from the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $4,798,913 or 18.7% 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 Position.* 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 position.* Over time, increases or decreases in net position 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 position 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, f*iduciary 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 38.

Financial Analysis of the Board as a Whole

The Board's net position at fiscal year-end is $19,370,295. The following table provides a summary of the Board's net position:

Summary of Net Position

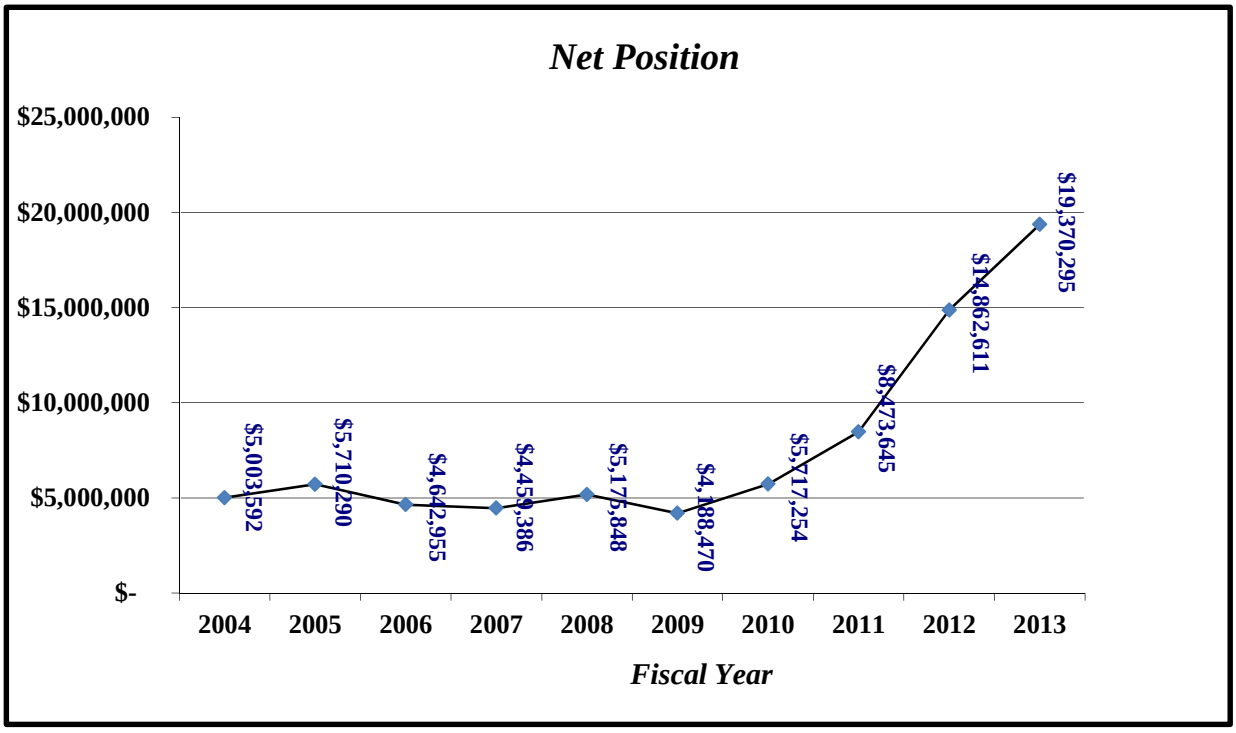
	2013		2012	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Assets:				
Current assets	$ 18,704,197	71%	$ 17,707,395	95%
Capital assets	7,733,696	29%	4,772,579	5%
Total assets	26,437,893	100%	22,479,974	100%
Liabilities:				
Current liabilities	6,915,141	98%	7,488,450	98%
Long-term liabilities	152,457	2%	128,913	2%
Total liabilities	7,067,598	100%	7,617,363	100%
Net position:				
Net investment in capital assets	4,508,310	23%	754,271	6%
Restricted	366,546	2%	1,353,012	5%
Unrestricted	14,495,439	75%	12,755,328	89%
Total net position	$ 19,370,295	100%	$ 14,862,611	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 2.7 to 1 at June 30, 2013 versus 2.4 to 1 at June 30, 2012.

The Board reported a positive balance in net position for its governmental activities. Net position increased $4,507,684 or 30.3% for governmental activities in fiscal year 2013.

Note that only 23% of the governmental activities' net position is 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 position "net investment in capital assets" is very low as compared to other Georgia school boards.

The following chart reports the net position balances from fiscal year 2004 - 2013.



Note that total net position increased approximately $4.5 million or 30.3% in this fiscal year as compared to a $6.4 million or 75.4% increase in fiscal year 2012.

(This page continued on the subsequent page)

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

Summary of Changes in Net Position

	2013		2012	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenues:				
Program:				
Charges for services	$ 1,832,971	3.0%	$ 1,806,650	3.8%
Operating grants	19,864,126	32.5%	17,881,593	37.9%
Capital grants and contributions	23,999,386	39.3%	13,434,503	28.5%
General:				
Taxes	15,364,686	25.2%	13,949,802	29.6%
Other	25,693	0.0%	98,256	0.2%
Total revenues	61,086,862	100.0%	47,170,804	100.0%
Program Expenses:				
Instruction	42,648,475	75.4%	26,024,529	63.9%
Pupil	1,369,580	2.4%	1,266,542	3.1%
Improvement of instructional services	1,127,581	2.0%	852,342	2.1%
Media	474,711	0.8%	421,924	1.0%
General administration	349,440	0.6%	303,211	0.7%
Federal grant administration	109,429	0.2%	107,889	0.3%
School administration	1,376,588	2.4%	1,397,422	3.4%
Business administration	591,695	1.0%	610,078	1.5%
Operations and maintenance	1,987,016	3.5%	1,947,591	4.8%
Student transportation	800,872	1.4%	712,198	1.7%
Central support	61,525	0.1%	56,598	0.1%
School nutrition program	2,271,292	4.0%	3,632,163	8.9%
Other supporting services	92,243	0.2%	115,316	0.4%
Community services	385,205	0.7%	413,348	1.0%
Enterprise operations	32,285	0.1%	28,089	0.0%
Debt service	2,901,241	5.2%	2,892,598	7.1%
Total expenses	56,579,178	100.0%	40,781,838	100.0%
Excess	4,507,684		6,388,966	
Beginning net position	14,862,611		8,473,645	
Ending net position	$ 19,370,295		$ 14,862,611	

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 32.5% of total revenue as compared to 37.9% in fiscal year 2012. In addition, the Board also is reliant on property taxes to support governmental operations and capital purposes. Property taxes provided 20.4% of the Board's total governmental revenues as compared to 23.4% in fiscal year 2012.

Property taxes increased $1,406,241 or 12.7%. In fiscal year 2013, the millage rate was increased to 17.762 compared to the 2012 rate of 16.012. This increase was necessary help offset the loss of approximately $9,000,000 due to Austerity Reductions in State Quality Basic Education Funding (QBE) since FY 2010.

In addition, the Board earned $12,139 in unrestricted interest to support governmental activities. Also, note that program revenues (excluding capital program revenue) cover approximately 38.3% of governmental operating expenses. The majority of this aid is used for direct instruction. This means that the government's taxpayers fund 61.7% of the governmental activities.

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.

The School Board recorded over $2.9 million in special purpose local option sales taxes (SPLOST) during the current fiscal year. This amount is the same as $2.9 million in fiscal year 2012 from the previous SPLOST.

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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	
	2013	2012	2013	2012
Instruction	$ 42,648,475	$ 26,024,529	$ 5,573,701	$ 1,000,914
Pupil	1,369,580	1,266,542	232,015	251,128
Improvement of instructional services	1,127,581	852,342	108,422	288,633
Media	474,711	421,924	180,013	167,021
General administration	349,440	303,211	42,444	25,799
Federal grant administration	109,429	107,889	109,429	107,889
School administration	1,376,588	1,397,422	492,463	445,601
Business administration	591,695	610,078	207,574	196,803
Operations and maintenance	1,987,016	1,947,591	719,984	864,762
Student transportation	800,872	712,198	381,846	66,171
Central support	61,525	56,598	19,392	25,327
Child nutrition program	2,271,292	3,632,163	(125,573)	1,304,116
Other supporting services	92,243	115,316	18,104	35,443
Community services	385,205	413,348	(10,645)	(41,202)
Enterprise operations	32,285	28,089	32,285	28,089
Debt service	2,901,241	2,892,598	2,901,241	2,892,598
Total	$ 56,579,178	$ 40,781,838	$ 10,882,695	$ 7,659,092

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 2013 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 $20.6 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 only about $5.6 million because $24 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 $11,791,348. Of this year-end total, $4,798,913 is unassigned indicating availability for continuing Board service requirements. $658,783 is assigned for specific purposes and $5,930,012 is committed to specific purposes.

The total ending fund balances of governmental funds show an increase of $1,568,727 approximately 15.3% 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 $2,479,208 or 31.1%. This change compares to the general fund's fund balance which increased by $1,266,274 or 18.9% in fiscal year 2012. .

Total general fund revenues increased $3,358,427 or 13.5%. General fund local revenues increased $1,348,595 or 12%. This increase relates to an increase in property taxes.

Total state aid increased $1,784,330 or 13.3%. The majority of this increase relates to QBE formula earnings. Federal aid increased $225,502 because E-rate reimbursements due from prior fiscal years. In addition, the School Board received funds from a Community Oriented Policing Services (COPS) grant. The City of Calhoun Police Department applied on the School Boards behalf to the U.S. Justice Department for the grant.

Instruction expenditures increased $1,801,420 or 10.8%. The increase is due to adding back two workdays to teachers' contracts, the addition of three teaching positions due to increased enrollment, as well salary increases built into the State Salary Schedule for certified personnel and salary increases due to advanced degrees earned.

Improvement of instructional services increased $238,309 or 36% because the purchase of technology for the new high school.

Media costs increased $43,390 or 11.4% over fiscal year 2012 due to an increase in the cost of employee benefits, the cost of additional workdays, software maintenance fees, and equipment purchases. General administration costs increased $44,027 or 14.5% over fiscal year 2012 due to an increase in employee benefits and the adding back of additional workdays.

Transportation costs decreased $116,653 or 14.7%, due to the cost of buses purchased in fiscal year 2012 that was not duplicated in fiscal year 2013.

In fiscal year 2013, revenues exceeded expenditures and transfers out by $2,479,208. Also in fiscal year 2012, revenues exceeded expenditures and transfers out by $1,266,274. The General Fund's ending unassigned fund balance is considered adequate, representing the equivalent of 18.7% of annual expenditures. The unassigned fund balance was 18.3% in the prior year.

School Food Service Fund - In fiscal year 2013, revenues exceeded expenditures by $152,530 due to an increasing number of meals served daily. Revenues increased $68,167 or 2.9% over fiscal year 2002. Expenditures increased $112,917 or 5.3%. This increase relates to food costs and employee benefits. The ending fund balance at June 30, 2013 is $400,179.

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 just $8,643 in the current fiscal year. Revenues and expenditures equaled for the last five years.

SPLOST Capital Project Fund – This fund is being financed 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 $6.4 million and the transfer from the school nutrition fund of $405,000 to help finance the cost of food service equipment. The fiscal year 2013 expenditures exceeded $25 million for construction of the new middle school. Fund balance at June 30, 2013 equaled just $3,461.

General Fund Budgetary Highlights

Total revenues were equal to the final 2012-2013 budget. The budget was amended upward by $2,434,712 or 9.5%. The local revenues budget was increased by approximately $570,000 due to tax collections. The State revenue budget increased $1,522,472 due to growth in the number of full-time equivalent (FTE) students and training and experience adjustments for teachers.

The expenditure side of the original budget for the general fund was revised upward just $24,000 or less than 1%.

The functions overspent were the instruction by $259,209, pupil services $13,930, media services $16,266, business administration $6,474 and other supporting services by $45,026. The instruction and other supporting services overages relate to the distribution of dental and flex medical benefits.

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, 2013, was $7,733,696. 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.

	2013	2012
Nondepreciable assets:		
Construction in progress	$ -	$ 4,134,335
Depreciable assets:		
Land improvements	$ 2,691,059	$ -
Equipment	4,089,558	223,399
Food service equipment	1,180,804	492,381
Computer equipment	216,419	255,169
School buses	1,690,291	1,698,300
Other vehicles	76,992	98,792
Total depreciable assets	9,945,123	2,768,041
Less accumulated depreciation	2,211,427	2,129,797
Book value - depreciable assets	$ 7,733,696	$ 638,244
Percentage depreciated	22%	77%
Total capital assets	$ 7,733,696	$ 4,772,579

At June 30, 2013, the depreciable capital assets for governmental activities were 22% depreciated. This compares to 77% on June 30, 2012. The land improvements and equipment additions for the new school result in a lower rate depreciated.

The additions to land improvements include parking lots, sidewalks, outdoor lighting and other improvements, all associated with new construction. The major additions to equipment include kitchen equipment used for student instruction in the culinary arts lab and HVAC equipment installed in the new high school. The major additions to the food service equipment account include one complete kitchen equipped at the new middle-high school cafeteria.

Long-term Debt

The Board's compensated absence liability increased $22,160 or 16.7%.

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 24% 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 2014 budget continues the system's emphasis on Excellence in Academics, Arts, and Athletics. The Net Ad Valorem Tax Digest grew by 2.91% in 2013. With this growth, the system was able to add additional staff to address the needs of our growing student population. 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.

For FY 2014, the School Board and City Council set the millage to the rollback rate of 17.813 mills, compared to 17.762 mills for FY 2013. This was necessary to help offset the impact of the revenue 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 Chief Financial Officer at 380 Barrett Road, Calhoun, GA 30701.

City of Calhoun Board of Education, Georgia
Comparative Statements of Net Position
June 30, 2013 and 2012

	Governmental Activities	
	2013	**2012**
Assets		
Current Assets		
Cash and cash equivalents	$ 12,135,207	$ 12,347,557
Receivables:		
Intergovernmental	4,471,308	5,151,894
Primary government	2,060,588	160,180
Inventory	37,094	47,764
Total Current Assets	18,704,197	17,707,395
Capital Assets		
Depreciable, net	7,733,696	4,772,579
Total Assets	26,437,893	22,479,974
Liabilities		
Current Liabilities		
Accounts payable	144,109	55,567
Construction contracts payable	1,034,114	4,018,308
Retainge payable	2,191,272	-
Accrued salaries and wages payable	3,282,030	3,150,766
Compensated absences payable	2,292	3,676
Due to primary government	261,324	260,133
Total Current Liabilities	6,915,141	7,488,450
Long-Term Liabilities (net of current portion):		
Compensated absences payable	152,457	128,913
Total Liabilities	7,067,598	7,617,363
Net Position		
Net investment in capital assets	4,508,310	754,271
Restricted for school nutrition program	363,085	652,649
Restricted for capital outlay	3,461	700,363
Unrestricted	14,495,439	12,755,328
Total Net Position	$ 19,370,295	$ 14,862,611

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
Statement of Activities
For the Year Ended June 30, 2013

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 Position: Governmental Activities
Primary Government					
Governmental Activities					
Instruction	$ 42,648,475	$ 40,122	$ 13,035,266	$ 23,999,386	$ (5,573,701)
Pupil	1,369,580	693,437	444,128	-	(232,015)
Improvement of instructional services	1,127,581	4,600	1,014,559	-	(108,422)
Media	474,711	56,590	238,108	-	(180,013)
General administration	349,440	-	306,996	-	(42,444)
Federal grant administration	109,429	-	-	-	(109,429)
School administration	1,376,588	41,585	842,540	-	(492,463)
Business administration	591,695	29,476	354,645	-	(207,574)
Operations and maintenance	1,987,016	7,743	1,259,289	-	(719,984)
Student transportation	800,872	5,044	413,982	-	(381,846)
Central support	61,525	-	42,133	-	(19,392)
School nutrition program	2,271,292	550,470	1,846,395	-	125,573
Other supporting services	92,243	8,054	66,085	-	(18,104)
Community services	385,205	395,850	-	-	10,645
Enterprise operations	32,285	-	-	-	(32,285)
Debt service	2,901,241	-	-	-	(2,901,241)
Total Governmental Activities	$ 56,579,178	1,832,971	19,864,126	23,999,386	(10,882,695)
		General Revenues			
		Property taxes levied for:			
		General government purposes			12,463,445
		Sales taxes			2,901,241
		Investment earnings			12,139
		Miscellaneous			13,554
		Total General Revenues			15,390,379
		Change in Net Position			4,507,684
		Net Position Beginning of Year			14,862,611
		Net Position End of Year			$ 19,370,295

