

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, 2014

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, 2014

Prepared by: Finance Department

City of Calhoun Board of Education
Comprehensive Annual Financial Report
For The Year Ended June 30, 2014

TABLE OF CONTENTS

Introductory Section
(*Unaudited*)

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

Financial Section

Independent Auditor's Report…… 1 - 2

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

Basic Financial Statements

Government-wide Financial Statements:

Comparative Statements of Net Position.....13
Statement of Activities 14

Fund Financial Statements:

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

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

Notes to the Basic Financial Statements..... 22 - 36

Supplementary Information

Governmental Funds - Combining and Individual Fund Statements and Schedules:

Major *General* Fund:
Comparative Balance Sheets 37
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances.....38

Major Special Revenue Fund:
School Food Service Fund
Comparative Balance Sheets 39

Nonmajor Special Revenue Funds:
Combining Balance Sheet 40
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....41
Community Education Fund
Comparative Balance Sheets 42
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 43
Vocational Education Fund
Comparative Balance Sheets 44
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 45
ESEA Title I Fund
Comparative Balance Sheets 46
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 47
ESEA Title II Fund
Comparative Balance Sheets 48
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 49
ESEA Title III Fund
Comparative Balance Sheets 50
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 51
ESEA Title VI Fund
Comparative Balance Sheets.....52
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 53
IDEA and Preschool Program Fund
Comparative Balance Sheets 54
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 55
Education of Homeless Children and Youth Fund
Comparative Balance Sheets 56
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 57

Lottery Pre-Kindergarten Fund
Comparative Balance Sheets ……58
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual ……59
Local School Activity Accounts Fund
Comparative Balance Sheets ……60
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual ……61
Elementary School Counselor
Comparative Balance Sheets ……62
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual ……63

Major Debt Service Fund
Comparative Balance Sheets 64
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances...65

Nonmajor SPLOST Capital Projects Fund
Comparative Balance Sheets 66
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances 67

Fiduciary Funds
Agency Funds
Combining Statement of Changes in Assets and Liabilities 68

Statistical Section
(Unaudited)

Introduction to the Statistical Section 69

Financial Trend Information
Government-Wide Net Position by Component 70
Chart – Total Government-Wide Net Position 71
Changes in Net Position – Governmental Activities.....72
Chart - Governmental Fund Revenues and Expenses 73
Changes in Net Position – Governmental Activities – Percentage of Total.....74
Chart – Changes in Total Net Position – Governmental Activities 75
Fund Balances - Governmental Funds 76-77
Chart – Total Fund Balances - Governmental Funds 78
General Governmental Revenues by Source..... 79
Chart - Total General Governmental Revenues 80
General Governmental Expenditures by Function 81
Chart – Total General Governmental Expenditures…… 82
General Governmental Current Expenditures by Function…….…….83
Summary of Changes in Fund Balances – Governmental Funds…… 84
Chart –Governmental Fund Revenues and Expenditures 85
Chart – Total Changes in Fund Balances – Governmental Funds 86

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

Direct and Overlapping Property Tax Rates 89
Chart - Direct and Overlapping Property Tax Rates 90
Property Tax Levies and Collections 91
Chart - Property Tax Levies and Collections 92
Principal Property Taxpayers 93
Overlapping Sales and Use Tax Rates 94
Taxable Sales by Category 95

Debt Burden Information
Ratios of Total Debt Outstanding - By Type 96
Overlapping Governmental Activities Debt 97

Demographic and Economic Information
Demographic and Economic Statistics 98
Principal Employers 99

Operating Information
Full Time Equivalent (FTE) Positions – by Function 100
Teachers' Salaries 101
School Building Information 102
Operating Statistics 103
Enrollment by Grade Level 104
Chart - Enrollment by Grade Level 105

Internal Control and Compliance Section

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* 106-107
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 108-109
Schedule of Expenditures of Federal Awards 110
Notes to Schedule of Expenditures of Federal Awards 111
Summary Schedule of Prior Audit Findings 112
Schedule of Findings and Questioned Costs 113
Special Purpose Local Option Sales and Use Tax
Independent Auditor's Report 114
Schedule of Approved Local Option Sales Tax Projects 115
Notes to Schedule of Approved Local Option Sales Tax Projects 116

Introductory Section

December 29, 2014

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, 2014, 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. 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.

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, 2014. 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 112 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

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

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 2014 enrollment was 3,660 in grades K – 12 plus 202 enrolled in the Pre-kindergarten program, a total of 3,862 students. Approximately 33% percent of our students are Hispanic, 6% 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. The Calhoun College and Career Academy, a school within Calhoun High School, offers the courses and programs needed to achieve a well-rounded education while attaining the skills necessary to be successful beyond high school. Career clusters/pathways available to students include Culinary Arts, Audio & Video Technology and Film Graphic Design and Production, Nursing and Allied Health, Teaching as a Profession, Architecture and Construction, Web and Digital Communication Programming, Law Enforcement Services, and Agriculture Science.

In FY 2013 our school family included 216 classroom teachers, 135 support personnel and 12 administrators working in our schools (Pre-K-12). Five administrators, 14 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 3,095 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 twelve buses used to replace out of service buses and to support extracurricular activities.

Each day our cafeteria workers prepare and serve approximately 4,390 meals to our students, faculty, and support staff. The percentage of students receiving free and/or reduced meals increased this year with 61% of our students qualifying.

Our technology department supports an inventory of more than 4,000 laptops, desktops, iPads, wireless access points, interactive white boards, projectors, and document cameras. In addition, they support a wide-area network powered by Cisco and VMware View that provides added capabilities within our schools via the Internet. This infrastructure insures that our students, faculty, and support staff have access to their lessons, lesson plans, application software, and data from computers, smart phones and tablets.

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

The City of Calhoun offers a safe, friendly, small town atmosphere, conveniently located on I-75 one hour north of Atlanta and 45 minutes south of Chattanooga. This enviable location has attracted and continues to attract commercial and industrial enterprises such as major carpet and floor covering manufacturers, food processors, heavy machinery assembly companies, and distribution firms. Additionally, the City and the surrounding area possess a vast array of quality-of-life resources including civil war historic sites, state parks, quality health care, excellent public and higher educational opportunities, a cultural arts center, and a regional outlet center.

The City incorporated in January 1852 occupies a land area of approximately 12 square miles and serves a residential population of 15,900. 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. Throughout 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., FieldTurf USA, and Calhoun Outlets which represent food processing, synthetic turf production, and retail outlets help to diversify the industrial 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 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 (Series 2011 QSCB). In August 2012, the City issued, on behalf of Calhoun City Schools, $12 million of local general obligation bonds (Series 2012) 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. Monthly ESPLOST receipts used will be deposited into the Debt Service Account (U.S. Bank) until sufficient moneys have accumulated therein to satisfy the interest payment requirements on the Series 2011 QSCB and Series 2012 Bonds and the required payment to the Series 2011 QSCB Invested Sinking Fund for the current bond year. The Invested Sinking Fund for the Series 2011 QSCB will be used to pay the principal due on the Series 2011 QSCBs on September 1st of 2022 through 2025. Monthly ESPLOST receipts will be used to pay the principal due on the Series 2012 Bonds on September 1st of 2026 through 2032.

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 340,000 square feet of new space, has been constructed in phases beginning with the new high school in Phase I which was completed in June 2013. Phase II which included the demolition of the existing middle school and construction of the new middle school was completed in June 2014. Phase III which includes the removal of the existing high school buildings and the construction of the aquatic center and a new multipurpose field and track began in June 2014. The Aquatic Center was completed in December 2014. The multipurpose field and track are scheduled to be completed spring 2015.

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, 2013. This was the sixth 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, 2014)

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

Rhoda Washington, Vice Chair
In office since September 2009
Current term expires January 2018

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

David Scoggins
In office since September 2012
Current term expires January 2018

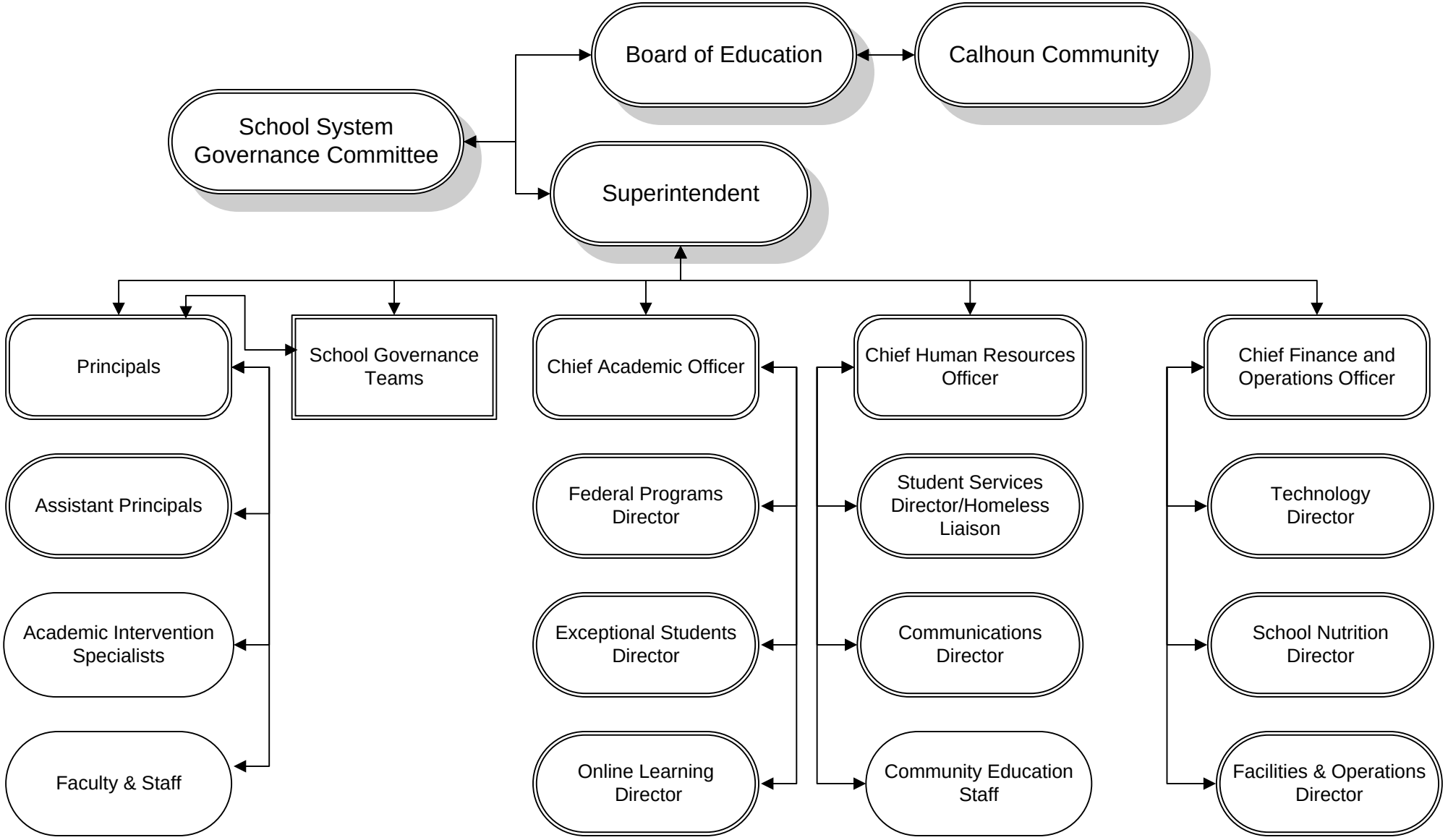
Alvin Long
In office since January 2014
Current term expires January 2018

City of Calhoun
Board of Education, Georgia

Appointed Principal Officials

Name	**Position**
Dr. Michele Taylor	Superintendent
Donald Hood	Chief Finance and Operations Officer
Michelle Griffith	Chief Human Resources Officer, Community Education Director
Brittney Wilson	Chief Academic Officer
Kelly Bumgardner	Facilities & Operations Director
Kimberly Kiker	School Nutrition Director
Bob Orfield	Special Education Director
Jody Maffetone	Technology Director
Beth Holcomb	Principal, Calhoun Primary School
Mark Feuerbach	Principal, Calhoun Elementary School
Michelle Knight	Principal, Calhoun Middle School
Greg Green	Principal, Calhoun High School

Calhoun City School - Organizational Chart
FY14



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, 2013

Executive Director/CEO

Financial Section

R.M. DOBBS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 423
CALHOUN, GEORGIA 30703-0423
706-629-4511

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

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

INDEPENDENT AUDITOR'S REPORT

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

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, for the year ended June 30, 2014, 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, 2014, 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, Georgia'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 29, 2014, 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 29, 2014

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, 2014. 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 $21,847,069 (net position) for the fiscal year reported.

- Total net position is comprised of the following:

  (1) The net investment in capital assets of $4,999,767 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 $506,984 by constraints imposed from outside the Board such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $16,340,318 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 $14,006,056 this year. This compares to the prior year ending fund balance of $11,791,348 showing an increase of $2,214,708 during the current year. The governmental unassigned fund balance of $7,278,017 for fiscal year 2014 shows a $2,479,104 increase from the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $7,278,017 or 27.4% 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 property and sales taxes. 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. 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 37.

Financial Analysis of the Board as a Whole

The Board's net position at fiscal year-end is $21,847,069. The following table provides a summary of the Board's net position:

Summary of Net Position

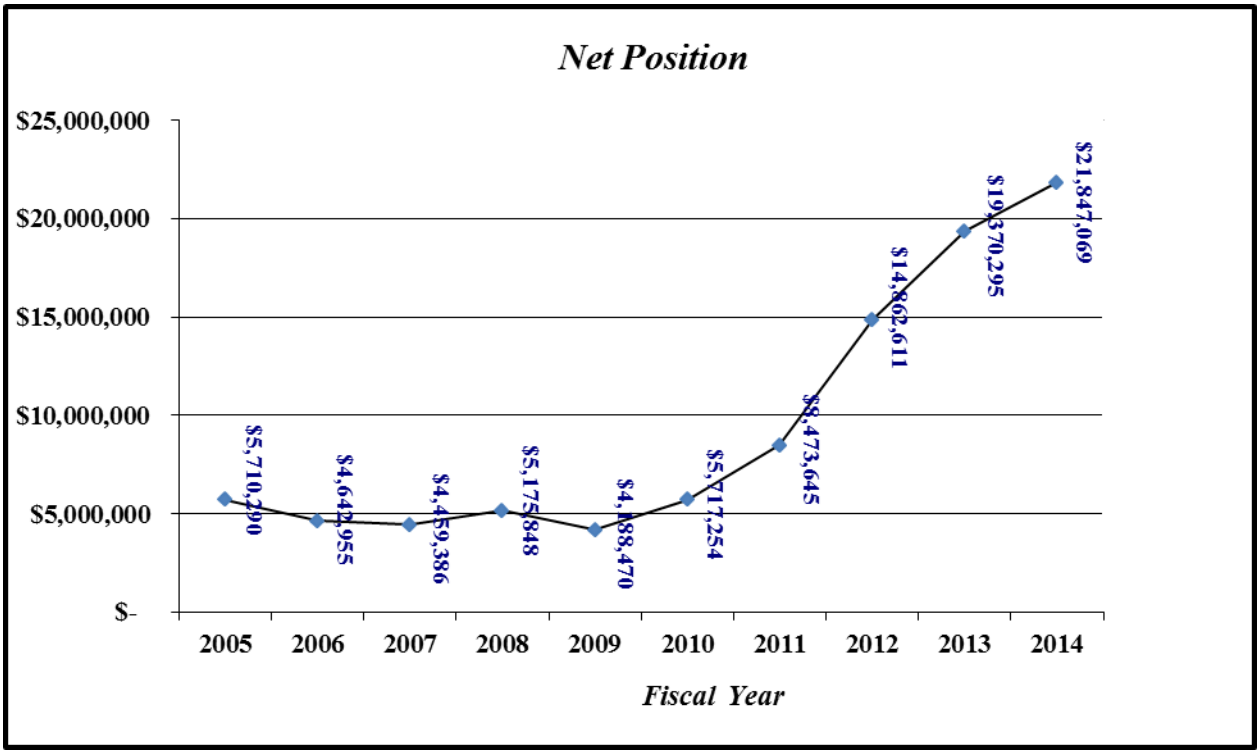
	2014		2013	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Assets:				
Current assets	$ 21,375,283	73%	$ 18,704,197	71%
Capital assets	7,999,732	27%	7,733,696	29%
Total assets	29,375,015	100%	26,437,893	100%
Liabilities:				
Current liabilities	7,379,904	98%	6,915,141	98%
Long-term liabilities	148,042	2%	152,457	2%
Total liabilities	7,527,946	100%	7,067,598	100%
Net position:				
Net investment in capital assets	4,999,767	23%	4,508,310	23%
Restricted	506,984	2%	366,546	2%
Unrestricted	16,340,318	75%	14,495,439	75%
Total net position	$ 21,847,069	100%	$ 19,370,295	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 2.9 to 1 at June 30, 2014 versus 2.7 to 1 at June 30, 2013.

The Board reported a positive balance in net position for its governmental activities. Net position increased $2,476,774 or 12.8% for governmental activities in fiscal year 2014.

Note that only 22.9% 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 total net position balances from fiscal year 2005 - 2014.



Note that the net position increased approximately $2.5 million or 12.8% in this fiscal year as compared to a $5.7 million or 30.3% increase in fiscal year 2013.

