

City of Cartersville Board of Education

A Component Unit of the City of Cartersville, Georgia

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2012

Richard Dyke, C.P.A.
Finance Director

THE CITY OF CARTERSVILLE
BOARD OF EDUCATION

A COMPONENT UNIT OF THE
CITY OF CARTERSVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

Prepared By City of Cartersville Board of Education
Richard Dyke, C.P.A.
Director of Finance

INTRODUCTORY SECTION

CITY OF CARTERSVILLE BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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CITY OF CARTERSVILLE BOARD OF EDUCATION

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LINDA P. BENTON, *PRESIDENT*
KELLEY A. DIAL, *VICE PRESIDENT*
S. PAT BROADNAX, *SECRETARY*

J. HOWARD HINESLEY, Ed.D
SUPERINTENDENT

Cartersville School System

DAVID APPLE
CAROLYN JOHNSON
TRAVIS POPHAM
KEN TOPHAM

KENNETH CLOUSE, Ed.S
ASSISTANT SUPERINTENDENT

November 6, 2012

Members of the Cartersville School Board
Cartersville, Georgia

The Comprehensive Annual Financial Report of the Cartersville School Board, Cartersville, Georgia, for the fiscal year ending June 30, 2012, is submitted herewith. The Superintendent and Director of Finance prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. It is our opinion that the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the school system as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the School Board's financial affairs have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Cartersville School Board MD&A can be found immediately following the report of the independent auditors.

Economic Condition and Outlook

Under the Charter of the City of Cartersville, the school system is dependent upon the city council for providing funds for the operation and maintenance of the schools. On March 27, 1998, Act Number 646 (H.B.1701), Governor Zell Miller signed into law local legislation amending Section 5.07 of the Charter of the City of Cartersville. Specifically, this new amendment to the Charter struck all language in Section 5.07, and inserted in lieu thereof a new Section 5.07. Below is a copy of the exact language amending Section 5.07 of the Charter of the City of Cartersville:

It is the policy of the Cartersville School Board not to discriminate on the basis of sex, race, marital status, age, religion, national origin or handicap in its educational programs, activities or employment practices.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

Section 1.

An act reincorporating the City of Cartersville, approved March 28, 1974 (Ga. L. 1974, p. 3697), as amended, is amended by striking Section 5.07 and inserting in lieu thereof a new Section 5.07 to read as follows:

"Sec. 5.07.
Budget, tax levy, etc.

(a) On or before August 10, or another date specified by the city council, the Cartersville School Board shall submit to the city council the Cartersville School Board's annual recommendation for the rate of tax levy within the limitations fixed by law to be made upon all taxable property within the city limits pursuant to the authority granted in Article VIII, Section VI, Paragraph I of the Georgia Constitution and Code Section 48-5-405 of the O.C.G.A. The city council shall levy said tax upon the assessed value of all taxable property within the city limits within the limitations fixed by law.

(b) The city council shall cause the levied taxes collected to support the Cartersville public schools to be appropriated to the Cartersville School Board and deposited into the school board account and disbursed from the account to the Cartersville public schools within ten days of receipt. The City of Cartersville shall invoice the Cartersville School Board for the pro rata cost of collecting property taxes and for bond payments and other debt service charges owed by the Cartersville public schools. The Cartersville School Board shall pay to the City of Cartersville the amount invoiced for tax collection within ten business days and at least four business days prior to the due date for bond and all other debt service costs owed to the city by the Cartersville public schools. The school board, as prescribed or approved by resolution, may incur indebtedness within the limits and manner prescribed by state law and may redeem such indebtedness by the issuance of checks or vouchers drawn upon the Cartersville School Board account subject to prior approval of a resolution by the city council.

Section 2.

This Act shall become effective July 1, 1998. On and after said effective date, the City of Cartersville shall provide no funds for the support of the Cartersville public schools except as provided in this Act.

Section 3.

All laws and parts of laws in conflict with this Act are repealed."

Under the newly amended Charter, the school system now has the authority to recommend to the city council the "rate of tax levy . . . and the city council shall levy said tax upon the assessed value of all taxable property within the city limits within the limitations fixed by law." The school system holds title to no real property; all real property titles are held by the City of Cartersville.

Incorporated in 1850 and established as the county seat following the Civil War, Cartersville has thrived as an important city located approximately 40 miles north of Atlanta along the I-75 corridor. With a rich history of mining resources, abundant agriculture and more recently manufacturing and industry, Cartersville is strategically located as a prime area for growth on the outskirts of metropolitan Atlanta. Located within Bartow County, the city of Cartersville has an honored history while simultaneously standing ready to embrace the inevitable changes of the future.

With a current population of over 18,000 residents and ranking 36th in terms of population size among Georgia's cities, Cartersville boasts a rich standard of quality living. Visitors as well as residents have come to recognize the balance of a strong economic community and one that is culturally blessed. Since the city is practically landlocked, growth has been controlled and regulated by the city government.

Manufacturing and retail industries make up the majority of the commercial development in Cartersville. Georgia Highlands College, formerly Floyd College, has opened a new campus in Cartersville. Additionally, Kennesaw State University in Kennesaw, and Shorter and Berry Colleges in Rome are all within easy commutes from Cartersville.

The District encountered significant financial challenges in the 2012 fiscal year due to cumulative austerity cuts in state funding totaling $11,615,483. Conservative budgeting practices allowed the District to absorb these substantial state funding cuts by recognizing additional local revenues and not filling position vacancies during the year. State funding for the upcoming 2013 fiscal year is not expected to substantially improve, which will continue to exert pressure on the District's budget.

Major Initiatives

Cartersville School System has served the students of the City of Cartersville for 123 years. It is one of the most senior school systems in Georgia, serving children of the City of Cartersville as well as a limited number of eligible students from outside the school district who pay an annual tuition fee, which is set by the School Board. Over the past 15 years the Cartersville School System has grown from approximately 3,333 students to over 4,160 students. All indications are that enrollment will continue to increase in future years.

All schools comprising the Cartersville School System have been cited for outstanding programs and academic performance. During Fall of 2006, the Cartersville City Schools was awarded initial District Accreditation through the Southern Association of Colleges and Schools after an onsite Quality Assurance Review visit. In 2011, that level of District Accreditation was renewed. Through a lengthy process during the 2009-2010 school year, Cartersville City Schools applied for "System Charter" status under provisions allowed by Georgia law. In July 2010, the Georgia State Board of Education approved the "System Charter" status making Cartersville City Schools one of the relatively few school systems in the state so designated. The System Charter gives the school system and its schools flexibility in its operation and exemption of most all State Board rules and laws in exchange for higher student performance goals over the five-year charter.

The school system is committed to having the best available staff in each position. For the past five years Cartersville has been recognized as having 100 percent of all its teachers and paraprofessionals meet the "highly qualified" requirements of the Georgia Professional Standards Commission and Federal legislation. 80% of the teaching staff have advance degrees.

The Board of Education has adopted a process of standards review recommended by the Georgia School Boards Association. During the Fall of the 2009-2010 school year, the Board of Education's policies, practices and operations did undergo a standards review process conducted by Board members and administrators. This standards review process is designed to maintain efficient and effective governance procedures, which enhance the learning environment for students. The Board of Education has regularly achieved satisfactory compliance with the "Standards of Local Boards of Education." The Board of Education has submitted verification to the GSBA recertifying that the Board continues to meet the "Standards of Local Boards of Education."

The citizenry of Cartersville and surrounding Bartow County have been especially supportive of the school system as evidenced by the passage of the four consecutive Special Purpose Local Options Sales Tax (SPLOST) votes in 1997, 2002, 2007 and 2010. Additionally, city residents have approved several school bond referenda to fund school construction and renovation efforts in the city schools. Surveys of the stakeholders and community show that citizens widely support and have faith in the school system and its schools.

A five-year facilities plan (2009–2013) was approved by the local Board and the State Board of Education in the Spring of 2009. This plan provides the basis for the school system in earning state funding for facility construction and renovation projects. The plan will be updated and subjected to an outside review in Spring 2013.

The goals of the system's strategic plan have guided the District's approach to the delivery of classroom instruction. Some of the learning initiatives in place in Cartersville City schools include:

- Music, Art and P.E. with in-field certified teachers at all grade levels
- After School Program for tutoring and enrichment
- Gifted Challenge Program (K-12)
- Georgia Pre-Kindergarten "Bright from the Start" Program
- Music instruction using Yamaha music in Education Program in grades 3-5
- Driver Education Program
- Free a.m. & p.m. study/tutorial sessions
- Renaissance program (6-12)
- State Longitudinal Date Systems program for benchmark assessments, data utilization, instructional planning (Grades 1-12)
- Increased Honors and Advanced Placement Courses (6-12)
- Ombudsman Alternative Education Program (6-12)
- Character Education (K-12)
- Use of academic coaches to support teachers in the instructional process and program
- Partnerships with community organizations and members
- Job-embedded professional development
- New Teacher induction and mentor program
- Focus Classes for struggling early learners (K-2)

In addition to these academic strategies, the system's strategic plan focuses on effective and efficient operations and safety for all students and staff.

Financial Information

The School Board is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits are estimates and judgments made by management

As a recipient of federal, state and local financial assistance, the School Board is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the School Board.

As part of the School Board's single audit, tests were made of the internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs. The audit for the year ended June 30, 2012, disclosed that the School Board complied, in all material respects, with the requirements of its major federal programs.

In addition, the School Board maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the general fund, capital project funds, and special revenue funds are included in the annual appropriated budget. The level of budgetary control is the function level.

As demonstrated by the statements and schedules included in the financial section of this report, the School Board continues to meet its responsibility for sound financial management.

Other Information

Independent Audit

State statutes require an annual audit by independent certified public accountants. The firm of Mauldin Jenkins, LLC, was selected by the School Board's finance committee. In addition to meeting the requirements set forth in state statutes, including the Official Code of Georgia's Section 48-8-121 pertaining to Special Local Option Sales Tax, the audit was designed to meet the requirements of the federal Single Audit Act of 1984 and the related U.S. Office of Management and Budget's Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in the compliance section of this report.

Awards

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 Cartersville Board of Education for its comprehensive annual report (CAFR) for the fiscal year ending June 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR 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 our current report continues to conform to the Certificate of Achievement program requirements.

Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department. We express our appreciation to all members of the Department who assisted and contributed to its preparation. We also extend appreciation to the School Board for their interest and support in planning and conducting the financial operation of the school system in a responsible and progressive manner.

Respectfully submitted,

_____	_____
J. Howard Hinesley, Ed.D	Richard Dyke, CPA
Superintendent of Schools	Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cartersville Board of Education