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
Balance Sheet
Governmental Funds
June 30, 2013
(With Comparative Totals at June 30, 2012)

	2013						2012
	General	School Food Service	Debt Service	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 10,460,304	$ 400,845	$ -	$ 155,016	$ 1,119,042	$ 12,135,207	$ 12,347,557
Receivables:							
Intergovernmental	2,539,972	98,611	221,424	1,306,067	305,234	4,471,308	5,151,894
Due from primary government	292,824	-	-	1,767,764	-	2,060,588	160,180
Interfund	171,080	-	-	-	-	171,080	272,021
Inventory	-	37,094	-	-	-	37,094	47,764
Total Assets	$ 13,464,180	$ 536,550	$ 221,424	$ 3,228,847	$ 1,424,276	$ 18,875,277	$ 17,979,416
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ 132,277	$ -	$ -	$ -	$ 11,832	$ 144,109	$ 55,567
Contracts payable	-	-	-	1,034,114	-	1,034,114	4,018,308
Retainage payable	-	-	-	2,191,272	-	2,191,272	-
Accrued salaries and wages payable	2,853,286	136,371	-	-	292,373	3,282,030	3,150,766
Due to primary government	39,900	-	221,424	-	-	261,324	260,133
Interfund payable	-	-	-	-	171,080	171,080	272,021
Total Liabilities	3,025,463	136,371	221,424	3,225,386	475,285	7,083,929	7,756,795
Fund Balances							
Nonspendable	-	37,094	-	-	-	37,094	47,764
Restricted	-	363,085	-	3,461	-	366,546	1,305,248
Committed	4,981,021	-	-	-	948,991	5,930,012	1,027,914
Assigned	658,783	-	-	-	-	658,783	3,541,194
Unassigned	4,798,913	-	-	-	-	4,798,913	4,300,501
Total Fund Balances	10,438,717	400,179	-	3,461	948,991	11,791,348	10,222,621
Total Liabilities and Fund Balances	$ 13,464,180	$ 536,550	$ 221,424	$ 3,228,847	$ 1,424,276	$ 18,875,277	$ 17,979,416

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 Position
June 30, 2013

Total Governmental Fund Balances			$ 11,791,348
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 position.			
Cost of capital assets	$	9,945,123	
Less accumulated depreciation		(2,211,427)	7,733,696
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 position.			
Interfund receivables	$	(171,080)	
Interfund payables		171,080	-
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 position.			
Compensated absences			(154,749)
Net Position Of Governmental Activities			$ 19,370,295

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, 2013
(With Comparative Totals For The Year Ended June 30, 2012)

	2013						2012
	General	School Food Service	Debt Service	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Revenues							
Local	$ 12,612,268	$ 550,470	$ 2,901,241	$ 16,935,685	$ 1,159,372	$ 34,159,036	$ 24,562,433
Intergovernmental - state	15,153,905	58,892	-	6,444,356	833,520	22,490,673	18,982,789
Intergovernmental - federal	401,327	1,787,503	-	619,345	1,628,978	4,437,153	3,625,582
Total Revenues	28,167,500	2,396,865	2,901,241	23,999,386	3,621,870	61,086,862	47,170,804
Expenditures							
Current:							
Instruction	18,521,764	-	-	-	2,116,638	20,638,402	18,913,570
Supporting services:							
Pupil	744,314	-	-	-	625,381	1,369,695	1,261,762
Improvement of instructional services	900,262	-	-	-	208,837	1,109,099	837,341
Media	424,869	-	-	-	49,842	474,711	421,924
Federal grant administration	-	-	-	-	109,429	109,429	107,889
General administration	346,805	-	-	-	-	346,805	302,778
School administration	1,322,163	-	-	-	54,248	1,376,411	1,383,677
Business administration	590,154	-	-	-	-	590,154	618,206
Operations and maintenance	1,946,804	-	-	-	34,566	1,981,370	1,947,627
Student transportation	677,248	-	-	-	30,931	708,179	836,249
Central support	59,656	-	-	-	-	59,656	55,879
School nutrition program	-	2,244,335	-	-	-	2,244,335	2,131,418
Other supporting services	63,759	-	-	-	28,484	92,243	115,316
Community services	-	-	-	-	382,832	382,832	407,203
Enterprise operations	-	-	-	-	32,285	32,285	28,089
Intergovernmental	-	-	2,901,241	-	-	2,901,241	2,892,598
Capital Outlay	-	-	-	25,101,288	-	25,101,288	12,730,367
Total Expenditures	25,597,798	2,244,335	2,901,241	25,101,288	3,673,473	59,518,135	44,991,893
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,569,702	152,530	-	(1,101,902)	(51,603)	1,568,727	2,178,911
Other Financing Sources (Uses)							
Transfers in	-	-	-	405,000	90,494	495,494	50,085
Transfers out	(90,494)	(405,000)	-	-	-	(495,494)	(50,085)
Total Other Financing Sources (Uses)	(90,494)	(405,000)	-	405,000	90,494	-	-
Net Change in Fund Balances	2,479,208	(252,470)	-	(696,902)	38,891	1,568,727	2,178,911
Fund Balances (Deficits) Beginning of Year	7,959,509	652,649	-	700,363	910,100	10,222,621	8,043,710
Fund Balances End of Year	$ 10,438,717	$ 400,179	$ -	$ 3,461	$ 948,991	$ 11,791,348	$ 10,222,621

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, 2013

Net Changes In Fund Balances - Total Governmental Funds			$ 1,568,727
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	$ (162,389)	
	Capital outlay	3,131,416	2,969,027
Loss on disposition of capital assets			(7,910)
Interfund transfers are reported in the governmental fund operating statement, but are eliminated in the government-wide statement of activities.			
	Transfers in	$ (495,494)	
	Transfers out	495,494	-
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 @ 06/30/13	$ (154,749)	
	Liability @ 06/30/12	132,589	(22,160)
Change In Net Position of Governmental Activities			$ 4,507,684

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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ 11,912,185	$ 12,482,895	$ 12,612,268	$ 129,373	$ 11,263,673
Intergovernmental - state	13,588,528	15,111,000	15,153,905	42,905	13,369,575
Intergovernmental - federal	-	341,530	401,327	59,797	175,825
Total Revenues	25,500,713	27,935,425	28,167,500	232,075	24,809,073
Expenditures					
Current:					
Instruction	18,313,580	18,262,555	18,521,764	(259,209)	16,720,344
Supporting services:					
Pupil	730,254	730,384	744,314	(13,930)	689,086
Improvement of instructional services	792,235	900,262	900,262	-	661,953
Media	408,603	408,603	424,869	(16,266)	381,479
General administration	356,416	346,816	346,805	11	302,778
School administration	1,324,810	1,325,445	1,322,163	3,282	1,266,993
Business administration	610,680	583,680	590,154	(6,474)	618,206
Operations and maintenance	2,153,349	1,946,804	1,946,804	-	1,911,173
Student transportation	688,853	683,444	677,248	6,196	793,901
Central support	62,667	62,667	59,656	3,011	55,879
Other supporting services	40,733	18,733	63,759	(45,026)	90,922
Facilities acquisition and construction	-	236,787	-	236,787	-
Total Expenditures	25,482,180	25,506,180	25,597,798	(91,618)	23,492,714
Excess of Revenues Over Expenditures	18,533	2,429,245	2,569,702	140,457	1,316,359
Other Financing (Uses)					
Transfers out	(115,000)	(91,000)	(90,494)	506	(50,085)
Net Change in Fund Balances	$ (96,467)	$ 2,338,245	2,479,208	$ 140,963	1,266,274
Fund Balances Beginning of Year			7,959,509		6,693,235
Fund Balances End of Year - Budgetary Basis			10,438,717		7,959,509
Add:					
On-behalf payments reported as revenues			-		2,267,941
Less:					
On-behalf payments reported as expenditures			-		(2,267,941)
Fund Balances End of Year - GAAP Basis			$ 10,438,717		$ 7,959,509

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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ 565,900	$ 550,170	$ 550,470	$ 300	$ 553,365
Intergovernmental - state	43,000	58,892	58,892	-	54,146
Intergovernmental - federal	1,438,000	1,787,503	1,787,503	-	1,721,187
Total Revenues	2,046,900	2,396,565	2,396,865	300	2,328,698
Expenditures					
Current:					
Supporting services:					
School nutrition program	2,077,360	2,233,870	2,244,335	(10,465)	2,131,418
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,460)	162,695	152,530	(10,165)	197,280
Transfers Out	-	(405,000)	(405,000)	-	-
Net Change in Fund Balance	$ (30,460)	$ (242,305)	(252,470)	$ (10,165)	197,280
Fund Balances (Deficits) Beginning of Year			652,649		455,369
Fund Balances End of Year			$ 400,179		$ 652,649

See accompanying notes to the basic financial statements

City of Calhoun Board of Education
Comparative Statements of Assets and Liabilities
Agency Funds
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 313,793	$ 300,171
Liabilities		
Due to others	$ 313,793	$ 300,171

See accompanying notes to the basic financial statements

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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 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 position 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 position 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 position 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 and reports all financial resources not accounted for and reported 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 position. 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.

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 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On both the government-fund financial statements and the government-wide financial statements, revenues are deferred for cash advances.

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 position.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 position but does not report these assets in the Board fund financial statements.

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 position. 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 position."

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.

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 Position - Net position represent the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation. Net position is 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 position is reported as unrestricted.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

1-E-11 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements and in the government-wide statement of net position, 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.

1-E-12 Implementation of New GASB Standards

In fiscal year 2013, the Board implemented the following GASB Statements:

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The adoption of this statement does not have any impact on the School System's financial statements.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.* The adoption of this statement resulted in the statement of net assets being renamed the statement of net position. Additionally, the "invested in capital assets, net of related debt" component of net position was redefined as "net investment in capital assets."

Statement No. 65, *Items Previously Reported as Assets and Liabilities* clarifies the use of deferred inflows of resources to ensure consistency in financial reporting. This statement also requires certain items which were previously reported as liabilities to be reported as deferred inflows of resources. The adoption of this statement does not have any impact on the School System's financial statements in this fiscal year.

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. 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.

2-B. Excess of Expenditures over Appropriations

The following departments overspent the final amended 2013 annual budget:

General fund	$91,618
School food service fund	10,165
ESEA title II fund	3,055

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, 2013, 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 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, 2013 are as follows:

Credit Risk	Value	Interest Risk
AAAm rated	$ 551,053	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.

(this page continued on the subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

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	$ 12,135,207
Statement of Fiduciary Assets and Liabilities	313,793
Total	$ 12,449,000

	Per Categorization
Deposits	$ 11,897,947
LGIP	551,053
Total	$ 12,449,000

3-B. Receivables

Receivables at June 30, 2013, 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 27, 2012. Property taxes were billed on October 3, 2012 and were payable on December 31, 2012. The lien date was August 15, 2013. 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, 2013, was as follows:

	7/1/2012	Additions	Deductions	6/30/2013
Governmental activities:				
Nondepreciable capital assets				
Construction in progress	$ 4,134,335	$ -	$ 4,134,335	$ -
Depreciable capital assets:				
Land improvements	-	2,691,059	-	2,691,059
Equipment	223,399	3,866,159	-	4,089,558
Food service equipment	492,381	708,533	20,110	1,180,804
Computer equipment	255,169	-	38,750	216,419
School buses	1,698,300	-	8,009	1,690,291
Other vehicles	98,792	-	21,800	76,992
Total depreciable capital assets	2,768,041	7,265,751	88,669	9,945,123
Total capital assets	6,902,376	7,265,751	4,223,004	9,945,123
Accumulated depreciation:				
Equipment	180,914	8,312	-	189,226
Food service equipment	402,971	37,400	18,852	421,519
Computer equipment	150,713	23,900	36,102	138,511
School buses	1,290,356	90,405	4,005	1,376,756
Other vehicles	104,843	2,372	21,800	85,415
Total accumulated depreciation	2,129,797	162,389	80,759	2,211,427
Governmental activities capital assets, net	$ 4,772,579	$ 7,103,362	$ 4,142,245	$ 7,733,696

Governmental activities depreciation expense	
Instruction	$ 14,706
Improvement of instructional services	15,839
School administration	715
Business administration	551
Transportation	90,805
School nutrition	37,400
Community services	2,373
Total governmental activities depreciation expense	$ 162,389

3-E. - Interfund Balances and Transfers

Interfund Balances - At June 30, 2013, the nonmajor governmental funds owed the general fund $171,080 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, 2013, consisted of a transfer of $90,494 from the general fund to the lottery pre-kindergarten fund to cover the difference between revenues and expenditures and from the school food service fund to SPLOST capital projects fund to cover a portion of the cost of kitchen equipment ($405,000).

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, 2013:

Governmental Activities	Outstanding 7/1/2012	Additions	Reductions	Outstanding 6/30/2013	Amounts Due in One Year	Long-term Portion
Compensated absences	$ 132,589	$ 61,009	$ 38,849	$ 154,749	$ 2,292	$ 152,457

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 11.41% for fiscal year 2013 and 10.28% for fiscal year 2012 and 10.28% for fiscal year 2011.

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

Fiscal Year	Percentage Contributed	Required Contribution
2013	100%	$ 1,822,568
2012	100%	$ 1,596,517
2011	100%	$ 1,512,800

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	$ 37,094

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

Major Governmental Funds:	
School Food Service Fund:	
School nutrition program	$ 363,085
SPLOST Capital Projects Fund:	
Capital outlay	$ 3,461

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

General Fund:	
Capital outlay	$ 4,850,000
Dental and flex plan	131,021
Total General Fund:	$ 4,981,021
Nonmajor Special Revenue Funds:	
Community education	$ 584,147
Local School Activity Accounts	364,844
Total Nonmajor Special Revenue Funds	$ 948,991

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

General Fund:	
Project budget shortfall	$ 581,308
Capital projects	77,475
Total General Fund	$ 658,783

Note 3 - Detailed Notes on All Funds (Continued)

Net Investment in Capital Assets - The account "net investment in capital assets" amount reported on the government-wide statement of net position as of June 30, 2013 is as follows:

Net investment in capital assets	Governmental Activities
Cost of capital assets	$ 9,945,123
Less accumulated depreciation	2,211,427
Book value	7,733,696
Less construction contracts and retainage	3,225,386
Net investment in capital assets	$ 4,508,310

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 $5,857 in fiscal year 2013, $18,388 in fiscal year 2012, and $78,936 in fiscal year 2011. 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 post-employment 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 Benefit Plan administered by the Department of Community Health. The Official Code of Georgia Annotated (O.C.G.A.) 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). The Department of Community Health, which includes the School OPEB Fund, issues a separate stand-alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

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 25% of the cost of the health insurance coverage.

Note 4 – Other Notes (Continued)

Participating employers are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rates are established to fund all benefits due under the health insurance plans for both active and retired employees 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.

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, 2013, were as follows:

Certified employees

July 2012 – February 2013	$912 per member per month
March 2013 – June 2013	$937 per member per month

Non-Certificated Employees

July 2012 – June 2013	$446 per member per month

No additional contribution was required by the Board for fiscal year 2013 nor contributed to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the School Plan for other post-employment benefits and are subject to appropriation.

The School System's contributions to the health insurance plans for the years ended June 30, 2013, June 30, 2012, and June 30, 2011 were $2,748,392, $2,607,278, and $2,402,308 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 $1,703,282 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	$ 1,637,352
Teachers Retirement System of Georgia	
For Teachers Retirement System Employer's Cost	37,971
Office of Treasury and Fiscal Services	
Paid to the Public School Employees Retirement System	
For Public School Employees Retirement (PSERS) Employer's Cost	27,959
	$ 1,703,282

4-E. Construction Commitments

As of June 30, 2013, the School System has made a significant construction commitment to RA-LIN and Associates, Inc. The total contract was $48,518,055 and the remaining commitment at June 30, 2013 is $18,773,142.