(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

	2014		2013	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenues:				
Program:				
Charges for services	$ 1,733,075	3.4%	$ 1,832,971	3.0%
Operating grants	20,138,230	39.6%	19,864,126	32.5%
Capital grants and contributions	12,832,422	25.2%	23,999,386	39.3%
General:				
Taxes	16,220,242	31.8%	15,364,686	25.2%
Other	13,622	0.0%	25,693	0.0%
Total revenues	50,937,591	100.0%	61,086,862	100.0%
Program Expenses:				
Instruction	33,064,384	68.2%	42,648,475	75.5%
Pupil	1,432,797	3.0%	1,369,580	2.4%
Improvement of instructional services	1,346,719	2.8%	1,127,581	2.0%
Media	582,165	1.2%	474,711	0.8%
General administration	389,657	0.8%	349,440	0.6%
Federal grant administration	56,307	0.1%	109,429	0.2%
School administration	1,551,383	3.2%	1,376,588	2.4%
Business administration	669,700	1.4%	591,695	1.0%
Operations and maintenance	2,761,006	5.7%	1,987,016	3.5%
Student transportation	770,485	1.6%	800,872	1.4%
Central support	76,139	0.2%	61,525	0.1%
School nutrition program	2,440,058	5.0%	2,271,292	4.0%
Other supporting services	126,522	0.3%	92,243	0.3%
Community services	378,396	0.8%	385,205	0.7%
Enterprise operations	-	0.0%	32,285	0.0%
Debt service	2,815,099	5.7%	2,901,241	5.1%
Total expenses	48,460,817	100.0%	56,579,178	100.0%
Excess	2,476,774		4,507,684	
Beginning net position	19,370,295		14,862,611	
Ending net position	$ 21,847,069		$ 19,370,295	

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 39.5% of total revenue as compared to 32.5% in fiscal year 2013. In addition, the Board also is reliant on property taxes to support governmental operations and capital purposes. Property taxes provided 26.3% of the Board's total governmental revenues as compared to 20.4% in fiscal year 2013.

Property taxes increased $941,968 or 10%. Approximately 75% of this was due to the City's aggressive collection of back taxes. The remainder was due to an increase in Title Ad Valorem tax (TAVT) collections.

In addition, the Board earned $13,622 in unrestricted interest to support governmental activities. Also, note that program revenues (excluding capital program revenue) cover approximately 45.1% of governmental operating expenses. The majority of this revenue is used for direct instruction. This means that the government's taxpayers fund 54.9% 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, 2013 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 $2.8 million in special purpose local option sales taxes (SPLOST) during the current fiscal year. This amount is about the same as the $2.9 million in fiscal year 2013 from SPLOST.

(This page continued on the subsequent page)

GOVERNMENTAL FUNCTIONAL EXPENSES

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

Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
Instruction	$ 33,064,384	$ 42,648,475	$ 7,670,675	$ 5,573,701
Pupil	1,432,797	1,369,580	368,328	232,015
Improvement of instructional services	1,346,719	1,127,581	475,684	108,422
Media	582,165	474,711	238,849	180,013
General administration	389,657	349,440	160,878	42,444
Federal grant administration	56,307	109,429	(1,207)	109,429
School administration	1,551,383	1,376,588	512,130	492,463
Business administration	669,700	591,695	278,430	2,027,574
Operations and maintenance	2,761,006	1,987,016	1,363,581	719,984
Student transportation	770,485	800,872	284,168	381,846
Central support	76,139	61,525	32,276	19,392
Child nutrition program	2,440,058	2,271,292	5,998	(125,573)
Other supporting services	126,522	92,243	16,142	18,104
Community services	378,396	385,205	(463,941)	(10,645)
Enterprise operations	-	32,285	-	32,285
Debt service	2,815,099	2,901,241	2,815,099	2,901,241
Total	$ 48,460,817	$ 56,579,178	$ 13,757,090	$ 12,702,695

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 2014 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.

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 $14,006,056. Of this year-end total, $7,278,017 is unassigned indicating availability for continuing Board service requirements. $715,410 is assigned for specific purposes and $5,450,561 is committed to specific purposes.

The total ending fund balances of governmental funds show an increase of $2,214,708 or 18.8% 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 $2,096,741 or 20.1%. This change compares to the general fund's fund balance which increased by $2,479,208 or 31.1% in fiscal year 2013. .

Total general fund revenues increased $1,071,613 or 3.8%. General fund local revenues increased $1,303,828 or 10.3%. The major increase was due to property tax and TAVT collections. Additionally, the School Board implemented tuition for all out of district students attending in fiscal year 2015, which resulted in approximately $80,000 in tuition payments. Finally, the largest impact on local revenues was a $375,000 donation received to help fund the new aquatic center.

Total state aid decreased just $27,891 or 2/10th of 1%. Federal aid decreased $204,324 or 50.9% primarily due to reduced E-Rate payments.

Instruction expenditures were about the same as fiscal year 2013. There were no salary increases other than step increases and increases due to advanced degrees on the State Salary schedule. In fiscal year 2013, the School Board purchased approximately $1 million of equipment and technology, most for the new high school, which opened in fiscal 2014. In fiscal year 2014, the System purchased approximately $630,000 of equipment and technology for use in the new middle school that opened in fiscal year 2015. Additionally in fiscal year 2014, the School Board added teaching positions due to added programs of instruction and growth across the school system.

Improvement of instructional services increased $149,838 or 16.6% due to the conversion of classified positions to certified positions to comply with State guidelines.

Media costs increased $119,035 or 28% over fiscal year 2013 due primarily to the purchase of E-books and additional software in fiscal year 2014. Operations and maintenance expenditures increased $366,922 or 18.8% because due to higher water/sewer, gas and electric costs primarily associated with the opening of the new, larger high school and the payment of utilities at the new middle school while under construction.

In fiscal year 2014, revenues exceeded expenditures and transfers out by $2,096,741. Also in fiscal year 2013, revenues exceeded expenditures and transfers out by $2,479,208. The General Fund's ending unassigned fund balance is considered adequate, representing the equivalent of 27.4% of annual expenditures. The unassigned fund balance was 18.7% in the prior year.

School Food Service Fund - In fiscal year 2014, revenues exceeded expenditures by $161,889 compared to $152,530 in fiscal year 2013. Revenues increased just $139 over fiscal year 2013. Expenditures decreased $9,220 over the prior year. The School Nutrition Program completed consolidation of kitchens and cafeterias at the beginning of fiscal year 2014.

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 decreased by $86,142 in the current fiscal year. Revenues and expenditures equaled for the last six years.

SPLOST Capital Project Fund – This fund is being financed by the State of Georgia and proceeds for the City's sale of bonds. Local revenues included transfers from the City of Calhoun from the proceeds of the Series 2012 bond funds for construction payments.

During this year, a capital grant from the State of Georgia was recognized for $4.5 million and the transfer from the general fund of $444.274 to help finance capital outlay. The fiscal year 2014 expenditures exceeded $12.9 million for construction of the new middle school. Fund balance at June 30, 2014 was zero.

General Fund Budgetary Highlights

The revenue budget was amended upward by just $7,460. Local revenues exceeded the final budget due to the same reasons the actual 2014 exceeded the prior year.

The expenditure side of the original budget for the general fund was revised upward just $118,467 or less than ½ of 1%. At year-end, the final budget was adjusted to the actual expenditures, except for the instruction function, which reported $23,840 below the final budget.

Capital Assets and Debt Administration

Capital Assets

The Board's investment in capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2014, was $7,999,732. 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.

	2014	2013
Depreciable assets:		
Land improvements	$ 2,691,059	$ 2,691,059
Equipment	5,006,562	4,089,558
Food service equipment	961,127	1,180,804
Computer equipment	204,691	216,419
School buses	1,797,230	1,690,291
Other vehicles	76,992	76,992
Total depreciable assets	10,737,661	9,945,123
Less accumulated depreciation	2,737,929	2,211,427
Book value - depreciable assets	$ 7,999,732	$ 7,733,696
Percentage depreciated	25%	22%
Total capital assets	$ 7,999,732	$ 7,733,696

At June 30, 2014, the depreciable capital assets for governmental activities were 25% depreciated. This compares to 22% on June 30, 2013.

The major additions to equipment include:

- Blue Bird School bus - $106,939
- HVAC equipment at new middle-high school - $917,004

Long-term Debt

The Board’s compensated absence liability increased just $3,970 or 2.6%. Note 3-F provides additional information

Economic Conditions Affecting the Board

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

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

Since the Board receives the majority of its revenues from the State of Georgia, the State's continuing slow economic recovery and the withholding of funds earned by the System, austerity reductions, negatively influences 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 2014. 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.

The School Board and City Council approved a millage increase of 0.172 mills to help offset the impact of the expenditure challenges.

Contacting the Board's Financial Management

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

City of Calhoun Board of Education, Georgia
Comparative Statements of Net Position
June 30, 2014 and 2013

	Governmental Activities	
	2014	**2013**
Assets		
Current Assets		
Cash and cash equivalents	$ 15,869,734	$ 12,135,207
Receivables:		
Intergovernmental	4,652,423	4,471,308
Primary government	798,042	2,060,588
Inventory	55,084	37,094
Total Current Assets	21,375,283	18,704,197
Capital Assets		
Depreciable, net	7,999,732	7,733,696
Total Assets	29,375,015	26,437,893
Liabilities		
Current Liabilities		
Accounts payable	478,863	144,109
Construction contracts payable	808,692	1,034,114
Retainge payable	2,191,273	2,191,272
Accrued salaries and wages payable	3,402,502	3,282,030
Compensated absences payable	10,677	2,292
Due to primary government	487,897	261,324
Total Current Liabilities	7,379,904	6,915,141
Long-Term Liabilities (net of current portion):		
Compensated absences payable	148,042	152,457
Total Liabilities	7,527,946	7,067,598
Net Position		
Net investment in capital assets	4,999,767	4,508,310
Restricted for school nutrition program	506,984	363,085
Restricted for capital outlay	-	3,461
Unrestricted	16,340,318	14,495,439
Total Net Position	$ 21,847,069	$ 19,370,295

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
Statement of Activities
For the Year Ended June 30, 2014

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	$ 33,064,384	$ 63,198	$ 12,873,089	$ 12,457,422	$ (7,670,675)
Pupil	1,432,797	412,598	651,871	-	(368,328)
Improvement of instructional services	1,346,719	3,303	867,732	-	(475,684)
Media	582,165	39,912	303,404	-	(238,849)
General administration	389,657	4,547	224,232	-	(160,878)
Federal grant administration	56,307	1,207	56,307	-	1,207
School administration	1,551,383	101,075	938,178	-	(512,130)
Business administration	669,700	7,280	383,990	-	(278,430)
Operations and maintenance	2,761,006	44,079	1,353,346	-	(1,363,581)
Student transportation	770,485	229	486,088	-	(284,168)
Central support	76,139	125	43,738	-	(32,276)
School nutrition program	2,440,058	560,952	1,873,108	-	(5,998)
Other supporting services	126,522	27,233	83,147	-	(16,142)
Community services	378,396	467,337	-	375,000	463,941
Debt service	2,815,099	-	-	-	(2,815,099)
Total Governmental Activities	$ 48,460,817	1,733,075	20,138,230	12,832,422	(13,757,090)
		General Revenues			
		Property taxes levied for:			
		General government purposes			13,405,143
		Sales taxes			2,815,099
		Investment earnings			13,622
		Total General Revenues			16,233,864
		Change in Net Position			2,476,774
		Net Position Beginning of Year			19,370,295
		Net Position End of Year			$ 21,847,069

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
Balance Sheet
Governmental Funds
June 30, 2014
(With Comparative Totals at June 30, 2013)

	2014						2013
	General	School Food Service	Debt Service	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 13,080,016	$ 507,207	$ 241,146	$ 963,922	$ 1,077,443	$ 15,869,734	$ 12,135,207
Receivables:							
Intergovernmental	2,100,952	125,416	242,171	1,570,383	613,501	4,652,423	4,471,308
Due from primary government	165,383	-	-	632,659	-	798,042	2,060,588
Interfund	446,426	-	-	-	-	446,426	171,080
Inventory	-	55,084	-	-	-	55,084	37,094
Total Assets	$ 15,792,777	$ 687,707	$ 483,317	$ 3,166,964	$ 1,690,944	$ 21,821,709	$ 18,875,277
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ 301,133	$ -	$ -	$ 166,999	$ 10,731	$ 478,863	$ 144,109
Contracts payable	-	-	-	808,692	-	808,692	1,034,114
Retainage payable	-	-	-	2,191,273	-	2,191,273	2,191,272
Accrued salaries and wages payable	2,951,606	125,639	-	-	325,257	3,402,502	3,282,030
Due to primary government	4,580	-	483,317	-	-	487,897	261,324
Interfund payable	-	-	-	-	446,426	446,426	171,080
Total Liabilities	3,257,319	125,639	483,317	3,166,964	782,414	7,815,653	7,083,929
Fund Balances							
Nonspendable	-	55,084	-	-	-	55,084	37,094
Restricted	-	506,984	-	-	-	506,984	366,546
Committed	4,542,031	-	-	-	908,530	5,450,561	5,930,012
Assigned	715,410	-	-	-	-	715,410	658,783
Unassigned	7,278,017	-	-	-	-	7,278,017	4,798,913
Total Fund Balances	12,535,458	562,068	-	-	908,530	14,006,056	11,791,348
Total Liabilities and Fund Balances	$ 15,792,777	$ 687,707	$ 483,317	$ 3,166,964	$ 1,690,944	$ 21,821,709	$ 18,875,277

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Government-wide Statement of Net Assets
June 30, 2014

Total Governmental Fund Balances			$ 14,006,056
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	$	10,737,661	
Less accumulated depreciation		(2,737,929)	7,999,732
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	$	(439,306)	
Interfund payables		439,306	-
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			(158,719)
Net Position Of Governmental Activities			$ 21,847,069

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, 2014
(With Comparative Totals For The Year Ended June 30, 2013)

	2014						2013
	General	School Food Service	Debt Service	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Revenues							
Local	$ 13,916,096	$ 560,952	$ 2,815,099	$ 7,495,366	$ 1,089,088	$ 25,876,601	$ 34,159,036
Intergovernmental - state	15,126,014	59,023	-	4,532,692	936,422	20,654,151	22,490,673
Intergovernmental - federal	197,003	1,777,029	-	429,675	2,003,132	4,406,839	4,437,153
Total Revenues	29,239,113	2,397,004	2,815,099	12,457,733	4,028,642	50,937,591	61,086,862
Expenditures							
Current:							
Instruction	18,478,290	-	-	-	2,592,007	21,070,297	20,638,402
Supporting services:							
Pupil	782,603	-	-	-	648,494	1,431,097	1,369,695
Improvement of instructional services	1,050,100	-	-	-	189,323	1,239,423	1,109,099
Media	543,904	-	-	-	38,261	582,165	474,711
Federal grant administration	-	-	-	-	56,307	56,307	109,429
General administration	383,686	-	-	-	6,067	389,753	346,805
School administration	1,445,282	-	-	-	100,071	1,545,353	1,376,411
Business administration	667,838	-	-	-	-	667,838	590,154
Operations and maintenance	2,313,726	-	-	-	68,135	2,381,861	1,981,370
Student transportation	743,822	-	-	-	44,144	787,966	708,179
Central support	72,820	-	-	-	-	72,820	59,656
School nutrition program	37,057	2,235,115	-	-	-	2,272,172	2,244,335
Other supporting services	85,836	-	-	-	40,686	126,522	92,243
Community services	-	-	-	-	378,742	378,742	382,832
Enterprise operations	-	-	-	-	-	-	32,285
Intergovernmental	-	-	2,815,099	-	-	2,815,099	2,901,241
Capital Outlay	-	-	-	12,905,468	-	12,905,468	25,101,288
Total Expenditures	26,604,964	2,235,115	2,815,099	12,905,468	4,162,237	48,722,883	59,518,135
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,634,149	161,889	-	(447,735)	(133,595)	2,214,708	1,568,727
Other Financing Sources (Uses)							
Transfers in	-	-	-	444,274	93,134	537,408	495,494
Transfers out	(537,408)	-	-	-	-	(537,408)	(495,494)
Total Other Financing Sources (Uses)	(537,408)	-	-	444,274	93,134	-	-
Net Change in Fund Balances	2,096,741	161,889	-	(3,461)	(40,461)	2,214,708	1,568,727
Fund Balances Beginning of Year	10,438,717	400,179	-	3,461	948,991	11,791,348	10,222,621
Fund Balances End of Year	$ 12,535,458	$ 562,068	$ -	$ -	$ 908,530	$ 14,006,056	$ 11,791,348

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, 2014

Net Changes In Fund Balances - Total Governmental Funds			$ 2,214,708
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	$ (757,907)	
	Capital outlay	1,023,943	266,036
Loss on disposition of capital assets			-
Interfund transfers are reported in the governmental fund operating statement, but are eliminated in the government-wide statement of activities.			
	Transfers in	$ (537,408)	
	Transfers out	537,408	-
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 @ 06/30/14	$ (158,719)	
	Liability @ 06/30/13	154,749	(3,970)
Change In Net Position of Governmental Activities			$ 2,476,774

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ 11,878,060	$ 11,878,060	$ 13,916,096	$ 2,038,036	$ 12,612,268
Intergovernmental - state	14,205,969	14,213,429	15,126,014	912,585	15,153,905
Intergovernmental - federal	-	-	197,003	197,003	401,327
Total Revenues	26,084,029	26,091,489	29,239,113	3,147,624	28,167,500
Expenditures					
Current:					
Instruction	18,776,017	18,502,130	18,478,290	23,840	18,521,764
Supporting services:					
Pupil	746,598	782,603	782,603	-	744,314
Improvement of instructional services	980,104	1,050,100	1,050,100	-	900,262
Media	414,298	543,904	543,904	-	424,869
General administration	368,492	383,686	383,686	-	346,805
School administration	1,412,209	1,445,282	1,445,282	-	1,322,163
Business administration	743,438	667,838	667,838	-	590,154
Operations and maintenance	2,329,007	2,313,726	2,313,726	-	1,946,804
Student transportation	626,209	743,822	743,822	-	677,248
Central support	64,553	72,820	72,820	-	59,656
Other supporting services	49,412	85,836	85,836	-	63,759
School Nutrition Program	-	37,057	37,057	-	-
Total Expenditures	26,510,337	26,628,804	26,604,964	23,840	25,597,798
Excess (Deficiency) of Revenues Over (Under) Expenditures	(426,308)	(537,315)	2,634,149	3,171,464	2,569,702
Other Financing (Uses)					
Transfers out	(155,000)	(540,000)	(537,408)	2,592	(90,494)
Net Change in Fund Balances	$ (581,308)	$ (1,077,315)	2,096,741	$ 3,174,056	2,479,208
Fund Balances Beginning of Year			10,438,717		7,959,509
Fund Balances End of Year			$ 12,535,458		$ 10,438,717

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ 541,000	$ 561,192	$ 560,952	$ (240)	$ 550,470
Intergovernmental - state	48,000	59,023	59,023	-	58,892
Intergovernmental - federal	1,518,291	1,740,320	1,777,029	36,709	1,787,503
Total Revenues	2,107,291	2,360,535	2,397,004	36,469	2,396,865
Expenditures					
Current:					
Supporting services:					
School nutrition program	2,182,327	2,385,241	2,235,115	150,126	2,244,335
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,036)	(24,706)	161,889	186,595	152,530
Transfers Out	-	-	-	-	(405,000)
Net Change in Fund Balance	$ (75,036)	$ (24,706)	161,889	$ 186,595	(252,470)
Fund Balances Beginning of Year			400,179		652,649
Fund Balances End of Year			$ 562,068		$ 400,179

See accompanying notes to the basic financial statements

City of Calhoun Board of Education
Comparative Statements of Assets and Liabilities
Agency Funds
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 615,825	$ 313,793
Liabilities		
Due to others	$ 615,825	$ 313,793

See accompanying notes to the basic financial statements

City of Calhoun Board of Education, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

Index

Summary of Significant Accounting Policies 1
- Reporting Entity 1-A
- Basis of Presentation 1-B
- Measurement Focus 1-C
- Basis of Accounting 1-D
- Assets, Liabilities and Fund Equity 1-E
  - Cash, Cash Equivalents and Investments 1-E-1
  - Receivables 1-E-2
  - Interfund Balances 1-E-3
  - Consumable Inventories 1-E-4
  - Capital Assets 1-E-5
  - Compensated Absences 1-E-6
  - Accrued Liabilities and Long-term Obligations 1-E-7
  - Fund Equity 1-E-8
  - Interfund Activity 1-E-9
  - Estimates 1-E-10
  - Comparative Data 1-E-11
  - Implementation of New GASB Standards 1-E-12

Stewardship, Compliance and Accountability 2
- Budgetary Information 2-A
- Excess of Expenditures over Appropriations 2-B

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

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

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 revenue sources include the sale of meals and federal meal reimbursement.
> >
> > ***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, which are primary student activity.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

1-D. Basis of Accounting

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

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

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

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

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

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, cash advances are reported as unearned revenues.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

All land 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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund balances are classified as follows:

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

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

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

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

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

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

- Committed
- Assigned
- Unassigned

Net 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.