Georgia

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

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



Christopher P Morrill

President

Jeffrey R. Emer

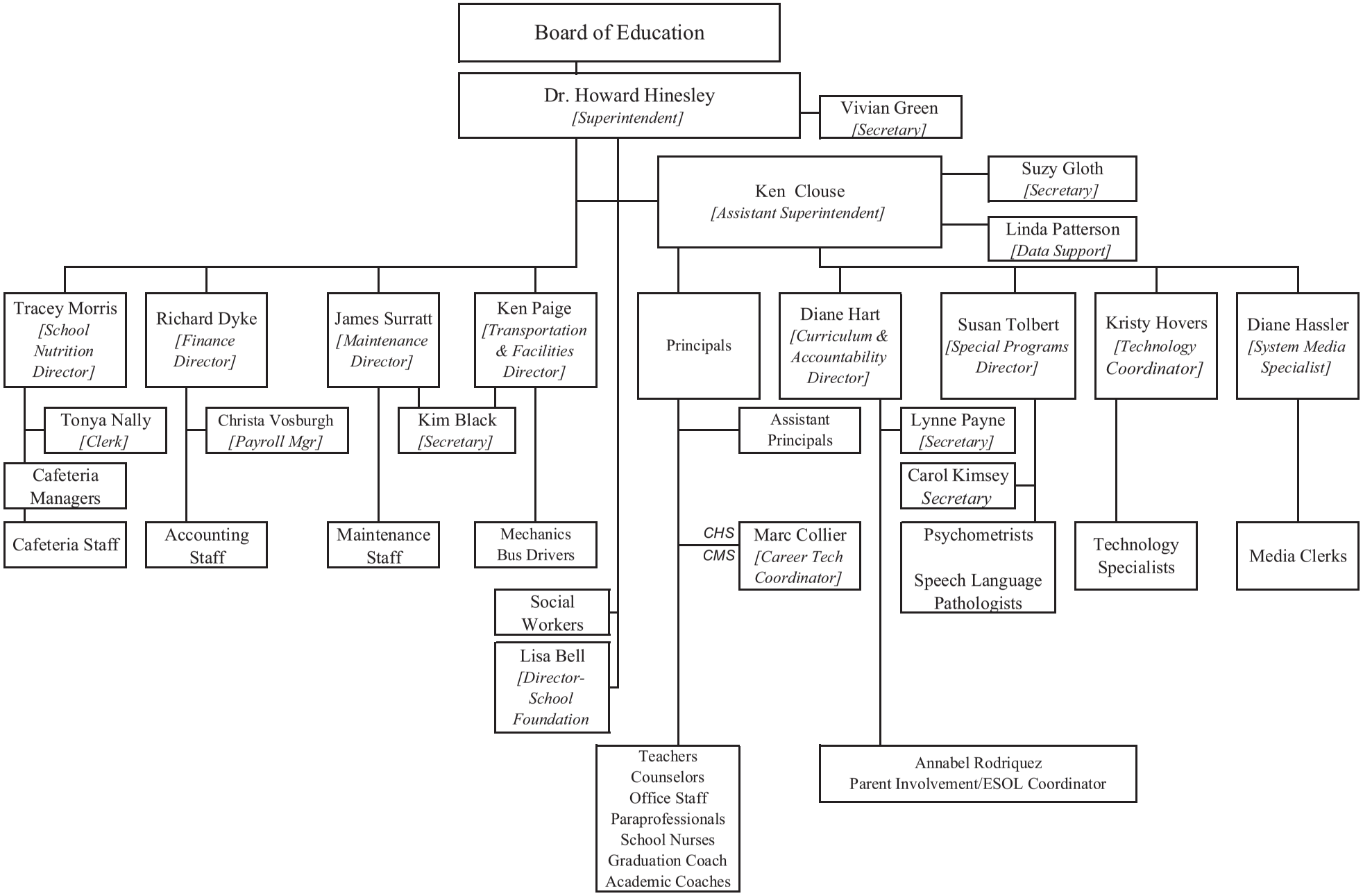
Executive Director

Cartersville School Board

Ward	Name/Address	Telephone/Cell No.	Member Since	Current Term
1	Mrs. Carolyn Johnson 16 Dove Court Cartersville, GA 30120	(H) 770-386-4333 (e-mail) crjohnson1955@gmail.com (cell: 770-289-3106)	3/12	3/12 - 12/15
2	Mr. Ken Topham 9 Lancer Drive Cartersville, GA 30l20	(e-mail) kentopham@bellsouth.net (cell: 678-848-1281)	1/06	1/10 - 12/13
3	Mr. Travis Popham 428 Waterford Dr. Cartersville, GA 30120	(cell: 770-387-6372) (e-mail) prgi@mindspring.com (W) 770-387-1706	1/12	1/12 - 12/15
4	Mrs. S. Pat Broadnax 14 Wofford Street Cartersville, GA 30120	(H) 770-382-3184 (e-mail) PattyBroadnax@gmail.com (cell: 678-231-5284)	5/09	1/12 - 12/15
5	Mr. David Apple 47 Mission Hills Dr. Cartersville, GA 30120	(H) 770-382-7216 (e-mail) dlapple100@gmail.com (cell: 770-328-0802)	1/10	1/10 - 12/13
6	Mrs. Kelley A. Dial 4 Mimosa Terrace Cartersville, GA 30120	(H) 770-382-3373 (e-mail) kelleydial@gmail.com (cell: 404-408-6918)	7/00	1/10 - 12/13
At Large	Mrs. Linda P. Benton 144 Cherokee Circle Cartersville, GA 30120	(H) 770-382-0282 (F) 770-382-2055 (e-mail) lpbenton@aol.com (cell: 770-606-7563)	3/94	1/12 - 12/15
Superintendent	Dr. Howard Hinesley 17 Hepworth Lane Cartersville, GA 30120	(H) 770-607-3551 (B) 770-382-5880 (F) 770-387-7476 (e-mail) hhinesley@cartersville.k12.ga.us (cell: 404-285-0568)		
Assistant Superintendent	Mr. Ken Clouse 415 Schriever Court McDonough, GA 30252	(B) 770-382-5880 (F) 770-387-7476 (e-mail) kclouse@cartersville.k12.ga.us (cell: 404-401-6777)		

Revised 03/12/12

Cartersville City Schools Organizational Chart - Assignments



Effective 8/13/12

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2012 on our consideration of the City of Cartersville Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cartersville Board of Education's basic financial statements. The combining nonmajor fund financial statements and schedules, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cartersville Board of Education's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.



Atlanta, Georgia
November 5, 2012

City of Cartersville Board of Education

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

The discussion and analysis of the City of Cartersville Board of Education's financial performance provides an overall review of the Board's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the Board's financial performance as a whole; readers should review the notes to the basic financial statements and the financial statements to enhance their understanding of the Board's financial performance.

Financial Highlights

Key financial highlights for 2012 are as follows:

- In total, net assets decreased $1,414,000, which represents a 6.2% decrease from 2011. This total decrease was due to governmental activities since the Board has no business-type activities.
- General revenues accounted for $20.1 million in revenue or 46.1% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $23.6 million or 53.9% of total revenues of $43.7 million.
- The Board had $45.1 million in expenses related to governmental activities; only $23.6 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $20.1 million were adequate to provide for these programs.
- Among major funds, the General Fund had $32.1 million in revenues and $33.0 million in expenditures. The General Fund's balance decreased to $10.7 million from $11.4 million.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Cartersville Board of Education as a financial whole or as an entire operating entity.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole Board, presenting both an aggregate view of the Board's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well what remains for future spending. The fund financial statements also look at the Board's most significant funds with all other nonmajor funds presented in total in one column. In the case of the City of Cartersville Board of Education, the General Fund is by far the most significant fund.

Reporting the Board as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the Board to provide programs and activities, the view of the Board as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-

sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Board's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the Board as a whole, the financial position of the Board has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the Board has one distinct type of activity:

- Governmental Activities – All of the Board's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service, after school program, school activity funds, and various others.

Reporting the Board's Most Significant Funds

Fund Financial Statements

Funds financial reports provide detailed information about the Board's major funds. The Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Board's most significant funds. The Board's major governmental funds are the General Fund and Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund.

Governmental Funds. All of the Board's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Board's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The Board as a Whole

The perspective of the Statement of Net Assets is of the Board as a whole. Table 1 provides a summary of the Board's net assets for 2012.

Table 1
Net Assets

	Governmental Activities		%
	2012	2011	Change
Assets			
Current and Other Assets	$ 23,953,331	$ 25,128,160	-4.7%
Capital Assets, Net	2,554,000	2,378,347	7.4%
Total Assets	26,507,331	27,506,507	-3.6%
Liabiliies			
Current and Other Liabilities	5,132,644	4,717,571	8.8%
Total Liabilities	5,132,644	4,717,571	8.8%
Net Assets			
Invested in Capital Assets	2,554,000	2,378,347	7.4%
Restricted	7,305,466	8,148,578	-10.3%
Unrestricted	11,515,221	12,262,011	-6.1%
Total Net Assets	$ 21,374,687	$ 22,788,936	-6.2%

As previously stated, the total net assets for 2012 was $21.4 million which represents a $1,414,000 or 6.2 % decrease over 2011. The school district's net assets decrease over the prior year was primarily due to a decrease in property taxes and state and federal funding sources, which account for an approximately $2,498,000 decrease in revenues.

Table 2 shows the changes in net assets for fiscal year 2012.

Table 2
Changes in Net Assets

	Governmental Activites		%
	2012	2011	Change
Revenues			
Program Revenues			
Charges for Services and Sales	$ 1,149,248	$ 1,351,854	-15.0%
Operating Grants and Contributions	22,340,252	23,817,658	-6.2%
Capital Grants and Contributions	83,064	161,921	-48.7%
Total Program Revenues	23,572,564	25,331,433	-6.9%
General Revenues			
Taxes			
Property Taxes for Maintenance and Operations	15,580,291	16,445,865	-5.3%
Sales Taxes			
Special Purpose Local Option Sales Tax for Capital Projects	4,529,806	4,904,104	-7.6%
Grants and Contributions not Restricted to Specific Programs			
Investment Earnings	12,269	30,350	-59.6%
Other	-	12,121	-100.0%
Total General Revenues	20,122,366	21,392,440	-5.9%
Total Revenues	43,694,930	46,723,873	-6.5%
Program Expenses			
Instruction	25,951,241	25,245,277	2.8%
Support Services			
Pupil Services	1,255,932	1,293,166	-2.9%
Improvement of Instructional Services	1,569,840	1,346,535	16.6%
Educational Media Services	458,667	500,258	-8.3%
General Administration	820,273	811,620	1.1%
School Administration	1,920,090	1,896,584	1.2%
Business Administration	525,608	522,523	0.6%
Maintenance and Operation of Plant	7,812,148	6,062,740	28.9%
Student Transportation Services	1,217,782	1,280,390	-4.9%
Central Support Services	208,895	152,916	36.6%
Other Support Services	169,737	206,346	-17.7%
Operations of Non-Instructional Services			
Community Services	136,518	109,014	25.2%
Food Services	3,062,448	3,071,864	-0.3%
Interest and Fees	-	4,054	-100.0%
Total Expenses	45,109,179	42,503,287	6.1%
Increase (Decrease) in Net Assets	(1,414,249)	4,220,586	-133.5%
Net Assets, July 1	22,788,936	18,568,350	22.7%
Net Assets, June 30	$ 21,374,687	$ 22,788,936	-6.2%

Changes in Net Assets from Operating Results

Revenues

The district's total revenue for 2012 was $43.7 million which represents a $3.0 million or a 6.5% decrease over 2011. Revenue from state sources accounted for the majority of the school district's revenue. State sources of revenue in 2012 decreased 5.1% or $901,000. Decreased state revenue is attributable to statewide economic issues and continued austerity reductions to the funding formula. Federal sources of revenue in 2012 decreased 17.3% or $976,000 due to decreased grants awarded to the district primarily from ARRA funds.

Local revenue sources including property taxes, sales taxes and interest income remained about the same. The decrease in property tax revenue of 5.3% was a direct result of the economy and very little change in the tax digest. Sales tax revenue decreased by 7.6% or $374,000 in 2012.

There was a significant decrease in interest earnings of 59.6% which is a direct result of the economy in the declining interest rates.

Expenses

The school district's total expenses increased 6.1% over fiscal year 2011. Maintenance and operations increased by 28.9%. Improvement of instructional services increased by 16.6% due to increased teacher training. Each of the other major functions such as Instruction, Pupil Services, Media Services and Business Administration increased and/or decreased by minor amounts.

Governmental Activities

Instruction comprises 57.5% of governmental program expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Service		%	Net Cost of Service		%
	2012	2011	Change	2012	2011	Change
Instruction	$ 25,951,241	$ 25,245,277	2.8%	$ 10,567,781	$ 8,720,007	21.2%
Support Services:						
Pupil Services	1,255,932	1,293,166	-2.9%	875,083	904,623	-3.3%
Improvement of Instructional Services	1,569,840	1,346,535	16.6%	351,248	325,605	7.9%
Educational Media Services	458,667	500,258	-8.3%	363,528	(42,314)	959.1%
General Administration	820,273	811,620	1.1%	108,758	(46,169)	335.6%
School Administration	1,920,090	1,896,584	1.2%	911,059	967,248	-5.8%
Business Administration	525,608	522,523	0.6%	487,678	521,073	-6.4%
Maintenance and Operation of Plant	7,812,148	6,062,740	28.9%	6,497,545	4,796,304	35.5%
Student Transportation Services	1,217,782	1,280,390	-4.9%	806,635	874,532	-7.8%
Central Support Services	208,895	152,916	36.6%	203,741	152,745	33.4%
Other Support Services	169,737	206,346	-17.7%	113,628	116,697	-2.6%
Operation of Non-Instructional Services:						
Community Services	136,518	109,014	25.2%	136,518	(90,168)	251.4%
Food Services	3,062,448	3,071,864	-0.3%	113,413	(32,383)	450.2%
Interest and fees	-	4,054	-100.0%	-	4,054	-100.0%
Total Expenses	$ 45,109,179	$ 42,503,287	6.1%	$ 21,536,615	$ 17,171,854	25.4%

Governmental Activities

The Net Cost of Governmental Activities reports the total and net cost of major district activities: instruction, pupil and instructional services, school and administrative services, maintenance and operations, transportation, and other.

Net Cost of Services is the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost shows the financial burden on the district's taxpayers by each activity. The total cost of governmental services in 2012 was $45.1 million. Users of the district's programs financed $1.1 million of costs. Federal and state grants subsidized programs, and contributions financed $22.4 million of the cost. The district taxpayers financed the other portion of the school district's cost, which was $20.1 million for 2012.

The Board's Funds

The Board's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of $43.7 million and expenditures and other financing uses of $45.3 million. The General Fund had a decrease of $779 thousand; the Special Purpose Local Option Sales Tax Capital Projects Fund had a decrease of $790 thousand. At the end of 2012, the district has a decrease of $1.6 million in fund balance as a result of continued cuts in state funding but maintained a strong cash position from which to meet future financial obligations. The change in fund balance for the Special Purpose Local Option Sales Tax Capital Projects was expending money for construction projects that have begun in FY 2012.

General Fund Budgeting Highlights

The Board's budget is prepared according to Georgia law. The most significant fund is the General Fund.

Prior to April 1st of each year, the Superintendent and the School Board have work sessions to prepare the new upcoming budget. As soon as the School Board receives the budgeted allocations from the State of Georgia, the Board adopts the budget on or before the regular June meeting. The Board can then submit to the Cartersville City Council an estimate of the local revenue that will be required for the maintenance and operation of the school system for the succeeding year no later than June 30th. Based on the budgeted requirements, the Board will recommend to the City Council the rate of tax levy that in its judgment, and considering other sources of revenue, shall be necessary and advisable to meet the expenditures contemplated. The City Council shall cause the tax levy to be set for the upcoming fiscal year. The proceeds from the City tax levy will be appropriated to the Board to meet budgetary requirements of the school system for the succeeding school year.