City of Calhoun Board of Education, Georgia
General Fund
Comparative Balance Sheets
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and investments	$ 10,460,304	$ 8,344,637
Receivables:		
Intergovernmental	2,539,972	1,952,962
Due from primary government	292,824	160,180
Interfund	171,080	272,021
Total Assets	$ 13,464,180	$ 10,729,800
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 132,277	$ 35,643
Salaries and benefits payable	2,853,286	2,721,502
Due to primary government	39,900	13,146
Total Liabilities	3,025,463	2,770,291
Fund Balances		
Committed	4,981,021	117,814
Assigned	658,783	3,541,194
Unassigned	4,798,913	4,300,501
Total Fund Balances	10,438,717	7,959,509
Total Liabilities and Fund Balances	$ 13,464,180	$ 10,729,800

City of Calhoun Board of Education
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2013 and 2012

	2013	2012
Revenues		
Local	$ 12,612,268	$ 11,263,673
Intergovernmental - state	15,153,905	13,369,575
Intergovernmental - federal	401,327	175,825
Total Revenues	28,167,500	24,809,073
Expenditures		
Current:		
Instruction	18,521,764	16,720,344
Supporting services:		
Pupil	744,314	689,086
Improvement of instructional services	900,262	661,953
Media	424,869	381,479
General administration	346,805	302,778
School administration	1,322,163	1,266,993
Business administration	590,154	618,206
Operations and maintenance	1,946,804	1,911,173
Student transportation	677,248	793,901
Central support	59,656	55,879
Other supporting services	63,759	90,922
Total Expenditures	25,597,798	23,492,714
Excess of Revenues Over Expenditures	2,569,702	1,316,359
Other Financing (Uses)		
Transfers out	(90,494)	(50,085)
Net Change in Fund Balances	2,479,208	1,266,274
Fund Balances Beginning of Year	7,959,509	6,693,235
Fund Balances End of Year	$ 10,438,717	$ 7,959,509

City of Calhoun Board of Education, Georgia
School Food Service Fund
Comparative Balance Sheets
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 400,845	$ 503,414
Intergovernmental receivable	98,611	230,387
Inventory	37,094	47,764
Total Assets	$ 536,550	$ 781,565
Liabilities and Fund Balances		
Liabilities		
Accrued salaries and wages	$ 136,371	$ 128,916
Fund Balances		
Nonspendable	37,094	47,764
Restricted	363,085	604,885
Total Fund Balances	400,179	652,649
Total Liabilities and Fund Balances	$ 536,550	$ 781,565

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds:

Community Education Fund – Accounts for funds designated for programs sponsored by the Community Education Department. These programs include after school care, professional education for staff members, and drivers education programs for students.

Vocational Education Fund – Accounts for funds designated for use in accordance with the Carl D. Perkins Career and Technical Education Act of 2006, state and local effort to strengthen the system's career and technical education programs.

ESEA Title I Fund – Accounts for funds designated to help ensure that all children meet challenging State academic content and student academic achievement standards.

ESEA Title II Fund – Accounts for funds designated for preparing, training, and recruiting high-quality teachers and principals. Title II also includes competitive grants to be used to enhance technology.

ESEA Title III Fund – Accounts for funds designated for serving students with limited proficiency in the English language.

ESEA Title VI Fund – Accounts for funds designated for a broad array of local activities that support student achievement.

Individuals With Disabilities Education Act Fund - IDEA and Preschool Program – Accounts for funds designated to assist a local school system in providing special education and related service to students with disabilities.

Education of Homeless Fund – Accounts for funds designated for programs and services to ensure that each homeless child and youth has access to the same free, appropriate public education, including a public preschool education, as other children and youth.

Lottery Pre-kindergarten Fund – Accounts for funds designated for the delivery of early care and education programs that improve the quality of early learning experiences, increase school readiness, and improve overall school performance.

Local School Activity Accounts Fund – Accounts for funds used to support the system's co-curricular and extra-curricular activities.

Debt Service Fund – Accounts for SPLOST funds received by the system that are transferred to the City of Calhoun to make payments on bonds issued by the City on behalf of the Calhoun City Schools.

Nonmajor Capital Projects Fund:

Accounts for SPLOST funds expended for the construction of the replacement middle-high school complex and other approved projects.

City of Calhoun Board of Education
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013

	Community 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	$ 597,351	$ -	$ -	$ -	$ -	$ -	$ -	$ 156,847	$ 364,844	$ 1,119,042
Intergovernmental receivable	-	116,263	39,005	7,173	10,434	120,278	12,081	-	-	305,234
Total Assets	$ 597,351	$ 116,263	$ 39,005	$ 7,173	$ 10,434	$ 120,278	$ 12,081	$ 156,847	$ 364,844	$ 1,424,276
Liabilities and Fund Balances										
Liabilities										
Accounts payable	$ 455	$ -	$ 1,791	$ -	$ -	$ 9,586	$ -	$ -	$ -	$ 11,832
Accrued salaries and wages	12,749	54,425	-	864	6,263	61,225	-	156,847	-	292,373
Interfund payable	-	61,838	37,214	6,309	4,171	49,467	12,081	-	-	171,080
Total Liabilities	13,204	116,263	39,005	7,173	10,434	120,278	12,081	156,847	-	475,285
Fund Balances										
Committed	584,147	-	-	-	-	-	-	-	364,844	948,991
Total Liabilities and Fund Balances	$ 597,351	$ 116,263	$ 39,005	$ 7,173	$ 10,434	$ 120,278	$ 12,081	$ 156,847	$ 364,844	$ 1,424,276

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, 2013

	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	$ 395,850	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 763,522	$ 1,159,372
Intergovernmental - state	-	-	-	-	-	-	-	-	833,520	-	833,520
Intergovernmental - federal	-	30,447	713,405	111,598	36,311	64,266	582,660	33,791	56,500	-	1,628,978
Total Revenues	395,850	30,447	713,405	111,598	36,311	64,266	582,660	33,791	890,020	763,522	3,621,870
Expenditures											
Current:											
Instruction	-	1,761	597,677	18,266	29,255	64,266	460,517	-	939,031	5,865	2,116,638
Supporting services:											
Pupil	-	-	-	-	-	-	10,037	21,065	-	594,279	625,381
Improvement of instructional services	-	28,686	19,213	75,840	6,957	-	75,287	2,579	275	-	208,837
Media	-	-	-	-	-	-	-	-	-	49,842	49,842
Federal grant administration	-	-	84,232	9,072	99	-	6,214	9,812	-	-	109,429
School administration	-	-	-	-	-	-	9	-	14,063	40,176	54,248
Operations and maintenance	-	-	-	-	-	-	-	-	27,145	7,421	34,566
Student transportation	-	-	-	-	-	-	30,596	335	-	-	30,931
Other supporting services	-	-	12,283	8,420	-	-	-	-	-	7,781	28,484
Community services	382,832	-	-	-	-	-	-	-	-	-	382,832
Enterprise operations	-	-	-	-	-	-	-	-	-	32,285	32,285
Total Expenditures	382,832	30,447	713,405	111,598	36,311	64,266	582,660	33,791	980,514	737,649	3,673,473
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,018	-	-	-	-	-	-	-	(90,494)	25,873	(51,603)
Other Financing Sources											
Transfers in	-	-	-	-	-	-	-	-	90,494	-	90,494
Net Change in Fund Balances	13,018	-	-	-	-	-	-	-	-	25,873	38,891
Fund Balances Beginning of Year	571,129	-	-	-	-	-	-	-	-	338,971	910,100
Fund Balances End of Year	$ 584,147	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 364,844	948,991

City of Calhoun Board of Education, Georgia
Community Education Fund
Comparative Balance Sheets
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 597,351	$ 584,467
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 455	$ 398
Accrued salaries and wages	12,749	12,940
Total Liabilities	13,204	13,338
Fund Balances		
Committed	584,147	571,129
Total Liabilities and Fund Balances	$ 597,351	$ 584,467

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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ 442,500	$ 442,500	$ 395,850	$ (46,650)	$ 426,461
Expenditures					
Current:					
Community services	432,071	432,071	382,832	49,239	407,203
Excess of Revenues Over Expenditures	$ 10,429	$ 10,429	13,018	$ 2,589	19,258
Fund Balances Beginning of Year			571,129		551,871
Fund Balances End of Year			$ 584,147		$ 571,129

City of Calhoun Board of Education, Georgia
Vocational Education Fund
Comparative Balance Sheets
June 30, 2013 and 2012

	2013	2012
Assets		
Intergovernmental receivable	$ -	$ 4,205
Liabilities		
Interfund payable	$ -	$ 4,205

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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 25,203	$ 30,447	$ 30,447	$ -	$ 24,958
Expenditures					
Current:					
Instruction	1,000	1,761	1,761	-	9,974
Supporting services:					
Improvement of instructional services	24,203	28,686	28,686	-	14,984
Total Expenditures	25,203	30,447	30,447	-	24,958
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, 2013 and 2012

	2013	2012
Assets		
Intergovernmental receivable	$ 116,263	$ 219,328
Liabilities		
Accrued salaries and wages	$ 54,425	$ 66,060
Interfund payable	61,838	153,268
Total Liabilities	$ 116,263	$ 219,328

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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 737,728	$ 846,103	$ 713,405	$ (132,698)	$ 834,210
Expenditures					
Current:					
Instruction	624,389	649,161	597,677	51,484	722,469
Supporting services:					
Improvement of instructional services	17,324	92,324	19,213	73,111	15,382
Federal grant administration	88,847	87,450	84,232	3,218	81,982
Student transportation	-	-	-	-	2,131
Other supporting services	7,168	17,168	12,283	4,885	12,246
				-	
Total Expenditures	737,728	846,103	713,405	132,698	834,210
Excess of Revenues Over Expenditures	$ -	$ -	-	$ -	-
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, 2013 and 2012

	2013	2012
Assets		
Intergovernmental receivable	$ 39,005	$ 18,276
Liabilities		
Accounts payable	$ 1,791	$ 529
Interfund payable	37,214	17,747
Total Liabilities	$ 39,005	$ 18,276

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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 76,596	$ 108,543	$ 111,598	$ 3,055	$ 67,656
Expenditures					
Current:					
Instruction	8,534	20,645	18,266	2,379	5,755
Supporting services:					
Improvement of instructional services	58,883	66,719	75,840	(9,121)	53,004
Federal grant administration	9,179	9,179	9,072	107	8,897
Other supporting services	-	12,000	8,420	3,580	-
Total Expenditures	76,596	108,543	111,598	(3,055)	67,656
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 III Fund
Comparative Balance Sheets
June 30, 2013 and 2012

	2013	2012
Assets		
Intergovernmental receivable	$ 7,173	$ 8,680
Liabilities		
Accrued salaries and wages	$ 864	$ 874
Interfund payable	6,309	7,806
Total Liabilities	$ 7,173	$ 8,680

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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 48,419	$ 58,230	$ 36,311	$ (21,919)	$ 32,220
Expenditures					
Current:					
Instruction	34,000	37,061	29,255	7,806	22,852
Supporting services:					
Improvement of instructional services	10,850	17,600	6,957	10,643	8,359
Federal grant administration	500	500	99	401	386
Other support services	3,069	3,069	-	3,069	623
Total Expenditures	48,419	58,230	36,311	21,919	32,220
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, 2013 and 2012

	2013	2012
Assets		
Intergovernmental receivable	$ 10,434	$ 17,744
Liabilities		
Accrued salaries and wages	$ 6,263	$ 6,302
Interfund payable	4,171	11,442
Total Liabilities	$ 10,434	$ 17,744

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, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 73,380	$ 78,865	$ 64,266	$ (14,599)	$ 65,185
Expenditures					
Current:					
Instruction	63,380	68,865	64,266	4,599	64,862
Supporting services:					
Improvement of instructional services	10,000	10,000	-	10,000	323
Total Expenditures	73,380	78,865	64,266	14,599	65,185
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, 2013 and 2012

	2013	2012
Assets		
Intergovernmental receivable	$ 120,278	$ 124,427
Liabilities		
Accounts payable	$ 9,586	$ 9,586
Accrued salaries and wages	61,225	62,682
Interfund payable	49,467	52,159
Total Liabilities	$ 120,278	$ 124,427

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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 574,745	$ 662,408	$ 582,660	$ (79,748)	$ 640,016
Expenditures					
Current:					
Instruction	435,006	507,678	460,517	47,161	506,958
Supporting services:					
Pupil	1,400	12,258	10,037	2,221	10,104
Improvement of instructional services	80,180	86,454	75,287	11,167	76,401
Federal grant administration	6,294	6,600	6,214	386	6,727
School administration	-	-	9	(9)	-
Student transportation	51,865	49,418	30,596	18,822	39,826
Total Expenditures	574,745	662,408	582,660	79,748	640,016
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, 2013 and 2012

	2013	2012
Assets		
Intergovernmental receivable	$ 12,081	$ 25,394
Liabilities		
Interfund payable	$ 12,081	$ 25,394

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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 36,000	$ 36,000	$ 33,791	$ (2,209)	$ 64,325
Expenditures					
Current:					
Supporting services:					
Pupil	22,665	22,565	21,065	1,500	47,102
Improvement of instructional services	3,000	3,000	2,579	421	6,935
Federal grant administration	10,035	10,035	9,812	223	9,897
Student transportation	300	400	335	65	391
Total Expenditures	36,000	36,000	33,791	2,209	64,325
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, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 156,847	$ 151,490
Liabilities		
Accrued salaries and wages	$ 156,847	$ 151,490

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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - state	$ 867,644	$ 867,644	$ 833,520	$ (34,124)	$ 832,289
Intergovernmental - federal	-	-	56,500	56,500	-
Total Revenues	867,644	867,644	890,020	22,376	832,289
Expenditures					
Current:					
Instruction	944,350	944,350	939,031	5,319	846,920
Supporting services:					
Pupil	-	-	-	-	85
Improvement of instructional services	-	-	275	(275)	-
School administration	13,872	13,872	14,063	(191)	13,006
Operations and maintenance	24,422	24,422	27,145	(2,723)	22,363
Total Expenditures	982,644	982,644	980,514	2,130	882,374
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115,000)	(115,000)	(90,494)	24,506	(50,085)
Other Financing Sources					
Transfers in	115,000	91,000	90,494	(506)	50,085
Net Change in Fund Balances	$ -	$ (24,000)	-	$ 24,000	-
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, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 364,844	$ 338,971
Fund Balances		
Committed	$ 364,844	$ 338,971

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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ -	$ 765,237	$ 763,522	$ (1,715)	$ 717,323
Expenditures					
Current:					
Instruction	-	5,865	5,865	-	13,436
Supporting services:					
Pupil	-	594,280	594,279	1	515,385
Media	-	49,843	49,842	1	40,445
School administration	-	40,356	40,176	180	103,678
Operations and maintenance	-	7,422	7,421	1	14,091
Other supporting services	-	7,781	7,781	-	11,525
Enterprise operations	-	32,286	32,285	1	28,089
Total Expenditures	-	737,833	737,649	184	726,649
Excess of Revenues Over Expenditures	$ -	$ 27,404	25,873	$ (1,531)	(9,326)
Fund Balances Beginning of Year			338,971		348,297
Fund Balances End of Year			$ 364,844		$ 338,971

City of Calhoun Board of Education, Georgia
Debt Service Fund
Comparative Balance Sheets
June 30, 2013 and 2012

	2013	2012
Assets		
Intergovernmental receivable	$ 221,424	$ 246,987
Liabilities		
Due to primary government	$ 221,424	$ 246,987

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, 2013 and 2012

	2013	2012
Revenues		
Local	$ 2,901,241	$ 2,892,598
Expenditures		
Intergovernmental	2,901,241	2,892,598
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, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 155,016	$ 2,424,578
Intergovernmental receivable -state	1,306,067	2,303,504
Due from primary government	1,767,764	-
Total Assets	$ 3,228,847	$ 4,728,082
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 9,411
Contracts payable	1,034,114	4,018,308
Retainage payable	2,191,272	-
Total Liabilities	3,225,386	4,027,719
Fund Balances		
Restricted	3,461	700,363
Total Liabilities and Fund Balances	$ 3,228,847	$ 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, 2013 and 2012

	2013	2012
Revenues		
Local	$ 16,935,685	$ 8,709,013
Intergovernmental-state	6,444,356	4,726,779
Intergovernmental-federal	619,345	-
Total Revenues	23,999,386	13,435,792
Expenditures		
Capital Outlay	25,101,288	12,730,367
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,101,902)	705,425
Transfers In - Food service	405,000	-
Net Increase (Decrease) in Fund Balance	(696,902)	705,425
Fund Balances (Deficit) Beginning of Year	700,363	(5,062)
Fund Balances End of Year	$ 3,461	$ 700,363

City of Calhoun Board of Education
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2013

Local School Activity Accounts	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Assets				
Cash and cash equivalents	$ 278,793	$ 419,637	$ 397,010	$ 301,420
Liabilities				
Due to others	$ 278,793	$ 419,637	$ 397,010	$ 301,420

Calhoun Educational Foundation	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Assets				
Cash and cash equivalents	$ 21,378	$ 10,025	$ 19,030	$ 12,373
Liabilities				
Due to others	$ 21,378	$ 10,025	$ 19,030	12,373

Total	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Assets				
Cash and cash equivalents	$ 300,171	$ 429,662	$ 416,040	$ 313,793
Liabilities				
Due to others	$ 300,171	$ 429,662	$ 416,040	$ 313,793

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.