1-E-9 Interfund Activity

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

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

1-E-10 Estimates

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-11 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements 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 2014, the School System implemented the following GASB Standards:

Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*. The adoption of this statement does not have any impact on the School System's financial statements.

Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* The adoption of this statement does not have any impact on the School System's financial statements.

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 2014 annual budget:

Education of Homeless and Children Fund	$143

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,

Note 3 - Detailed Notes on All Funds (Continued)

- 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,
- 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, 2014, 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, 2014 are as follows:

Credit Risk	Value	Interest Risk
AAAf rated	$ 551,712	62 day WAM

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

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

Cash & Investment Reconciliation:

	Cash and Cash Equivalents
Fund Reporting Level:	
Governmental Funds - Balance Sheet	$ 15,869,734
Statement of Fiduciary Assets and Liabilities	615,825
Total	$ 16,485,559

Note 3 - Detailed Notes on All Funds (Continued)

	Per Categorization
Deposits	$ 15,933,847
LGIP	551,712
Total	$ 16,485,559

3-B. Receivables

Receivables at June 30, 2014, 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 17, 2013. Property taxes were billed on September 29, 2013 and were payable on December 20, 2013. The lien date was July 25, 2014. 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, 2014, was as follows:

	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014
Governmental activities:				
Depreciable capital assets:				
Land improvements	$ 2,691,059	$ -	$ -	$ 2,691,059
Equipment	4,089,558	917,004	-	5,006,562
Food service equipment	1,180,804	-	219,677	961,127
Computer equipment	216,419	-	11,728	204,691
School buses	1,690,291	106,939	-	1,797,230
Other vehicles	76,992	-	-	76,992
Total depreciable capital assets	9,945,123	1,023,943	231,405	10,737,661
Accumulated depreciation:				
Equipment	189,226	385,490	-	574,716
Food service equipment	421,519	166,785	219,677	368,627
Computer equipment	138,511	115,227	11,728	242,010
School buses	1,376,756	90,405	-	1,467,161
Other vehicles	85,415	-	-	85,415
Total accumulated depreciation	2,211,427	757,907	231,405	2,737,929
Governmental activities capital assets, net	$ 7,733,696	$ 266,036	$ -	$ 7,999,732

Governmental activities depreciation expense	
Instruction	$ 11,618
Improvement of instructional services	109,975
School administration	715
Business administration	551
Transportation	90,405
School nutrition	166,785
Community services	377,858
Total governmental activities depreciation expense	$ 757,907

3-E. - Interfund Balances and Transfers

Interfund Balances - At June 30, 2014, the nonmajor governmental funds owed the general fund $446,426 to cover the cash deficits in the cash pool. Normally, these amounts are repaid in the current year.

Interfund Transfers - Interfund transfers for the year ended June 30, 2014, consisted of a transfer of $93,134 from the general fund to the lottery pre-kindergarten fund to cover the difference between revenues and expenditures and from the general fund ($444,274) (i.e., those committed for capital outlay) to SPLOST capital projects fund to assist in the funding of capital projects.

Note 3 - Detailed Notes on All Funds (Continued)

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, 2014:

Governmental Activities	Outstanding 7/1/2013	Additions	Reductions	Outstanding 6/30/2014	Amounts Due in One Year	Long-term Portion
Compensated absences	$ 154,749	$ 49,311	$ 45,341	$ 158,719	$ 10,677	$ 148,042

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 12.28% for fiscal year 2014 and 11.41% for fiscal year 2013 and 10.28% for fiscal year 2012.

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

Fiscal Year	Percentage Contributed	Required Contribution
2014	100%	$ 2,050,114
2013	100%	$ 1,822,568
2012	100%	$ 1,596,517

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	$ 55,084

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

Major Governmental Funds:	
School Food Service Fund:	
School nutrition program	$ 506,984

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

General Fund:	
Capital outlay	$ 4,405,727
Dental and Flex Plan	136,304
Total General Fund:	$ 4,542,031
Nonmajor Special Revenue Funds:	
Community education	$ 672,742
Local School Activity Accounts	235,788
Total Nonmajor Special Revenue Funds	$ 908,530

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

General Fund:	
Project budget shortfall	$ 244,521
Capital projects	428,673
Pupil services	42,216
Total General Fund	$ 715,410

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, 2014 is as follows:

Net investment in capital assets	Governmental Activities
Cost of capital assets	$ 10,737,661
Less accumulated depreciation	2,737,929
Book value	7,999,732
Less construction contracts and retainage	2,999,965
Net investment in capital assets	$ 4,999,767

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 $558 in fiscal year 2014, $5,857 in fiscal year 2013, and $18,388 in fiscal year 2012. 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 Post-employment 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.

For members with fewer than five years of service as of January 1, 2012, contributions also vary based on years of service. On average, members with five years or more of service as of January 1, 2012, pay approximately 25 percent of the cost of the health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the State provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option.

The Board of Community Health sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy.

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, 2014, were as follows:

Certified employees

July 2013 –June 2014 $945 per member per month

Non-Certificated Employees

July 2013 – June 2014 $596 per member per month

No additional contribution was required by the Board for fiscal year 2014 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 fiscal years ended June 30, 2014, June 30, 2013, and June 30, 2012, were $3,128,163, $2,748,392, and $2,524,064 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 $70,246 for retirement contributions paid on the Board's behalf by the following State Agencies.

Teachers Retirement System of Georgia	
For Teachers Retirement System Employer's Cost	$ 38,414
Office of Treasury and Fiscal Services	
Paid to the Public School Employees Retirement System	
For Public School Employees Retirement (PSERS) Employer's Cost	31,832
	$ 70,246

4-E. Construction Commitments

As of June 30, 2014, the School System has made a significant construction commitment to RA-LIN and Associates, Inc. The remaining commitment at June 30, 2014 is approximately $6.5 million.

City of Calhoun Board of Education, Georgia
General Fund
Comparative Balance Sheets
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and investments	$ 13,080,016	$ 10,460,304
Receivables:		
Intergovernmental	2,100,952	2,539,972
Due from primary government	165,383	292,824
Interfund	446,426	171,080
Total Assets	$ 15,792,777	$ 13,464,180
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 301,133	$ 132,277
Salaries and benefits payable	2,951,606	2,853,286
Due to primary government	4,580	39,900
Total Liabilities	3,257,319	3,025,463
Fund Balances		
Committed	4,542,031	4,981,021
Assigned	715,410	658,783
Unassigned	7,278,017	4,798,913
Total Fund Balances	12,535,458	10,438,717
Total Liabilities and Fund Balances	$ 15,792,777	$ 13,464,180

City of Calhoun Board of Education
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2014 and 2013

	2014	2013
Revenues		
Local	$ 13,916,096	$ 12,612,268
Intergovernmental - state	15,126,014	15,153,905
Intergovernmental - federal	197,003	401,327
Total Revenues	29,239,113	28,167,500
Expenditures		
Current:		
Instruction	18,478,290	18,521,764
Supporting services:		
Pupil	782,603	744,314
Improvement of instructional services	1,050,100	900,262
Media	543,904	424,869
General administration	383,686	346,805
School administration	1,445,282	1,322,163
Business administration	667,838	590,154
Operations and maintenance	2,313,726	1,946,804
Student transportation	743,822	677,248
Central support	72,820	59,656
Other supporting services	85,836	63,759
School nutrition program	37,057	-
Total Expenditures	26,604,964	25,597,798
Excess of Revenues Over Expenditures	2,634,149	2,569,702
Other Financing (Uses)		
Transfers out	(537,408)	(90,494)
Net Change in Fund Balances	2,096,741	2,479,208
Fund Balances Beginning of Year	10,438,717	7,959,509
Fund Balances End of Year	$ 12,535,458	$ 10,438,717

City of Calhoun Board of Education, Georgia
School Food Service Fund
Comparative Balance Sheets
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 507,207	$ 400,845
Intergovernmental receivable	125,416	98,611
Inventory	55,084	37,094
Total Assets	$ 687,707	$ 536,550
Liabilities and Fund Balances		
Liabilities		
Accrued salaries and wages payable	$ 125,639	$ 136,371
Fund Balances		
Nonspendable	55,084	37,094
Restricted	506,984	363,085
Total Fund Balances	562,068	400,179
Total Liabilities and Fund Balances	$ 687,707	$ 536,550

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.

Elementary School Counselor Grant- Accounts for funds designated for the enhancement of counseling services and support provided in the K-5 environment.

City of Calhoun Board of Education
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	Community Education	Voactional Education	Elementary and Secondary Education				Individuals With Disabilities Education Act - IDEA and Preschool Program	Education of Homeless	Lottery Pre-kindergarten	Local School Activity Accounts	Elementary School Counselor	Total Nonmajor Special Revenue Funds
			Title I	Title II	Title III	Title VI						
Assets												
Cash and cash equivalents	$ 686,476	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 155,179	$ 235,788	$ -	$ 1,077,443
Intergovernmental receivable	-	7,120	316,477	22,983	15,268	33,023	121,093	11,030	-	-	86,507	613,501
Total Assets	$ 686,476	$ 7,120	$ 316,477	$ 22,983	$ 15,268	$ 33,023	$ 121,093	$ 11,030	$ 155,179	$ 235,788	$ 86,507	$ 1,690,944
Liabilities and Fund Balances												
Liabilities												
Accounts payable	$ 1,145	$ -	$ -	$ -	$ -	$ -	$ 9,586	$ -	$ -	$ -	$ -	$ 10,731
Accrued salaries and wages	12,589	-	39,609	-	1,752	3,680	62,911	-	155,179	-	49,537	325,257
Interfund payable	-	7,120	276,868	22,983	13,516	29,343	48,596	11,030	-	-	36,970	446,426
Total Liabilities	13,734	7,120	316,477	22,983	15,268	33,023	121,093	11,030	155,179	-	86,507	782,414
Fund Balances												
Committed	672,742	-	-	-	-	-	-	-	-	235,788	-	908,530
Total Liabilities and Fund Balances	$ 686,476	$ 7,120	$ 316,477	$ 22,983	$ 15,268	$ 33,023	$ 121,093	$ 11,030	$ 155,179	$ 235,788	$ 86,507	$ 1,690,944

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, 2014

	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	Elementary School Counselor	Total Nonmajor Special Revenue Funds
			Title I	Title II	Title III	Title VI						
Revenues												
Local	$ 467,337	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 621,751	$ -	$ 1,089,088
Intergovernmental - state	-	-	-	-	-	-	-	-	936,422	-	-	936,422
Intergovernmental - federal	-	36,570	769,861	70,442	59,044	76,957	596,207	41,272	-	-	352,779	2,003,132
Total Revenues	467,337	36,570	769,861	70,442	59,044	76,957	596,207	41,272	936,422	621,751	352,779	4,028,642
Expenditures												
Current:												
Instruction	-	7,049	728,778	2,144	47,910	72,698	465,446	-	991,177	5,371	271,434	2,592,007
Supporting services:												
Pupil	-	-	-	-	-	-	12,890	28,186	-	539,240	68,178	648,494
Improvement of instructional services	-	29,521	3,125	59,542	10,895	4,259	78,889	3,092	-	-	-	189,323
Media	-	-	-	-	-	-	-	-	-	38,261	-	38,261
Federal grant administration	-	-	32,921	330	239	-	5,869	9,848	-	-	7,100	56,307
General administration	-	-	-	-	-	-		-	-		6,067	6,067
School administration	-	-	-	-	-	-	-	-	1,097	98,974		100,071
Operations and maintenance	-	-	-	-	-	-	-	-	26,397	41,738	-	68,135
Student transportation	-	-	-	-	-	-	33,113	146	10,885	-	-	44,144
Other supporting services	-	-	5,037	8,426	-	-	-	-	-	27,223	-	40,686
Community services	378,742	-	-	-	-	-	-	-	-	-	-	378,742
Enterprise operations	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	378,742	36,570	769,861	70,442	59,044	76,957	596,207	41,272	1,029,556	750,807	352,779	4,162,237
Excess (Deficiency) of Revenues Over (Under) Expenditures	88,595	-	-	-	-	-	-	-	(93,134)	(129,056)	-	(133,595)
Other Financing Sources												
Transfers in	-	-	-	-	-	-	-	-	93,134	-	-	93,134
Net Change in Fund Balances	88,595	-	-	-	-	-	-	-	-	(129,056)	-	(40,461)
Fund Balances Beginning of Year	584,147	-	-	-	-	-	-	-	-	364,844	-	948,991
Fund Balances End of Year	$ 672,742	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 235,788	$ -	908,530

City of Calhoun Board of Education, Georgia
Community Education Fund
Comparative Balance Sheets
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 686,476	$ 597,351
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 1,145	$ 455
Accrued salaries and wages payable	12,589	12,749
Total Liabilities	13,734	13,204
Fund Balances		
Committed	672,742	584,147
Total Liabilities and Fund Balances	$ 686,476	$ 597,351

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ 450,000	$ 450,000	$ 467,337	$ 17,337	$ 395,850
Expenditures					
Current:					
Community services	440,452	440,452	378,742	61,710	382,832
Excess of Revenues Over Expenditures	$ 9,548	$ 9,548	88,595	$ 79,047	13,018
Fund Balances Beginning of Year			584,147		571,129
Fund Balances End of Year			$ 672,742		$ 584,147

City of Calhoun Board of Education, Georgia
Vocational Education Fund
Comparative Balance Sheets
June 30, 2014 and 2013

	2014	2013
Assets		
Intergovernmental receivable	$ 7,120	$ -
Liabilities		
Interfund payable	$ 7,120	$ -

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 31,606	$ 37,883	$ 36,570	$ (1,313)	$ 30,447
Expenditures					
Current:					
Instruction	8,358	8,358	7,049	1,309	1,761
Supporting services:					
Improvement of instructional services	23,248	29,525	29,521	4	28,686
Total Expenditures	31,606	37,883	36,570	1,313	30,447
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, 2014 and 2013

	2014	2013
Assets		
Intergovernmental receivable	$ 316,477	$ 116,263
Liabilities		
Accrued salaries and wages payable	$ 39,609	$ 54,425
Interfund payable	276,868	61,838
Total Liabilities	$ 316,477	$ 116,263

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 846,103	$ 812,812	$ 769,861	$ (42,951)	$ 713,405
Expenditures					
Current:					
Instruction	649,161	751,652	728,778	22,874	597,677
Supporting services:					
Improvement of instructional services	92,324	11,631	3,125	8,506	19,213
Federal grant administration	87,450	37,918	32,921	4,997	84,232
Other supporting services	17,168	11,611	5,037	6,574	12,283
				-	
Total Expenditures	846,103	812,812	769,861	42,951	713,405
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, 2014 and 2013

	2014	2013
Assets		
Intergovernmental receivable	$ 22,983	$ 39,005
Liabilities		
Accounts payable	$ -	$ 1,791
Interfund payable	22,983	37,214
Total Liabilities	$ 22,983	$ 39,005

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 108,543	$ 90,546	$ 70,442	$ (20,104)	$ 111,598
Expenditures					
Current:					
Instruction	20,645	-	2,144	(2,144)	18,266
Supporting services:					
Improvement of instructional services	66,719	79,000	59,542	19,458	75,840
Federal grant administration	9,179	1,000	330	670	9,072
Other supporting services	12,000	10,546	8,426	2,120	8,420
Total Expenditures	108,543	90,546	70,442	20,104	111,598
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun Board of Education, Georgia
ESEA Title III Fund
Comparative Balance Sheets
June 30, 2014 and 2013

	2014	2013
Assets		
Intergovernmental receivable	$ 15,268	$ 7,173
Liabilities		
Accrued salaries and wages payable	$ 1,752	$ 864
Interfund payable	13,516	6,309
Total Liabilities	$ 15,268	$ 7,173

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 58,230	$ 77,911	$ 59,044	$ (18,867)	$ 36,311
Expenditures					
Current:					
Instruction	37,061	65,787	47,910	17,877	29,255
Supporting services:					
Improvement of instructional services	17,600	11,250	10,895	355	6,957
Federal grant administration	500	874	239	635	99
Other support services	3,069	-	-	-	-
Total Expenditures	58,230	77,911	59,044	18,867	36,311
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, 2014 and 2013

	2014	2013
Assets		
Intergovernmental receivable	$ 33,023	$ 10,434
Liabilities		
Accrued salaries and wages payable	$ 3,680	$ 6,263
Interfund payable	29,343	4,171
Total Liabilities	$ 33,023	$ 10,434