For the General Fund, the final budgeted revenues and other financing sources of $31.3 million was an increase in the original budgeted amount of $31.1 million. The actual revenues and other financing sources of $32.0 million was more than the budgeted amount by $700 thousand.

The final budgeted expenditures and other financing uses of $33.7 million exceeded the original budgeted amount of $33.3 million by $400 thousand. The major difference was due to additional capital outlay projects not being a part of the original budget. The actual expenditures and other financing uses per budget basis of $32.8 million was $900 thousand less than budgeted. The majority of the difference was due to on behalf payments by the Georgia Department of Education for Health Insurance of non-certified personnel and also conservative spending based on revenues received.

General Fund revenues and other financing sources were less than the expenditures and other financing uses by $779 thousand. The school board had planned during the 2012 budget process to use fund balance to cover the shortfall.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2012 the Board had $2.6 million invested in capital assets, all in governmental activities. Table 4 shows fiscal 2012 balances.

Table 4
Capital Assets at June 30
(Net of depreciation)

	Governmental Activities 2012	Governmental Activities 2011	% Change
Building and Land Improvements	$ 290,004	$ 144,270	101.0%
Vehicles	838,318	863,919	-3.0%
Computers	227,935	233,365	-2.3%
Furniture and Equipment	1,197,743	1,136,793	5.4%
Total	$ 2,554,000	$ 2,378,347	7.4%

The primary increases occurred in Building and Land Improvements. The Board purchased a portable building that serves as the transportation training facility.

Additional information on the City of Cartersville Board of Education's capital assets can be found in Note 5 on page 29 of this report.

Economic Factors and Next Year's Budgets

The local economy experienced a decrease in tax revenue as reflected in the 5.3% decrease in Property Tax revenue and 7.6 % decrease in the Special Purpose Local Option Sales tax revenue. Both were a direct result of the slowing economy.

The City of Cartersville Board of Education adopted its 2013 budget on June 11, 2012. The General Fund budget for 2012 reflected revenues of $32,104,352 and expenditures of $33,110,500. Unreserved fund balance in the amount of $1,006,148 was used to make up the difference. The Board decided not to raise the millage rate. The approved millage rate to fund the 2013 budget is 18.23 mills. This budget reflects a decrease from the 2012 budget of $332 thousand or 1.0%.

Contacting the Board's Financial Management

The financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Richard Dyke, Director of Finance at the City of Cartersville Board of Education, P.O. Box 3310, Cartersville, Georgia 30120. You may also email your questions to rd@cartersville.k12.ga.us.

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 19,930,572
Receivables:	
Intergovernmental	3,018,938
Taxes	902,601
Inventory	101,220
Capital assets, depreciable, net of accumulated depreciation	2,554,000
Total assets	26,507,331
LIABILITIES	
Accounts payable	355,738
Salaries payable	4,634,810
Retainage payable	99,100
Unearned revenue	42,996
Total liabilities	5,132,644
NET ASSETS	
Investment in capital assets	2,554,000
Restricted for:	
Capital projects	6,016,844
School nutrition	1,288,622
Unrestricted	11,515,221
Total net assets	$ 21,374,687

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

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities
Governmental activities:					
Instruction	$ 25,951,241	$ 194,236	$ 15,189,224	$ -	$ (10,567,781)
Support services:					
Pupil services	1,255,932	-	380,849	-	(875,083)
Improvement of instructional services	1,569,840	-	1,218,592	-	(351,248)
Educational media services	458,667	-	95,139	-	(363,528)
General administration	820,273	-	711,515	-	(108,758)
School administration	1,920,090	-	1,009,031	-	(911,059)
Business administration	525,608	-	37,930	-	(487,678)
Maintenance and operation of plant services	7,812,148	36,246	1,271,513	6,844	(6,497,545)
Student transportation services	1,217,782	-	334,927	76,220	(806,635)
Central support services	208,895	-	5,154	-	(203,741)
Other support services	169,737	-	56,109	-	(113,628)
Food services operation	3,062,448	918,766	2,030,269	-	(113,413)
Community services operation	136,518	-	-	-	(136,518)
Total governmental activities	$ 45,109,179	$ 1,149,248	$ 22,340,252	$ 83,064	$ (21,536,615)
General revenues:					
Property taxes					15,580,291
Sales taxes					4,529,806
Unrestricted investment earnings					12,269
Total general revenues					20,122,366
Change in net assets					(1,414,249)
Net assets, beginning of year					22,788,936
Net assets, end of year					$ 21,374,687

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

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

ASSETS	General	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 12,285,636	$ 5,970,355	$ 1,674,581	$ 19,930,572
Receivables:				
Intergovernmental	2,316,000	-	702,938	3,018,938
Taxes	529,816	372,785	-	902,601
Due from other funds	683,156	-	-	683,156
Inventory	-	-	101,220	101,220
Total assets	$ 15,814,608	$ 6,343,140	$ 2,478,739	$ 24,636,487
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 74,223	$ 227,196	$ 54,319	$ 355,738
Salaries and benefits payable	4,621,841	-	12,969	4,634,810
Due to other funds	-	-	683,156	683,156
Retainage payable	-	99,100	-	99,100
Deferred revenue	461,297	-	-	461,297
Total liabilities	5,157,361	326,296	750,444	6,234,101
FUND BALANCES				
Fund balances:				
Nonspendable:				
Inventory	-	-	101,220	101,220
Restricted:				
Capital projects	-	6,016,844	-	6,016,844
School nutrition	-	-	1,288,622	1,288,622
Committed:				
After school programs	-	-	48,097	48,097
Student activities	-	-	290,356	290,356
Assigned:				
2013 fiscal year appropriations of fund balance	1,006,148	-	-	1,006,148
Bus replacement	12,000	-	-	12,000
Capital projects	5,500,000	-	-	5,500,000
Maintenance projects	300,000	-	-	300,000
Unassigned:	3,839,099	-	-	3,839,099
Total fund balances	10,657,247	6,016,844	1,728,295	18,402,386
Total liabilities and fund balances	$ 15,814,608	$ 6,343,140	$ 2,478,739	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Cost			5,706,729	
Less accumulated depreciation			(3,152,729)	2,554,000
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				
Property taxes				418,301
Net assets of governmental activities				$ 21,374,687

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

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 15,593,194	$ 4,529,806	$ -	$ 20,123,000
Federal sources	125,974	-	4,524,306	4,650,280
State sources	16,172,718	-	533,688	16,706,406
Local sources	177,803	-	1,787,391	1,965,194
Interest income	11,222	6,844	1,047	19,113
Charges for services	52,600	-	144,108	196,708
On behalf payments	47,132	-	-	47,132
Total revenues	32,180,643	4,536,650	6,990,540	43,707,833
EXPENDITURES				
Current:				
Instruction	23,650,343	-	2,249,127	25,899,470
Support services:				
Pupil services	1,042,729	-	211,203	1,253,932
Improvement of instructional services	515,741	-	1,054,099	1,569,840
Educational media services	425,321	-	32,506	457,827
General administration	666,627	-	153,646	820,273
School administration	1,876,103	-	43,987	1,920,090
Business administration	514,628	-	-	514,628
Maintenance and operation of plant	2,751,506	-	3,187	2,754,693
Student transportation services	1,222,067	-	27,872	1,249,939
Central support services	200,132	-	-	200,132
Other support services	114,792	-	49,919	164,711
Food services operation	-	-	3,017,612	3,017,612
Community services operation	-	-	134,812	134,812
Intergovernmental	-	2,377,677	-	2,377,677
Capital outlay	-	2,949,196	-	2,949,196
Total expenditures	32,979,989	5,326,873	6,977,970	45,284,832
Excess (deficiency) of revenues over expenditures	(799,346)	(790,223)	12,570	(1,576,999)
OTHER FINANCING SOURCES (USES)				
Transfers in	21,568	-	929	22,497
Transfers out	(929)	-	(21,568)	(22,497)
Total other financing sources (uses)	20,639	-	(20,639)	-
Net change in fund balances	(778,707)	(790,223)	(8,069)	(1,576,999)
FUND BALANCE, beginning of year	11,435,954	6,807,067	1,736,364	19,979,385
FUND BALANCE, end of year	$ 10,657,247	$ 6,016,844	$ 1,728,295	$ 18,402,386

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

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (1,576,999)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay	$ 645,999	
Depreciation expense	(453,271)	192,728
The net effect of the sale of capital assets is to decrease net assets.		(17,075)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(12,903)
Changes in net assets - governmental activities		$ (1,414,249)

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

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 14,994,408	$ 14,994,408	$ 15,593,194	$ 598,786
Federal sources	45,000	55,200	125,974	70,774
State sources	15,987,639	16,174,049	16,023,991	(150,058)
Local sources	-	-	177,803	177,803
Interest income	35,000	35,000	11,222	(23,778)
Charges for services	-	-	52,600	52,600
Total revenues	31,062,047	31,258,657	31,984,784	726,127
EXPENDITURES				
Current:				
Instruction	23,499,495	23,737,801	23,464,539	273,262
Support services:				
Pupil services	1,066,112	1,063,914	1,041,118	22,796
Improvement of instructional services	561,601	582,448	515,071	67,377
Educational media services	456,043	456,043	424,692	31,351
General administration	705,325	717,103	665,708	51,395
School administration	1,915,460	1,925,085	1,872,990	52,095
Business administration	719,077	719,077	513,987	205,090
Maintenance and operation of plant	3,084,598	3,123,860	2,750,641	373,219
Student transportation services	1,052,064	1,169,457	1,220,652	(51,195)
Central support services	145,798	145,798	200,045	(54,247)
Other support services	71,647	74,797	114,687	(39,890)
Total Expenditures	33,277,220	33,715,383	32,784,130	931,253
Excess (deficiency) of revenues over expenditures	(2,215,173)	(2,456,726)	(799,346)	1,657,380
OTHER FINANCING SOURCES (USES)				
Transfers in	-	21,568	21,568	-
Transfers out	-	-	(929)	(929)
Total other financing sources (uses)	-	21,568	20,639	(929)
Net change in fund balances	(2,215,173)	(2,435,158)	(778,707)	1,656,451
FUND BALANCE, beginning of year	11,435,954	11,435,954	11,435,954	-
FUND BALANCE, end of year	$ 9,220,781	$ 9,000,796	$ 10,657,247	$ 1,656,451

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

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2012

	Agency Fund
ASSETS	
Cash	$ 79,735
LIABILITIES	
Due to others	$ 79,735

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Cartersville Board of Education (the "Board") have been prepared in conformity with accounting principles generally accepted in the United States of America ("USGAAP") as applicable to governmental units. The more significant of the Board's accounting policies are summarized below.

Reporting Entity

The City of Cartersville Board of Education (Board) was established in 1889. In its present state, the Board operates under a Board/Superintendent form of government. The seven member Board is elected by the public and the Board appoints the superintendent. Funding is received primarily from City, State and Federal sources. The City of Cartersville must authorize and approve any bond issuance of the Cartersville School Board and the legal liability for the general obligation portion of the School Board's debt remains with the City of Cartersville. The Board does not have the authority to levy taxes. The City holds title to school land and buildings. Based upon criteria set forth by the Governmental Accounting Standards Board (GASB) Statement 14, "The Financial Reporting Entity", the City of Cartersville School Board is a component unit of the City of Cartersville, Georgia.

The School System has one blended component unit, the Cartersville School Capital Improvement Foundation, Inc. (the "Foundation"). The Foundation was formed as a nonprofit corporation to engage and assist the School System in the development, financing, construction, acquisition, and reconstruction of capital projects and equipment. The activity for the Foundation is included as a nonmajor capital projects fund during the current year. Members of the School System's Board serve as directors of the Corporation.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the Board. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Board does not consider any of its activities to be business-type activities.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary funds. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Property taxes are recognized as revenue in the period for which they were levied, if they are collected within sixty days of year end. All other revenues are also considered to be available when they are collectible within sixty days of year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, are recorded only when payment is due.

Revenue from grants and donations are 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 Board 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 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 year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

Property taxes, sales taxes, grant revenue, state Quality Basic Education (QBE) revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period if availiability criteria is met. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Board reports the following major governmental funds:

The General Fund is the Board's primary operating fund. The General Fund is used to account for all financial transactions of the Board except those required to be accounted for in another fund.

The SPLOST Capital Projects Fund accounts for resources which are used exclusively for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities. The major revenue sources are sales taxes.

Additionally, the Board reports the following non-major funds:

The special revenue funds account for revenue sources that are legally restricted or committed to expenditure for specific purposes. Restricted revenues consist of federal and state grants while the charges from the after school and local revenues from the student activities have been committed by the Board to fund the after school programs and student services, respectively.

The Board reports the following fiduciary fund type:

The agency fund accounts for assets held by the Board as an agent for student activity groups or individuals as it relates to the clubs and organizations of the school district.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Investments

Investments are reported at fair value based upon quoted market prices.