Exhibit I

City of Calhoun Board of Education, Georgia

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

Last Ten Fiscal Years

(accrual basis of accounting)

	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	June 30, 2013
	Amounts									
Governmental Activities										
Net investment in capital assets[2]	$ 480,553	$ 843,224	$ 801,251	$ 880,738	$ 897,290	$ 787,489	$ 662,646	$ 540,566	$ 754,271	$ 4,508,310
Restricted	63,625	-	-	-	734,917	164,044	6	455,369	1,353,012	366,546
Unrestricted	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	14,495,439
Total	$ 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	$ 19,370,295
Total Percentage Change From Prior Year	-26.9%	14.1%	-18.7%	-4.0%	16.1%	-19.1%	36.5%	48.2%	75.4%	30.3%
	Percentage of Total									
Governmental Activities										
Net investment in capital assets[2]	9.60%	14.77%	17.26%	19.75%	17.34%	18.80%	11.59%	6.38%	5.08%	23.27%
Restricted	1.27%	0.00%	0.00%	0.00%	14.20%	3.92%	0.00%	5.37%	9.10%	1.90%
Unrestricted	89.12%	85.23%	82.74%	80.25%	68.46%	77.28%	88.41%	88.25%	85.82%	74.83%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes:

[1] Accounting standards require that net position be reported in three components in the financial statements: investment in capital assets; restricted; and unrestricted. Net position is 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:

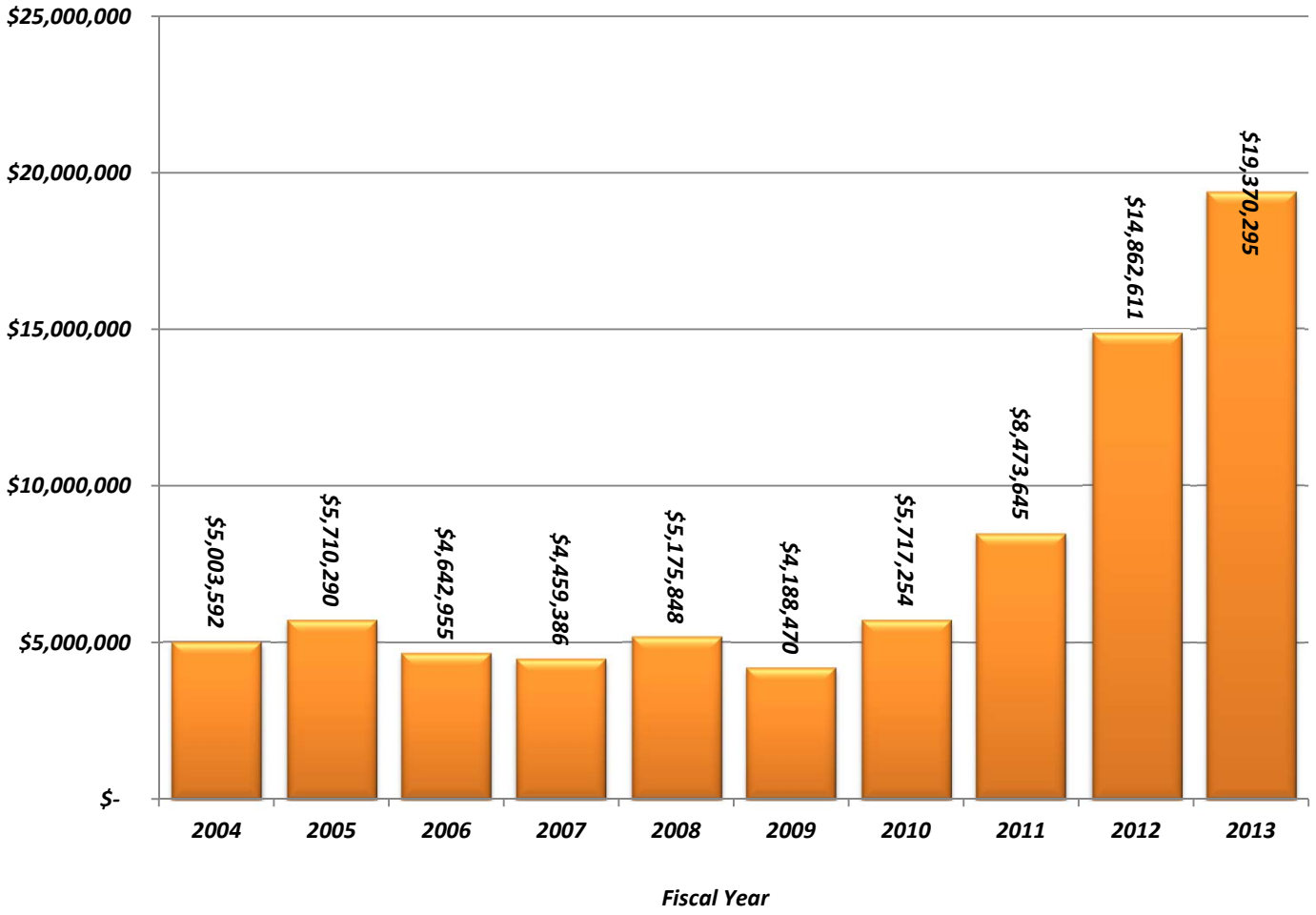
Applicable years' comprehensive annual financial report.

City of Calhoun Board of Education, Georgia

Chart-Total Government-wide Net Position

Last Ten Fiscal Years

(accrual basis of accounting)



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

	For the Fiscal Year Ended June 30,									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Expenses:										
Instruction[4]	$ 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	$ 42,648,475
Support services										
Pupil	934,856	1,119,268	840,596	948,035	1,324,096	1,343,498	1,280,961	1,265,702	1,266,542	1,369,580
Improvement of instructional services	496,221	748,667	775,508	839,954	737,319	995,816	1,036,198	1,150,953	852,342	1,127,581
Media	427,058	551,781	534,538	528,722	522,303	524,107	467,280	408,714	421,924	474,711
General administration	240,434	210,941	229,777	241,225	275,219	339,109	390,913	376,186	303,211	349,440
Federal grant administration	-	-	-	-	-	-	-	-	107,889	109,429
School administration	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	1,376,588
Business administration	374,594	375,250	451,413	454,467	466,326	491,541	539,991	523,210	610,078	591,695
Operations and maintenance	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	1,987,016
Student transportation	321,023	417,834	501,841	650,330	649,092	525,304	572,792	597,957	712,198	800,872
Central support	25,340	25,838	25,961	28,256	29,149	438	45,374	47,432	56,598	61,525
School nutritution program[4]	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	2,271,292
Enterprise operations	64,967	58,786	40,144	38,949	-	-	-	-	28,089	32,285
Other supporting services	23,763	21,352	11,750	39,678	24,595	132,796	218,745	193,086	115,316	92,243
Community services	306,510	349,526	330,036	323,324	381,377	337,464	331,620	420,327	413,348	385,205
Facilities acquisition and construction[3]	5,124,772	1,589,706	50,613	-	639,561	775,395	202,827	335,193	-	-
Debt service[1]	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	2,901,241
Total Expenses	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	56,579,178
Program Revenues:										
Charges for services:										
Instruction	12,708	10,740	758,183	-	9,483	23,294	17,178	1,582	13,436	40,122
Pupil	399,630	372,897	-	354,480	491,126	763,681	636,034	623,720	579,525	693,437
Instructional	2,981	2,328	-	-	-	22	262	36,760	-	4,600
Media	32,937	41,126	-	-	-	24,454	44,608	46,753	45,445	56,590
General administration	13,703	-	-	-	-	-	-	-	-	-
School administration	82,786	126,853	-	-	-	-	82,793	100,304	103,678	41,585
Business administration	-	-	-	-	-	-	-	-	26,150	29,476
Operations and maintenance	50	-	-	-	-	8,384	8,022	19,142	14,139	7,743
Student transportation	-	-	-	-	-	-	-	-	5,488	5,044
Enterprise operations	-	35,924	-	-	-	-	-	-	-	-
Other supporting services	1,092	-	-	-	-	-	-	-	11,525	8,054
School nutrition program	737,927	743,567	779,437	839,868	764,190	651,803	585,794	554,721	552,714	550,470
Community services	402,980	353,331	367,247	356,981	380,191	386,017	395,312	471,852	454,550	395,850
Operating grants and contributions[2]	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	19,864,126
Capital grants and contributions	2,731,152	1,637,696	9,000	-	1,355,672	100,000	-	-	13,434,503	23,999,386
Total Program Revenues	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	45,696,483
Net (Expense) Revenue	(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)	(10,882,695)
General Revenues:										
Taxes:										
Property	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	12,463,445
Sales	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	2,901,241
Investment earnings	58,406	108,616	175,994	213,875	140,567	45,870	17,967	25,852	14,520	12,139
Miscellaneous	-	-	-	-	-	-	38,526	371,412	83,736	13,554
Total General Revenues	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	15,390,379
Change in Net Position	$ (1,840,677)	$ 706,698	$ (1,067,335)	$ (183,569)	$ 716,462	$ (987,378)	$ 1,528,784	$ 2,756,391	$ 6,388,966	$ 4,507,684

Notes:

[1] 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

[2] 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.

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

[4] 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.

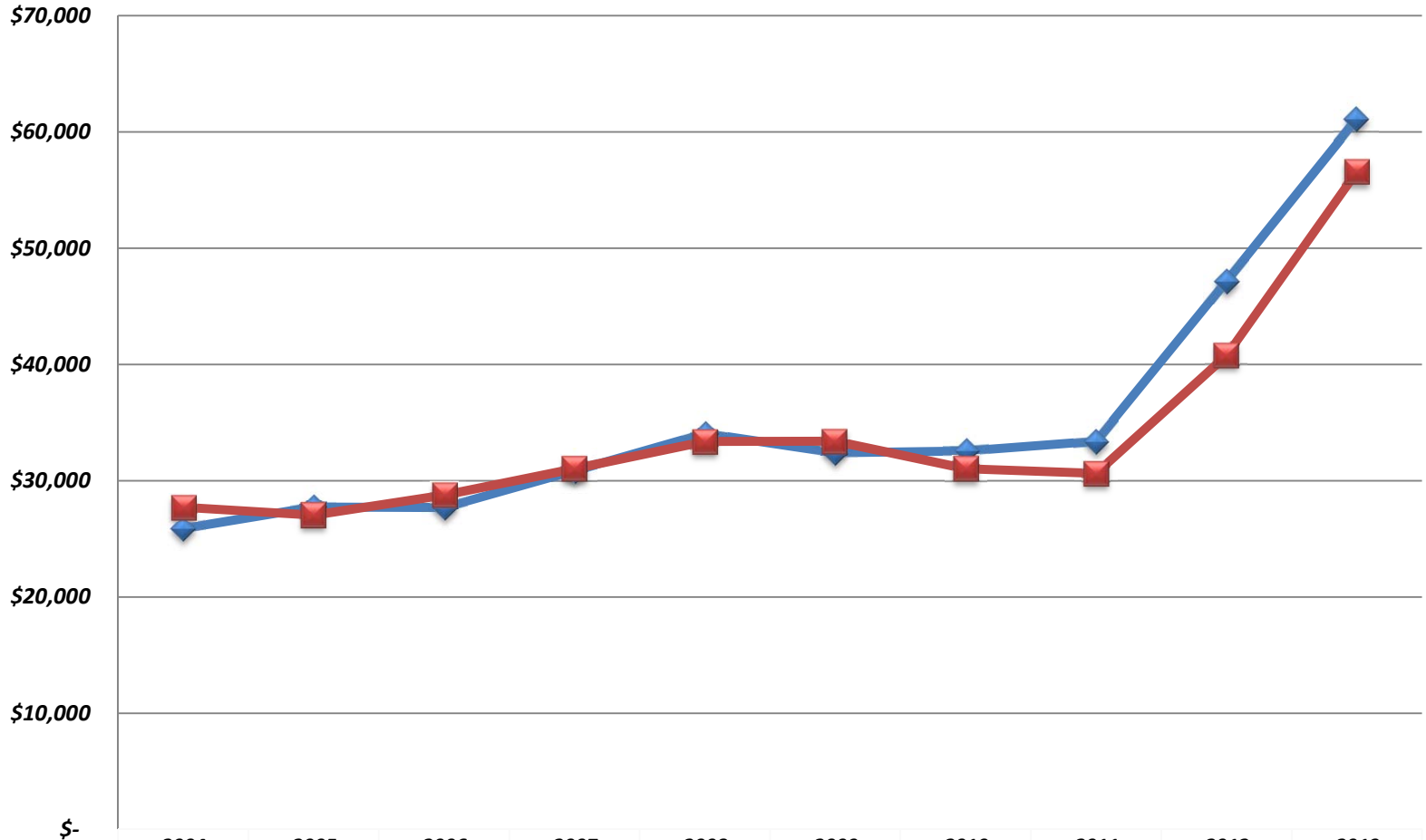
Exhibit IIA

City of Calhoun Board of Education, Georgia

Chart - Governmental Fund Revenues and Expenses

(In $1,000)

Last Ten Fiscal Years



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Revenues	$25,882	$27,745	$27,683	$30,850	$34,082	$32,413	$32,554	$33,393	$47,171	$61,087
Total Expenses	$27,722	$27,038	$28,750	$31,033	$33,366	$33,401	$31,025	$30,636	$40,782	$56,579

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

	For the Fiscal Year Ended June 30,									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Expenses:										
Instruction	47.90%	53.06%	59.51%	59.76%	57.64%	57.16%	58.61%	57.44%	63.81%	75.38%
Support services										
Pupil	3.37%	4.14%	2.92%	3.05%	3.97%	4.02%	4.13%	4.13%	3.11%	2.42%
Improvement of instructional services	1.79%	2.77%	2.70%	2.71%	2.21%	2.98%	3.34%	3.76%	2.09%	1.99%
Media	1.54%	2.04%	1.86%	1.70%	1.57%	1.57%	1.51%	1.33%	1.03%	0.84%
General administration	0.87%	0.78%	0.80%	0.78%	0.82%	1.02%	1.26%	1.23%	0.74%	0.62%
Federal grant administration	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.26%	0.19%
School administration	4.36%	5.09%	4.66%	4.64%	4.95%	4.84%	4.21%	4.57%	3.43%	2.43%
Business administration	1.35%	1.39%	1.57%	1.46%	1.40%	1.47%	1.74%	1.71%	1.50%	1.05%
Operations and maintenance	4.67%	6.27%	6.74%	6.83%	6.50%	5.74%	5.85%	6.05%	4.78%	3.51%
Student transportation	1.16%	1.55%	1.75%	2.10%	1.95%	1.57%	1.85%	1.95%	1.75%	1.42%
Central support	0.09%	0.10%	0.09%	0.09%	0.09%	0.00%	0.15%	0.15%	0.14%	0.11%
School nutrition program	5.04%	6.75%	6.64%	6.79%	6.42%	6.10%	6.35%	6.37%	8.91%	4.01%
Enterprise operations	0.23%	0.22%	0.14%	0.13%	0.00%	0.00%	0.00%	0.00%	0.07%	0.06%
Other supporting services	0.09%	0.08%	0.04%	0.13%	0.07%	0.40%	0.71%	0.63%	0.28%	0.16%
Community services	1.11%	1.29%	1.15%	1.04%	1.14%	1.01%	1.07%	1.37%	1.01%	0.68%
Facilities acquisition and construction	18.49%	5.88%	0.18%	0.00%	1.92%	2.32%	0.65%	1.09%	0.00%	0.00%
Debt service[1]	7.94%	8.59%	9.25%	8.79%	9.35%	9.79%	8.58%	8.21%	7.09%	5.13%
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	0.08%	0.06%	4.46%	0.00%	0.04%	0.12%	0.09%	0.01%	0.04%	0.09%
Pupil	2.51%	2.15%	0.00%	1.85%	2.29%	4.01%	3.26%	3.06%	1.75%	1.52%
Instructional	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.00%	0.01%
Media	0.21%	0.24%	0.00%	0.00%	0.00%	0.13%	0.23%	0.23%	0.14%	0.12%
General administration	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School administration	0.52%	0.73%	0.00%	0.00%	0.00%	0.00%	0.42%	0.49%	0.31%	0.09%
Business administration	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%	0.06%
Operations and maintenance	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.04%	0.09%	0.04%	0.02%
Student transportation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%
Enterprise operations	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.02%
Other supporting services	0.00%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School nutrition program	4.64%	4.28%	4.58%	4.39%	3.57%	3.42%	3.00%	2.72%	1.67%	1.20%
Community services	2.53%	2.03%	2.16%	1.87%	1.77%	2.03%	2.02%	2.31%	1.37%	0.87%
Operating grants and contributions[2]	72.23%	80.86%	88.74%	91.89%	85.99%	89.73%	90.94%	90.91%	53.99%	43.47%
Capital grants and contributions	17.16%	9.43%	0.06%	0.00%	6.34%	0.52%	0.00%	0.00%	40.56%	52.52%
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	77.33%	76.54%	73.47%	74.91%	74.27%	75.19%	79.12%	77.57%	78.71%	80.98%
Sales	22.08%	22.42%	24.88%	23.27%	24.62%	24.47%	20.44%	19.37%	20.59%	18.85%
Investment earnings	0.59%	1.04%	1.65%	1.82%	1.11%	0.34%	0.14%	0.20%	0.10%	0.08%
Miscellaneous	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.30%	2.86%	0.60%	0.09%
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] This amount are the sales taxes collected by the school district and forwarded to the City of Calhoun for debt service on school bonds.

