

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, 2014

Richard Dyke, C.P.A.
Director of Finance

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, 2014

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, 2014

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CITY OF CARTERSVILLE BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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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
FLOYD BRAID
CAROLYN JOHNSON
TRAVIS POPHAM

KENNETH CLOUSE, Ed.S
ASSISTANT SUPERINTENDENT

November 13, 2014

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, 2014, 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, 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 2014 fiscal year due to cumulative austerity cuts in state funding totaling $17,061,395. 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 2015 fiscal year is expected to improve, which will allow some relief. The school system will also be giving a one-time 3% payment to all employees in November 2014.

Major Initiatives

Cartersville School System has served the students of the City of Cartersville for 124 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 3,459 students to over 4,224 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 AdvancED, the major P-12 accrediting agency in the world, after an onsite Quality Assurance Review visit. In 2011, that level of District Accreditation was renewed. The district is scheduled for its next accreditation in Fall 2016. 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 for an initial 5–year period. The System Charter gives the school system and its schools flexibility in its operation and exemption of most all State Board rules and GA education laws in exchange for higher student performance goals over the five-year charter. In October 2014, the district submitted an application to the state BOE to renew its charter status for an additional 10 years.

The school system is committed to having the best available staff in each position. For the past seven years Cartersville had 100 percent of all its teachers and paraprofessionals meet the "highly qualified" requirements of the Georgia Professional Standards Commission and Federal legislation. 84% of the teaching staff have advance degrees, including 39% with degrees beyond the masters level.

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 underwent 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." Over the past year and a half the school system has implemented a system-wide initiative to become "paperless" in as many processes as possible. During the 2013 – 2014 the system implemented applicable processing in hiring applications, employee leave management, and substitute teaching assignments. Additionally, the School Board has begun using iPads for its meeting agendas and documents.

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 parent stakeholders show that citizens widely support and have confidence in the school system and its schools.

A five-year facilities plan (2012 - 2017) was approved by the local Board and the State Board of Education in the Spring of 2013. 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 2017.

The goals of the system's strategic plan guide 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 Programs 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 Data 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
- Job-embedded professional development
- New Teacher induction and mentor program
- Focus Classes for struggling early learners (K-2)
- Improved and expanded use in instructional technology
- Striving Readers Literacy Grant ($2.6 million)
- Classworks benchmark assessments

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, 2014, 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.

Long Term Financial Planning

In June of 2011 the Board refinanced both the 2001 and 2002 bonds. The Board plans to call these bonds in November 2015. Currently the SPLOST fund has $8.8 million in fund balance. The balance will be used to fund planned summer projects and also continue to fund the reserve to pay off the 2011 bonds in 2015. SPLOST revenue has increased in FY 2014 by 2%. This was a result of the General Assembly changing how sales taxes are paid on vehicles sold in Georgia. This is now a one-time tax paid to the local government instead of a sales tax. This has increased our local revenue but our SPLOST revenue has had modest increases.

The system continues to monitor budget related activity in the Georgia General Assembly. State revenues have risen modestly over the past year. However, significant funding cuts continue to be passed to local school systems by the state and are expected for the foreseeable future. The System is reviewing several aspects of operations to identify areas for cost reduction and improvement in efficiency including personnel allocation, employee benefits, student transportation services, and document production practices. Sustainability is becoming a key phrase when budget issues are discussed. Budget items proposed for inclusion or modification are viewed in terms of the system's ability to sustain the item into

the future. Adequate, available fund reserves are key to preserving the school system's ability to operate free of short-term borrowing to fund daily operations.

Risk Management

The School Board's insurance coverage for automobile liability, boiler and machinery, fidelity bonds, general liability, School Board liability, property and worker's compensation are awarded on a three-year basis. McNeary Insurance Consulting, Inc. is contracted to write the specifications, which address all levels of coverage. The staff feels this approach to risk management ensures a quality insurance program and utilizes financial resources in the most efficient and effective way possible.