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 78,865	$ 86,509	$ 76,957	$ (9,552)	$ 64,266
Expenditures					
Current:					
Instruction	68,865	73,509	72,698	811	64,266
Supporting services:					
Improvement of instructional services	10,000	13,000	4,259	8,741	-
Total Expenditures	78,865	86,509	76,957	9,552	64,266
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, 2014 and 2013

	2014	2013
Assets		
Intergovernmental receivable	$ 121,093	$ 120,278
Liabilities		
Accounts payable	$ 9,586	$ 9,586
Accrued salaries and wages payable	62,911	61,225
Interfund payable	48,596	49,467
Total Liabilities	$ 121,093	$ 120,278

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 662,408	$ 654,922	$ 596,207	$ (58,715)	$ 582,660
Expenditures					
Current:					
Instruction	507,678	506,122	465,446	40,676	460,517
Supporting services:					
Pupil	12,258	21,820	12,890	8,930	10,037
Improvement of instructional services	86,454	81,857	78,889	2,968	75,287
Federal grant administration	6,600	7,150	5,869	1,281	6,214
School administration	-	-	-	-	9
Student transportation	49,418	37,973	33,113	4,860	30,596
Total Expenditures	662,408	654,922	596,207	58,715	582,660
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, 2014 and 2013

	2014	2013
Assets		
Intergovernmental receivable	$ 11,030	$ 12,081
Liabilities		
Interfund payable	$ 11,030	$ 12,081

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ 41,129	$ 41,129	$ 41,272	$ 143	$ 33,791
Expenditures					
Current:					
Supporting services:					
Pupil	25,560	27,744	28,186	(442)	21,065
Improvement of instructional services	3,450	3,050	3,092	(42)	2,579
Federal grant administration	10,035	10,035	9,848	187	9,812
Student transportation	2,084	300	146	154	335
Total Expenditures	41,129	41,129	41,272	(143)	33,791
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, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 155,179	$ 156,847
Liabilities		
Accrued salaries and wages payable	$ 155,179	$ 156,847

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - state	$ 851,272	$ 888,422	$ 936,422	$ 48,000	$ 833,520
Intergovernmental - federal	-	48,000	-	(48,000)	56,500
Total Revenues	851,272	936,422	936,422	-	890,020
Expenditures					
Current:					
Instruction	965,689	991,177	991,177	-	939,031
Supporting services:					
Improvement of instructional services	-	-	-	-	275
School administration	14,113	1,097	1,097	-	14,063
Operations and maintenance	26,470	26,397	26,397	-	27,145
Transportation	-	10,885	10,885	-	-
Total Expenditures	1,006,272	1,029,556	1,029,556	-	980,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	(155,000)	(93,134)	(93,134)	-	(90,494)
Other Financing Sources					
Transfers in	155,000	93,134	93,134	-	90,494
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun Board of Education, Georgia
Local School Activity Accounts Fund
Comparative Balance Sheets
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 235,788	$ 364,844
Fund Balances		
Committed	$ 235,788	$ 364,844

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, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local	$ -	$ 795,170	$ 621,751	$ (173,419)	$ 763,522
Expenditures					
Current:					
Instruction	-	6,000	5,371	629	5,865
Supporting services:					
Pupil	-	620,675	539,240	81,435	594,279
Media	-	50,000	38,261	11,739	49,842
School administration	-	45,000	98,974	(53,974)	40,176
Operations and maintenance	-	8,000	41,738	(33,738)	7,421
Other supporting services	-	8,000	27,223	(19,223)	7,781
Enterprise operations	-	35,150	-	35,150	32,285
Total Expenditures	-	772,825	750,807	22,018	737,649
Excess of Revenues Over Expenditures	$ -	$ 22,345	(129,056)	$ (151,401)	25,873
Fund Balances Beginning of Year			364,844		338,971
Fund Balances End of Year			$ 235,788		$ 364,844

City of Calhoun Board of Education, Georgia
Elementary School Counselor
Comparative Balance Sheets
June 30, 2014 and 2013

	2014	2013
Assets		
Intergovernmental receivable	$ 86,507	$ -
Liabilities		
Accrued salaries and wages payable	$ 49,537	$ -
Interfund payable	36,970	-
Total Liabilities	$ 86,507	$ -

City of Calhoun Board of Education, Georgia
Elementary School Counselor
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental - federal	$ -	$ 394,458	$ 352,779	$ (41,679)	$ -
Expenditures					
Current:					
Instruction	-	290,165	271,434	18,731	-
Supporting services:					
Pupil	-	71,113	68,178	2,935	-
Federal grant administration	-	26,080	7,100	18,980	-
General administration	-	7,100	6,067	1,033	-
Total Expenditures	-	394,458	352,779	41,679	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun Board of Education, Georgia
Debt Service Fund
Comparative Balance Sheets
June 30, 2014 and 2013

	2014	2013
Assets		
Cash	$ 241,146	$ -
Intergovernmental receivable	242,171	221,424
Total Assets	$ 483,317	$ 221,424
Liabilities		
Due to primary government	$ 483,317	$ 221,424

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, 2014 and 2013

	2014	2013
Revenues		
Local	$ 2,815,099	$ 2,901,241
Expenditures		
Intergovernmental	2,815,099	2,901,241
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, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 963,922	$ 155,016
Intergovernmental receivable -state	1,570,383	1,306,067
Due from primary government	632,659	1,767,764
Total Assets	$ 3,166,964	$ 3,228,847
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 166,999	$ -
Contracts payable	808,692	1,034,114
Retainage payable	2,191,273	2,191,272
Total Liabilities	3,166,964	3,225,386
Fund Balances		
Restricted	-	3,461
Total Liabilities and Fund Balances	$ 3,166,964	$ 3,228,847

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, 2014 and 2013

	2014	2013
Revenues		
Local	$ 7,495,366	$ 16,935,685
Intergovernmental-state	4,532,692	6,444,356
Intergovernmental-federal	429,675	619,345
Total Revenues	12,457,733	23,999,386
Expenditures		
Capital Outlay	12,905,468	25,101,288
(Deficiency) of Revenues (Under)Expenditures	(447,735)	(1,101,902)
Transfers In	444,274	405,000
Net (Decrease) in Fund Balance	(3,461)	(696,902)
Fund Balances Beginning of Year	3,461	700,363
Fund Balances End of Year	$ -	$ 3,461

City of Calhoun Board of Education
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2014

Local School Activity Accounts	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Assets				
Cash and cash equivalents	$ 301,420	$ 465,216	$ 456,674	$ 309,962
Liabilities				
Due to others	$ 301,420	$ 465,216	$ 456,674	$ 309,962

Calhoun Educational Foundation	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Assets				
Cash and cash equivalents	$ 12,373	$ 300,520	$ 7,030	$ 305,863
Liabilities				
Due to others	$ 12,373	$ 300,520	$ 7,030	305,863

Total	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Assets				
Cash and cash equivalents	$ 313,793	$ 765,736	$ 463,704	$ 615,825
Liabilities				
Due to others	$ 313,793	$ 765,736	$ 463,704	$ 615,825

Statistical Section

City of Calhoun Board of Education, Georgia

Introduction to the Statistical Section

(Unaudited)

The objetive of the statistical section is to present 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, 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	June 30, 2014
	Amounts									
Governmental Activities										
Net investment in capital assets[2]	$ 843,224	$ 801,251	$ 880,738	$ 897,290	$ 787,489	$ 662,646	$ 540,566	$ 754,271	$ 4,508,310	$ 4,999,767
Restricted	-	-	-	734,917	164,044	6	455,369	1,353,012	366,546	506,984
Unrestricted	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	16,340,318
Total	$ 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	$ 21,847,069
Total Percentage Change From Prior Year	14.1%	-18.7%	-4.0%	16.1%	-19.1%	36.5%	48.2%	75.4%	30.3%	12.8%
	Percentage of Total									
Governmental Activities										
Net investment in capital assets[2]	14.77%	17.26%	19.75%	17.34%	18.80%	11.59%	6.38%	5.08%	23.27%	22.89%
Restricted	0.00%	0.00%	0.00%	14.20%	3.92%	0.00%	5.37%	9.10%	1.90%	2.32%
Unrestricted	85.23%	82.74%	80.25%	68.46%	77.28%	88.41%	88.25%	85.82%	74.83%	74.79%
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:

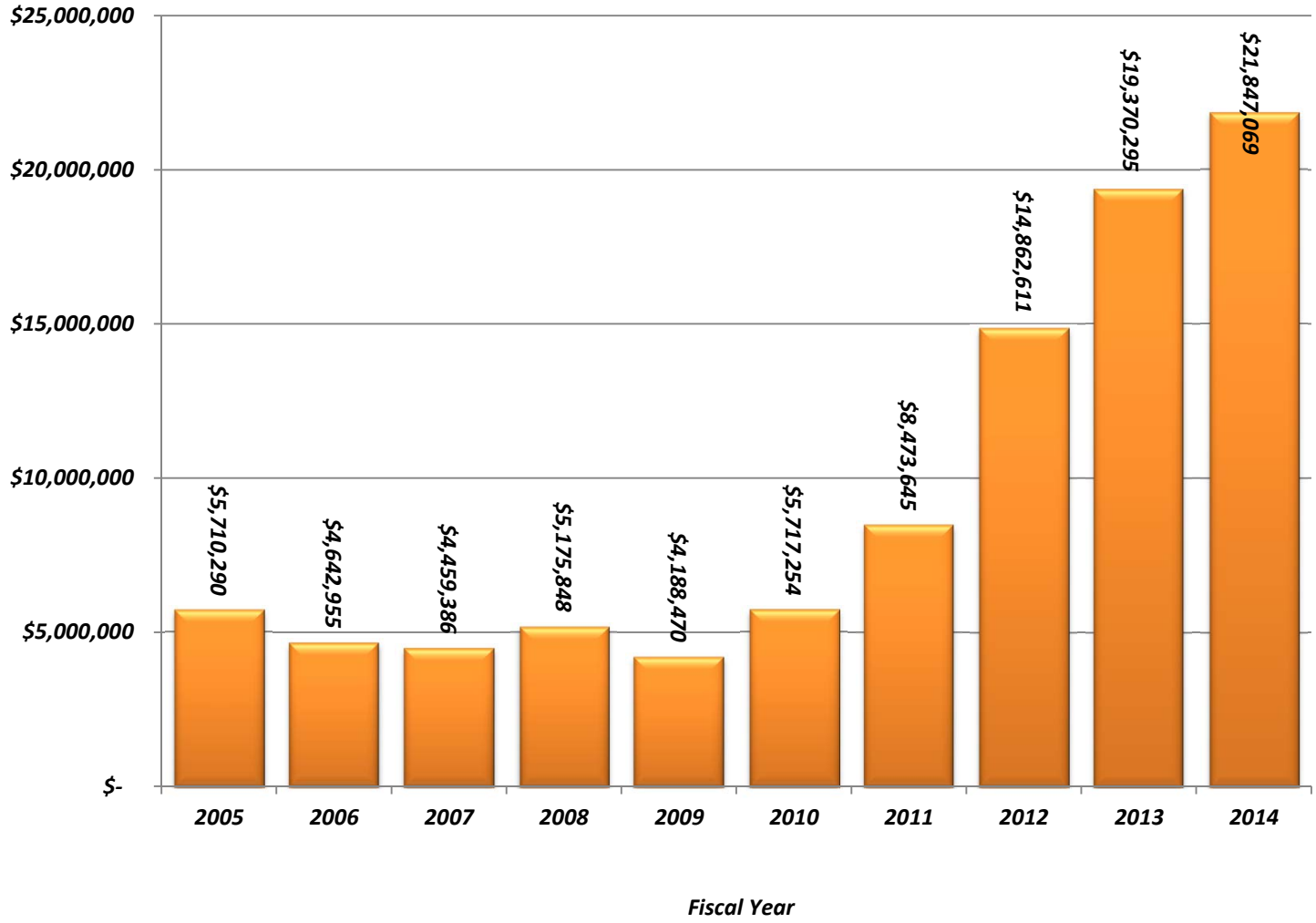
Applicable years' comprehensive annual financial report.

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,									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Expenses:										
Instruction[4]	$ 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	$ 33,064,384
Support services										
Pupil	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	1,432,797
Improvement of instructional services	748,667	775,508	839,954	737,319	995,816	1,036,198	1,150,953	852,342	1,127,581	1,346,719
Media	551,781	534,538	528,722	522,303	524,107	467,280	408,714	421,924	474,711	582,165
General administration	210,941	229,777	241,225	275,219	339,109	390,913	376,186	303,211	349,440	389,657
Federal grant administration	-	-	-	-	-	-	-	107,889	109,429	56,307
School administration	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	1,551,383
Business administration	375,250	451,413	454,467	466,326	491,541	539,991	523,210	610,078	591,695	669,700
Operations and maintenance	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	2,761,006
Student transportation	417,834	501,841	650,330	649,092	525,304	572,792	597,957	712,198	800,872	770,485
Central support	25,838	25,961	28,256	29,149	438	45,374	47,432	56,598	61,525	76,139
School nutritution program[4]	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	2,440,058
Enterprise operations	58,786	40,144	38,949	-	-	-	-	28,089	32,285	-
Other supporting services	21,352	11,750	39,678	24,595	132,796	218,745	193,086	115,316	92,243	126,522
Community services	349,526	330,036	323,324	381,377	337,464	331,620	420,327	413,348	385,205	378,396
Facilities acquisition and construction[3]	1,589,706	50,613	-	639,561	775,395	202,827	335,193	-	-	-
Debt service[1]	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	2,815,099
Total Expenses	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	48,460,817
Program Revenues:										
Charges for services:										
Instruction	10,740	758,183	-	9,483	23,294	17,178	1,582	13,436	40,122	63,198
Pupil	372,897	-	354,480	491,126	763,681	636,034	623,720	579,525	693,437	412,598
Instructional	2,328	-	-	-	22	262	36,760	-	4,600	3,303
Media	41,126	-	-	-	24,454	44,608	46,753	45,445	56,590	39,912
General administration	-	-	-	-	-	-	-	-	-	4,547
Federal grant administration	-	-	-	-	-	-	-	-	-	1,207
School administration	126,853	-	-	-	-	82,793	100,304	103,678	41,585	101,075
Business administration	-	-	-	-	-	-	-	26,150	29,476	7,280
Operations and maintenance	-	-	-	-	8,384	8,022	19,142	14,139	7,743	44,079
Student transportation	-	-	-	-	-	-	-	5,488	5,044	229
Enterprise operations	35,924	-	-	-	-	-	-	-	-	125
Other supporting services	-	-	-	-	-	-	-	11,525	8,054	560,952
School nutritution program	743,567	779,437	839,868	764,190	651,803	585,794	554,721	552,714	550,470	27,233
Community services	353,331	367,247	356,981	380,191	386,017	395,312	471,852	454,550	395,850	467,337
Operating grants and contributions[2]	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	20,138,230
Capital grants and contributions	1,637,696	9,000	-	1,355,672	100,000	-	-	13,434,503	23,999,386	12,832,422
Total Program Revenues	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	34,703,727
Net (Expense) Revenue	(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)	(13,757,090)
General Revenues:										
Taxes:										
Property	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	13,405,143
Sales	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	2,815,099
Investment earnings	108,616	175,994	213,875	140,567	45,870	17,967	25,852	14,520	12,139	13,622
Miscellaneous	-	-	-	-	-	38,526	371,412	83,736	13,554	-
Total General Revenues	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	16,233,864
Change in Net Position	$ 706,698	$ (1,067,335)	$ (183,569)	$ 716,462	$ (987,378)	$ 1,528,784	$ 2,756,391	$ 6,388,966	$ 4,507,684	$ 2,476,774

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 leases.

[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 progra revenue.

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

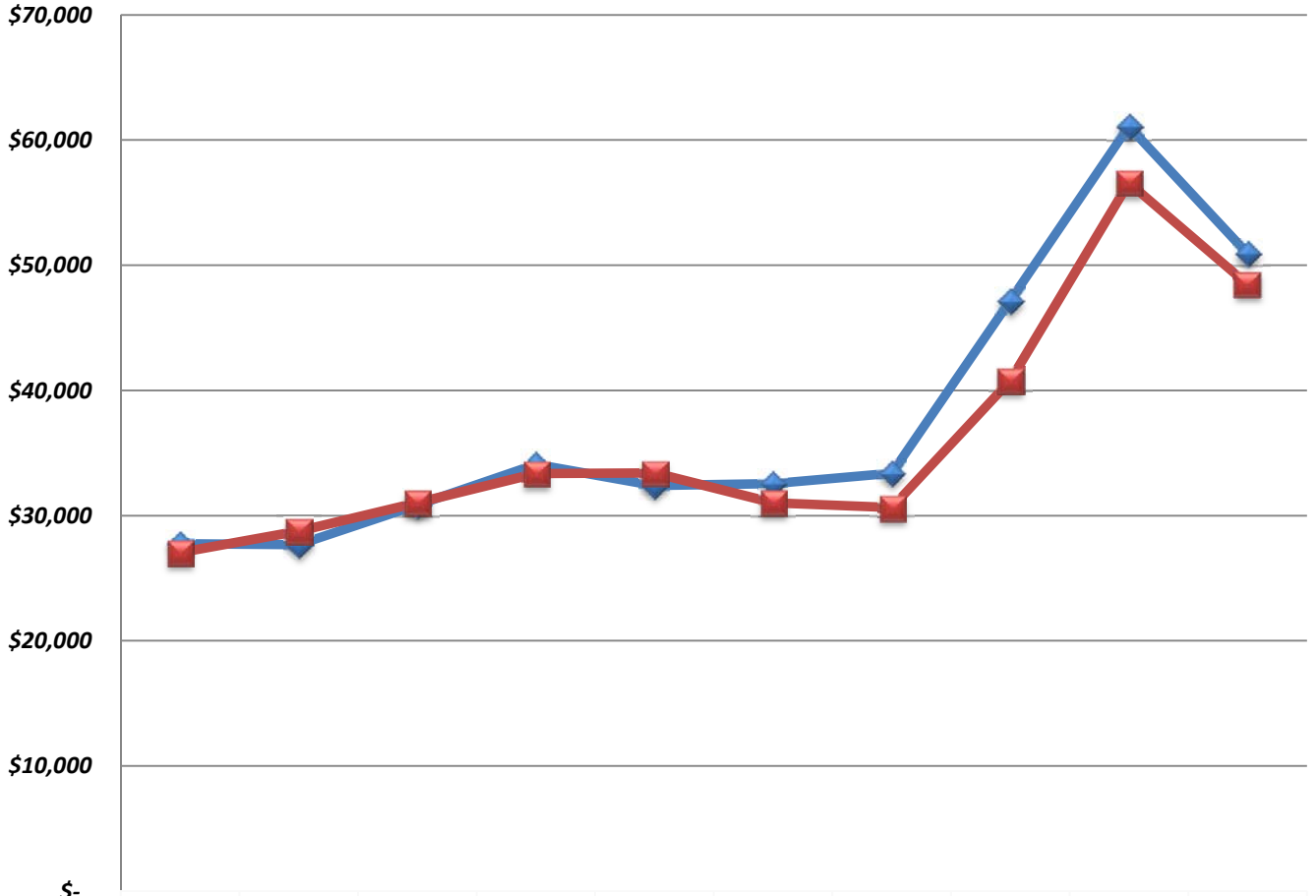
Data Source:
Applicable years' comprehensive annual financial report.