[2] 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 Position - Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

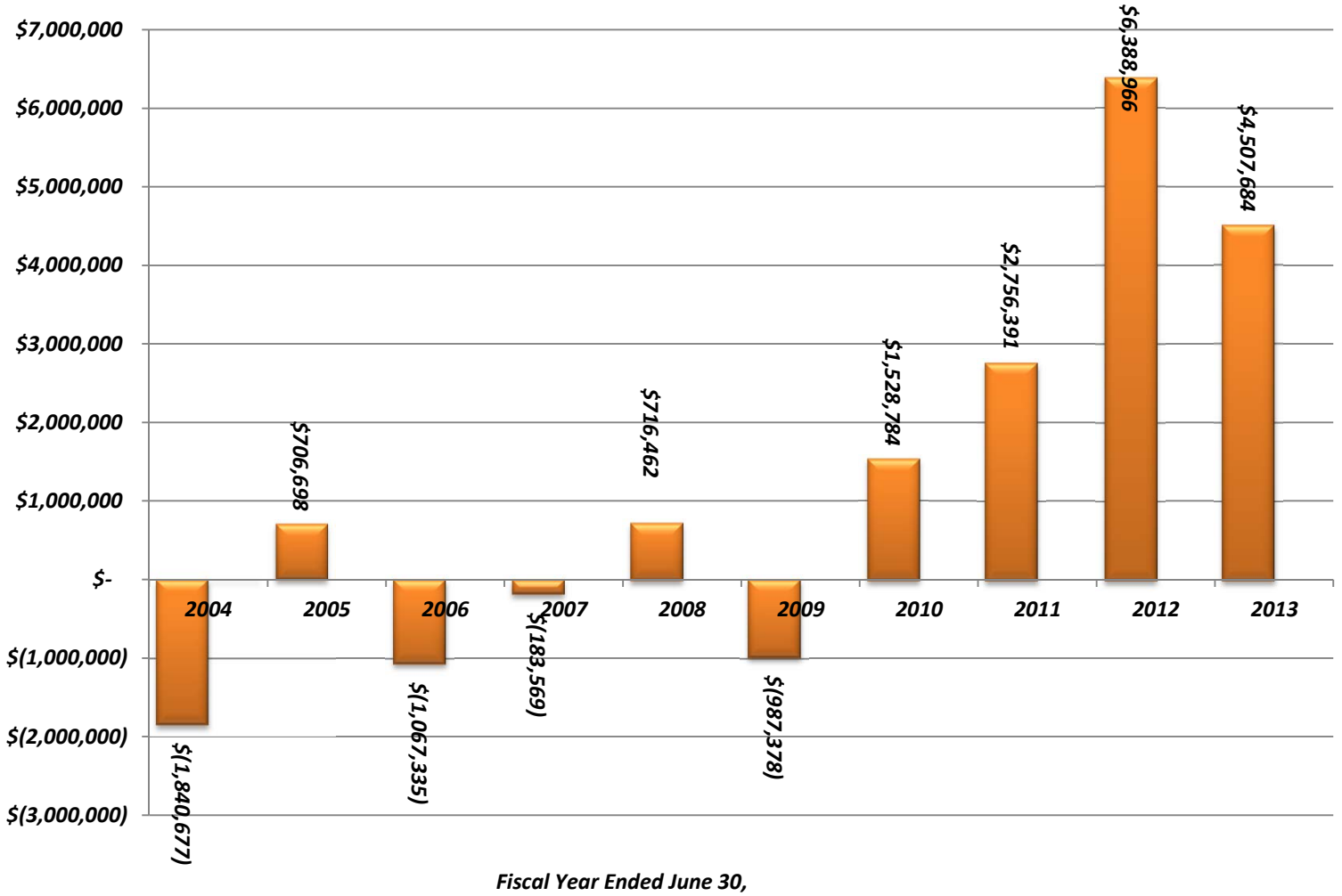


Exhibit III

City of Calhoun Board of Education, Georgia
Fund Balances - Governmental Funds (Unaudited)
Fiscal Years 2004 - 2010
(modified accrual basis of accounting)

	June 30,						
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
General Fund							
Unreserved[1]	$ 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	13.6%	18.7%	-26.6%	-6.2%	2.1%	-11.6%	40.2%
All Other Governmental Funds							
Reserved	110,576	49,712	54,100	88,959	79,582	65,679	51,133
Unreserved							
Special Revenue Funds	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	542,767	105,217	359,493	344,357	998,739	493,788	949,655
All Other Governmental Funds Percentage Change	-80.5%	-80.6%	241.7%	-4.2%	190.0%	-50.6%	92.3%
Total Governmental Funds							
Reserved	110,576	49,712	54,100	88,959	79,582	65,679	51,133
Unreserved	4,499,030	4,883,276	3,848,443	3,579,323	4,312,892	3,426,722	5,101,089
Total Governmental Funds	$ 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	-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 sevven years.

Data Source:

Applicable years' comprehensive annual financial report.

Exhibit IIIA

City of Calhoun Board of Education, Georgia
Fund Balances - Governmental Funds
June 30, 2012 and June 30, 2013
(modified accrual basis of accounting)

	June 30,		
	2011	**2012**	**2013**
General Fund			
Committed	$ 84,436	$ 117,814	$ 4,981,021
Assigned	2,826,588	3,541,194	658,783
Unassigned	3,782,211	4,300,501	4,798,913
Total General Fund	$ 6,693,235	$ 7,959,509	$ 10,438,717
General Fund Percentage Change	59.3%	18.9%	31.1%
All Other Governmental Funds			
Nonspendable - Special Revenue Funds	$ 54,077	$ 47,764	$ 37,094
Restricted - Special Revenue Funds	401,292	604,885	363,085
Restricted - Capital Projects Funds	-	700,363	3,461
Committed - Special Revenues Funds	900,168	910,100	948,991
Unassigned - Capital Projects Funds	(5,062)	-	-
Subtotal All Other Governmental Funds	$ 1,350,475	$ 2,263,112	$ 1,352,631
All Other Governmental Funds Percentage Change	42.2%	67.6%	-40.2%
Total Governmental Funds			
Nonspendable	$ 54,077	$ 47,764	$ 37,094
Restricted	401,292	1,305,248	366,546
Committed	984,604	1,027,914	5,930,012
Assigned	2,826,588	3,541,194	658,783
Unassigned	3,777,149	4,300,501	4,798,913
Total Governmental Funds	$ 8,043,710	$ 10,222,621	$ 11,791,348
All Governmental Funds Percentage Change	56.1%	27.1%	15.3%

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 seven 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)

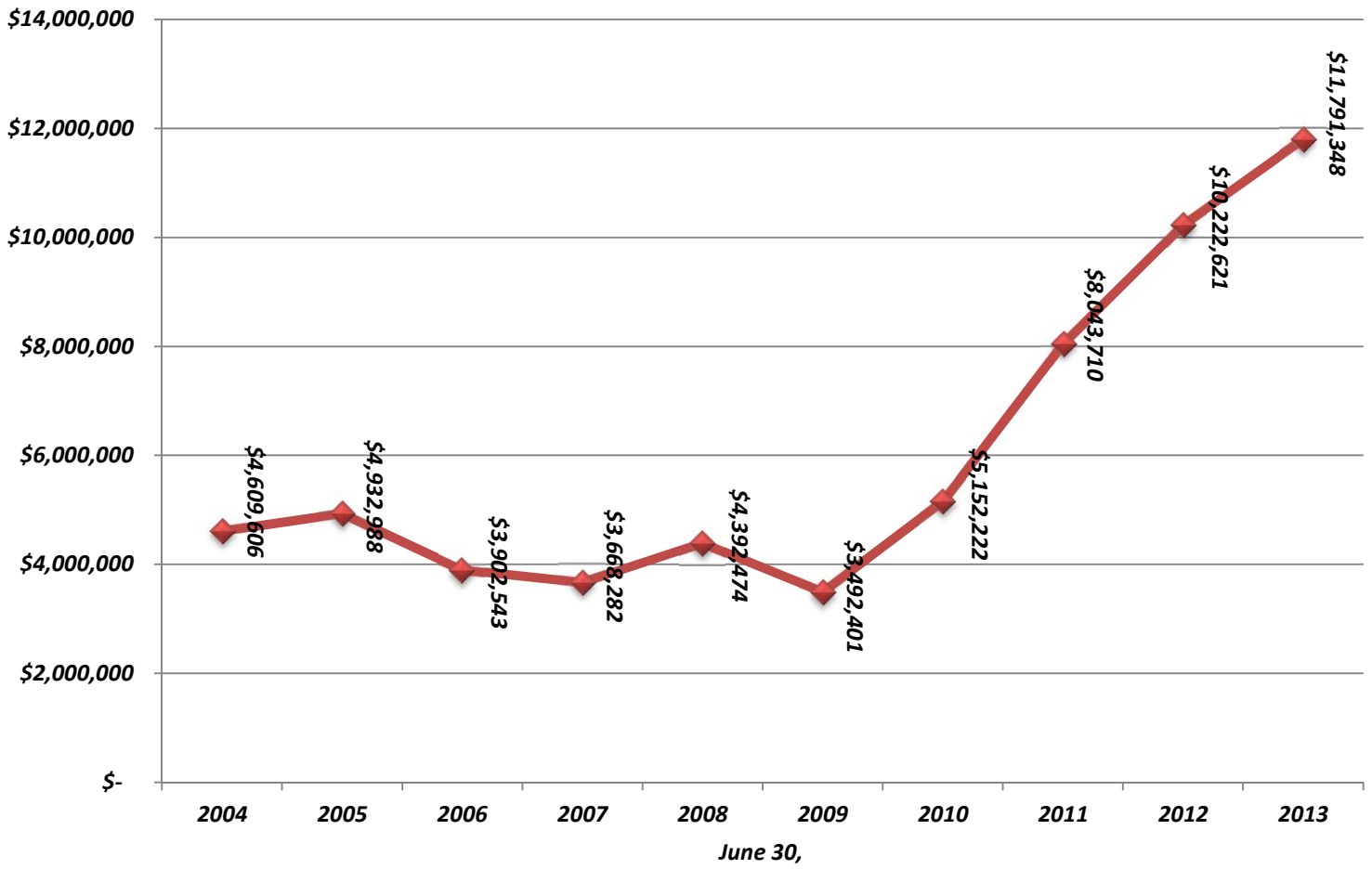


Exhibit IV

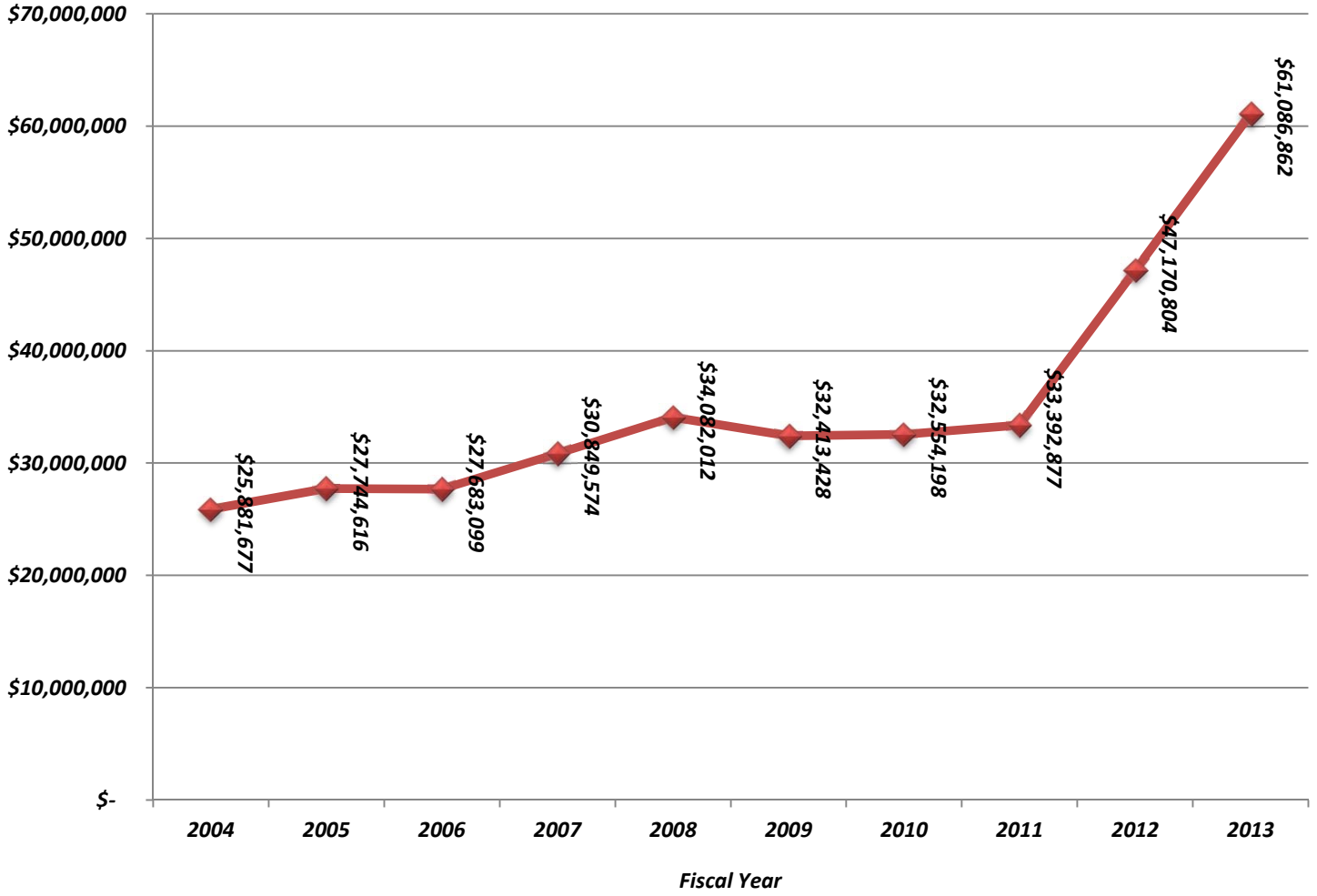
City of Calhoun Board of Education, Georgia
General Governmental Revenues by Source (Unaudited) [1]
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Revenue Source	**Amounts**									
Local revenue	$ 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	$ 34,159,036
State	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	22,490,673
Federal	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	4,437,153
Total Revenues	$ 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	$ 61,086,862
% change from prior year	-5.5%	7.2%	-0.2%	11.4%	10.5%	-4.9%	0.4%	2.6%	41.3%	29.5%
	Percentage of Total									
Local revenue	45.0%	44.4%	46.1%	44.3%	46.5%	47.9%	45.8%	44.6%	52.1%	55.9%
State	48.8%	48.1%	45.4%	47.0%	45.8%	42.7%	38.6%	42.3%	40.2%	36.8%
Federal	6.2%	7.5%	8.5%	8.7%	7.7%	9.4%	15.6%	13.1%	7.7%	7.3%
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)