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, 2013. 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

Government Finance Officers Association

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

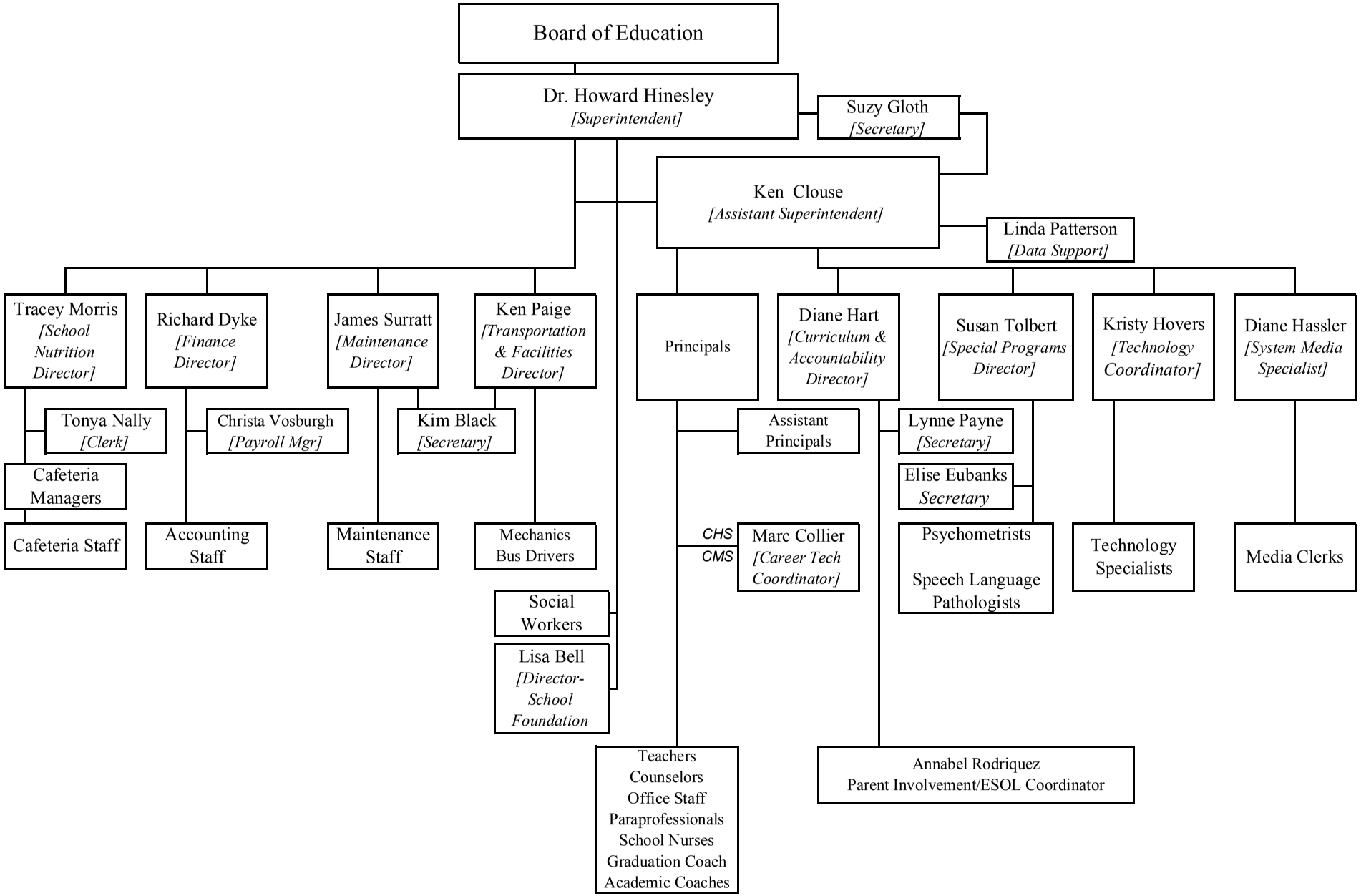
June 30, 2013

Executive Director/CEO

Cartersville School Board

Ward	Name/Address	Telephone/Cell No.	Member Since	Current Term
1	**Carolyn Johnson** 16 Dove Court Cartersville, GA 30120	(H) 770-386-4333 (e-mail) crjohnson1955@gmail.com (cell) 770-289-3106	3/ 12	1/ 14 – 1/ 18
2	**Floyd Braid** 15 South Avenue Cartersville, GA 30l20	(e-mail) fbraid@cartersville.k12.ga.us (cell) 678-777-4814	1/ 14	1/ 14 – 1/ 18
3	**Travis Popham** 428 Waterford Dr. Cartersville, GA 30120	(e-mail) prig@mindspring.com (cell) 770-387-6372 (W) 770-387-1706	1/ 12	1/ 12 – 1/ 16
	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 – 1/ 16
5	**David Apple** 47 Mission Hills Dr. Cartersville, GA 30120	(e-mail) dlapple@gmail.com (cell) 770-328-0802	1/ 10	1/ 14 – 1/ 18
6	**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/ 14 – 1/ 18
At Large	**Linda P. Benton** 144 Cherokee Circle Cartersville, GA 30120	(H) 770-382-0282 (e-mail) lpbenton@aol.com (cell) 770-606-7563	3/ 94	1/ 12 – 1/ 16
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	**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		

Cartersville City Schools Organizational Chart - Assignments



Effective 6/12/13

FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of 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, 2014, and the related notes to the financial statements, which collectively comprise the City of Cartersville Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Cartersville Board of Education, as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 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.

Other Information

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 and individual fund financial statements and schedules, schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governmentas, and Non-Profit* Organizations, schedule of expenditures by object – lottery programs, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, and the introductory and the statistical sections, as 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 combining and individual fund financial statements and schedules, schedule of expenditures of federal awards, schedule of expenditures by object – lottery programs, and the schedule of expenditures of special purpose local option sales tax proceeds (collectively "the supplementary information") is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Governement Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2014 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* in considering the City of Cartersville Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 13, 2014