City of Calhoun Board of Education, Georgia

Chart - Governmental Fund Revenues and Expenses

(In $1,000)

Last Ten Fiscal Years



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues	$27,745	$27,683	$30,850	$34,082	$32,413	$32,554	$33,393	$47,171	$61,087	$50,938
Expenses	$27,038	$28,750	$31,033	$33,366	$33,401	$31,025	$30,636	$40,782	$56,579	$48,461

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 Year Ended June 30,									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Expenses:										
Instruction	53.06%	59.51%	59.76%	57.64%	57.16%	58.61%	57.44%	63.81%	75.38%	68.23%
Support services										
Pupil	4.14%	2.92%	3.05%	3.97%	4.02%	4.13%	4.13%	3.11%	2.42%	2.96%
Improvement of instructional services	2.77%	2.70%	2.71%	2.21%	2.98%	3.34%	3.76%	2.09%	1.99%	2.78%
Media	2.04%	1.86%	1.70%	1.57%	1.57%	1.51%	1.33%	1.03%	0.84%	1.20%
General administration	0.78%	0.80%	0.78%	0.82%	1.02%	1.26%	1.23%	0.74%	0.62%	0.80%
Federal grant administration	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.26%	0.19%	0.12%
School administration	5.09%	4.66%	4.64%	4.95%	4.84%	4.21%	4.57%	3.43%	2.43%	3.20%
Business administration	1.39%	1.57%	1.46%	1.40%	1.47%	1.74%	1.71%	1.50%	1.05%	1.38%
Operations and maintenance	6.27%	6.74%	6.83%	6.50%	5.74%	5.85%	6.05%	4.78%	3.51%	5.70%
Student transportation	1.55%	1.75%	2.10%	1.95%	1.57%	1.85%	1.95%	1.75%	1.42%	1.59%
Central support	0.10%	0.09%	0.09%	0.09%	0.00%	0.15%	0.15%	0.14%	0.11%	0.16%
School nutrition program	6.75%	6.64%	6.79%	6.42%	6.10%	6.35%	6.37%	8.91%	4.01%	5.04%
Enterprise operations	0.22%	0.14%	0.13%	0.00%	0.00%	0.00%	0.00%	0.07%	0.06%	0.00%
Other supporting services	0.08%	0.04%	0.13%	0.07%	0.40%	0.71%	0.63%	0.28%	0.16%	0.26%
Community services	1.29%	1.15%	1.04%	1.14%	1.01%	1.07%	1.37%	1.01%	0.68%	0.78%
Facilities acquisition and construction	5.88%	0.18%	0.00%	1.92%	2.32%	0.65%	1.09%	0.00%	0.00%	0.00%
Debt service[1]	8.59%	9.25%	8.79%	9.35%	9.79%	8.58%	8.21%	7.09%	5.13%	5.80%
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	0.06%	4.46%	0.00%	0.04%	0.12%	0.09%	0.01%	0.04%	0.09%	0.18%
Pupil	2.15%	0.00%	1.85%	2.29%	4.01%	3.26%	3.06%	1.75%	1.52%	1.19%
Instructional	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.00%	0.01%	0.01%
Media	0.24%	0.00%	0.00%	0.00%	0.13%	0.23%	0.23%	0.14%	0.12%	0.12%
General administration	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
School administration	0.73%	0.00%	0.00%	0.00%	0.00%	0.42%	0.49%	0.31%	0.09%	0.29%
Business administration	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%	0.06%	0.02%
Operations and maintenance	0.00%	0.00%	0.00%	0.00%	0.04%	0.04%	0.09%	0.04%	0.02%	0.13%
Student transportation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%
Enterprise operations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.02%	1.62%
Other supporting services	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School nutrition program	4.28%	4.58%	4.39%	3.57%	3.42%	3.00%	2.72%	1.67%	1.20%	0.08%
Community services	2.03%	2.16%	1.87%	1.77%	2.03%	2.02%	2.31%	1.37%	0.87%	1.35%
Operating grants and contributions[2]	80.86%	88.74%	91.89%	85.99%	89.73%	90.94%	90.91%	53.99%	43.47%	58.03%
Capital grants and contributions	9.43%	0.06%	0.00%	6.34%	0.52%	0.00%	0.00%	40.56%	52.52%	36.97%
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	76.54%	73.47%	74.91%	74.27%	75.19%	79.12%	77.57%	78.71%	80.98%	82.58%
Sales	22.42%	24.88%	23.27%	24.62%	24.47%	20.44%	19.37%	20.59%	18.85%	17.34%
Investment earnings	1.04%	1.65%	1.82%	1.11%	0.34%	0.14%	0.20%	0.10%	0.08%	0.08%
Miscellaneous	0.00%	0.00%	0.00%	0.00%	0.00%	0.30%	2.86%	0.60%	0.09%	0.00%
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)

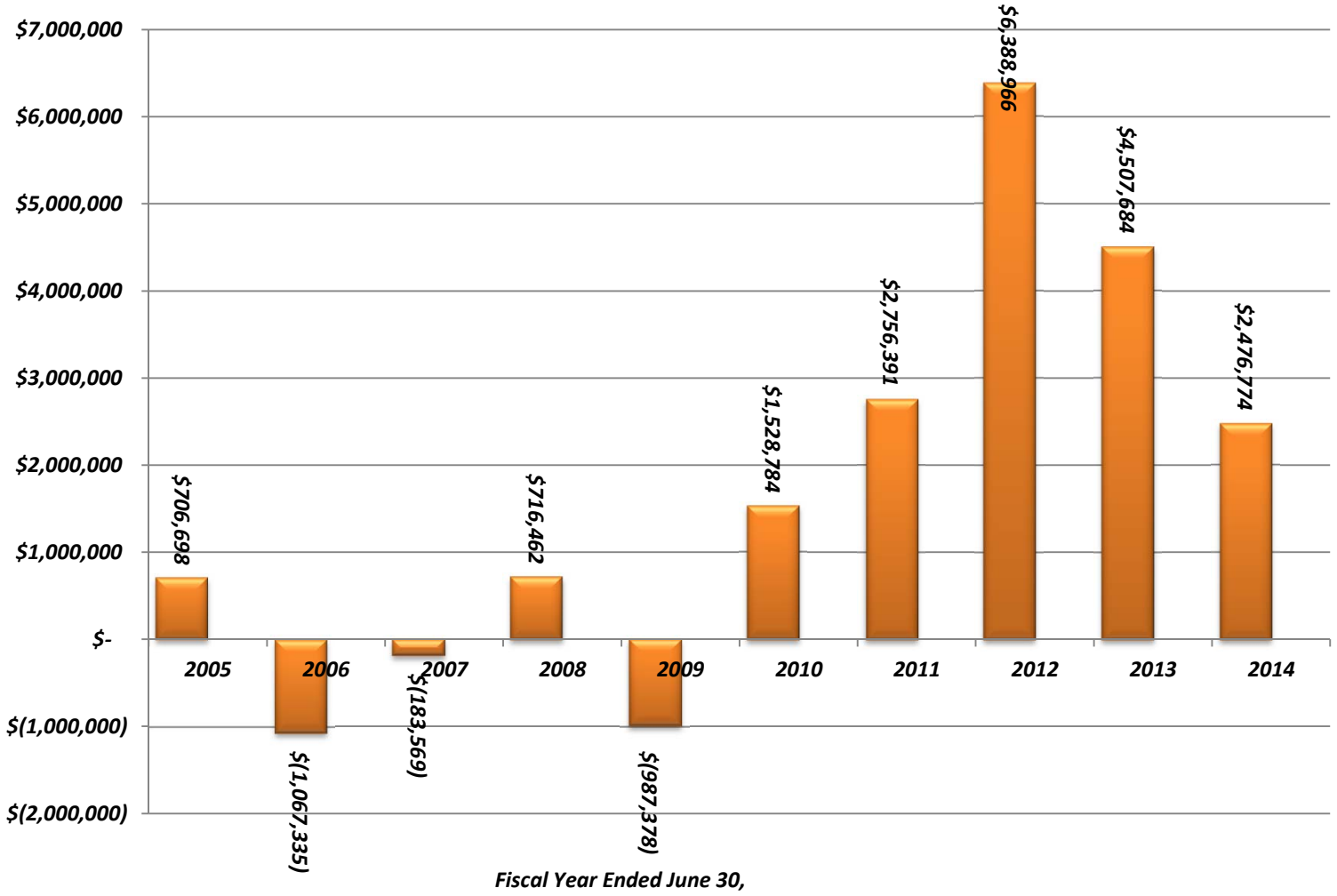


Exhibit III

City of Calhoun Board of Education, Georgia
Fund Balances - Governmental Funds (Unaudited)
Fiscal Years 2005 - 2010
(modified accrual basis of accounting)

	June 30,					
	2005	**2006**	**2007**	**2008**	**2009**	**2010**
General Fund						
Unreserved[1]	$ 4,827,771	$ 3,543,050	$ 3,323,925	$ 3,393,735	$ 2,998,613	$ 4,202,567
General Fund Percentage Change	18.7%	-26.6%	-6.2%	2.1%	-11.6%	40.2%
All Other Governmental Funds						
Reserved	49,712	54,100	88,959	79,582	65,679	51,133
Unreserved						
Special Revenue Funds	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	105,217	359,493	344,357	998,739	493,788	949,655
All Other Governmental Funds Percentage Change	-80.6%	241.7%	-4.2%	190.0%	-50.6%	92.3%
Total Governmental Funds						
Reserved	49,712	54,100	88,959	79,582	65,679	51,133
Unreserved	4,883,276	3,848,443	3,579,323	4,312,892	3,426,722	5,101,089
Total Governmental Funds	$ 4,932,988	$ 3,902,543	$ 3,668,282	$ 4,392,474	$ 3,492,401	$ 5,152,222
All Governmental Funds Percentage Change	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 seven years.

Data Source:

Applicable years' comprehensive annual financial report.

Exhibit IIIA

City of Calhoun Board of Education, Georgia
Fund Balances - Governmental Funds
Fiscal Years 2011 - 2014
(modified accrual basis of accounting)

	June 30,			
	2011	**2012**	**2013**	**2014**
General Fund				
Committed	$ 84,436	$ 117,814	$ 4,981,021	$ 4,542,031
Assigned	2,826,588	3,541,194	658,783	715,410
Unassigned	3,782,211	4,300,501	4,798,913	7,278,017
Total General Fund	$ 6,693,235	$ 7,959,509	$ 10,438,717	$ 12,535,458
General Fund Percentage Change	59.3%	18.9%	31.1%	20.1%
All Other Governmental Funds				
Nonspendable - Special Revenue Funds	$ 54,077	$ 47,764	$ 37,094	$ 55,084
Restricted - Special Revenue Funds	401,292	604,885	363,085	506,984
Restricted - Capital Projects Funds	-	700,363	3,461	-
Committed - Special Revenues Funds	900,168	910,100	948,991	908,530
Unassigned - Capital Projects Funds	(5,062)	-	-	-
Subtotal All Other Governmental Funds	$ 1,350,475	$ 2,263,112	$ 1,352,631	$ 1,470,598
All Other Governmental Funds Percentage Change	42.2%	67.6%	-40.2%	8.7%
Total Governmental Funds				
Nonspendable	$ 54,077	$ 47,764	$ 37,094	$ 55,084
Restricted	401,292	1,305,248	366,546	506,984
Committed	984,604	1,027,914	5,930,012	5,450,561
Assigned	2,826,588	3,541,194	658,783	715,410
Unassigned	3,777,149	4,300,501	4,798,913	7,278,017
Total Governmental Funds	$ 8,043,710	$ 10,222,621	$ 11,791,348	$ 14,006,056
All Governmental Funds Percentage Change	56.1%	27.1%	15.3%	18.8%

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)

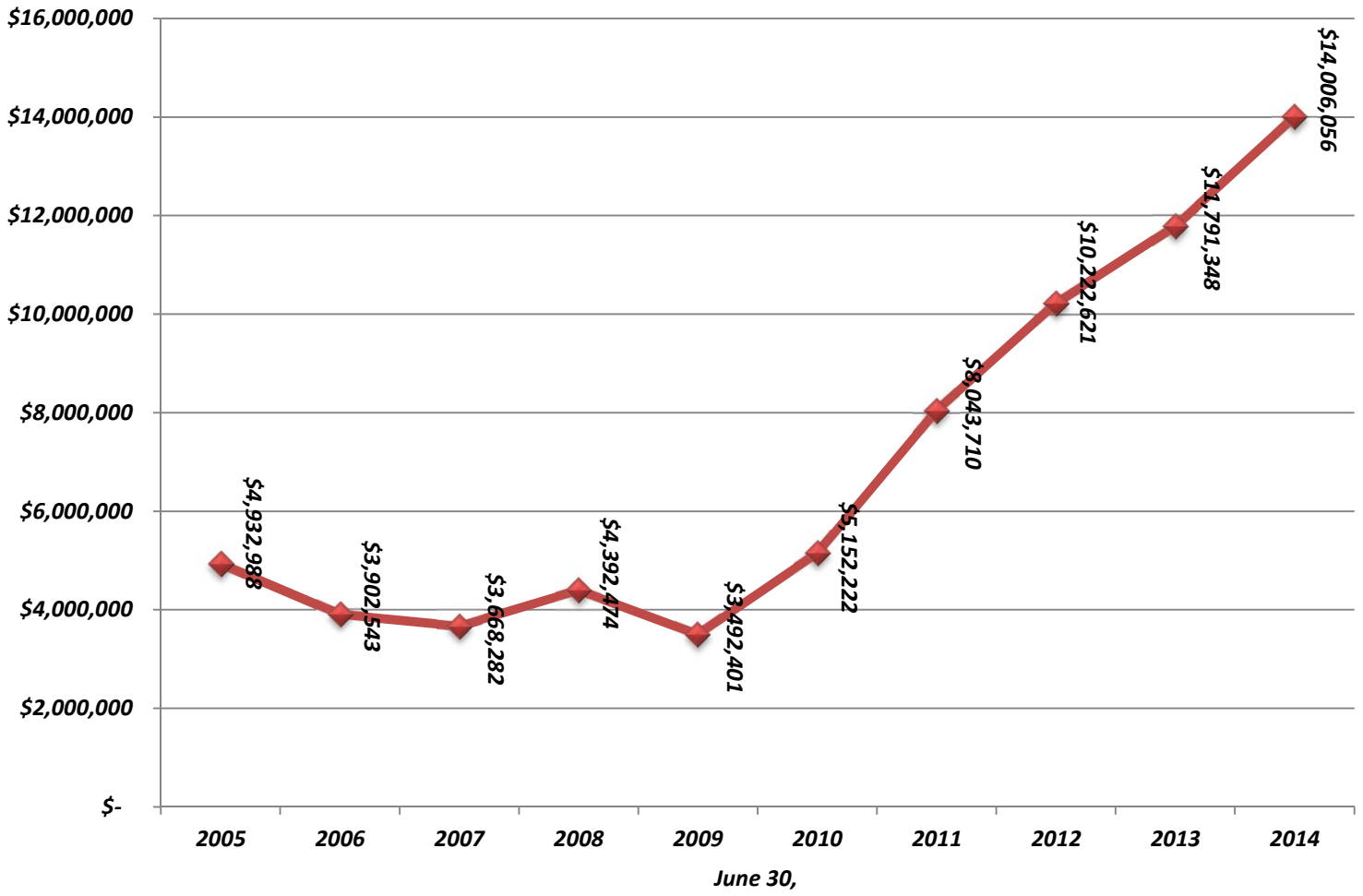


Exhibit IV

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									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Revenue Source	**Amounts**									
Local revenue	$ 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	$ 25,876,601
State	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	20,606,151
Federal	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	4,454,839
Total Revenues	$ 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	$ 50,937,591
% change from prior year	7.2%	-0.2%	11.4%	10.5%	-4.9%	0.4%	2.6%	41.3%	29.5%	-16.6%
	Percentage of Total									
Local revenue	44.4%	46.1%	44.3%	46.5%	47.9%	45.8%	44.6%	52.1%	55.9%	50.8%
State	48.1%	45.4%	47.0%	45.8%	42.7%	38.6%	42.3%	40.2%	36.8%	40.5%
Federal	7.5%	8.5%	8.7%	7.7%	9.4%	15.6%	13.1%	7.7%	7.3%	8.7%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:
[1] Includes all governmental fund types.

Data Source:
Applicable years' comprehensive annual financial report.