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	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Current:										
Instruction	$ 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	$ 20,638,402
Support services										
Pupil	931,376	1,118,194	840,596	948,035	1,324,096	1,343,498	1,280,961	1,265,702	1,261,762	$ 1,369,695
Instructional	519,132	778,620	777,366	823,967	714,275	1,007,389	1,018,007	1,172,904	837,341	1,109,099
Media	426,940	552,408	534,106	527,542	520,080	531,072	467,280	408,714	421,924	474,711
General administration	238,949	221,885	229,331	241,553	273,151	338,397	390,413	373,932	302,778	346,805
Federal grant administration	-	-	-	-	-	-	-	-	107,889	109,429
School administration	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	1,376,411
Business administration	370,144	376,042	451,700	453,265	466,649	490,695	537,730	522,787	618,206	590,154
Operations and maintenance	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	1,981,370
Student transportation	257,407	487,751	647,114	712,671	632,614	492,916	469,754	504,270	836,249	708,179
Central support	25,340	25,838	25,961	28,256	29,149	438	40,708	44,036	55,879	59,656
School nutrition program	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	2,244,335
Other supporting services	23,763	21,352	11,750	39,678	24,595	132,796	218,745	193,086	115,316	92,243
Community services	308,197	349,526	330,036	323,324	400,775	334,215	324,920	413,116	407,203	382,832
Enterprise	50,515	29,566	-	-	-	-	-	-	28,089	32,285
Intergovernmental [2]	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	2,901,241
Total Current	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	34,416,847
% Change From Prior Year	3.0%	11.5%	13.0%	7.6%	5.3%	-0.6%	-5.5%	-1.7%	6.9%	6.7%
Capital Outlay	4,744,772	1,901,022	50,613	-	639,561	775,395	202,827	335,193	12,730,367	25,101,288
% Change From Prior Year	43.4%	-59.9%	-97.3%	-100.0%	100.0%	21.2%	-73.8%	65.3%	3697.9%	97.2%
Debt Service										
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%	100.0%	64.8%	-46.4%	0.0%	-100.0%	0.0%	0.0%	0.0%
Total Expenditures	$ 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	$ 59,518,135
% Change From Prior Year	8.2%	-0.8%	5.5%	7.6%	7.2%	-0.1%	-7.2%	-1.3%	47.5%	32.3%
Debt Service as a % of Noncapital Expenditures	0.0%	0.0%	0.2%	0.3%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%

Notes:

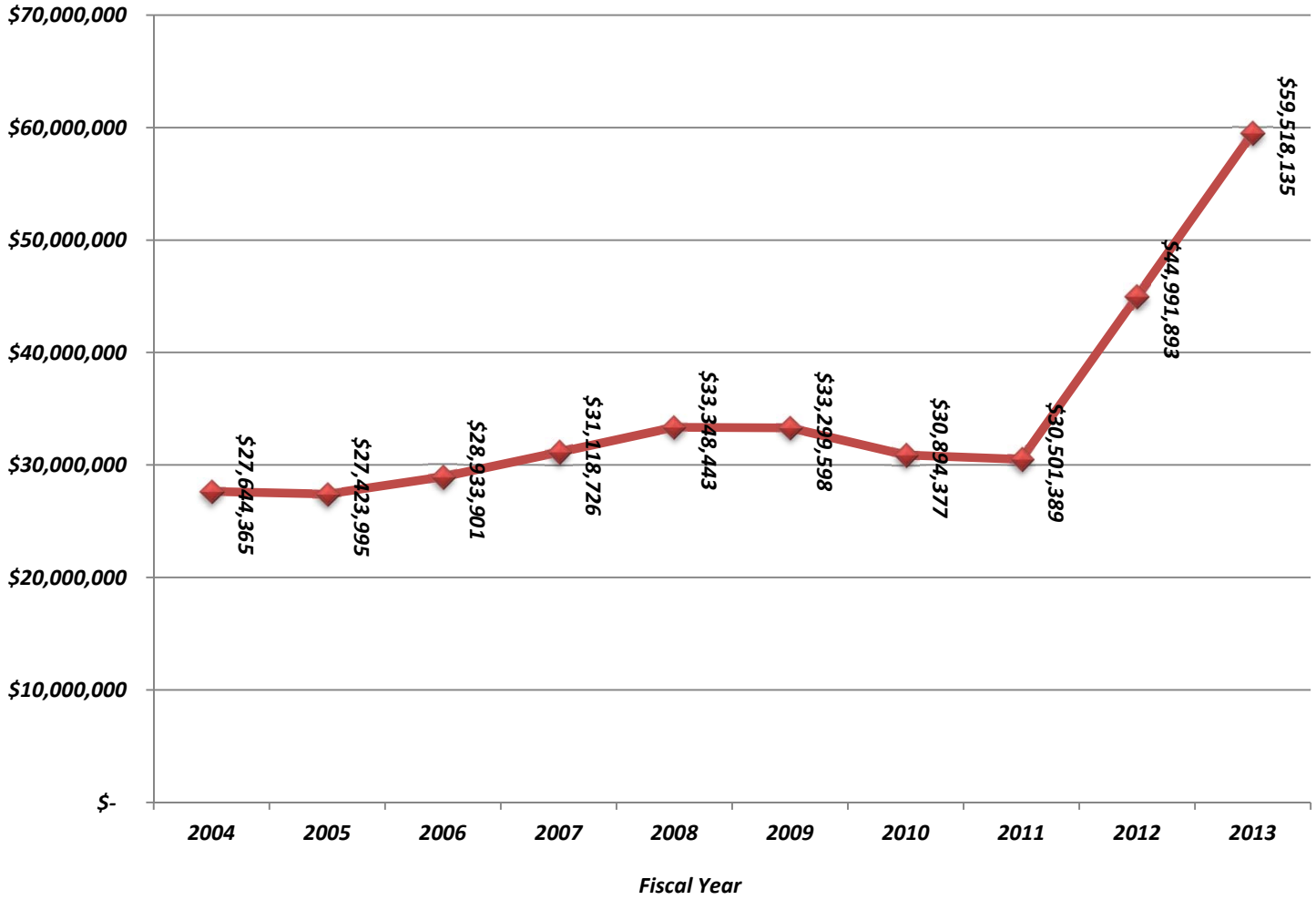
[1] Includes all governmental fund types.

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

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)



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,									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Function	**Amounts**									
Current:										
Instruction	$ 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	$ 20,638,402
Support services:										
Pupil	931,376	1,118,194	840,596	948,035	1,324,096	1,343,498	1,280,961	1,265,702	1,261,762	1,369,695
Instructional	519,132	778,620	777,366	823,967	714,275	1,007,389	1,018,007	1,172,904	837,341	1,109,099
Media	426,940	552,408	534,106	527,542	520,080	531,072	467,280	408,714	421,924	474,711
General administration	238,949	221,885	229,331	241,553	273,151	338,397	390,413	373,932	302,778	346,805
Federal grant administration	-	-	-	-	-	-	-	-	107,889	109,429
School administration	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	1,376,411
Business administration	370,144	376,042	451,700	453,265	466,649	490,695	537,730	522,787	618,206	590,154
Operations and maintenance	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	1,981,370
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Central support	25,340	25,838	25,961	28,256	29,149	438	40,708	44,036	55,879	59,656
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Other supporting services	23,763	21,352	11,750	39,678	24,595	132,796	218,745	193,086	115,316	92,243
Community services	308,197	349,526	330,036	323,324	400,775	334,215	324,920	413,116	407,203	382,832
Enterprise	50,515	29,566	-	-	-	-	-	-	28,089	32,285
Intergovernmental[2]	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	2,901,241
Total Current	$ 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	$ 34,416,847
	Percentages									
Current:										
Instruction	57.9%	56.2%	59.4%	59.7%	58.9%	58.8%	59.3%	58.3%	58.6%	60.0%
Support services										
Pupil	4.1%	4.4%	2.9%	3.1%	4.1%	4.1%	4.2%	4.2%	3.9%	4.0%
Instructional	2.3%	3.1%	2.7%	2.7%	2.2%	3.1%	3.3%	3.9%	2.6%	3.2%
Media	1.9%	2.2%	1.9%	1.7%	1.6%	1.6%	1.5%	1.4%	1.3%	1.4%
General administration	1.0%	0.9%	0.8%	0.8%	0.8%	1.0%	1.3%	1.2%	0.9%	1.0%
Federal grant administration	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%
School administration	5.3%	5.4%	4.7%	4.6%	5.0%	5.0%	4.3%	4.6%	4.3%	4.0%
Business administration	1.6%	1.5%	1.6%	1.5%	1.4%	1.5%	1.8%	1.7%	1.9%	1.7%
Operations and maintenance	5.6%	6.6%	6.7%	6.8%	6.7%	5.9%	5.9%	6.1%	6.0%	5.8%
Student transportation	1.1%	1.9%	2.2%	2.3%	1.9%	1.5%	1.5%	1.7%	2.6%	2.1%
Central support	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.2%	0.2%
Food service operations	6.1%	7.2%	6.6%	6.9%	6.4%	5.9%	6.4%	6.4%	6.6%	6.5%
Other supporting services	0.1%	0.1%	0.0%	0.1%	0.1%	0.4%	0.7%	0.6%	0.4%	0.3%
Community services	1.3%	1.2%	1.2%	0.9%	1.3%	1.1%	1.2%	1.5%	1.3%	1.1%
Enterprise	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Intergovernmental[2]	11.3%	9.1%	9.2%	8.8%	9.5%	10.1%	8.7%	8.3%	9.0%	8.4%
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 bonds.

Data Source:

Applicable years' comprehensive annual financial report.

Exhibit VII

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)

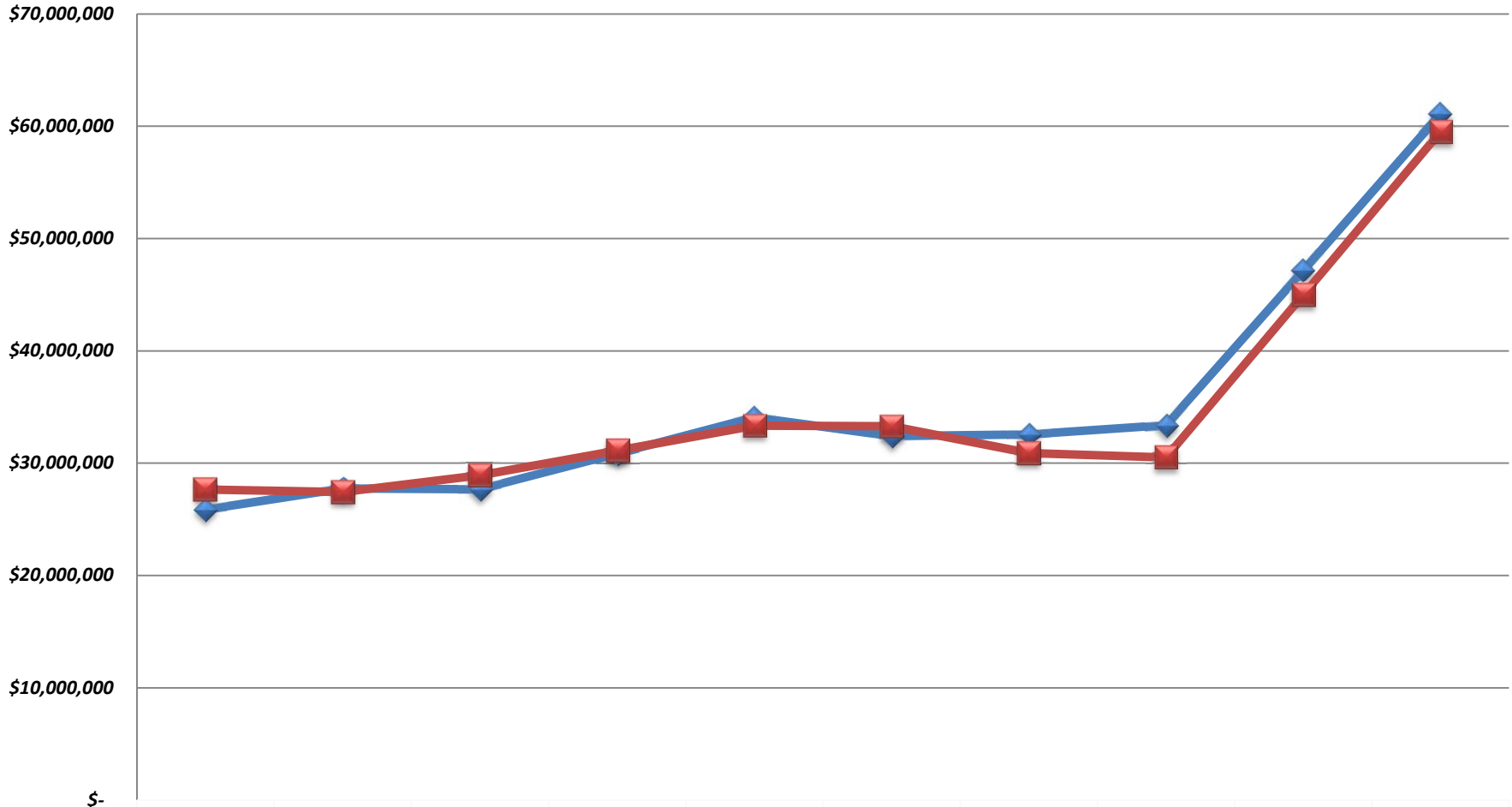
	For the Fiscal Year Ended June 30,									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Total Revenues	$ 25,881,677	$ 27,744,616	$ 27,683,099	$ 30,849,574	$ 34,082,012	$ 32,413,428	$ 32,554,198	$ 33,392,877	$ 47,170,804	$ 61,086,862
Total Expenditures	27,644,365	27,423,995	28,933,901	31,118,726	33,348,443	33,299,598	30,894,377	30,501,389	44,991,893	59,518,135
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,762,688)	320,621	(1,250,802)	(269,152)	733,569	(886,170)	1,659,821	2,891,488	2,178,911	1,568,727
Other Financing Sources (Uses)										
Inception of capital lease	-	-	216,000	-	-	-	-	-	-	-
Transfers in	45,987	38,063	462,241	81,963	63,094	161,537	428,150	19,859	50,085	495,494
Transfers out	(45,987)	(38,063)	(462,241)	(81,963)	(63,094)	(161,537)	(428,150)	(19,859)	(50,085)	(495,494)
Total Other Financing Sources (Uses)	-	-	216,000	-	-	-	-	-	-	-
Net Change in Fund Balances	$ (1,762,688)	$ 320,621	$ (1,034,802)	$ (269,152)	$ 733,569	$ (886,170)	$ 1,659,821	$ 2,891,488	$ 2,178,911	$ 1,568,727

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



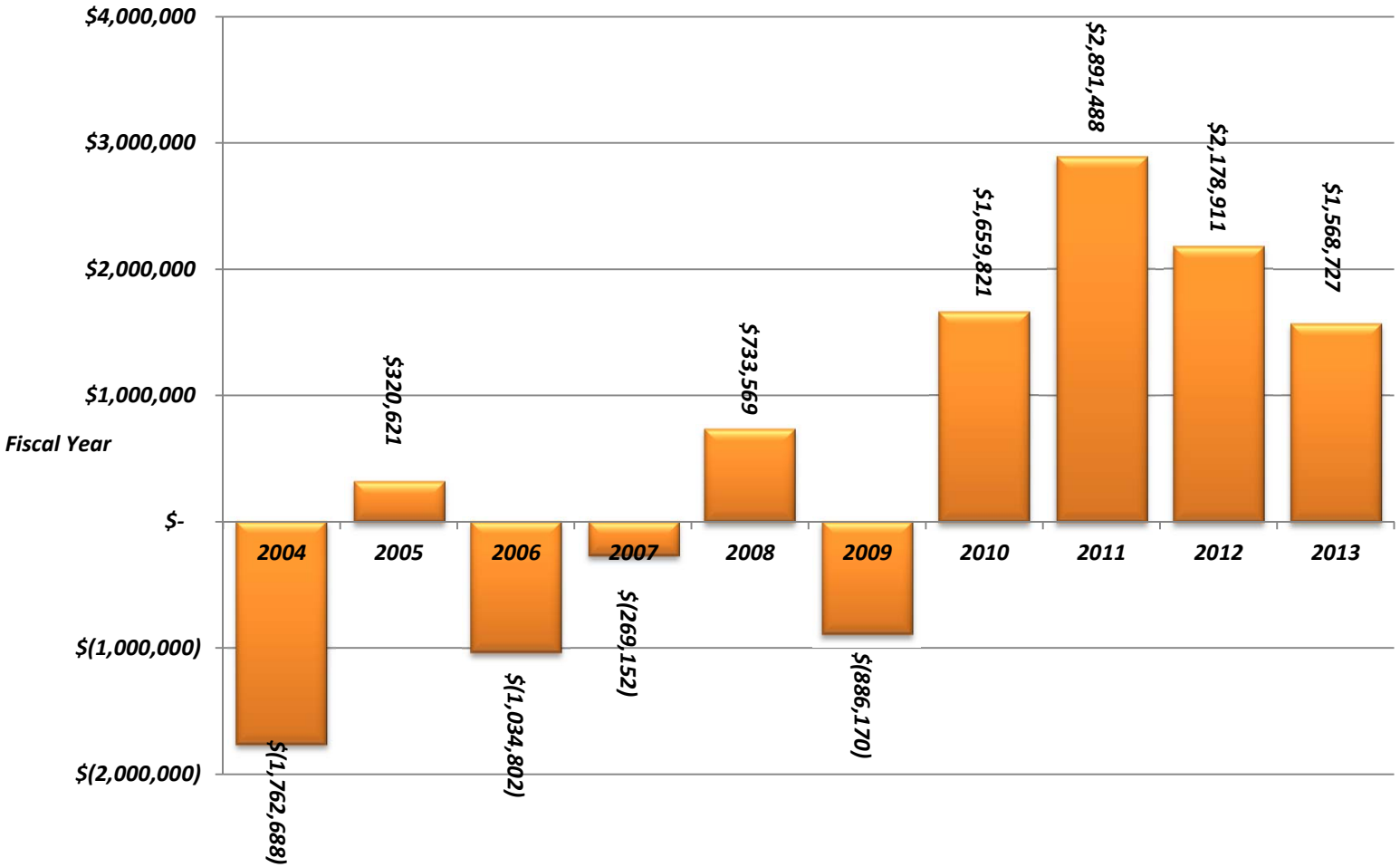
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues	$25,881,677	$27,744,616	$27,683,099	$30,849,574	$34,082,012	$32,413,428	$32,554,198	$33,392,877	$47,170,804	$61,086,862
Expenditure	$27,644,365	$27,423,995	$28,933,901	$31,118,726	$33,348,443	$33,299,598	$30,894,377	$30,501,389	$44,991,893	$59,518,135