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, 2014. 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 2014 are as follows:

- In total, net position increased $230 thousand, which represents a 1% increase from 2013. This total increase was due to governmental activities since the Board has no business-type activities.
- General revenues accounted for $19.5 million in revenue or 44% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $24.2 million or 55% of total revenues of $43.8 million.
- The Board had $43.6 million in expenses related to governmental activities; only $24.2 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $19.5 million were adequate to provide for these programs.
- Among major funds, the General Fund had $32.6 million in revenues and $32.7 million in expenditures. The General Fund's fund balance decreased to $12.2 million from $12.4 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 Position 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 as 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 Position 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 2014?" The Statement of Net Position and the Statement of Activities answer 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 position and changes in the net position. This change in net position 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 Position 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

Fund 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 Position 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 Position is of the Board as a whole. Table 1 provides a summary of the Board's statement of net position for 2014.

Table 1
Statement of Net Position

	Governmental Activities		%
	2014	2013	Change
Assets			
Current and Other Assets	$ 27,911,234	$ 27,874,536	0.1%
Capital Assets, Net	3,408,555	3,046,194	11.9%
Total Assets	31,319,789	30,920,730	1.3%
Liabiliies			
Current and Other Liabilities	5,169,196	4,999,981	3.4%
Total Liabilities	5,169,196	4,999,981	3.4%
Net Position			
Investment in Capital Assets	3,408,555	3,046,194	11.9%
Restricted	10,057,780	9,561,809	5.2%
Unrestricted	12,684,258	13,312,746	-4.7%
Total Net Position	$ 26,150,593	$ 25,920,749	0.9%

As previously stated, the total net position for 2014 was $26.1 million which represents a $230 thousand or 1% increase over 2013. The Board's net position increase over the prior year was primarily due to an increase in assets due from primary government for property taxes and Special Purpose Local Option Sales Tax revenue.

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Table 2 shows the changes in net position for fiscal year 2014.