Inventories

Inventories of the School Food Services Fund are stated at cost using the first-in, first-out method. Donated food commodities are recorded at fair value. The Board utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenses/expenditures when used rather than when purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Receivables and Payables

During the course of its operations, the Board makes transfers between funds to finance operations, provide services and acquire assets. To the extent that certain transfers between funds had not been received as of year end, balances of interfund amounts receivable or payable have been recorded.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Capital Assets

General capital assets result from expenditures in governmental funds. The Board reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Board maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed. Improvements are depreciated over the remaining useful lives of the related capital assets. The City of Cartersville owns the majority of the Board's buildings. Any renovations of existing buildings or construction of new buildings are recorded as an expense of the Board. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Building and Land Improvements	20-25
Vehicles	8-15
Computers	5
Furniture and Equipment	5

Compensated Absences

It is the School Board's policy to permit employees to accumulate earned but unused sick pay benefits. There is no liability for unpaid accumulated sick leave since all accumulated sick leave is forfeited upon separation from the employer. It is the School Board's policy not to accrue vacation leave and any unused vacation leave not taken before June 30 shall be forfeited.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity/Net Assets

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board 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 Board members through the adoption of a resolution. Only the Board Members may modify or rescind the commitment.

- ***Assigned*** - Fund balances are reported as assigned when amounts are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board Members have authorized the Board's Superintendent and Director of Finance 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity/Net Assets (Continued)

Net Assets - Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the Board has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

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

Use of Estimates in the Preparation of Financial Statements

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The Cartersville Board of Education adopts annual budgets, as required by Georgia law and the State of Georgia Board of Education.

Prior to April 1st of each year, the Superintendent and the School Board have work sessions to prepare the new upcoming budget. As soon as the School Board receives the budgeted allocations from the State of Georgia Board of Education, the Cartersville School Board adopts the budget on or before their regular June meeting. The Cartersville School Board can then submit to the Cartersville City Council an estimate of the local revenue which will be required for the maintenance and operation of the public schools for the succeeding year no later than June 30th. Based on the budgeted requirements, the School Board will recommend to the City Council the rate of tax levy that in its judgement, and considering other sources of revenue, shall be necessary and advisable to meet the expenditures contemplated. The City Council shall cause the tax levy to be set for the upcoming fiscal year. The proceeds from the City tax levy will be appropriated to the Cartersville Board of Education to meet budgetary requirements of the Cartersville Public Schools for the succeeding school year.

The budget shall be adopted at the level of budgetary control, which is the function level. For management control, the Board shall prepare and present the annual budget by fund type, fund function and object. Annual budgets are adopted for all governmental funds except the School Activities Fund and the Capital School Improvement Foundation Fund.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Data (Continued)

The Superintendent is authorized by the Board to approve an unlimited number of transfers of appropriations to make adjustments of less than five percent of the amount budgeted for expenditures in any function for any fund without the approval of the Board. If at any time during the budget year, expenditures of funds in any budget function for any fund are anticipated to exceed, by five percent or more, the amount budgeted; the board must authorize the additional anticipated expenditures. Therefore, the legal level of budgetary control is the function level.

During the year the budget was amended to show previously unbudgeted grant fund receipts and the previously unbudgeted uses of those funds.

Budgetary/GAAP Basis Reconciliation

In the General Fund, accounting principles used in developing budgets on a budgetary basis differ from those used in preparing financial statements in conformity with generally accepted accounting principles (GAAP). Because related 2012 revenues and expenditures for certain personnel are budgeted in June 2011, based on information concerning cash to be received from the Georgia Department of Education's Quality Basic Education revenues and the City of Cartersville during the fiscal year which ends June 30, 2012, the July and August 2012 salaries for a number of employees of the Board have not been considered in the budgeted revenues and expenditures. Additionally, the recording of revenues and expenditures for on-behalf pension benefits and health insurance benefits from the State of Georgia were not considered in the budget period. Thus, there is an accounting basis difference between the budget and actual Statement of Revenues, Expenditures and changes in Fund Balances in the General Fund that is reconciled as follows:

Actual Revenues GAAP Basis	$ 32,180,643	
Revenues Receivable Increase	(148,727)	
On-Behalf Benefit Contribution	(47,132)	
Budgeted Revenues, Budgetary Basis		$ 31,984,784
Expenditures GAAP Basis	$ 32,979,989	
Accrued Salary Increase	(148,727)	
On-Behalf Benefits Expenditure	(47,132)	
Budgeted Expenditures, Budgetary Basis		32,784,130
Other Financing Sources (Uses) - net		20,639
Revenues Over Expenditures and Other Financing Sources Sources (Uses), Budgetary Basis		$ (778,707)
Revenues Over Expenditures and Other Financing Sources Scources (Uses), GAAP Basis		$ (778,707)

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary/GAAP Basis Reconciliation (Continued)

The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2012.

General Fund:		
Support Services:		
Student transportation services	$	51,195
Central support services		54,247
Other support services		39,890
School Food Services Fund		48,759

NOTE 3 - DEPOSITS AND INVESTMENTS

Composition

Cash consists of deposits (including certificates of deposit, savings accounts and interest bearing checking accounts) in authorized financial institutions. Georgia Law authorizes the Board to deposit its funds in one or more solvent banks, insured federal savings and loan associations, or insured state chartered building and loan associations. The placement of proceeds from bond issues in certificates of deposits is limited to financial institutions located within this state.

Credit risk. The District is authorized by state statutes to invest in the securities of the United States Treasury, United States agencies and instrumentalities, repurchase agreements and the Georgia Fund One administered by the State of Georgia. It is the government's policy to limit any investments in these to the top rating issued by NRSROs. At June 30, 2012, all investments of the Board were invested in Georgia Fund 1, the local government investment pool administered by the State of Georgia and are considered cash equivalents. The Georgia Fund 1 investment pool is not subject to credit risk classification and the carrying amount of $7,238,515 is at fair value, which is the same as the value of pool shares.

Georgia Fund One, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund One operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. Regulatory oversight of the fund is provided by the State Treasurer of the State of Georgia. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1.00 per share. As of June 30, 2012, the Board's investment in Georgia Fund 1 was rated AAAm by Standard & Poor's.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Composition (Continued)

At June 30, 2012, the District had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	48 day weighted average	$ 7,238,515
Total		$ 7,238,515

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Board will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2012, the Board's cash accounts and investments were insured and/or collateralized as required by State statutes.

Interest rate risk. The Board does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 4 - RECEIVABLES

Due from other governments consists of grant reimbursements due from federal, state or other grantors for expenditures made but not yet reimbursed. The Georgia Department of Education is the main government agency that grants are due from as of June 30, 2012.

Property taxes are levied on property values assessed as of January 1. The City of Cartersville bills and collects property taxes for the City of Cartersville Board of Education. The taxes are levied by October 15 based on the assessed value of property as listed on the previous January 1 and are due and collectable on Novmeber 15. Leins are enforceable on March 1 of the following year.

Property taxes are recorded as receivables and deferred revenues when assessed. Revenues are recognized when available.

NOTE 5 - CAPITAL ASSETS

Changes in capital assets used in the Board's governmental activities during the year ended June 30, 2012 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activites:				
Building and land improvements	$ 161,706	$ 151,095	$ -	$ 312,801
Vehicles	2,391,360	174,974	-	2,566,334
Computers	566,662	63,623	-	630,285
Furniture and equipment	1,982,859	256,307	(41,857)	2,197,309
Total depreciable	5,102,587	645,999	(41,857)	5,706,729
Accumulated depreciation:				
Building and land improvements	17,436	5,361	-	22,797
Vehicles	1,527,441	200,575	-	1,728,016
Computers	333,297	69,053	-	402,350
Furniture and equipment	846,066	178,282	(24,782)	999,566
Total depreciable	2,724,240	453,271	(24,782)	3,152,729
Governmental activities capital assets, net	$ 2,378,347	$ 192,728	$ (17,075)	$ 2,554,000

Depreciation expense was charged to functions of the Board of Education as follows:

Governmental activities:	
Instruction	$ 51,771
Pupil services	2,000
Educational media services	840
Business support services	10,980
Maintenance and operations of plant	184,532
Student transportation services	142,817
Central support services	8,763
Other support services	5,026
School nutrition program	44,836
Community service organizations	1,706
Total depreciation expense	$ 453,271

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The componsition of interfund balances as of June 30, 2012 is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Non-major governmental funds	$ 683,156

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2012 are as follows:

Transfer in / out:

Transfer In	Transfer out	Amount
General Fund	Non-major governmental funds	$ 21,568
Non-major governmental funds	General Fund	$ 929

NOTE 7 - 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; natural disaster; and unemployment compensation. The Board purchases commercial insurance for all risks of loss. Settled claims have not exceeded purchased commercial insurance coverage in any of the past three years. There was no significant reduction in insurance coverage.

NOTE 8 - RETIREMENT PLANS

All Cartersville City School full-time employees shall either be a member of the Teacher Retirement System of Georgia or the Public School Employees Retirement System of Georgia. Both plans are defined benefit pension plans.

NOTE 8 - RETIREMENT PLANS (Continued)

Teachers Retirement System of Georgia (TRS)

Plan Description. The TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of active and retired members and ex-officio State employees is ultimately responsible for the administration of TRS. 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.

On October 25, 1996, the Board created the Supplemental Retirement Benefits Plan of the Georgia Teachers Retirement System (SRBP-TRS). SRPB-TRS was established as a qualified excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRPB-TRS whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

TRS provides service retirement, disability retirement, and survivor's benefits. The benefit structure of TRS is defined and may be amended by State statute. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service, and less than age 60, at a reduced benefit.

Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60 or by 7% for each year or fraction thereof by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, will be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Death, disability and spousal benefits are also available.

Funding Policy. TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest. Member contributions are limited by State law to not less than 5% or more than 6% of a member's earnable compensation. Member contributions as adopted by the Board of Trustees for the fiscal year ended June 30, 2012, were 5.53% of annual salary. The member contribution rate will increase to 6.00% effective July 1, 2012. Employer contributions required for fiscal year 2012 were 10.28% of annual salary. The employer contribution rate will increase to 11.41% effective July 1, 2012.

Covered employee's contributions for the years ended June 30, 2012, 2011, and 2010 were $1,194,324, $1,187,798, and $1,133,104, respectively. The Cartersville School Board's contribution to the TRS for the years ending June 30, 2012, 2011 and 2010 were $2,199,278, $2,208,067, and $2,109,902 respectively, equal to the required contributions for each year.

NOTE 8 - RETIREMENT PLANS (Continued)

Public School Employees Retirement System of Georgia (PSERS)

Plan Description. Full time employees not eligible to participate in the Teachers Retirement System may participate in the Public School Employees Retirement System (PSERS). The PSERS is a cost sharing, multiple-employer, defined benefit pension plan established by the Georgia Assembly in 1969. Upon retirement, the participating member will receive a monthly benefit of $12.00 multiplied by the number of years of creditable service. Death, disability, and spousal benefits are also available through PSERS. Additionally, PSERS makes periodic cost-of-living adjustments to the monthly benefits. The School Board makes contributions of $4.00 per month for nine months on behalf of the employee members.

Funding Policy . The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined, approved and certified by the Board of the Employee's Retirement System of Georgia. The Board of Employee's Retirement System of Georgia issues a publicly available financial report that includes financial statements and required supplementary information for PSERS. That report may be obtained by writing Public School Employees Retirement System, Two Northside 75, Suite 300, Atlanta, Georgia 30318-7778, or by calling 1-800-805-4609.

Members become vested after ten years of creditable service. Upon termination of employment, member contributions are refundable with interest. However, if an otherwise vested member terminates and withdraws their member contributions, no vesting of employer contributions occurs. The employer contributions to the unfunded accrued liability were projected to liquidate the accrued liability within twelve years based upon the actuarial valuation at July 1, 1987. A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65.

If a member chooses, he may begin receiving reduced benefits after age 60 and upon completion of ten years of service. Members retiring before age 65 will receive a benefit reduced by 1/2 of 1 % for each month under age 65. The Government Accounting Standards Board's Statement 27 requires disclosure of the School Board's required contributions for the current year and each of the two preceding years. The School Board's contributions to the PSERS for the years ending June 30, 2012, 2011 and 2010 were $2,408, $2,244, and $2,268, respectively, equal to the required contribution for each year.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Grant Programs

The Board participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies.

Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Board has not complied with the rules and regulations governing the grants, refunds of any amounts received may be required and the collectibility of any related receivable at year-end may be impaired. In the opinion of the Board, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Litigation

The Board is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of Board operations. While the ultimate results of these legal actions cannot be determined, the Board does not expect that these matters will have a material adverse effect on the financial condition of the Board.

Contracts

The Board makes various contractual commitments on an ongoing basis for equipment acquisitions and school construction. As of June 30, 2012, the total contract commitments were as follows:

Fund	Amount
General Fund	$ 12,387
SPLOST Capital Projects	379,354
Nonmajor governmental funds	42,508
	$ 434,249

NOTE 10 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The Board has recognized revenue and expenditures in the amount of $47,132 for health insurance and retirement contributions paid on the Board's behalf as follows:

Paid by the Office the State Treasurer of the State of Georiga to the Public School Employees Retirement System for Public School Employees Retirement (PSERS) in the amount of $26,225.