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											
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	1.5%
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	24,069,000	714,869,111	16.012	1,787,172,778	-9.4%
2013	174,704,000	338,876,000	205,646,000	2,550,000	1,180,000	4,824,000	29,436,000	30,090,000	727,126,000	17.762	1,817,815,000	1.7%
*	$ 168,079,620	$ 256,348,304	$ 240,217,861	$ 2,705,809	$ 922,094	$ 4,617,868	$ 28,564,822	$ 9,397,712	$ 692,058,667		$ 1,730,146,667	
**	49.3%	107.5%	-1.8%	165.3%	188.1%	-9.1%	9.9%	430.3%	40.5%		40.5%	
	Percentage of Total											
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%	3.4%	96.6%			
2013	23.1%	44.8%	27.2%	0.3%	0.2%	0.6%	0.0%	4.1%	95.9%			

*** 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

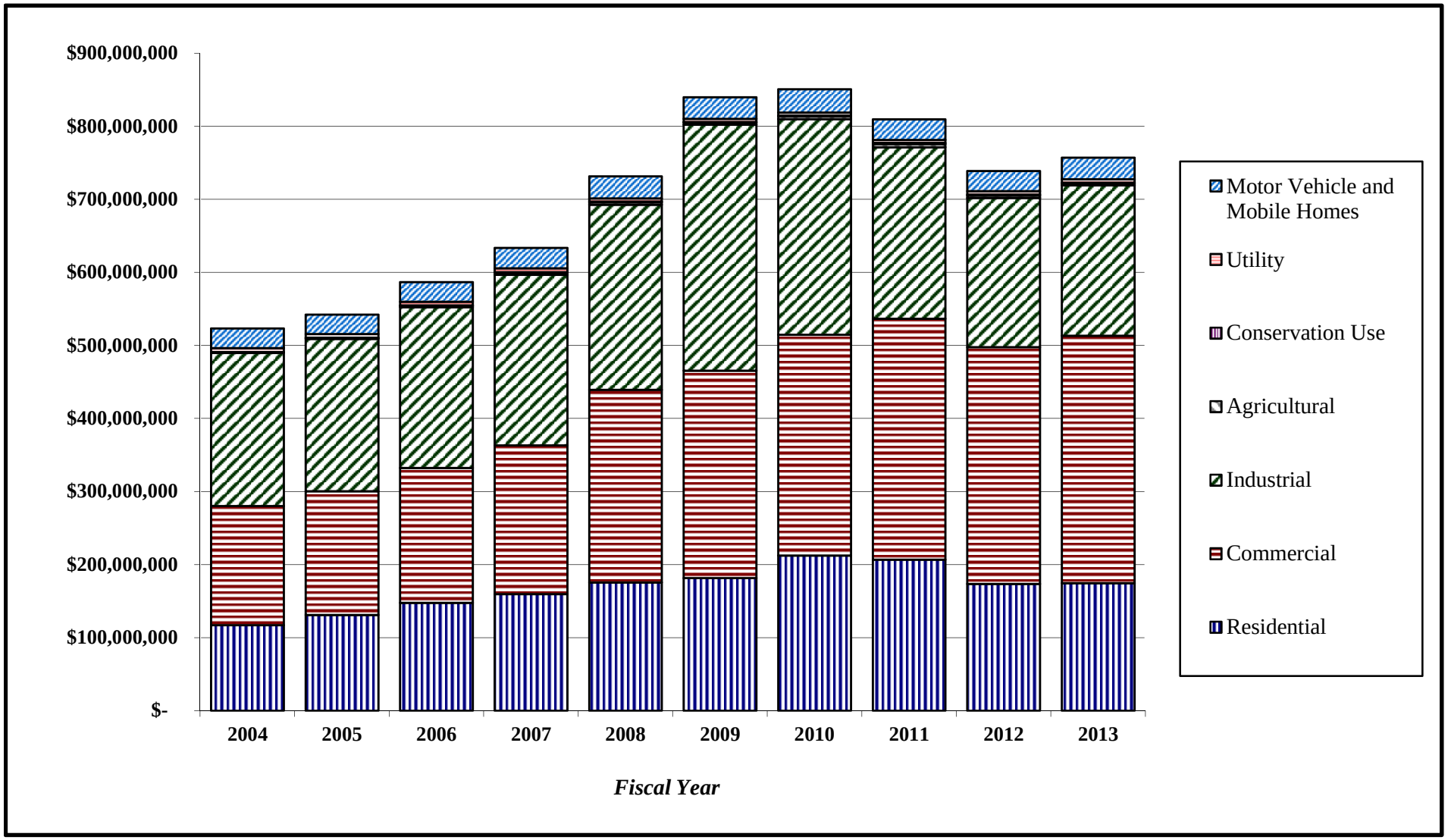


Exhibit IX

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**
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
2013	1.980	0.200	9.800	17.762	29.742
% Change From 2004 -2013	28.6%	-20.0%	76.9%	20.7%	34.9%

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)

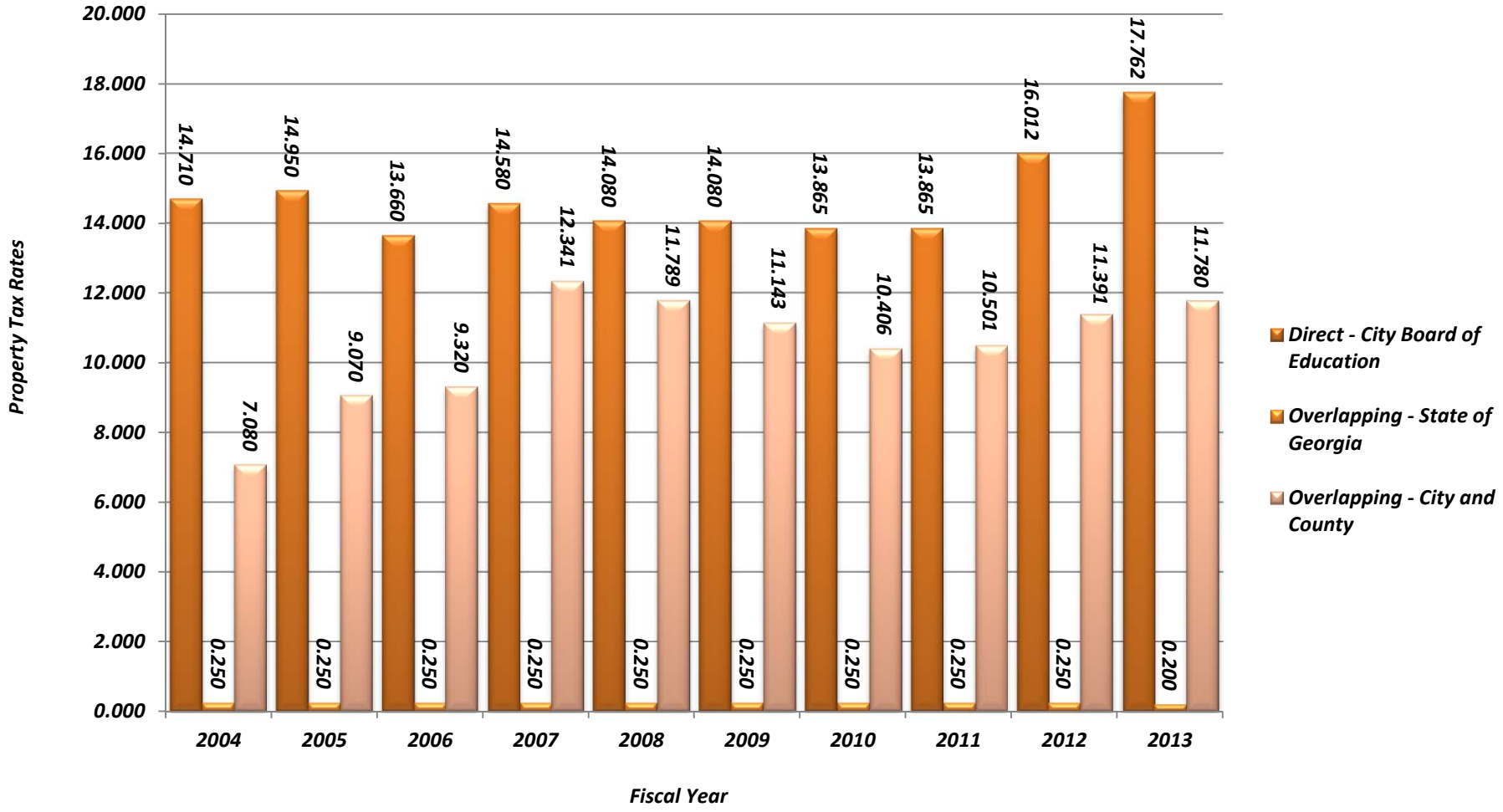


Exhibit X

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
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%	279	9,940	96.29%	104	3.71%
2009	11,670	10,430	89.37%	1,110	11,540	98.89%	130	1.11%
2010	11,911	10,939	91.84%	794	11,733	98.51%	178	1.49%
2011	11,377	10,631	93.44%	498	11,129	97.82%	248	2.18%
2012	12,012	11,341	94.41%	312	11,653	97.01%	359	2.99%
2013	13,623	13,057	95.85%	-	13,057	95.85%	566	4.15%

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:

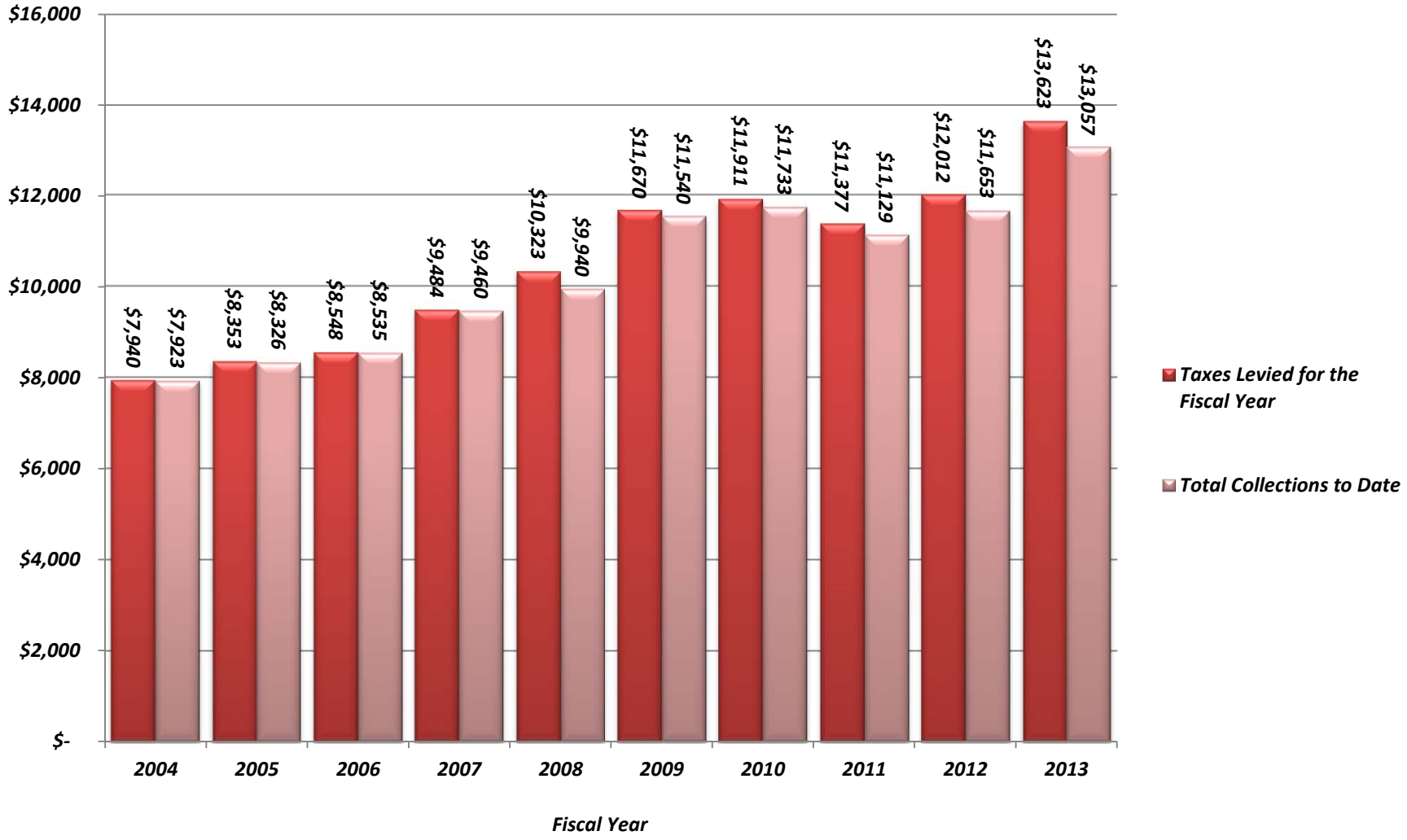
City of Calhoun, Georgia tax collection records.

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, 2013 and 2004

(amounts expressed in thousands)

2013				2004			
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	$ 81,419	1	10.84%	Aladdin (Mohawk) Industries	$ 56,629	1	10.81%
Shaw Industries Group, Inc.	28,707	2	3.82%	Shaw Industries Inc	31,998	2	6.11%
Kobelco	27,574	3	3.67%	Mannington Carpets	17,226	3	3.29%
Engineered Floors, LLC	27,415	4	3.65%	Kobelco	10,956	4	2.09%
Fieldturf USA	13,544	5	1.80%	CAF Extrusions	9,738	5	1.86%
Mannington	13,199	6	1.76%	Calhoun Outlets	8,989	6	1.72%
Faus	12,158	7	1.62%	Spring Industries	8,805	7	1.68%
Apache Mills, Inc.	7,912	8	1.05%	Kerry Inc	5,640	8	1.08%
Nourison Industries	7,056	9	0.94%	Royal Rubber Manufacturing Co	3,915	9	0.75%
Kerry Inc	5,015	10	0.67%	Constantine Dyeing LLC	3,693	10	0.70%
Total Principal Taxpayers	223,999		29.84%	**Total Principal Taxpayers**	157,589		30.08%
All Other Taxpayers	526,764		70.16%	**All Other Taxpayers**	366,253		69.92%
Total	$ 750,763		100.00%	**Total**	$ 523,842		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
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%
2013	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 expire June 30, 2012. In November 2010, the voters of Gordon County and the City of Calhoun approved the extension of the existing SPLOST effective Jul1, 2012 expiring June 30, 2017.