Table 2
Changes in Net Position

	Governmental Activites		%
	2014	2013	Change
Revenues			
Program Revenues			
Charges for Services and Sales	$ 1,262,633	$ 1,358,128	-7.0%
Operating Grants and Contributions	23,003,502	24,219,378	-5.0%
Capital Grants and Contributions	9,749	9,747	0.0%
Total Program Revenues	24,275,884	25,587,253	-5.1%
General Revenues			
Property Taxes for Maintenance and Operations	15,237,287	16,003,431	-4.8%
Special Purpose Local Option Sales Tax for Capital Projects	4,297,269	4,214,954	2.0%
Investment Earnings	9,608	11,997	-19.9%
Total General Revenues	19,544,164	20,230,382	-3.4%
Total Revenues	43,820,048	45,817,635	-4.4%
Program Expenses			
Instruction	25,464,194	25,617,850	-0.6%
Support Services			
Pupil Services	1,253,982	1,218,309	2.9%
Improvement of Instructional Services	1,286,064	1,376,105	-6.5%
Educational Media Services	264,048	262,242	0.7%
General Administration	779,080	808,889	-3.7%
School Administration	1,987,418	2,003,017	-0.8%
Business Administration	490,976	618,102	-20.6%
Maintenance and Operation of Plant	6,508,509	4,419,615	47.3%
Student Transportation Services	1,364,926	1,162,442	17.4%
Central Support Services	323,495	351,401	-7.9%
Other Support Services	267,924	166,563	60.9%
Operations of Non-Instructional Services			
Community Services	177,371	167,842	5.7%
Food Services	3,422,217	3,099,196	10.4%
Total Expenses	43,590,204	41,271,573	5.6%
Increase in Net Position	229,844	4,546,062	-94.9%
Net Position, July 1	25,920,749	21,374,687	21.3%
Net Position, June 30	$ 26,150,593	$ 25,920,749	0.9%

Changes in Net Position from Operating Results

Revenues

The district's total revenue for 2014 was $43.8 million which represents a $2 million or a 4.4% decrease over 2013. Revenue from state sources accounted for the majority of the school district's revenue. State sources of revenue in 2014 increased .4% or $400 thousand. Decreased state revenue is attributable to enrollment changes. Federal sources of revenue in 2014 decreased 14% or $800 thousand due to decreased grants awarded to the district primarily from the Striving Readers Grant.

Local revenue sources including property taxes, sales taxes and interest income decreased $700 thousand or 3%. The decrease in property tax revenue of 2.5% was due to very little change in the tax digest. Sales tax revenue increased by 2% or $83 thousand in 2014.

There was a significant decrease in federal sources of 14% which is due to receiving the majority of the Striving Readers Grant in FY 2013.

Expenses

The school district's total expenses increased 5.6% over fiscal year 2013. Business Administration decreased $130 thousand or 21%. This was due to finance department losing one position. Each of the other major functions such as Instruction, Pupil Services and School Administration increased and/or decreased by minor amounts.

Instruction comprises 58.4% of governmental program expenses.

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Governmental Activities

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 Services		%	Net Cost of Services		%
	2014	2013	Change	2014	2013	Change
Instruction	$ 25,464,194	$ 25,617,850	-0.6%	$ 9,375,143	$ 9,021,466	3.9%
Support Services						
Pupil Services	1,253,982	1,218,309	2.9%	1,007,388	907,542	11.0%
Improvement of Instructional Services	1,286,064	1,376,105	-6.5%	369,625	175,393	110.7%
Educational Media Services	264,048	262,242	0.7%	(277,594)	(323,595)	-14.2%
General Administration	779,080	808,889	-3.7%	89,066	(19,292)	-561.7%
School Administration	1,987,418	2,003,017	-0.8%	1,052,956	904,763	16.4%
Business Administration	490,976	618,102	-20.6%	489,112	586,487	-16.6%
Maintenance and Operation of Plant	6,508,509	4,419,615	47.3%	5,176,860	3,060,760	69.1%
Student Transportation Services	1,364,926	1,162,442	17.4%	1,109,820	863,149	28.6%
Central Support Services	323,495	351,401	-7.9%	321,778	346,276	-7.1%
Other Support Services	267,924	166,563	60.9%	203,386	126,872	60.3%
Operation of Non-Instructional Services						
Community Services	177,371	167,842	5.7%	177,371	167,842	5.7%
Food Services	3,422,217	3,099,196	10.4%	219,409	(133,343)	-264.5%
Total Expenses	$ 43,590,204	$ 41,271,573	5.6%	$ 19,314,320	$ 15,684,320	23.1%