Paid by the Georgia Department of Education to the Teachers Retirement System for Teachers Retirement (TRS) in the amount of $20,907.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Georgia Retiree Health Benefit Fund

Plan Description. The School District contributes to the Georgia Retiree Health Benefit Fund ("GRHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of Georgia Department of Community Health. The GRHBP provides health insurance benefits to eligible retirees and their qualified beneficiaries. Pursuant to Title 45, Chapter 18 of the Official Code of Georgia Annotated, the authority to establish and amend the benefit provisions of the plan is assigned to the Board of the State of Georgia Department of Community Health. The Department of Community Health issues a publicly available financial report that includes financial statements and required supplementary information for the GRHBP. That report may be obtained from the Department of Community Health at 2 Peachtree Street, Atlanta, Georgia 30303.

Funding Policy. The contribution requirements of the plan members and participating employers are established and may be amended by the Board of the State of Georgia Department of Community Health. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. Participating employers are statutorily required to contribute in accordance with the employer contribution rate established to fund both the active and retired employee health insurance plans based on projected pay-as-you-go financing requirements. The employer contribution rates for the combined active and retiree plans for the fiscal year ended June 30, 2012, were as follows:

Certified employees

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

Non-Certificated Employees $296.20 per month at June 30, 2012

No additional contribution was required by the Board of Community Health for fiscal year 2012 nor contributed to the GRHBP to prefund retire benefits. Such additional contribution amounts are determined annually by the Board of the State of Georgia Department of Community Health in accordance with the State plan for other post-employment benefits and are subject to appropriation. The City of Cartersville Board of Education contribution to the health insurance plans for the fiscal year ended June 30, 2012, 2011 and 2010 were $3,725,660, $3,323,540, and $3,368,519, which equaled the required contribution.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue					
ASSETS	School Food Services	Lottery Programs	Federal Programs	After School Program	Student Activities	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 1,257,384	$ 77,211	$ 1,533	$ 48,097	$ 290,356	$ 1,674,581
Intergovernmental receivables	220,226	-	482,712	-	-	702,938
Inventory	101,220	-	-	-	-	101,220
Total assets	$ 1,578,830	$ 77,211	$ 484,245	$ 48,097	$ 290,356	$ 2,478,739
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 21,926	$ 383	$ 32,010	$ -	$ -	$ 54,319
Salaries and benefits payable	-	-	12,969	-	-	12,969
Due to other funds	167,062	76,828	439,266	-	-	683,156
Total liabilities	188,988	77,211	484,245	-	-	750,444
FUND BALANCES						
Nonspendable:						
Inventory	101,220	-	-	-	-	101,220
Restricted:						
School nutrition	1,288,622	-	-	-	-	1,288,622
Committed:						
After school programs	-	-	-	48,097	-	48,097
Student activities	-	-	-	-	290,356	290,356
Total fund balances	1,389,842	-	-	48,097	290,356	1,728,295
Total liabilities and fund balances	$ 1,578,830	$ 77,211	$ 484,245	$ 48,097	$ 290,356	$ 2,478,739

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Special Revenue					
	School Food Services	Lottery Programs	Federal Programs	After School Program	Student Activities	Total Nonmajor Governmental Funds
REVENUES						
Federal sources	$ 1,966,718	$ 600	$ 2,556,988	$ -	$ -	$ 4,524,306
State sources	62,998	470,690	-	-	-	533,688
Local sources	921,175	-	-	-	866,216	1,787,391
Interest income	1,018	-	-	-	29	1,047
Charges for services	-	-	-	144,108	-	144,108
Total revenues	2,951,909	471,290	2,556,988	144,108	866,245	6,990,540
EXPENDITURES						
Instruction	-	464,427	1,064,767	-	719,933	2,249,127
Support services:						
Pupil services	-	-	211,003	-	200	211,203
Improvement of instructional services	-	378	1,053,721	-	-	1,054,099
Educational media services	-	-	-	-	32,506	32,506
General administration	-	3,011	150,635	-	-	153,646
School administration	-	-	-	-	43,987	43,987
Maintenance and operation of plant	-	3,187	-	-	-	3,187
Student transportation services	-	-	27,872	-	-	27,872
Other support services	-	-	49,919	-	-	49,919
Food services operation	3,017,059	553	-	-	-	3,017,612
Community services operation	-	-	-	134,812	-	134,812
Total expenditures	3,017,059	471,556	2,557,917	134,812	796,626	6,977,970
Excess (deficiency) in revenues over expenditures	(65,150)	(266)	(929)	9,296	69,619	12,570
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	929	-	-	929
Transfers out	-	-	-	(21,568)	-	(21,568)
Total other financing sources (uses)	-	-	929	(21,568)	-	(20,639)
Net change in fund balances	(65,150)	(266)	-	(12,272)	69,619	(8,069)
FUND BALANCE, beginning of year	1,454,992	266	-	60,369	220,737	1,736,364
FUND BALANCE, end of year	$ 1,389,842	$ -	$ -	$ 48,097	$ 290,356	$ 1,728,295

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

SCHOOL FOOD SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Federal sources	$ 1,600,000	$ 1,600,000	$ 1,966,718	$ 366,718
State sources	50,000	50,000	62,998	12,998
Local sources	968,000	968,000	921,175	(46,825)
Interest income	4,000	4,000	1,018	(2,982)
Total revenues	2,622,000	2,622,000	2,951,909	329,909
EXPENDITURES				
Food services operation	2,968,300	2,968,300	3,017,059	(48,759)
Total expenditures	2,968,300	2,968,300	3,017,059	(48,759)
Net change in fund balances	(346,300)	(346,300)	(65,150)	281,150
FUND BALANCE, beginning of year	1,454,992	1,454,992	1,454,992	-
FUND BALANCE, end of year	$ 1,108,692	$ 1,108,692	$ 1,389,842	$ 281,150

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

LOTTERY PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Federal sources	$ 600	$ 600	$ 600	$ -
State sources	470,690	470,690	470,690	-
Total revenues	471,290	471,290	471,290	-
EXPENDITURES				
Instruction	464,427	464,427	464,427	-
Support services:				
Improvement of instructional services	378	378	378	-
General administration	3,011	3,011	3,011	-
Maintenance and operation of plant	3,187	3,187	3,187	-
Food services operation	553	553	553	-
Total expenditures	471,556	471,556	471,556	-
Net change in fund balances	(266)	(266)	(266)	-
FUND BALANCE, beginning of year	266	266	266	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

FEDERAL PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Federal sources	$ 3,292,753	$ 3,292,753	$ 2,556,988	$ (735,765)
Total revenues	3,292,753	3,292,753	2,556,988	(735,765)
EXPENDITURES				
Instruction	1,344,406	1,344,406	1,064,767	279,639
Support services:				
Pupil services	221,042	221,042	211,003	10,039
Improvement of instructional services	1,395,678	1,395,678	1,053,721	341,957
General administration	213,698	213,698	150,635	63,063
Student transportation services	27,906	27,906	27,872	34
Other support services	78,150	78,150	49,919	28,231
Total expenditures	3,280,880	3,280,880	2,557,917	722,963
Excess (deficiency) of revenues over expenditures	11,873	11,873	(929)	(12,802)
OTHER FINANCING SOURCES				
Transfers in	-	-	929	929
Total other financing sources	-	-	929	929
Net change in fund balances	11,873	11,873	-	(11,873)
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ 11,873	$ 11,873	$ -	$ (11,873)

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

AFTER SCHOOL PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 135,000	$ 135,000	$ 144,108	$ 9,108
Total revenues	135,000	135,000	144,108	9,108
EXPENDITURES				
Community services operation	138,000	138,000	134,812	3,188
Total expenditures	138,000	138,000	134,812	3,188
Excess (deficiency) of revenues over expenditures	(3,000)	(3,000)	9,296	12,296
OTHER FINANCING USES				
Transfers out	21,568	21,568	21,568	-
Total other financing uses	21,568	21,568	21,568	-
Net change in fund balances	(24,568)	(24,568)	(12,272)	12,296
FUND BALANCE, beginning of year	60,369	60,369	60,369	-
FUND BALANCE, end of year	$ 35,801	$ 35,801	$ 48,097	$ 12,296

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

SPLOST CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Sales tax	$ 4,529,806	$ 4,529,806	$ 4,529,806	$ -
Interest income	6,446	6,446	6,844	398
Total revenues	4,536,252	4,536,252	4,536,650	398
EXPENDITURES				
Intergovernmental	2,377,677	2,377,677	2,377,677	-
Capital outlay	3,298,135	3,298,135	2,949,196	348,939
Total expenditures	5,675,812	5,675,812	5,326,873	348,939
Net change in fund balances	(1,139,560)	(1,139,560)	(790,223)	349,337
FUND BALANCE, beginning of year	6,807,067	6,807,067	6,807,067	-
FUND BALANCE, end of year	$ 5,667,507	$ 5,667,507	$ 6,016,844	$ 349,337

AGENCY FUND

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Assets - cash	$ 67,371	$ 361,111	$ 348,747	$ 79,735
Assets - investments	23,033	-	23,033	-
Total assets	$ 90,404	$ 361,111	$ 371,780	$ 79,735
Liabilities - due to others	$ 90,404	$ 361,111	$ 371,780	$ 79,735

OTHER SUPPLEMENTARY INFORMATION

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

SCHEDULE OF EXPENDITURES BY OBJECT
LOTTERY PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Pre-Kindergarten Program
EXPENDITURES	
Salaries/benefits:	
Pre-K teacher salaries/benefits	$ 330,803
Paraprofessional	121,542
Substitute	4,051
Total salaries/benefits	456,396
Operating costs:	
Supplies	7,613
Other expenditures	6,947
Total operating costs	14,560
Total expenditures	$ 470,956

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Project	Original Estimated Cost(1)	Current Estimated Costs(2)	Expended In Current Year (3) (4)	Expended In Prior Years (3)	Project Status
City of Cartersville General Obligation 1992, 2001 and 2002 School Serial & Term Bond Debt Reduction	$ 12,671,443	$ 12,671,443	$ 2,377,677	$ 10,079,406	Ongoing
Acquisition, Renovation, and Equipping of School Buildings, Acquisition of School Transportation Vehicles, and Acquisition of Sites for Future Schools	19,932,617	19,932,617	2,949,196	8,290,535	Ongoing
	$ 32,604,060	$ 32,604,060	$ 5,326,873	$ 18,369,941	

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

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

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

STATISTICAL SECTION

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

Page

Financial Trends **45**

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

Revenue Capacity **49**

These schedules contain information to help the reader assess the Board's most significant local revenue source, property tax.

Debt Capacity **53**

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

Demographic and Economic Information **55**

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

Operating Information **59**

These schedules contain service and infrastructure data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The Board implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF CARTERSVILLE BOARD OF EDUCATION

NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	$ 1,036,233	$ 1,241,032	$ 1,320,472	$ 1,196,905	$ 1,422,229	$ 1,731,879	$ 1,932,231	$ 1,842,444	$ 2,378,347	$ 2,554,000
Restricted	9,904,870	4,960,206	1,324,430	3,081,491	3,433,825	2,690,862	3,108,494	6,095,560	8,148,578	7,305,466
Restricted for other purposes	3,375	-	-	-	-	-	-	-	-	-
Unrestricted	7,807,502	7,635,988	7,769,567	8,574,955	9,229,391	9,107,126	10,396,450	10,630,346	12,262,011	11,515,221
Total governmental activities net assets	$ 18,751,980	$ 13,837,226	$ 10,414,469	$ 12,853,351	$ 14,085,445	$ 13,529,867	$ 15,437,175	$ 18,568,350	$ 22,788,936	$ 21,374,687