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 - 2012

	2004		2005		2006		2007		2008		2009		2010		2011		2012	
	Amount	Percent	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%	$ 162,152,035	18.39%
Food/bars											114,968,896	14.09%	109,287,805	13.14%	106,969,981	12.75%	105,678,640	11.98%
Manufacturing											106,428,249	13.05%	61,702,722	7.42%	30,915,366	3.68%	41,003,958	4.65%
Utilities											89,024,099	10.91%	70,070,380	8.43%	53,701,051	6.40%	56,216,313	6.37%
Other retail											85,951,003	10.54%	98,120,054	11.80%	158,443,411	18.88%	161,778,163	18.35%
Wholesale											74,397,977	9.12%	134,101,103	16.13%	120,551,365	14.36%	124,424,295	14.11%
Automotive											61,769,180	7.57%	82,437,277	9.91%	107,167,095	12.77%	108,687,062	12.33%
Home furnishings											51,269,676	6.28%	38,867,124	4.67%	31,769,995	3.79%	35,136,136	3.98%
Miscellaneous services											46,749,549	5.73%	55,350,997	6.66%	51,320,508	6.12%	51,969,154	5.89%
Other services											10,967,548	1.34%	13,940,083	1.68%	19,996,879	2.38%	27,587,821	3.13%
Accommodations											8,134,834	1.00%	6,637,362	0.80%	6,168,429	0.73%	6,287,902	0.71%
Construction											1,157,038	0.14%	1,228,360	0.15%	1,523,562	0.18%	905,255	0.11%
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%	$ 881,826,734	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		$ 42,572,765	
Percent increase from previous year			8.32%		14.27%		-1.18%		1.58%		-12.96%		1.93%		0.93%		5.07%	

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

Exhibit XIV

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
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%	15,650	-
2012	-	0.00000%	15,773	-
2013	-	0.00000%	15,812	-

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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Overlapping Debt [2, 3]			
Gordon County - Debt repaid with property taxes	$ 10,204,506	100.0%	$ 10,204,506
City of Calhoun - general obligation bonds [3]	34,895,627	100.0%	34,895,627
Calhoun Recreation Authority	1,659,800	100.0%	1,659,800
Total Overlapping Debt			$ 46,759,933

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]
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%	5.0%
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%	5.6%
2009	14,807	1,403,403	25,675	38,615	66.5%	34.4	12.6%	6.0%	9.5%
2010	14,955	1,411,630	27,970	40,148	69.7%	34.4	12.1%	10.0%	9.4%
2011	15,650	1,467,371	28,649	41,353	69.3%	37.5	12.7%	10.0%	9.1%
2012	15,773	1,485,717	28,836	41,560	69.4%	37.5	11.9%	9.9%	8.2%
2013	15,812	1,509,681	29,529	40,661	72.6%	35.3	11.6%	8.8%	7.5%

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

City of Calhoun Board of Education, Georgia

Principal Employers (Unaudited)

For the Fiscal Years Ended June 30, 2013 and 2004

		2013		
Employer	**Type of Business**	**Number of Employees**	**Rank**	**Percentage of Major County Employers**
Mohawk Industries	Flooring	1,797	1	8.81%
Shaw Industries	Flooring	1,292	2	6.34%
Gordon County Schools	Government	984	3	4.83%
Mannington	Flooring	675	4	3.31%
Gordon Hospital	Hospital	601	5	2.95%
Calhoun City Schools	Government	391	6	1.92%
Gordon County Government	Government	375	7	1.84%
Calhoun City Government	Government	342	8	1.68%
Apache Mills	Flooring	318	9	1.56%
Beaulieu	Flooring	299	10	1.47%
Total Principal Employers		7,074		34.69%
Other Employers		13,316		65.31%
Total Employers [1]		20,390		100.00%

		2004		
Employer	**Type of Business**	**Number of Employees**	**Rank**	**Percentage of Major County Employers**
Mohawk Industries, Inc. (Aladdin)	Flooring	4,000	1	18.74%
Shaw Industries	Flooring	2,000	2	9.37%
Gordon County Schools	Government	970	3	4.54%
Gordon Hospital	Hospital	600	4	2.81%
Mannington Carpets	Flooring	592	5	2.77%
Springs Industries	Manufacturing	398	6	1.86%
Calhoun City Schools	Government	384	7	1.80%
City of Calhoun Government	Government	341	8	1.60%
Beaulieu Group	Flooring	336	9	1.57%
Apache Mills	Flooring	320	10	1.50%
Total Principal Employers		9,941		46.58%
Other Employers		11,403		53.42%
Total Employers		21,344		100.00%

Data Source:

Estimated by Gordon County Chamber of Commerce.

Exhibit XVIII

City of Calhoun Board of Education, Georgia

Full Time Equivalent (FTE) Positions - by Function

Last Ten Fiscal Years [1]

Positions	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Calhoun Primary School[2]										
Classroom Teachers	49	52	57	56	56	57	53	52	52	54
Support Personnel	48	62	66	65	64	61	44	43	42	42
Administrators	2	3	3	3	3	3	2	2	2	2
Calhoun Elementary School										
Classroom Teachers	42	43	45	46	47	47	44	44	43	45
Support Personnel[1]	30	23	25	25	25	24	26	27	25	27
Administrators	2	3	3	3	3	3	2	2	2	2
Calhoun Middle School										
Classroom Teachers	40	41	46	49	49	48	43	44	44	45
Support Personnel[1]	16	25	28	31	32	31	22	23	23	23
Administrators	2	3	2	2	2	2	2	2	2	2
Calhoun High School										
Classroom Teachers	46	48	53	58	62	63	59	54	56	56
Support Personnel[1]	36	41	38	44	46	44	35	32	27	28
Administrators	4	5	5	4	4	5	5	5	5	5
Pre-K Program										
Classroom Teachers	6	7	8	8	8	8	10	10	10	10
Support Personnel[1]	8	10	10	10	10	12	15	14	13	14
Administrators	-	-	-	-	-	-	-	-	-	-
Central Office										
Support Personnel	13	15	17	17	16	16	16	15	16	16
Administrators	3	4	4	4	6	6	5	5	5	5
Maintenance	3	3	3	3	3	3	3	3	2	2
Transportation	9	12	15	18	17	17	15	14	16	18
Community Education	2	2	2	2	2	2	1	1	1	1
Total	360	400	429	446	452	452	402	392	386	397
Percentage Change From Prior Year	0.8%	11.1%	7.2%	4.0%	1.4%	0.0%	-11.1%	-2.5%	-1.5%	2.8%

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]
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	-
2013	34,973	31,586	110.7%	75,360	55,934	-

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
School: Calhoun Primary										
Square feet	50,459	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456
Enrollment[3]	697	795	815	805	798	804	856	928	933	940
School: Calhoun Elementary										
Square feet	51,687	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456
Enrollment[3]	650	713	720	740	788	792	773	776	766	839
School: Calhoun Middle										
Square feet	61,412	85,645	85,645	85,645	85,645	85,645	85,645	85,645	85,645	85,645
Enrollment[3]	613	714	745	765	717	712	726	772	794	788
School: Calhoun High										
Square feet	109,836	171,248	171,248	171,248	171,248	171,248	171,248	171,248	94,628	94,628
Enrollment[3]	690	739	797	827	850	904	878	869	863	909

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]
2004	$ 17,395,308	2,777	$ 6,264	-1.30%	183	15.17	40.94%
2005	19,666,949	3,110	6,324	0.95%	191	16.28	44.92%
2006	21,923,712	3,228	6,792	7.40%	209	15.44	46.87%
2007	24,569,964	3,283	7,484	10.19%	217	15.13	50.99%
2008	25,802,346	3,298	7,824	4.54%	221	14.92	53.34%
2009	25,487,759	3,361	7,583	-3.07%	223	15.07	52.59%
2010	24,017,387	3,423	7,016	-7.48%	209	16.38	59.08%
2011	23,602,090	3,531	6,684	-4.73%	204	17.31	57.78%
2012	25,133,976	3,574	7,032	5.21%	205	17.43	65.25%
2013	26,822,436	3,691	7,267	3.34%	210	17.58	61.21%

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] Full Time Equivalent (FTE)

Exhibit XXII

City of Calhoun Board of Education, Georgia

Enrollment by Grade Level (Unaudited)

Last Ten Fiscal Years [1]

Grade Level	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PK	127	149	151	146	145	149	190	189	218	216
KK	262	273	276	276	290	294	306	343	312	301
Grade 1	230	273	268	257	259	267	288	305	324	321
Grade 2	205	249	271	272	249	243	262	278	297	318
Grade 3	214	226	238	269	272	252	240	263	266	295
Grade 4	219	226	235	245	265	272	268	241	256	282
Grade 5	217	261	247	226	251	268	265	271	244	262
Grade 6	200	258	270	245	233	251	254	262	271	258
Grade 7	217	219	261	256	229	230	247	258	264	271
Grade 8	196	237	214	264	255	231	225	252	259	259
Grade 9	226	242	247	241	267	273	241	221	265	269
Grade 10	178	195	205	220	216	246	234	222	195	251
Grade 11	157	164	195	189	201	200	220	221	185	201
Grade 12	129	138	150	177	166	185	183	205	218	187
Total	2,777	3,110	3,228	3,283	3,298	3,361	3,423	3,531	3,574	3,691
Annual % Change	4.2%	12.0%	3.8%	1.7%	0.5%	1.9%	1.8%	3.2%	1.2%	3.3%

Notes:

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

Data Source:

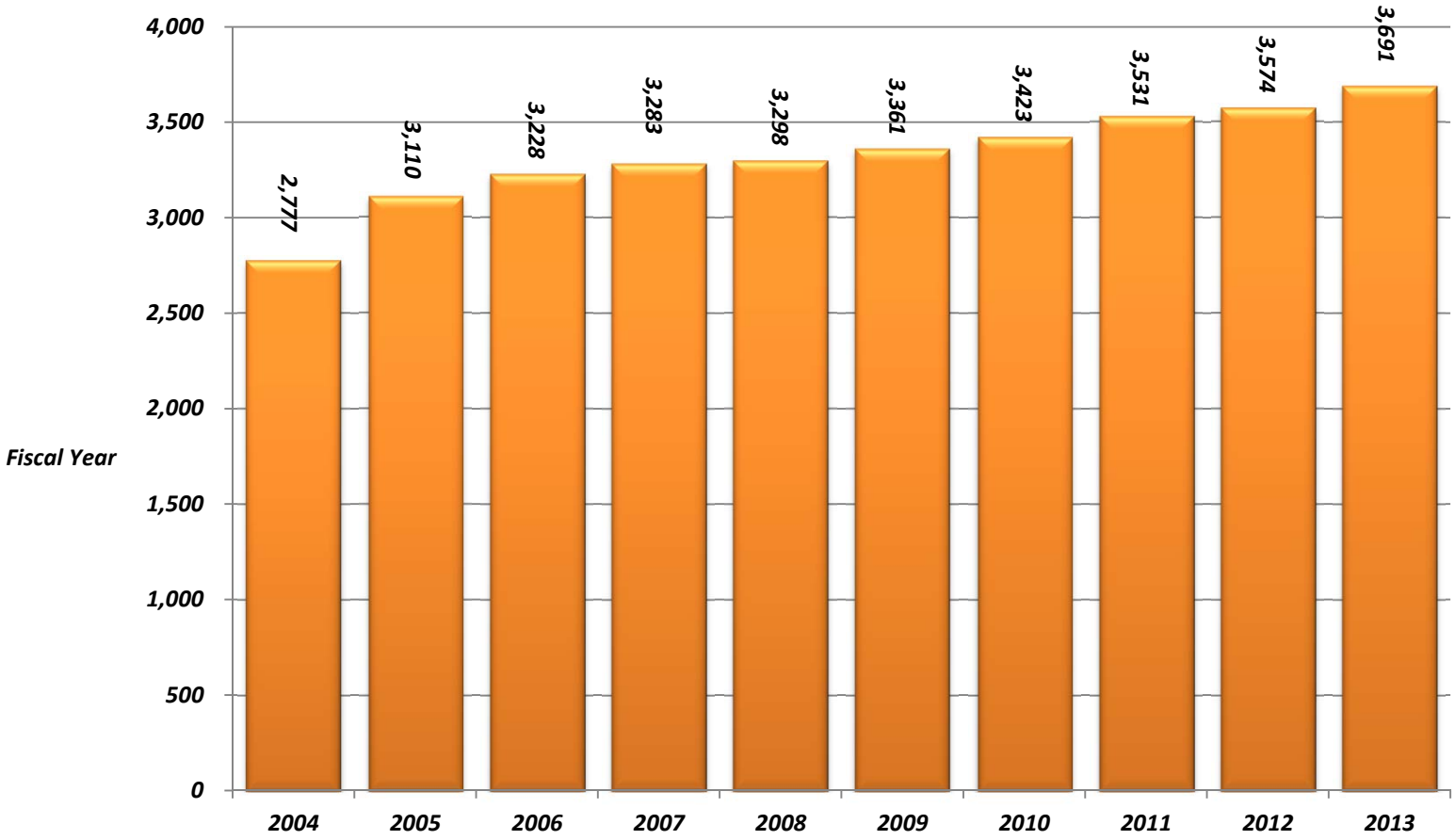
http://app.doe.k12.ga.us/ows-bin/owa/fte_pack_enrollgrade.entry_form

City of Calhoun Board of Education, Georgia

Chart-Enrollment by Grade Level

Last Ten Fiscal Years

(modified accrual basis of accounting)



Compliance Section

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Calhoun Board of Education, Georgia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City of Calhoun Board of Education, Georgia's basic financial statements, and have issued our report thereon dated December 31, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

R. M. Dabbs & Company

Calhoun, Georgia
December 31, 2013

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited 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 City of Calhoun Board of Education, Georgia's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Calhoun Board of Education, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of City of Calhoun Board of Education, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Calhoun Board of Education, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of City of Calhoun Board of Education, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Calhoun Board of Education, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

R. M. Dobbs & Company

Calhoun, Georgia
December 31, 2013

CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

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	$ 469,197
National School Lunch Program	10.555	1,277,452
Total Child Nutrition Cluster		1,746,649
Other Programs		
Pass-Through From Georgia Department of Education		
Food and Nutrition Program		
Food Distribution Program (1)	10.550	40,854
Total U.S. Department of Agriculture		1,787,503
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	559,616
Preschool	84.173	23,044
Total Special Education Cluster		582,660
Other Programs		
Pass-Through From Georgia Department of education		
ARRA - Education Job Fund	84.410	1,330
Elementary and Secondary Education Act		
Title I		
Improving the Academic Achievement of the Disadvantaged	84.010	710,405
Reward School Awards	84.010	3,000
		713,405
Title II		
A- Improving Teacher Quality	84.367	109,479
Advance Placement Grant	84.367	2,119
		111,598
Title III-A		
Limited English Proficient	84.365	36,311
Title VI - Part B		
Rural & Low-Income Schools	84.358	63,975
Education for Homeless Children and Youth	84.196	33,791
CTE-Perkins IV Grants-Program Improvement	84.048	30,447
Total U. S. Department of Education		1,573,517
E-rate Program-USAC-Federal Communications Commission		370,804
Total Federal Financial Assistance		$ 3,731,824

See accompanying notes to schedule of expenditures of federal awards

CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

(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, 2013

None Reported

CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

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

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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, 2013. 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, 2013, 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 31, 2013

CALHOUN CITY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
FOR THE YEAR ENDED JUNE 30, 2013

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	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	$ 12,563,528	$ -	$ 12,563,528 (5)	$ 12,563,528	$ -	Completed
(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	-	1,598,977	1,598,977	-	Completed
	$ 19,813,500	$ 14,162,505	$ -	$ 14,162,505	$ 14,162,505	$ -	
Bond Proceeds used to be repaid from: ESPLOST IV (July 2012 - June 2017) (iii) (a) acquisition, construction, furnishing and 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, c) equipping, renovation, construction, improvements and additions to existing academic and athletic facilities d) acquisition of new and refurbish existing school buses e) equipping, renovation and improvement of existind 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 prevously 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	$ 50,108,666	$ 54,958,666	$ 24,481,943	$ 13,085,560	$ -	$ -	11/30/2014
	$ 50,108,666	$ 54,958,666	$ 24,481,943	$ 13,085,560	$ -	$ -	

(1) The School District's original project cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax, with sales tax proceeds estimated at $19,873,000 to retire bonds issued for the proje All project costs estimated are included and will be paid from bond proceeds, federal ,state and local funds.

(2) The School District's current estimate of total cost for the projects, including all costs 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.

(4) Acutal project cost incurred in current and prior years.

(5) Prior Year Expenditures adjusted to actual