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

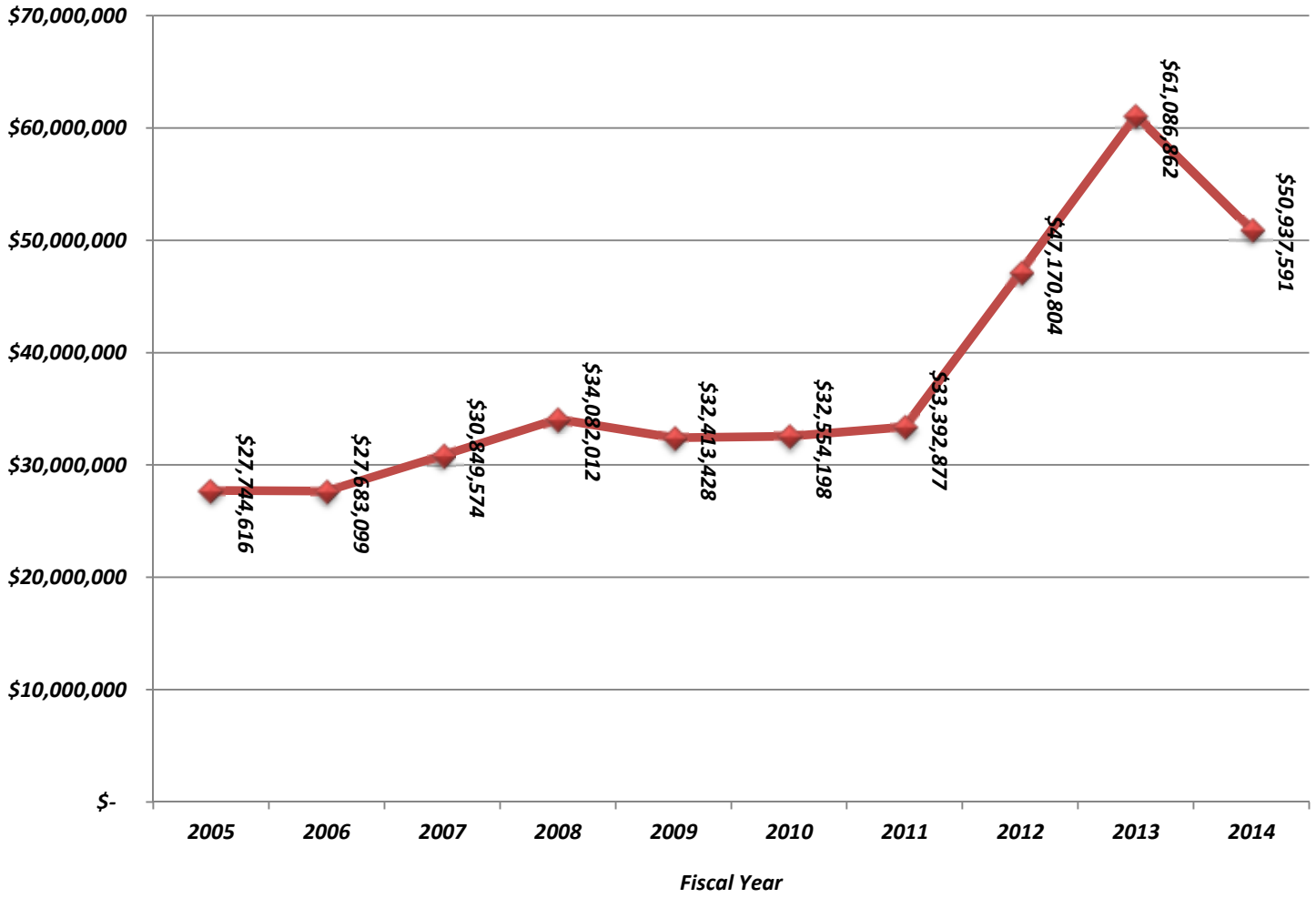


Exhibit V

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

	For the Year Ended June 30,									
Function	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Current:										
Instruction	$ 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	$ 21,070,297
Support services										
Pupil	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	1,431,097
Instructional	778,620	777,366	823,967	714,275	1,007,389	1,018,007	1,172,904	837,341	1,109,099	1,239,423
Media	552,408	534,106	527,542	520,080	531,072	467,280	408,714	421,924	474,711	582,165
General administration	221,885	229,331	241,553	273,151	338,397	390,413	373,932	302,778	346,805	56,307
Federal grant administration	-	-	-	-	-	-	-	107,889	109,429	389,753
School administration	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	1,545,353
Business administration	376,042	451,700	453,265	466,649	490,695	537,730	522,787	618,206	590,154	667,838
Operations and maintenance	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	2,381,861
Student transportation	487,751	647,114	712,671	632,614	492,916	469,754	504,270	836,249	708,179	787,966
Central support	25,838	25,961	28,256	29,149	438	40,708	44,036	55,879	59,656	72,820
School nutrition program	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	2,272,172
Other supporting services	21,352	11,750	39,678	24,595	132,796	218,745	193,086	115,316	92,243	126,522
Community services	349,526	330,036	323,324	400,775	334,215	324,920	413,116	407,203	382,832	378,742
Enterprise	29,566	-	-	-	-	-	-	28,089	32,285	-
Intergovernmental[2]	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	2,815,099
Total Current	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	35,817,415
% Change From Prior Year	11.5%	13.0%	7.6%	5.3%	-0.6%	-5.5%	-1.7%	6.9%	6.7%	4.1%
Capital Outlay	1,901,022	50,613	-	639,561	775,395	202,827	335,193	12,730,367	25,101,288	12,905,468
% Change From Prior Year	-59.9%	-97.3%	-100.0%	100.0%	21.2%	-73.8%	65.3%	3697.9%	97.2%	-48.6%
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%	100.0%	64.8%	-46.4%	0.0%	-100.0%	0.0%	0.0%	0.0%	0.0%
Total Expenditures	$ 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	$ 48,722,883
% Change From Prior Year	-0.8%	5.5%	7.6%	7.2%	-0.1%	-7.2%	-1.3%	47.5%	32.3%	-18.1%
Debt Service as a % of Noncapital Expenditures	0.0%	0.2%	0.3%	0.1%	0.1%	0.0%	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)

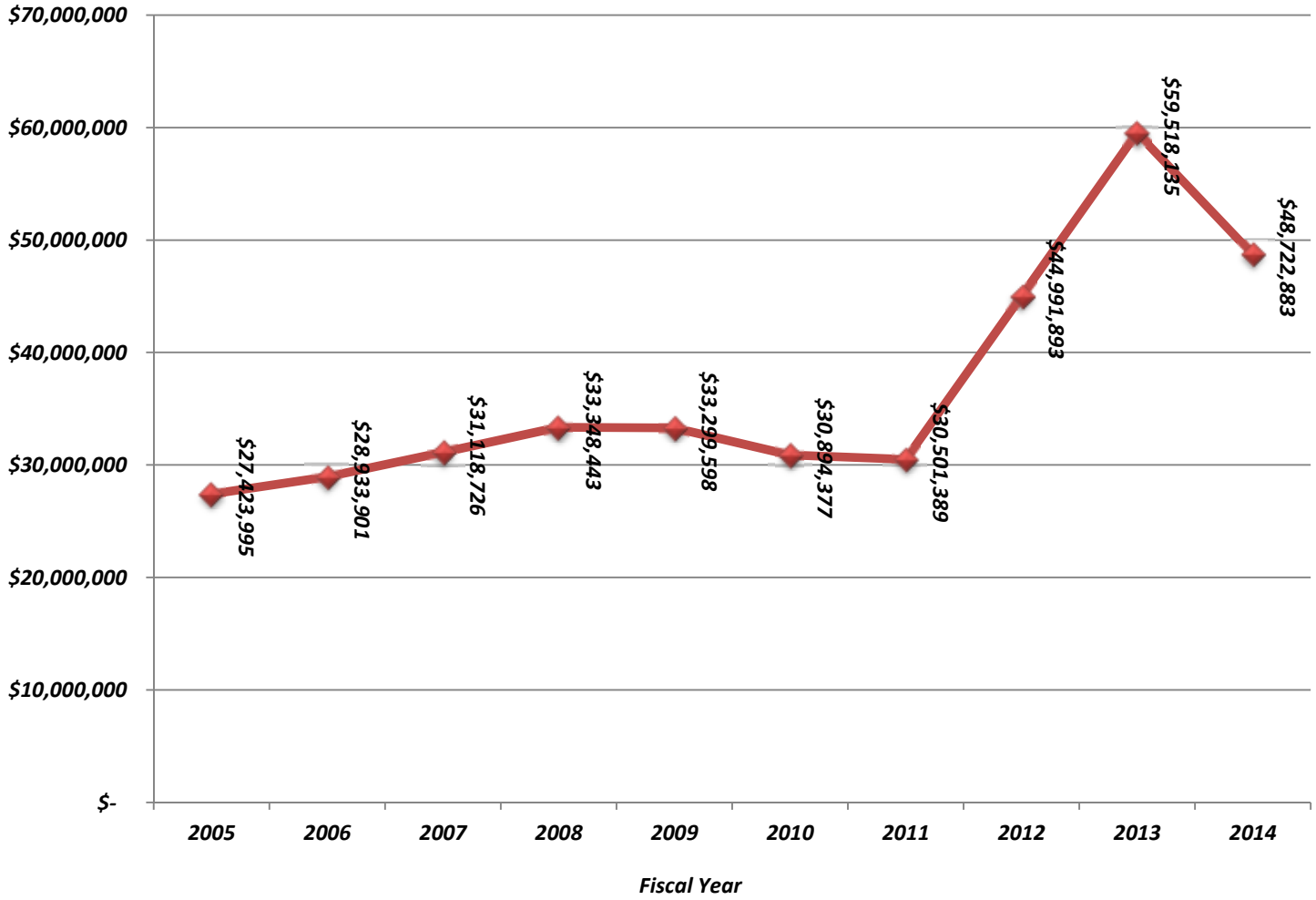


Exhibit VI

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

	For the Fiscal Year Ended June 30,									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Function	**Amounts**									
Current:										
Instruction	$ 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	$ 21,070,297
Support services:										
Pupil	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	1,431,097
Instructional	778,620	777,366	823,967	714,275	1,007,389	1,018,007	1,172,904	837,341	1,109,099	1,239,423
Media	552,408	534,106	527,542	520,080	531,072	467,280	408,714	421,924	474,711	582,165
General administration	221,885	229,331	241,553	273,151	338,397	390,413	373,932	302,778	346,805	56,307
Federal grant administration	-	-	-	-	-	-	-	107,889	109,429	389,753
School administration	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	1,545,353
Business administration	376,042	451,700	453,265	466,649	490,695	537,730	522,787	618,206	590,154	667,838
Operations and maintenance	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	2,381,861
Student transportation	487,751	647,114	712,671	632,614	492,916	469,754	504,270	836,249	708,179	787,966
Central support	25,838	25,961	28,256	29,149	438	40,708	44,036	55,879	59,656	72,820
School nutrition program	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	2,272,172
Other supporting services	21,352	11,750	39,678	24,595	132,796	218,745	193,086	115,316	92,243	126,522
Community services	349,526	330,036	323,324	400,775	334,215	324,920	413,116	407,203	382,832	378,742
Enterprise	29,566	-	-	-	-	-	-	28,089	32,285	-
Intergovernmental [2]	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	2,815,099
Total Current	$ 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	$ 35,817,415
	Percentages									
Current:										
Instruction	56.2%	59.4%	59.7%	58.9%	58.8%	59.3%	58.3%	58.6%	60.0%	58.8%
Support services										
Pupil	4.4%	2.9%	3.1%	4.1%	4.1%	4.2%	4.2%	3.9%	4.0%	4.0%
Instructional	3.1%	2.7%	2.7%	2.2%	3.1%	3.3%	3.9%	2.6%	3.2%	3.5%
Media	2.2%	1.9%	1.7%	1.6%	1.6%	1.5%	1.4%	1.3%	1.4%	1.6%
General administration	0.9%	0.8%	0.8%	0.8%	1.0%	1.3%	1.2%	0.9%	1.0%	0.2%
Federal grant administration	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	1.1%
School administration	5.4%	4.7%	4.6%	5.0%	5.0%	4.3%	4.6%	4.3%	4.0%	4.3%
Business administration	1.5%	1.6%	1.5%	1.4%	1.5%	1.8%	1.7%	1.9%	1.7%	1.9%
Operations and maintenance	6.6%	6.7%	6.8%	6.7%	5.9%	5.9%	6.1%	6.0%	5.8%	6.7%
Student transportation	1.9%	2.2%	2.3%	1.9%	1.5%	1.5%	1.7%	2.6%	2.1%	2.2%
Central support	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%
Food service operations	7.2%	6.6%	6.9%	6.4%	5.9%	6.4%	6.4%	6.6%	6.5%	6.3%
Other supporting services	0.1%	0.0%	0.1%	0.1%	0.4%	0.7%	0.6%	0.4%	0.3%	0.4%
Community services	1.2%	1.2%	0.9%	1.3%	1.1%	1.2%	1.5%	1.3%	1.1%	1.1%
Enterprise	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%
Intergovernmental [2]	9.1%	9.2%	8.8%	9.5%	10.1%	8.7%	8.3%	9.0%	8.4%	7.9%
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)

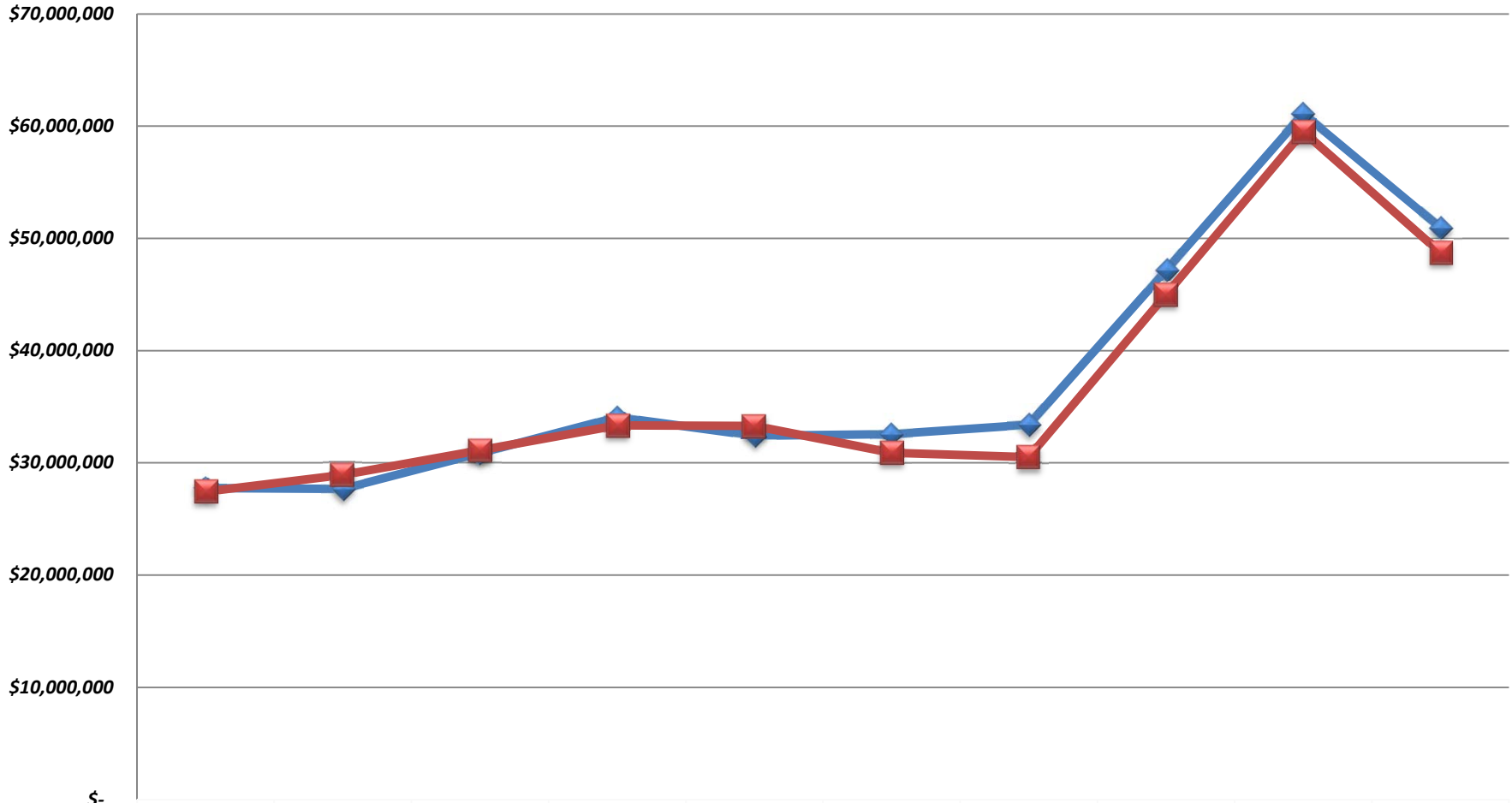
	For the Fiscal Year Ended June 30,									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Total Revenues	$ 27,744,616	$ 27,683,099	$ 30,849,574	$ 34,082,012	$ 32,413,428	$ 32,554,198	$ 33,392,877	$ 47,170,804	$ 61,086,862	$ 50,937,591
Total Expenditures	27,423,995	28,933,901	31,118,726	33,348,443	33,299,598	30,894,377	30,501,389	44,991,893	59,518,135	48,722,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	320,621	(1,250,802)	(269,152)	733,569	(886,170)	1,659,821	2,891,488	2,178,911	1,568,727	2,214,708
Other Financing Sources (Uses)										
Inception of capital lease	-	216,000	-	-	-	-	-	-	-	-
Transfers in	38,013	462,241	81,963	63,094	161,537	428,150	19,859	50,085	495,494	537,408
Transfers out	(38,013)	(462,241)	(81,963)	(63,094)	(161,537)	(428,150)	(19,859)	(50,085)	(495,494)	(537,408)
Total Other Financing Sources (Uses)	-	216,000	-	-	-	-	-	-	-	-
Net Change in Fund Balances	$ 320,621	$ (1,034,802)	$ (269,152)	$ 733,569	$ (886,170)	$ 1,659,821	$ 2,891,488	$ 2,178,911	$ 1,568,727	$ 2,214,708