CITY OF CARTERSVILLE BOARD OF EDUCATION

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
Instruction	$ 18,844,736	$ 19,741,163	$ 19,956,072	$ 20,854,386	$ 22,575,922	$ 25,007,093	$ 25,729,605	$ 25,036,295	$ 25,245,277	$ 25,951,241
Support Services:										
Pupil services	1,426,803	1,520,946	1,628,259	1,973,158	1,482,383	1,427,977	1,444,029	1,381,914	1,293,166	1,255,932
Improvement of Instruction	1,509,742	1,509,917	1,701,868	1,531,629	1,743,972	1,842,833	791,317	1,402,770	1,346,535	1,569,840
Educational media services	533,912	547,031	461,775	476,026	524,924	655,995	659,982	544,402	500,258	458,667
General administration	656,291	658,267	697,974	690,932	721,076	796,181	801,301	819,952	811,620	820,273
School administration	1,531,361	1,592,018	1,577,084	1,661,948	1,731,431	1,862,583	1,861,421	1,794,910	1,896,584	1,920,090
Support services - business	495,535	542,901	571,970	428,231	515,926	561,155	514,054	504,276	522,523	525,608
Maintenance and operation of plant services	11,458,580	13,471,945	10,696,774	6,691,254	8,699,222	9,702,069	6,057,732	6,058,460	6,062,740	7,812,148
Student transportation service	697,410	681,028	750,485	892,110	843,941	1,011,230	1,183,741	1,123,307	1,280,390	1,217,782
Support services - central	200,973	132,701	157,411	167,270	73,328	95,500	130,650	114,599	152,916	208,895
Other support services	534,056	427,523	404,454	790,713	696,448	130,925	165,108	174,968	206,346	169,737
Total Support Services	19,044,663	21,084,277	18,648,054	15,303,271	17,032,651	18,086,448	13,609,335	13,919,558	14,073,078	15,958,972
Operations of non-instructional services										
School nutrition program	1,600,241	1,470,651	1,769,935	1,966,106	2,060,159	2,478,321	2,513,898	2,532,216	3,071,864	3,062,448
Community service operations	172,350	133,652	139,033	138,046	146,386	188,770	148,969	104,283	109,014	136,518
Interest and fees	-	-	-	168	18,850	15,354	11,726	7,961	4,054	-
Other Miscellaneous Expenses	-	-	175,757	-	-	-	-	-	-	-
	1,772,591	1,604,303	2,084,725	2,104,320	2,225,395	2,682,445	2,674,593	2,644,460	3,184,932	3,198,966
Total Expenses	39,661,990	42,429,743	40,688,851	38,261,977	41,833,968	45,775,986	42,013,533	41,600,313	42,503,287	45,109,179
Program revenues										
Governmental activities:										
Charges for services and sales:										
Instruction	-	-	149,657	163,060	161,536	159,325	145,070	15,200	211,700 (1)	194,236
Support services	-	-	-	-	-	-	-	-	33,873	36,246
Food services operation	831,451	913,341	988,300	991,325	940,498	900,680	975,485	908,782	907,099	918,766
Community services operation	145,527	124,555	135,485	132,680	167,343	174,416	154,393	123,635	199,182	-
Operating grants, contributions and interest	23,717,750	17,174,451	18,027,314	19,943,715	21,225,665	22,681,210	19,975,041	21,058,944	23,817,658	22,340,252
Capital grants and contributions	259,725	2,598,185	282,296	-	-	-	42,412	-	161,921	83,064
Total governmental activities program revenues	24,954,453	20,810,532	19,583,052	21,230,780	22,495,042	23,915,631	21,292,401	22,106,561	25,331,433	23,572,564
Net Expense	(14,707,537)	(21,619,211)	(21,105,799)	(17,031,197)	(19,338,926)	(21,860,355)	(20,721,132)	(19,493,752)	(17,171,854)	(21,536,615)
General revenues										
Governmental activities:										
Property taxes	12,653,514	13,133,256	13,512,642	14,280,660	15,040,913	16,039,781	16,583,430	16,558,682	16,445,865	15,580,291
Special purpose local option sales taxes	3,135,430	3,423,710	3,902,696	4,663,847	4,763,992	4,750,031	4,427,986	4,928,006	4,904,104	4,529,806
Investment earnings	298,271	116,871	267,704	525,572	753,187	514,965	120,026	54,800	30,350	12,269
Other miscellaneous revenues	57	-	-	-	12,928	-	1,176,926	1,083,439	- (1)	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	12,121	-
Total governmental activities general revenues and other changes in net assets	16,087,272	16,673,837	17,683,042	19,470,079	20,571,020	21,304,777	22,308,368	22,624,927	21,392,440	20,122,366
Change in net assets										
Governmental activities	1,379,735	(4,945,374)	(3,422,757)	2,438,882	1,232,094	(555,578)	1,587,236	3,131,175	4,220,586	(1,414,249)
Total primary government change in net assets	$ 1,379,735	$ (4,945,374)	$ (3,422,757)	$ 2,438,882	$ 1,232,094	$ (555,578)	$ 1,587,236	$ 3,131,175	$ 4,220,586	$ (1,414,249)

Source: City of Cartersville Board of Education available records.

(1) The change in the revenues represents a change in the classification of the revenues from the prior year.

CITY OF CARTERSVILLE BOARD OF EDUCATION

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011 **	2012
General Fund										
Reserved	$ 76,024	$ 21,163	$ 27,210	$ 37,851	$ 85,935	$ 64,948	$ 5,842,212	$ 5,842,412	$ -	$ -
Unreserved, Undesignated	1,567,666	1,484,286	1,802,724	3,582,142	3,011,754	2,796,107	2,406,760	3,309,362	-	-
Unreserved, Designated	5,810,092	5,822,224	5,703,531	4,731,949	5,867,328	5,831,871	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	8,420,946	6,818,148
Unassigned	-	-	-	-	-	-	-	-	3,015,008	3,839,099
Total general fund	$ 7,453,782	$ 7,327,673	$ 7,533,465	$ 8,351,942	$ 8,965,017	$ 8,692,926	$ 8,248,972	$ 9,151,774	$ 11,435,954	$ 10,657,247
All Other Governmental Funds										
Reserved										
Special Revenue Funds	$ -	$ -	$ -	$ -	$ -	$ -	$ 107,292	$ 79,341	$ -	$ -
Unreserved, Undesignated, reported in:										
Special Purpose Local Option Sales Tax Fund	6,134,473	2,346,473	-	795,294	368,771	-	1,017,107	5,182,142	-	-
Special Revenue Funds	227,819	(93,484)	153,400	205,215	146,009	171,785	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	350,305	355,631	-	-
Unreserved, Designated, reported in:										
Special Purpose Local Option Sales Tax Fund	3,770,397 #	2,937,255 #	1,324,430 #	1,702,282 #	3,065,054 #	2,690,862	3,506,761	-	-	-
Capital Projects Funds	-	-	-	583,915	-	-	-	1,497,697	-	-
Nonspendable	-	-	-	-	-	-	-	-	113,747	101,220
Restricted	-	-	-	-	-	-	-	-	8,148,578	7,305,466
Committed	-	-	-	-	-	-	-	-	281,106	338,453
Total all other governmental funds	$ 10,132,689	$ 5,190,244	$ 1,477,830	$ 3,286,706	$ 3,579,834	$ 2,862,647	$ 4,981,465	$ 7,114,811	$ 8,543,431	$ 7,745,139

Source: City of Cartersville Board of Education available records.

** In the 2011 fiscal year, the Board implemented GASB Statement No. 54.

CITY OF CARTERSVILLE BOARD OF EDUCATION

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,473,982 (1)	$ 15,593,194
Local sources	12,673,875	13,184,255	13,508,217	14,345,564	14,940,346	15,915,731	16,551,338	16,373,868	1,807,737 (1)	1,965,194
State sources	13,325,399	15,197,000	12,949,028	14,020,186	15,708,399	16,989,923	15,807,816	14,642,810	17,607,466	16,706,406
Federal sources	2,473,108	2,366,801	3,118,997	3,326,572	3,048,996	2,990,392	3,913,662	6,416,134	5,626,456	4,650,280
Special purpose local option sales tax	3,135,430	3,423,710	3,902,696	4,663,847	4,763,992	4,750,031	4,427,986	4,928,006	4,904,104	4,529,806
School receipts	1,865,777	2,033,875	2,234,959	2,230,439	2,216,750	2,167,500	1,274,948	1,047,617	191,090	196,708
Commodities contributed	48,506	60,688	88,746	56,928	63,589	118,202	-	-	-	-
State lottery	571,499	478,100	479,231	513,710	536,005	562,592	-	-	-	-
Intergovernmental	5,892,164	-	-	-	-	-	-	-	-	-
Interest income	298,271	116,871	267,704	525,572	753,187	514,965	120,026	54,800	39,687	19,113
Other sources	778,000	674,068	730,343	1,082,945	921,302	1,087,022	1,472,901	1,083,439	89,347 (1)	47,132
Total revenues	41,062,029	37,535,368	37,279,921	40,765,763	42,952,566	45,096,358	43,568,677	44,546,674	46,739,869	43,707,833
Expenditures:										
Current:										
Instruction	18,790,156	19,710,915	20,004,983	20,860,688	22,544,141	25,120,575	25,562,352	24,983,358	25,195,660	25,899,470
Pupil services	1,426,803	1,539,945	1,626,259	1,971,158	1,480,383	1,425,977	1,442,029	1,379,914	1,291,166	1,253,932
Improvement of instruction	1,506,743	1,506,918	1,700,868	1,531,629	1,743,972	1,842,833	791,317	1,402,770	1,346,535	1,569,840
Educational media services	533,072	546,191	460,935	475,186	524,084	655,155	659,142	543,562	499,418	457,827
General administration	654,210	656,416	697,277	690,235	721,017	796,181	801,301	819,952	811,620	820,273
School administration	1,527,040	1,584,128	1,575,136	1,661,417	1,731,431	1,862,583	1,861,421	1,794,910	1,896,584	1,920,090
Support services - business	489,622	542,901	583,472	455,402	509,407	581,856	500,885	491,167	511,543	514,628
Maintenance and operation of plant services	2,047,427	2,267,170	2,501,100	2,553,962	2,678,363	3,009,550	2,865,545	2,826,442	2,792,360	2,754,693
Student transportation service	613,234	679,153	766,570	1,258,721	860,910	992,084	1,051,316	1,001,889	1,440,021	1,249,939
Support services - central	197,382	129,110	154,214	164,932	77,741	93,163	127,222	112,112	147,641	200,132
Other support services	534,056	405,647	404,454	790,713	696,448	130,506	160,082	169,942	201,320	164,711
School nutrition program	1,589,680	1,740,378	1,776,542	1,943,809	2,016,706	2,609,215	2,489,521	2,508,182	3,041,238	3,017,612
Community service operations	172,350	133,652	139,033	138,046	146,386	188,770	148,258	102,577	107,309	134,812
Intergovernmental	9,156,883	10,949,808	8,123,745	3,954,236	4,581,293	6,259,894	-	-	2,518,768	2,377,677
Capital outlay	603,383	214,251	278,003	190,533	1,643,451	443,317	3,641,905	3,262,160	1,128,297	2,949,196
Debt service:										
Principal retirement	-	-	-	8,216	84,523	96,235	99,863	103,628	107,535	-
Interest and fiscal charges	-	-	-	168	18,850	15,354	11,726	7,961	4,054	-
Total expenditures	39,842,041	42,606,583	40,792,591	38,649,051	42,059,106	46,123,248	42,213,885	41,510,526	43,041,069	45,284,832
Excess (deficiency) of revenues over expenditures	1,219,988	(5,071,215)	(3,512,670)	2,116,712	893,460	(1,026,890)	1,354,792	3,036,148	3,698,800	(1,576,999)
Other financing sources (uses)										
Proceeds from sale of capital assets	3,500	-	-	-	23,258	-	-	-	14,000	-
Transfers in	7,946,173	11,082,858	13,320,632	8,209,177	8,422,809	10,929,753	8	36,484	358,554	22,497
Transfers out	(7,946,173)	(11,082,858)	(13,320,632)	(8,209,177)	(8,422,809)	(10,929,753)	(8)	(36,484)	(358,554)	(22,497)
Proceeds from capital leases	-	-	-	500,000	-	-	-	-	-	-
Total other financing sources (uses)	3,500	-	-	500,000	23,258	-	-	-	14,000	-
Net change in fund balances	$ 1,223,488	$ (5,071,215)	$ (3,512,670)	$ 2,616,712	$ 916,718	$ (1,026,890)	$ 1,354,792	$ 3,036,148	$ 3,712,800	$ (1,576,999)
Debt service as a percentage of non-capital expenditures	0.00%	0.00%	0.00%	0.02%	0.26%	0.24%	0.27%	0.27%	0.26%	0.00%

Source: City of Cartersville Board of Education available records.
(1) The change in the revenues represents a change in the classification of the revenues from the prior ye

CITY OF CARTERSVILLE BOARD OF EDUCATION

CITY OF CARTERSVILLE, GEORGIA- ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY [1]
LAST TEN FISCAL YEARS

Digest Year	Real Property	Estimated Actual Value	Personal Property	Estimated Actual Value	Total Property	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2003	$ 434,730,926	$ 1,086,827,315	$ 314,126,834	$ 785,317,085	$ 748,857,760	17.18	$ 1,872,144,400	40%
2004	455,340,938	1,138,352,345	323,492,121	808,730,303	778,833,059	17.68	1,947,082,648	40%
2005	472,582,912	1,181,457,280	324,195,488	810,488,720	796,778,400	17.68	1,991,946,000	40%
2006	519,383,315	1,298,458,288	326,773,856	816,934,640	846,157,171	17.23	2,115,392,928	40%
2007	527,984,979	1,319,962,448	355,676,746	889,191,865	883,661,725	17.23	2,209,154,313	40%
2008	555,601,743	1,389,004,358	392,740,207	981,850,518	948,341,950	17.23	2,370,854,876	40%
2009	953,324,016	2,383,310,040	48,363,488	120,908,720	1,001,687,504	17.23	2,504,218,760	40%
2010	964,385,464	2,410,963,660	49,543,882	123,859,705	1,013,929,346	17.23	2,534,823,365	40%
2011	911,146,045	2,277,865,113	42,083,030	105,207,575	953,229,075	17.23	2,383,072,688	40%
2012	*	*	*	*	*	*	*	*

[1] Source: Bartow County Tax Assessor

Notes: The county assesses property at 40% of actual value. Actual tax value is calculated by dividing assessed value by 40 percent. Tax rates are per $1,000 of assessed value.