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 2014 was $43.6 million. Users of the district's programs financed $1.3 million of costs. Federal and state grants subsidized programs, and contributions financed $23 million of the cost. The district taxpayers financed the other portion of the school district's cost, which was $19.3 million for 2014.

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 $44.1 million and expenditures and other financing uses of $44 million. The General Fund had a decrease of $165 thousand; the Special Purpose Local Option Sales Tax Capital Projects Fund had an increase of $600 thousand. The decrease in the General Fund was budgeted, however, due to tax revenue and State funding revenues which came in greater than anticipated the Fund only reported a decrease of $165,000 while budgeting a $4.3 million decrease. The SPLOST Fund's increase was a result of the timing of SPLOST projects, as the revenues continued to exceed the current year SPLOST expenditures. At the end of 2014, the district has a decrease of $135 thousand in fund balance as a result of decreases in state funding, and less local tax revenue. Fund balance for the general fund essentially stayed the same. FY 2013 included a millage increase which allowed the system to not use as much fund balance. The change in fund balance for the Special Purpose Local Option Sales Tax Capital Projects was saving money for the bond payoff in 2015.

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 $29.6 million was an increase from the original budgeted amount of $31.2 million. The actual revenues and other financing sources of $32.5 million was more than the budgeted amount by $2.9 million.

The final budgeted expenditures and other financing uses of $33.8 million exceeded the original budgeted amount of $33.4 million by $400 thousand. The major difference was maintenance and operations cost spent. The actual expenditures and other financing uses per budget basis of $32.6 million was $1.2 million 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 more than the expenditures and other financing uses by $165 thousand. The school board has made a concerted effort to watch spending and this is evidence of their work.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2014 the Board had $3.4 million invested in capital assets, all in governmental activities. Table 4 shows fiscal 2014 balances.

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

	Governmental Activities 2014	2013	% Change
Building and Land Improvements	$ 247,260	$ 283,430	-12.8%
Vehicles	789,872	795,409	-0.7%
Computers	1,191,596	827,676	44.0%
Furniture and Equipment	1,179,827	1,139,679	3.5%
Total	$ 3,408,555	$ 3,046,194	11.9%

The primary increases occurred in computers. The Board purchased network equipment and handheld devices for the classrooms.

Additional information on the City of Cartersville Board of Education's capital assets can be found in Note 5 on page 30 of this report.

Economic Factors and Next Year's Budgets

The local economy experienced a change in property tax revenue a 3% increase in Property Tax revenue, a 2 % increase in the Special Purpose Local Option Sales tax revenue. Property tax increases was due to the millage increase to 18.23. The Special Purpose Local Option Sales Tax revenue decreased as a direct result of the slowing economy.

The City of Cartersville Board of Education adopted its 2015 budget on June 9, 2014. The General Fund budget for 2014 reflected revenues of $32,353,574 and expenditures of $34,643,100. Unreserved fund balance in the amount of $2,289,526 was used to make up the difference. The Board decided not to roll back the millage rate. The approved millage rate to fund the 2015 budget is 17.93 mills. This budget reflects a increase from the 2014 budget of $1.1 million or 3.24%.