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



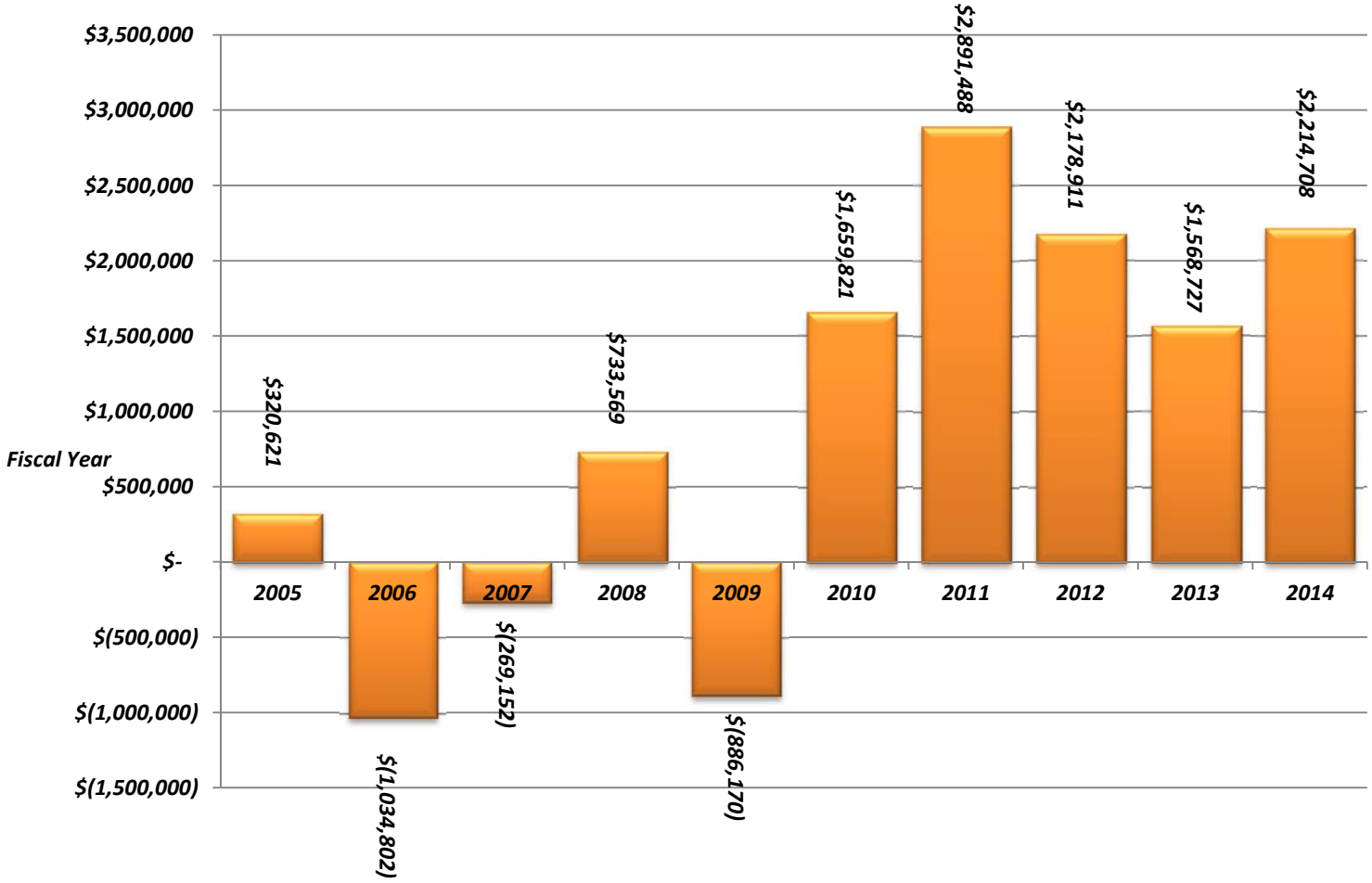
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues	$27,744,616	$27,683,099	$30,849,574	$34,082,012	$32,413,428	$32,554,198	$33,392,877	$47,170,804	$61,086,862	$50,937,591
Expenditure	$27,423,995	$28,933,901	$31,118,726	$33,348,443	$33,299,598	$30,894,377	$30,501,389	$44,991,893	$59,518,135	$48,722,883

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											
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	39,300,609	692,464,874	14.080	1,731,162,185	9.4%
2009	181,711,525	283,887,880	336,873,110	2,800,366	759,435	4,220,012	29,822,460	57,866,628	782,208,160	14.080	1,955,520,400	13.0%
2010	212,661,056	302,043,691	295,461,603	3,417,332	1,446,541	4,006,938	31,739,856	57,235,622	793,541,395	13.865	1,983,853,488	1.4%
2011	206,864,772	329,964,480	234,597,536	4,544,767	1,443,645	4,007,168	28,300,546	56,373,206	753,349,708	13.865	1,883,374,270	-5.1%
2012	173,589,485	324,327,025	204,160,467	3,377,648	1,338,534	4,468,028	27,676,924	56,198,851	682,739,260	16.012	1,706,848,150	-9.4%
2013	174,704,000	338,876,000	205,646,000	2,550,000	1,180,000	4,824,000	29,436,000	63,328,842	693,887,158	17.762	1,734,717,895	1.6%
2014	175,735,408	234,930,357	323,005,009	2,690,344	1,180,046	4,963,309	30,958,617	66,018,502	707,444,588	17.813	1,768,611,470	2.0%
*	$ 173,949,420	$ 263,511,947	$ 251,570,890	$ 2,878,724	$ 999,146	$ 4,583,623	$ 28,981,742	$ 40,520,744	$ 685,954,748		$ 1,714,886,869	
**	34.0%	38.7%	54.8%	184.3%	123.4%	-2.3%	16.0%	819.4%	32.2%		32.2%	
	Percentage of Total											
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%	5.7%	94.3%			
2009	21.6%	33.8%	40.1%	0.3%	0.1%	0.5%	4.1%	7.4%	92.6%			
2010	25.0%	35.5%	34.7%	0.4%	0.2%	0.5%	0.0%	7.2%	92.8%			
2011	25.5%	40.8%	29.0%	0.6%	0.2%	0.5%	0.0%	7.5%	92.5%			
2012	23.5%	43.9%	27.6%	0.5%	0.2%	0.6%	0.0%	8.2%	91.8%			
2013	23.1%	44.8%	27.2%	0.3%	0.2%	0.6%	0.0%	9.1%	90.9%			
2014	22.7%	30.4%	41.8%	0.3%	0.2%	0.6%	0.0%	9.3%	90.7%			

*** 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://dor.georgia.gov/county-ad-valorem-tax-digest-consolidated-summaries

City of Calhoun Board of Education, Georgia

Chart-Taxable Assessed Value - Before Tax Exempt Property Deductioin

Last Ten Fiscal Years

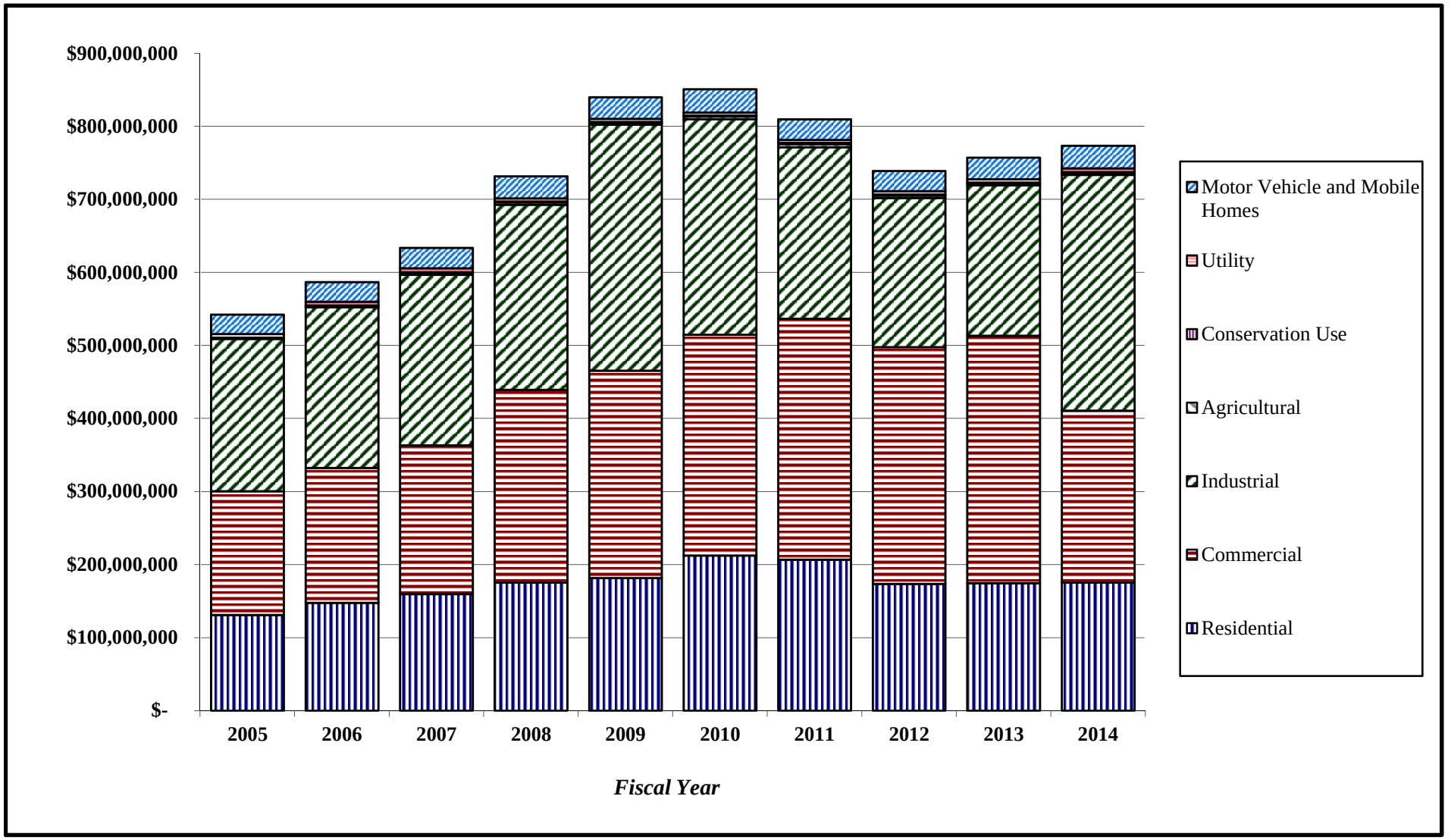


Exhibit IX

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**
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
2014	1.980	0.150	9.800	17.813	29.743
% Change From 2005-2014	32.0%	-40.0%	29.5%	19.2%	22.6%

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)

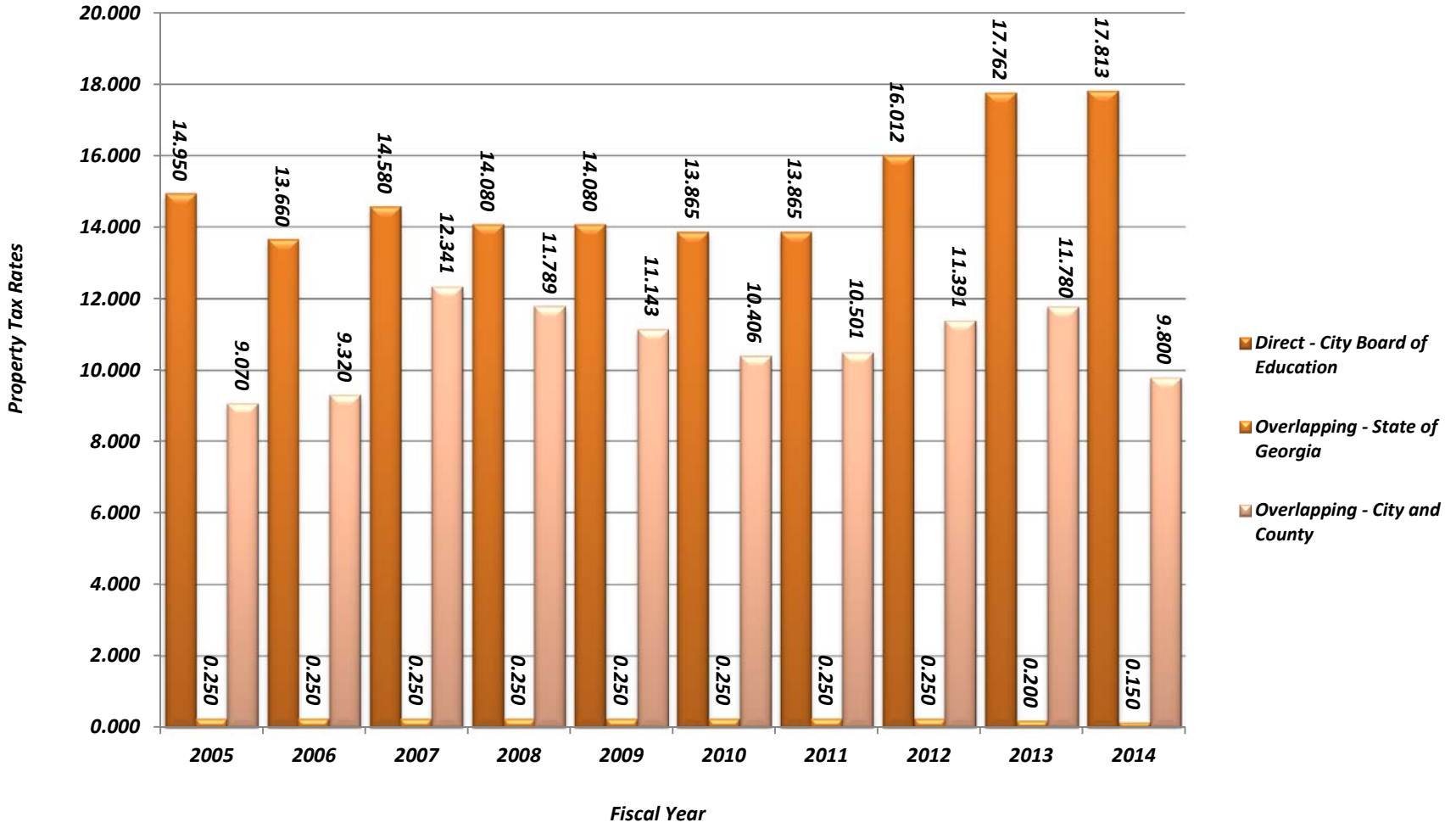


Exhibit X

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
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%	223	9,469	99.84%	15	0.16%
2008	10,323	9,940	96.29%	306	9,940	96.29%	77	3.71%
2009	11,670	10,430	89.37%	1,139	11,569	99.13%	101	0.87%
2010	11,911	10,939	91.84%	834	11,773	98.84%	138	1.16%
2011	11,377	10,631	93.44%	602	11,233	98.73%	144	1.27%
2012	12,012	11,341	94.41%	489	11,830	98.48%	182	1.52%
2013	13,623	13,057	95.85%	292	13,349	97.99%	274	2.01%
2014	14,217	13,798	97.05%	-	13,798	97.05%	419	2.95%

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:

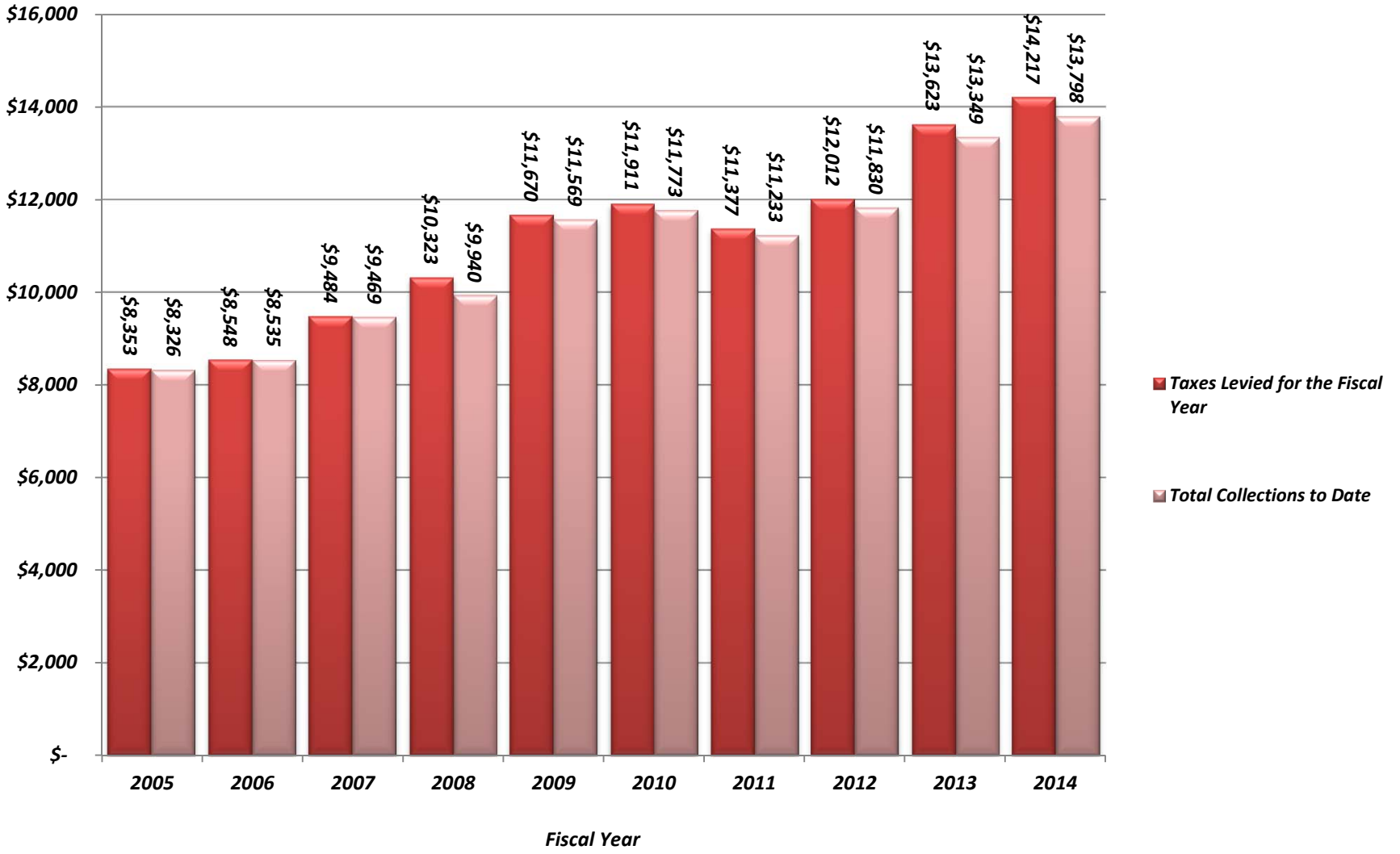
City of Calhoun, Georgia tax collection records.