* The information for the fiscal year ended June 30, 2012 from the City of Cartersville, Georgia is not available.

CITY OF CARTERSVILLE BOARD OF EDUCATION

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	Direct Rate	Overlapping Rates			Total
Fiscal Year	Cartersville School Board	City of Cartersville Operating	Bartow County	State of Georgia	Direct & Overlapping Rates
2003	17.28	1.00	8.98	0.25	27.51
2004	17.18	0.99	8.98	0.25	27.40
2005	17.68	1.49	8.88	0.25	28.30
2006	17.68	1.45	9.85	0.25	29.23
2007	17.23	1.42	9.58	0.25	28.48
2008	17.23	1.40	9.30	0.25	28.18
2009	17.23	1.38	9.07	0.25	27.93
2010	17.23	1.38	9.07	0.25	27.93
2011	17.23	1.38	9.30	0.25	28.16
2012	17.23	1.38	9.30	0.25	28.16

Source: Bartow County Tax Commissioner

CITY OF CARTERSVILLE BOARD OF EDUCATION

CITY OF CARTERSVILLE, GEORGIA - PRINCIPAL PROPERTY TAXPAYERS
PRIOR YEAR AND NINE YEARS AGO

	2011 *			2002		
Employer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Anheuser Busch	$ 118,290,110	1	12.41%	$ 167,403,199	1	22.33%
Shaw Industries	27,553,067	2	2.89%	60,623,385	2	8.09%
Continental	12,166,538	3	1.28%	37,232,578	5	4.97%
Aqualfil USA, Inc	11,368,338	4	1.19%			
Forty One Connector, LTD	9,950,280	5	1.04%	5,123,776	10	0.68%
Applied Thermoplastic	6,532,981	6	0.69%			
Colloid Environment Tech Co	5,970,570	7	0.63%			
Monitor Manufacturing CO	5,609,087	8	0.59%			
Bartow County Bank	5,599,400	9	0.59%			
Bellsouth Telecommunications	5,541,170	10	0.58%			
First Brands				56,279,211	3	7.51%
Unilever HPS, USA				47,872,264	4	6.39%
Thrall Car				10,704,030	6	1.43%
Goodyear				8,435,243	7	1.13%
Prince Street Technologies				7,308,718	8	0.97%
Ampacet				7,216,511	9	0.96%
	$ 208,581,541		21.88%	$ 408,198,915		54.45%

Sources: City Tax Digest

* The Statistical information for the fiscal year ended June 30, 2012 from the City of Cartersville, Georgia is not available.

CITY OF CARTERSVILLE BOARD OF EDUCATION

PROPERTY TAX LEVIES AND COLLECTIONS [1]
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2003	$ 12,487,006	$ 11,589,516	92.8%	$ 513,430	$ 12,102,946	96.9%
2004	12,895,536	11,932,249	92.5%	517,813	12,450,062	96.5%
2005	13,421,757	12,458,717	92.8%	450,355	12,909,072	96.2%
2006	14,182,722	13,251,645	93.4%	570,116	13,821,761	97.5%
2007	14,738,757	13,706,051	93.0%	482,027	14,188,078	96.3%
2008	15,828,096	14,598,808	92.2%	554,650	15,153,458	95.7%
2009	16,701,807	15,103,072	90.4%	746,158	15,849,230	94.9%
2010	16,934,634	15,575,438	92.0%	1,144,171	16,719,609	98.7%
2011	15,860,781	15,045,085	94.9%	371,141	15,416,226	97.2%
2012	15,362,432	14,613,806	95.1%	-	14,613,806	95.1%

[1] Source: Bartow County Tax Commissioner's Office

CITY OF CARTERSVILLE BOARD OF EDUCATION

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Capital Leases	Percentage of Personal Income	Per Capita
2003	$ -	-	$ -
2004	-	-	-
2005	-	-	-
2006	491,484	0.03%	6
2007	407,261	0.02%	4
2008	311,026	0.01%	3
2009	211,163	0.01%	2
2010	107,535	0.00%	1
2011	-	-	-
2012	-	-	-

CITY OF CARTERSVILLE BOARD OF EDUCATION

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2011 *

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
City of Cartersville, Georgia	$ 15,112,846	100%	$ 15,112,846
Bartow County, Georgia	70,845,000	25%	17,711,250
Total overlapping debt	$ 85,957,846		$ 32,824,096

Sources: Assessed value data used to estimate applicable percentages provided by the Bartow County Tax Commissioner. Debt outstanding data obtained from the City of Cartersville.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

* The Statistical information for the fiscal year ended June 30, 2012 from the City of Cartersville, Georgia is not available.

CITY OF CARTERSVILLE BOARD OF EDUCATION

CITY OF CARTERSVILLE, GEORGIA - PRINCIPAL EMPLOYERS
CURRENT YEAR AND TWO YEARS AGO

	2011*			2008		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Bartow County Schools	1,618	1	N/A	1,618	2	N/A
Shaw Industries	950	2	N/A	2,100	1	N/A
Bartow County	715	3	N/A	850	4	N/A
Cartersville Medical Center	650	4	N/A	1,140	3	N/A
Toyo Tire North America	650	5	N/A	555	7	N/A
Anheuser-Busch	571	6	N/A	750	5	N/A
Cartersville Schools	490	7	N/A	575	6	N/A
Georgia Power Company	390	8	N/A	400	8	N/A
Walmart	385	9	N/A	397	9	N/A
Gerdau Ameristeel	380	10	N/A	390	10	N/A
	6,799		N/A	8,775		N/A

N/A - The total employment of the City was not available.
Note: The period nine years prior to the current period is not available

* The Statistical information for the fiscal year ended June 30, 2012 from the City of Cartersville, Georgia is not available.

CITY OF CARTERSVILLE BOARD OF EDUCATION

APPROPRIATION/TAX ASSESSMENT PER CHILD DATA
LAST TEN FISCAL YEARS

Fiscal Year	School System	Total ADA/FEE** (1)	Local Appropriation for Education***	Cartersville City Assessed Value of Taxable Property***	Education % of Assessed Value	Appropriation Per Child
2003	Cartersville	$ 3,872	$ 12,673,875	$ 748,857,760	1.69%	$ 3,273
2004	Cartersville	3,804	13,184,255	778,833,059	1.69%	3,466
2005	Cartersville	3,810	13,508,217	796,778,400	1.70%	3,545
2006	Cartersville	3,809	14,345,564	846,157,171	1.70%	3,766
2007	Cartersville	3,817	14,940,346	883,661,725	1.69%	3,914
2008	Cartersville	3,819	15,915,731	948,341,950	1.68%	4,168
2009	Cartersville	3,803	16,551,338	1,001,687,504	1.65%	4,352
2010	Cartersville	4,036	16,373,868	1,013,929,346	1.61%	4,057
2011	Cartersville	4,159	16,473,982	953,229,075	1.73%	3,961
2012	Cartersville	4,162	15,593,194	*	*	*

* The Statistical information for the fiscal year ended June 30, 2012 obtained from the City of Cartersville, Georgia is not available.

** City of Cartersville Board of Education

*** City of Cartersville, Georgia

(1) Average Daily Attendance was determined in early October of each fiscal year.

CITY OF CARTERSVILLE BOARD OF EDUCATION

COST/TAX ASSESSMENT PER CHILD DATA
LAST TEN FISCAL YEARS

Fiscal Year	School System	Total ADA/FEE**	Total Cost Per Child	Tax Base Per Child	Cost/Tax Base Percentage	Cartersville City Assessed Value of Taxable Property***
2003	Cartersville	$ 3,872	$ 10,290	$ 193,403	5.32%	$ 748,857,760
2004	Cartersville	3,804	11,200	204,741	5.47%	778,833,059
2005	Cartersville	3,810	10,707	209,128	5.12%	796,778,400
2006	Cartersville	3,809	10,147	222,147	4.57%	846,157,171
2007	Cartersville	3,817	11,019	231,507	4.76%	883,661,725
2008	Cartersville	3,819	12,077	248,322	4.86%	948,341,950
2009	Cartersville	3,803	11,100	263,394	4.21%	1,001,687,504
2010	Cartersville	4,036	10,285	251,221	4.09%	1,013,929,346
2011	Cartersville	4,159	10,349	229,197	4.52%	953,229,075
2012	Cartersville	4,162	*	*	*	*

* The Statistical information for the fiscal year ended June 30, 2012 obtained from the City of Cartersville, Georgia is not available.

** City of Cartersville Board of Education

*** City of Cartersville, Georgia

(1) Average Daily Attendance was determined in early October of each fiscal year.

CITY OF CARTERSVILLE BOARD OF EDUCATION

CITY OF CARTERSVILLE, GEORGIA - DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population**(1)	Personal Income	Per Capita Income(1)	Median Age(1)	School Enrollment(2)
2003	82,607	$ 1,875,178,900	$ 22,700	34.00	3,870
2004	84,730	1,608,937,970	18,989	34.00	3,791
2005	86,972	1,651,511,308	18,989	34.00	3,855
2006	89,229	1,694,369,481	18,989	34.00	3,845
2007	91,266	1,733,050,074	18,989	34.00	3,897
2008	92,834	1,762,824,826	18,989	34.00	3,890
2009	97,900	2,184,442,700	22,313	35.70	3,941
2010	99,484	2,190,438,712	22,018	35.90	4,036
2011	100,157	2,317,132,195	23,135	37.30	4,159
2012	*	*	*	*	4,162

(1) Sales Management Survey of Buying Power and Georgia Power

(2) Average Daily Enrollment was determined in early October of each fiscal year.

** County-wide data

* The Statistical information for the fiscal year ended June 30, 2012 obtained from the City of Cartersville, Georgia is not available.

CITY OF CARTERSVILLE BOARD OF EDUCATION

NUMBER OF PERSONNEL AND RATIO OF PUPILS TO PROFESSIONAL PERSONNEL* LAST TEN FISCAL YEARS

Fiscal Year	Professional Personnel (1)	Other Operating Personnel (2)	Service Personnel (3)	Total Personnel	Average Daily Enrollment (4)	Ratio of Pupils to Professional Personnel
2003	273	231	34	538	3,870	14.18
2004	285	222	36	543	3,791	13.30
2005	288	227	37	552	3,855	13.39
2006	291	229	39	559	3,845	13.21
2007	294	229	42	565	3,897	13.26
2008	298	235	42	575	3,890	13.05
2009	332	187	44	563	3,941	11.87
2010	301	193	45	539	4,036	13.41
2011	297	181	43	521	4,159	14.00
2012	298	178	44	520	4,162	13.97

(1) Professional Personnel consists of all certified personnel including teachers, librarians, counselors, supervisors, consultants, coordinators, principals, assistant principals, and other leadership personnel.

(2) Other operating personnel includes non-certified leadership personnel, classroom aides, secretarial, food service personnel, custodial and clerical employees and other technicians.

(3) Service personnel includes bus drivers and maintenance/warehouse employees.

(4) Average Daily Enrollment was determined in early October of each fiscal year.

* Source: City of Cartersville Board of Education Personnel Office.

CITY OF CARTERSVILLE BOARD OF EDUCATION

CRC TEST COMPARISON*
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
READING										
1st Grade - meet/exceed standard		94%	93%	92%	93%	93%	94%	94%	N/A	N/A
2nd Grade - meet/exceed standard		93%	92%	93%	94%	92%	94%	95%	N/A	N/A
3rd Grade - meet/exceed standard		94%	96%	87%	89%	89%	95%	95%	91%	97%
4th Grade - meet/exceed standard	81%	84%	94%	86%	93%	89%	87%	92%	95%	93%
5th Grade - meet/exceed standard		91%	92%	83%	87%	94%	89%	92%	98%	95%
6th Grade - meet/exceed standard	86%	85%	87%	87%	92%	95%	84%	96%	97%	98%
7th Grade - meet/exceed standard		86%	92%	80%	87%	90%	92%	91%	98%	97%
8th Grade - meet/exceed standard	86%	90%	88%	89%	90%	93%	96%	95%	97%	100%
ENGLISH/LANGUAGE ARTS										
1st Grade - meet/exceed standard		91%	88%	83%	86%	88%	89%	92%	N/A	N/A
2nd Grade - meet/exceed standard		90%	90%	91%	91%	88%	90%	93%	N/A	N/A
3rd Grade - meet/exceed standard		92%	92%	90%	88%	87%	90%	92%	96%	95%
4th Grade - meet/exceed standard	81%	87%	91%	82%	92%	88%	85%	91%	93%	96%
5th Grade - meet/exceed standard		89%	89%	87%	86%	94%	94%	93%	97%	98%
6th Grade - meet/exceed standard	74%	75%	84%	86%	89%	89%	92%	93%	93%	94%
7th Grade - meet/exceed standard		85%	91%	83%	92%	94%	94%	74%	97%	95%
8th Grade - meet/exceed standard	82%	86%	81%	89%	90%	91%	95%	95%	96%	99%
MATHEMATICS										
1st Grade - meet/exceed standard		90%	90%	89%	86%	88%	94%	90%	N/A	N/A
2nd Grade - meet/exceed standard		90%	92%	93%	86%	90%	90%	97%	N/A	N/A
3rd Grade - meet/exceed standard		96%	93%	96%	94%	72%	82%	87%	88%	90%
4th Grade - meet/exceed standard	77%	84%	83%	86%	87%	70%	73%	85%	92%	83%