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, 2014 and 2005

(amounts expressed in thousands)

2014				2005			
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	$ 89,964	1	12.72%	Aladdin (Mohawk) Industries	$ 60,115	1	11.08%
Engineered Floors, LLC	32,152	2	4.54%	Shaw Industries Inc	27,472	2	5.06%
Kobelco	31,273	3	4.42%	Mannington Carpets	17,456	3	3.22%
Shaw Industries Group, Inc.	29,140	4	4.12%	Kobelco	12,927	4	2.38%
Mannington	22,110	5	3.13%	Calhoun Outlets	6,934	5	1.28%
Fieldturf USA	11,665	6	1.65%	Spring Industries	6,534	6	1.20%
Faus	10,080	7	1.42%	CAF Extrusions	6,130	7	1.13%
Apache Mills, Inc.	8,578	8	1.21%	Kerry Inc	5,969	8	1.10%
Nourison Industries	7,795	9	1.10%	Fiskars Brands Inc.	4,727	9	0.87%
Wal Mart	5,773	10	0.82%	DMK Holdings Inc.	3,837	10	0.71%
Total Principal Taxpayers	248,530		35.13%	**Total Principal Taxpayers**	152,101		28.04%
All Other Taxpayers	458,915		64.87%	**All Other Taxpayers**	390,349		71.96%
Total	$ 707,445		100.00%	**Total**	$ 542,450		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
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%
2014	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 - 2013

	2004		2005		2006		2007		2008		2009		2010		2011		2012		2013	
	Amount	Percent	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%	$ 166,046,005	19.92%
Food/bars											74,397,977	9.12%	134,101,103	16.13%	120,551,365	14.36%	124,424,295	14.11%	131,449,880	15.77%
Manufacturing											114,968,896	14.09%	109,287,805	13.14%	106,969,981	12.75%	105,678,640	11.98%	114,121,750	13.69%
Utilities											85,951,003	10.54%	98,120,054	11.80%	158,443,411	18.88%	161,778,163	18.35%	160,151,527	19.20%
Other retail											61,769,180	7.57%	82,437,277	9.91%	107,167,095	12.77%	108,687,062	12.33%	47,649,200	5.72%
Wholesale											89,024,099	10.91%	70,070,380	8.43%	53,701,051	6.40%	56,216,313	6.37%	72,160,597	8.66%
Automotive											106,428,249	13.05%	61,702,722	7.42%	30,915,366	3.68%	41,003,958	4.65%	20,647,441	2.47%
Home furnishings											46,749,549	5.73%	55,350,997	6.66%	51,320,508	6.12%	51,969,154	5.89%	58,830,740	7.06%
Miscellaneous services											51,269,676	6.28%	38,867,124	4.67%	31,769,995	3.79%	35,136,136	3.98%	37,314,307	4.48%
Other services											10,967,548	1.34%	13,940,083	1.68%	19,996,879	2.38%	27,587,821	3.13%	17,133,357	2.05%
Accommodations											8,134,834	1.00%	6,637,362	0.80%	6,168,429	0.73%	6,287,902	0.71%	6,814,726	0.82%
Construction											1,157,038	0.14%	1,228,360	0.15%	1,523,562	0.18%	905,255	0.11%	1,359,056	0.16%
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%	$ 833,678,586	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		$ (48,148,148)	
Percent increase from previous year			8.32%		14.27%		-1.18%		1.58%		-12.96%		1.93%		0.93%		5.12%		-5.74%	

Notes:

[1] Sales data only available for Gordon County.

[2] Beginning in 2009, the Georgia Department of Revenue changed the reporting of 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
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	-
2014	-	0.00000%	-	-

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, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Overlapping Debt [2, 3]			
Gordon County - Debt repaid with property taxes	$ -	100.0%	$ -
City of Calhoun - general obligation bonds [3]	-	100.0%	-
Calhoun Recreation Authority	-	100.0%	-
Total Overlapping Debt			$ -

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] City [2]	State of Georgia [4]	United States [5]
2005	13,666	$ 1,274,403	$ 25,185	$ 34,471	73.1%	33.9	4.9%	5.6%	5.1%
2006	14,015	1,323,325	25,370	34,510	73.5%	34.0	4.4%	4.7%	4.6%
2007	14,379	1,402,189	26,254	35,260	74.5%	34.0	4.6%	4.6%	4.7%
2008	14,753	1,490,766	27,320	35,204	77.6%	34.0	6.5%	5.6%	5.5%
2009	14,807	1,403,403	25,675	38,615	66.5%	34.4	13.5%	10.1%	9.5%
2010	14,955	1,411,630	27,970	40,148	69.7%	34.4	12.6%	9.6%	9.3%
2011	15,650	1,467,371	28,649	41,353	69.3%	37.5	12.4%	10.2%	9.6%
2012	15,773	1,485,717	28,836	41,560	69.4%	37.5	11.8%	9.6%	8.5%
2013	15,812	1,509,681	29,529	40,661	72.6%	35.3	10.2%	8.8%	7.9%
2014	15,899	1,618,698	25,028	28,155	88.9%	36.9	8.5%	7.4%	6.1%

Notes:

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

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

Data Sources:

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

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

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

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

[5] 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, 2014 and 2005

		2014		
Employer	**Type of Business**	**Number of Employees**	**Rank**	**Percentage of Major County Employers**
Mohawk Industries	Flooring	1,900	1	8.29%
Shaw Industries	Flooring	1,370	2	5.97%
Gordon County Schools	Government	832	3	3.63%
Gordon Hospital	Hospital	780	4	3.40%
Mannington	Flooring	700	5	3.05%
Engineer Flooring	Flooring	620	6	2.70%
Apache Mills	Flooring	425	7	1.85%
Calhoun City Schools	Government	398	8	1.74%
Gordon County Government	Government	371	9	1.62%
Calhoun City Government	Government	353	10	1.54%
Total Principal Employers		7,749		33.79%
Other Employers		15,181		66.21%
Total Employers [1]		22,930		100.00%

		2005		
Employer	**Type of Business**	**Number of Employees**	**Rank**	**Percentage of Major County Employers**
Mohawk Industries, Inc. (Aladdin)	Flooring	3,000	1	12.37%
Shaw Industries	Flooring	1,750	2	7.21%
Gordon County Schools	Government	985	3	4.06%
Gordon Hospital	Hospital	600	4	2.47%
Mannington Carpets	Flooring	592	5	2.44%
Calhoun City Schools	Government	417	6	1.72%
Springs Industries	Manufacturing	398	7	1.64%
Gordon County Government	Government	341	8	1.41%
Beaulieu Group	Flooring	386	9	1.59%
City of Calhoun Government	Government	321	10	1.32%
Total Principal Employers		8,790		36.23%
Other Employers		15,472		63.77%
Total Employers		24,262		100.00%

Data Source:

Estimated by Gordon County Chamber of Commerce.

City of Calhoun Board of Education, Georgia

Full Time Equivalent (FTE) Positions - by Function

Last Ten Fiscal Years [1]

Positions	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Calhoun Primary School[2]										
Classroom Teachers	52	57	56	56	57	53	52	52	54	54
Support Personnel	62	66	65	64	61	44	43	42	42	45
Administrators	3	3	3	3	3	2	2	2	2	2
Calhoun Elementary School										
Classroom Teachers	43	45	46	47	47	44	44	43	45	48
Support Personnel[1]	23	25	25	25	24	26	27	25	27	27
Administrators	3	3	3	3	3	2	2	2	2	3
Calhoun Middle School										
Classroom Teachers	41	46	49	49	48	43	44	44	45	45
Support Personnel[1]	25	28	31	32	31	22	23	23	23	22
Administrators	3	2	2	2	2	2	2	2	2	2
Calhoun High School										
Classroom Teachers	48	53	58	62	63	59	54	56	56	59
Support Personnel[1]	41	38	44	46	44	35	32	27	28	27
Administrators	5	5	4	4	5	5	5	5	5	5
Pre-K Program										
Classroom Teachers	7	8	8	8	8	10	10	10	10	10
Support Personnel[1]	10	10	10	10	12	15	14	13	14	14
Administrators	-	-	-	-	-	-	-	-	-	-
Central Office										
Support Personnel	15	17	17	16	16	16	15	16	16	11
Administrators	4	4	4	6	6	5	5	5	5	4
Maintenance	3	3	3	3	3	3	3	2	2	2
Transportation	12	15	18	17	17	15	14	16	18	16
Community Education	2	2	2	2	2	1	1	1	1	2
Total	400	429	446	452	452	402	392	386	397	398
Percentage Change From Prior Year	11.1%	7.2%	4.0%	1.4%	0.0%	-11.1%	-2.5%	-1.5%	2.8%	0.3%

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]
2005	$ 32,094	$ 28,203	113.8%	$ 68,362	$ 44,866	$ 46,737
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	52,871
2012	34,973	31,586	110.7%	75,360	54,400	53,072
2013	34,973	31,586	110.7%	75,360	55,934	53,031
2014	34,973	31,586	110.7%	75,360	56,826	-

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
School: Calhoun Primary										
Square feet	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456
Enrollment[3]	795	815	805	798	804	856	928	933	940	919
School: Calhoun Elementary										
Square feet	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456	93,456
Enrollment[3]	713	720	740	788	792	773	776	766	839	903
School: Calhoun Middle										
Square feet	85,645	85,645	85,645	85,645	85,645	85,645	85,645	85,645	85,645	94,628
Enrollment[3]	714	745	765	717	712	726	772	794	788	841
School: Calhoun High										
Square feet	171,248	171,248	171,248	171,248	171,248	171,248	171,248	94,628	94,628	246,020
Enrollment[3]	739	797	827	850	904	878	869	863	909	997

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	Pupil/ Teacher Ratio	Enrollment Eligibility % of Free and Reduced Meals [1]
2005	$ 19,666,949	3,110	$ 6,324	0.95%	186	16.72	44.92%
2006	21,923,712	3,228	6,792	7.40%	204	15.82	46.87%
2007	24,569,964	3,283	7,484	10.19%	212	15.49	50.99%
2008	25,802,346	3,298	7,824	4.54%	215	15.34	53.34%
2009	25,487,759	3,361	7,583	-3.07%	221	15.21	52.59%
2010	24,017,387	3,423	7,016	-7.48%	210	16.30	59.08%
2011	23,602,090	3,531	6,684	-4.73%	210	16.81	57.78%
2012	25,133,976	3,574	7,032	5.21%	210	17.02	65.25%
2013	26,822,436	3,560	7,534	7.14%	213	16.71	61.21%
2014	28,392,859	3,764	7,543	0.12%	213	17.67	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

Exhibit XXII

City of Calhoun Board of Education, Georgia

Enrollment by Grade Level (Unaudited)

Last Ten Fiscal Years [1]

Grade Level	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PK	149	151	146	145	149	190	189	218	216	202
KK	273	276	276	290	294	306	343	312	301	307
Grade 1	273	268	257	259	267	288	305	324	321	313
Grade 2	249	271	272	249	243	262	278	297	318	299
Grade 3	226	238	269	272	252	240	263	266	295	306
Grade 4	226	235	245	265	272	268	241	256	282	294
Grade 5	261	247	226	251	268	265	271	244	262	303
Grade 6	258	270	245	233	251	254	262	271	258	279
Grade 7	219	261	256	229	230	247	258	264	271	274
Grade 8	237	214	264	255	231	225	252	259	259	288
Grade 9	242	247	241	267	273	241	221	265	269	302
Grade 10	195	205	220	216	246	234	222	195	251	264
Grade 11	164	195	189	201	200	220	221	185	201	244
Grade 12	138	150	177	166	185	183	205	218	187	187
Total	3,110	3,228	3,283	3,298	3,361	3,423	3,531	3,574	3,691	3,862
Annual % Change	12.0%	3.8%	1.7%	0.5%	1.9%	1.8%	3.2%	1.2%	3.3%	4.6%

Notes:

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

Data Source:

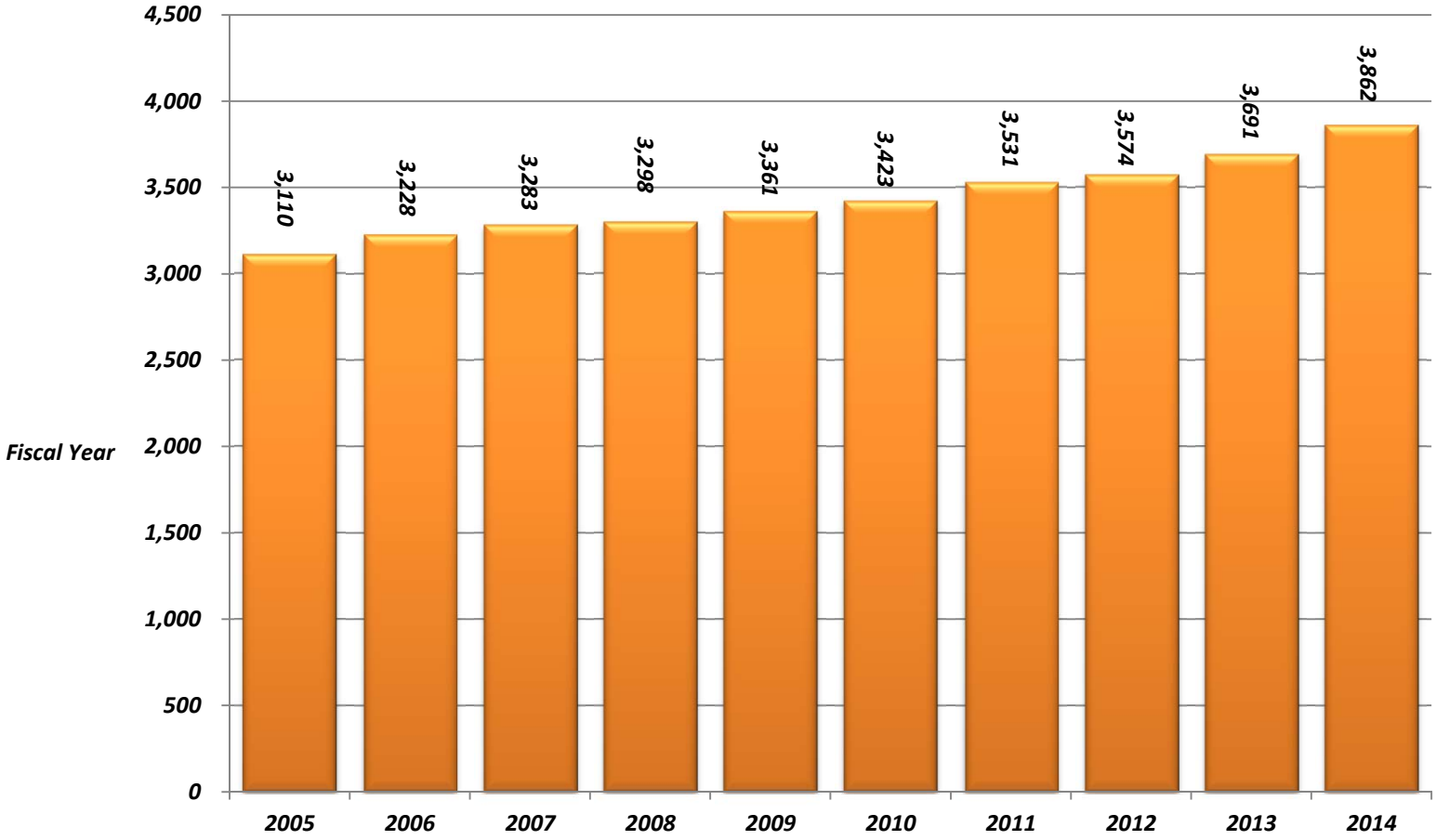
http://app.doe.k12.ga.us/ows-bin/owa/fte_pack_enrollgrade.entry_form

City of Calhoun Board of Education, Georgia

Chart-Enrollment by Grade Level

Last Ten Fiscal Years

(modified accrual basis of accounting)



Compliance Section

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

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

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

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, 2014, 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 29, 2014.

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. Dibbs & Company

Calhoun, Georgia
December 29, 2014

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

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE 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, 2014. 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, 2014.

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 29, 2014

CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

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	$ 474,953
National School Lunch Program	10.555	1,264,964
Total Child Nutrition Cluster		1,739,917
Other Programs		
Pass-Through From Georgia Department of Education		
Food and Nutrition Program		
Food Distribution Program (1)	10.550	37,112
Total U.S. Department of Agriculture		1,777,029
Justice, U.S. Department of		
Office of Community Oriented Policing Services		
Direct Award	16.710	248,231
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	574,258
Preschool	84.173	21,949
Total Special Education Cluster		596,207
Other Programs		
Pass-Through From Georgia Department of Education		
Elementary and Secondary Education Act		
Title 1-A		
Improving the Academic Achievement of the Disadvantaged	84.010	769,861
Title II		
A- Improving Teacher Quality	84.367	69,743
Advance Placement Grant	84.367	699
		70,442
Title III-A		
Limited English Proficient	84.365	59,044
Title VI - Part B		
Rural & Low-Income Schools	84.358	76,957
Education for Homeless Children and Youth	84.196	41,272
CTE-Perkins IV Grants-Program Improvement	84.048	36,570
Direct Award - Elementary and Secondary School Counseling Programs	84.215E	352,779
Total U. S. Department of Education		2,003,132
Total Federal Financial Assistance		$ 4,028,392

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, 2014

(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, 2014

None Reported

CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified 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 unmodified 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: Title I-A (CFDA#84.010); Special Education Cluster (CFDA#84.173 and #84.027); and Elementary and Secondary School Counselor Program (CFDA#84.215E).

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

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

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

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

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

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

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

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

We have audited the accompanying project cost schedule for projects constructed with special sales tax proceeds for the City of Calhoun Board of Education, Georgia, a component unit of the City of Calhoun, Georgia, as of June 30, 2014. 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, 2014, 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 29, 2014

CALHOUN CITY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
FOR THE YEAR ENDED JUNE 30, 2014

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COST (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
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	$12,905,468	$37,831,655	$ -	$ -	1/31/2015
	$50,108,666	$54,958,666	$12,905,468	$37,831,655	$ -	$ -	

(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 project. All project cost 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) Actual project cost incurred in current and prior years.

(5) Prior Year Expenditures were previously reported at $37,567,503 but have been restated to reflect actual project costs of $37,831,655.

CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA
NOTES TO SCHEUDLE OF APPROVED
LOCAL OPTION SALES PROJECTS
FOR THE YEAR ENDED JUNE 30, 2014

The accompanying schedule includes information required by state statute. This information is presented on the modified accrual basis of accounting, consistent with generally accepted principles for governmental fund financial statements.