(Continued)

CITY OF CARTERSVILLE BOARD OF EDUCATION

CRC TEST COMPARISON*
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
READING - CONTINUED										
5th Grade - meet/exceed standard		90%	93%	94%	90%	82%	87%	89%	97%	94%
6th Grade - meet/exceed standard	78%	79%	86%	74%	68%	76%	83%	77%	85%	87%
7th Grade - meet/exceed standard		84%	93%	85%	79%	80%	85%	86%	95%	95%
8th Grade - meet/exceed standard	79%	80%	80%	83%	85%	62%	72%	79%	83%	88%
SCIENCE										
3rd Grade - meet/exceed standard		88%	90%	90%	72%	79%	87%	89%	88%	90%
4th Grade - meet/exceed standard		93%	90%	92%	83%	75%	80%	87%	86%	82%
5th Grade - meet/exceed standard		88%	92%	92%	70%	77%	77%	84%	83%	85%
6th Grade - meet/exceed standard		83%	91%	69%	55%	74%	80%	74%	77%	77%
7th Grade - meet/exceed standard		79%	92%	62%	72%	83%	79%	85%	90%	88%
8th Grade - meet/exceed standard		82%	83%	87%	84%	64%	58%	70%	75%	80%
SOCIAL STUDIES		92%	93%	93%	89%	89%	76%	84%	90%	88%
3rd Grade - meet/exceed standard		88%	91%	91%	94%	92%	77%	86%	90%	86%
4th Grade - meet/exceed standard		88%	91%	89%	93%	91%	73%	80%	79%	87%
5th Grade - meet/exceed standard		85%	87%	86%	87%			66%	84%	86%
6th Grade - meet/exceed standard		87%	92%	89%	87%			75%	77%	78%
7th Grade - meet/exceed standard		91%	93%	96%	85%	58%	62%	80%	75%	89%
8th Grade - meet/exceed standard										

* City of Cartersville Board of Education's Curriculum Department
N/A - Information was not available at June 30, 2012.

CITY OF CARTERSVILLE BOARD OF EDUCATION

SCHOLASTIC ACHIEVEMENT TESTS (SAT'S) *
LAST TEN FISCAL YEARS

Fiscal Year	Participation Rate	Verbal	Math	Writing	Composite	Georgia	National
2003	80%	496	498	N/A	994	984	1026
2004	73%	496	509	N/A	1005	987	1026
2005	70%	505	513	N/A	1018	993	1028
2006	64%	489	510	488	1487	1477	1520
2007	62%	490	506	487	1483	1472	1511
2008	71%	503	509	493	1505	1466	1511
2009	70%	493	487	486	1466	1460	1509
2010	69%	482	489	477	1448	1453	1509
2011	70%	485	487	473	1445	1445	1500
2012	68%	519	522	504	1545	1452	1498

*City of Cartersville Board of Education's Curriculum Department.

CITY OF CARTERSVILLE BOARD OF EDUCATION

FULL TIME EQUIVALENT (FTE) POSITIONS*
LAST TEN FISCAL YEARS

Positions	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cartersville Primary School										
Classroom Teachers	74	81	87	87	89	89	91	92	91	88
Support Personnel	84	79	82	84	84	85	75	63	60	58
Administrators	2	2	2	3	3	3	2	2	3	3
Cartersville Elementary School										
Classroom Teachers	62	65	61	61	63	64	70	70	69	67
Support Personnel	49	48	46	46	45	47	45	36	35	38
Administrators	2	2	2	2	2	2	2	2	2	2
Cartersville Middle School										
Classroom Teachers	56	58	60	62	61	64	63	61	59	61
Support Personnel	36	33	32	31	31	33	28	30	28	31
Administrators	3	3	3	3	3	3	3	3	3	3
Cartersville High School										
Classroom Teachers	63	64	63	63	64	64	67	62	61	61
Support Personnel	37	36	40	40	43	42	37	35	31	30
Administrators	5	4	4	4	4	4	4	4	4	4
Central Office										
Support Personnel	14	15	16	17	16	16	16	18	16	14
Administrators	6	6	6	6	5	5	5	5	5	5
Maintenance Facility	8	8	6	6	7	7	8	8	7	7
Other Auxiliary Facility										
Support Personnel	4	4	4	4	3	5	4	4	4	4
Administrators										
Transportation	26	28	31	33	35	35	36	37	36	37
School Board Members	7	7	7	7	7	7	7	7	7	7
	538	543	552	559	565	575	563	539	521	520

*CPI (CP002) Annual School Report filed with the Department of Education

CITY OF CARTERSVILLE BOARD OF EDUCATION

TEACHER'S SALARY SCHEDULE*
LAST TEN FISCAL YEARS

Fiscal Year	Minimum**	Maximum**	Annual Salary Increase Approved by School Board	State-Wide Average
2003	$ 32,435	$ 68,055	3.2%	$ 45,414
2004	32,435	68,055	0.0%	45,848
2005	32,614	70,094	1.7%	46,437
2006	33,485	72,662	3.2%	48,247
2007	34,825	75,570	4.0%	49,836
2008	35,870	77,837	3.0%	51,466
2009	36,766	79,783	2.5%	52,823
2010	36,766	79,783	0.0%	53,138
2011	36,766	79,783	0.0%	52,871
2012	36,766	79,783	0.0%	N/A

*CCS Salary Schedule for Minimum and Maximum
**Minimum - T-4 Certification; Maximum - Doctorate
N/A - Information is not available as of June 30, 2012.

CITY OF CARTERSVILLE BOARD OF EDUCATION

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Expenditures	Average Daily Enrollment (1)	Cost Per Pupil Enrolled	Percentage of Change	Professional Personnel	Ratio of Pupils to Professional Personnel
2003	$ 39,842,041	3,870	$ 10,295	14.61%	273	14.18
2004	42,606,583	3,791	11,239	9.17%	285	13.30
2005	40,792,591	3,855	10,582	-5.85%	288	13.39
2006	38,649,051	3,845	10,052	-5.01%	291	13.21
2007	42,059,106	3,897	10,793	7.37%	294	13.26
2008	46,123,248	3,890	11,857	9.86%	298	13.05
2009	42,213,885	3,941	10,711	-9.66%	332	11.87
2010	41,510,526	4,036	10,285	-3.98%	301	13.41
2011	43,041,069	4,159	10,349	0.62%	297	14.00
2012	45,284,832	4,162	10,881	5.14%	298	13.97

(1) Average Daily Enrollment was determined in early October of each fiscal year.

CITY OF CARTERSVILLE BOARD OF EDUCATION

SCHOOL NUTRITION PROGRAM *
LAST TEN FISCAL YEARS

		Student Lunch Prices			Student Breakfast Prices			
Fiscal Year	Average # of Lunches Served Daily	Elementary & Primary School	Middle & High School	Average # of Breakfasts Served Daily	Elementary, Middle & Primary School	High School	Breakfast Sites	Free and Reduced Eligibility
2003	2,320	$ 1.50	$ 1.75	1,162	$ 0.75	$ 1.00	4	37.21%
2004	2,430	1.50	1.75	1,221	0.75	1.00	4	39.70%
2005	2,491	1.75	2.00	998	1.00	1.25	4	42.37%
2006	2,523	1.75	2.00	1,414	1.00	1.25	4	46.00%
2007	2,601	1.75	2.00	1,434	1.00	1.25	4	48.00%
2008	2,589	1.75	2.00	1,391	1.00	1.25	4	46.00%
2009	2,544	2.00	2.25	1,423	1.25	1.50	4	49.00%
2010	2,734	2.00	2.25	1,492	1.25	1.50	4	52.00%
2011	2,784	2.00	2.25	1,576	1.25	1.50	4	55.00%
2012	2,781	2.00	2.25	1,596	1.25	1.50	4	56.00%

**City of Cartersville Board of Education's School Nutrition Office

CITY OF CARTERSVILLE BOARD OF EDUCATION

SCHOOL BUILDINGS **
LAST TEN FISCAL YEARS

School Name	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cartersville Primary School (1967)										
Square Feet	125,193	125,193	125,193	125,193	125,193	125,193	125,193	125,193	125,193	125,193
Capacity*										
Enrollment	1,064	1,043	1,070	1,084	1,091	1,116	1,093	1,186	991	992
Cartersville Elementary School (1989)										
Square Feet	98,414	98,414	98,414	98,414	98,414	98,414	98,414	98,414	98,414	98,414
Capacity*										
Enrollment	929	891	866	882	851	860	926	912	996	996
Cartersville Middle School (1993)										
Square Feet	149,120	149,120	149,120	149,120	149,120	149,120	149,120	149,120	149,120	169,972
Capacity*										
Enrollment	922	943	973	865	917	863	873	876	938	939
Cartersville High School (1953)										
Square Feet	129,010	239,587	239,587	239,587	239,587	239,587	239,587	239,587	239,587	239,587
Capacity*										
Enrollment	1,025	1,030	1,081	1,110	1,089	1,115	1,049	1,062	1,102	1,103

*Information not available

**Enrollment - Curriculum Department; Square Feet - Maintenance & Facilities Directors

Note: Year of original construction is shown in parenthesis. Increases in square footage are the result of renovations and additions.

NOTE: Data was obtained from the School System's Facility and Ground's department

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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 Cartersville Board of Education
Cartersville, Georgia

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Cartersville Board of Education (the "Board"), a component unit of the City of Cartersville, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City of Cartersville Board of Education's basic financial statements, and have issued our report thereon dated November 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Board in a separate letter dated November 5, 2012.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 5, 2012

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

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

Compliance

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

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

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

Internal Control Over Compliance

Management of the City of Cartersville Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Cartersville Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Cartersville Board of Education'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 reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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



Atlanta, Georgia
November 5, 2012

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
U.S. Department of Agriculture			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education:			
Food and Nutrition Program			
Food Services			
National School Lunch Program:			
Cash Assistance	10.555	N/A	$ 1,440,815
Non-Cash Assistance (Commodities) (2)	10.555	N/A	91,708
National School Lunch Program			1,532,523
Summer Food Service Program for Children	10.559	N/A	434,195
Total Child Nutrition Cluster			1,966,718
Total U.S. Department of Agriculture			1,966,718
U.S. Department of Education			
Special Education Cluster (IDEA)			
Pass-Through From Georgia Department of Education:			
Part B-Exceptional Student			
Flow Through - ARRA	84.391A	N/A	9,590
Preschool - ARRA	84.392A	N/A	2,100
Flow Through	84.027	N/A	751,622
Preschool	84.173	N/A	23,492
High Cost Grant	84.027	N/A	12,701
Total Special Education Cluster (IDEA)			799,505
Title I Part A			
Pass-Through From Georgia Department of Education:			
Title I Part A			
Distinguished Schools Awards	84.010	N/A	1,521
Grants to Local Educational Agencies - ARRA	84.389A	N/A	1,050
Grants to Local Educational Agencies	84.010	N/A	1,139,160
Total Title I Part A Cluster			1,141,731

(Continued)

CITY OF CARTERSVILLE BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF CARTERSVILLE, GEORGIA)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Education of Homeless Children and Youth Cluster			
Pass-Through From Georgia Department of Education:			
Stewart B. McKinney Homeless Assistance Act			
Education for Homeless Children and Youth	84.196	N/A	$ 64,080
Education for Homeless Children and Youth - ARRA	84.387	N/A	384
Total Education for Homeless Children and Youth Cluster			64,464
Other Programs			
Pass-Through From Georgia Department of Education:			
Title II			
Improving Teacher Quality	84.367	N/A	138,423
Advanced Placement	84.367	N/A	700
			139,123
Title III			
Limited English Proficient	84.365	N/A	49,990
Title VIII			
Impact Aid	84.041	N/A	411
Vocational Education-Basic Grants to States			
Perkins Plus	84.048	N/A	751
Program Improvement	84.048	N/A	30,083
Total Vocational Education			30,834
Education Jobs Fund	84.410	N/A	10,200
Striving Readers Grant	84.371	N/A	332,272
Total U.S. Department of Education			2,568,530
Total Expenditures of Federal Awards			$ 4,535,248

Notes to the Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Cartersville Board of Education and is presented on the accrual basis of accounting.

The School District did not provide Federal Assistance to any Subrecipient.

(1) Expenditures for the School Breakfast Program were not maintained separately and are included in the National School Lunch Program.

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

CITY OF CARTERSVILLE BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes __X__ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	_____ yes __X__ no

Identification of major programs:

Name of Federal Program or Cluster	CFDA Number
Striving Readers Grant	84.371
Title I Cluster:	
Title I, Part A	84.010
Title I – ARRA	84.389A

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	__X__ yes ____ no

CITY OF CARTERSVILLE BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Section II – Financial Statement Findings and Responses

None noted

Section III – Federal Award Findings and Questioned Costs

None noted

CITY OF CARTERSVILLE BOARD OF EDUCATION

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

Section IV – Status of Prior Audit Findings

None Reported