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 POSITION
JUNE 30, 2014

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 23,974,340
Receivables:	
Intergovernmental	3,026,741
Taxes	765,620
Inventory	144,533
Capital assets, net of accumulated depreciation	3,408,555
Total assets	31,319,789
LIABILITIES	
Accounts payable	426,852
Salaries payable	4,699,754
Unearned revenue - 2015 tuition	42,590
Total liabilities	5,169,196
NET POSITION	
Investment in capital assets	3,408,555
Restricted for:	
Capital projects	8,719,728
School nutrition	1,338,052
Unrestricted	12,684,258
Total net position	$ 26,150,593

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, 2014

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 Position: Governmental Activities
Governmental activities:					
Instruction	$ 25,464,194	$ 329,440	$ 15,759,611	$ -	$ (9,375,143)
Support services:					
Pupil services	1,253,982	-	246,594	-	(1,007,388)
Improvement of instructional services	1,286,064	-	916,439	-	(369,625)
Educational media services	264,048	-	541,642	-	277,594
General administration	779,080	-	690,014	-	(89,066)
School administration	1,987,418	-	934,462	-	(1,052,956)
Business administration	490,976	-	1,864	-	(489,112)
Maintenance and operation of plant services	6,508,509	35,102	1,286,798	9,749	(5,176,860)
Student transportation services	1,364,926	-	255,106	-	(1,109,820)
Central support services	323,495	-	1,717	-	(321,778)
Other support services	267,924	-	64,538	-	(203,386)
Food services operation	3,422,217	898,091	2,304,717	-	(219,409)
Community services operation	177,371	-	-	-	(177,371)
Total governmental activities	$ 43,590,204	$ 1,262,633	$ 23,003,502	$ 9,749	$ (19,314,320)
General revenues:					
Property taxes					15,237,287
Sales taxes					4,297,269
Unrestricted investment earnings					9,608
Total general revenues					19,544,164
Change in net position					229,844
Net position, beginning of year					25,920,749
Net position, end of year					$ 26,150,593

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, 2014

ASSETS	General	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 13,939,333	$ 8,449,441	$ 1,585,566	$ 23,974,340
Receivables:				
Intergovernmental	2,364,809	-	661,932	3,026,741
Taxes	371,452	394,168	-	765,620
Due from other funds	588,254	-	-	588,254
Inventory	-	-	144,533	144,533
Total assets	$ 17,263,848	$ 8,843,609	$ 2,392,031	$ 28,499,488
LIABILITIES				
Accounts payable	$ 232,737	$ 123,881	$ 70,234	$ 426,852
Salaries and benefits payable	4,699,754	-	-	4,699,754
Due to other funds	-	-	588,254	588,254
Unearned revenue - 2015 tuition	42,590	-	-	42,590
Total liabilities	4,975,081	123,881	658,488	5,757,450
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	50,576	-	-	50,576
Total deferred inflows of resources	50,576	-	-	50,576
FUND BALANCES				
Fund balances:				
Nonspendable:				
Inventory	-	-	144,533	144,533
Restricted:				
Capital projects	-	8,719,728	-	8,719,728
School nutrition	-	-	1,193,519	1,193,519
Committed:				
After school programs	-	-	70,173	70,173
Student activities	-	-	325,413	325,413
Assigned:				
2015 fiscal year appropriations of fund balance	2,289,526	-	-	2,289,526
Business administration	750	-	-	750
Maintenance and operation of plant	7,243	-	-	7,243
Student transportation services	3,335	-	-	3,335
Central support services	4,500	-	-	4,500
Capital projects	5,500,000	-	-	5,500,000
Maintenance projects	300,000	-	-	300,000
Unassigned:	4,132,837	-	(95)	4,132,742
Total fund balances	12,238,191	8,719,728	1,733,543	22,691,462
Total liabilities, deferred inflows of resources, and fund balances	$ 17,263,848	$ 8,843,609	$ 2,392,031	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost	$ 7,240,226	
Less accumulated depreciation	(3,831,671)	3,408,555

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Property taxes	50,576
Net position of governmental activities	$ 26,150,593

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, 2014

	General	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 15,505,423	$ 4,297,269	$ -	$ 19,802,692
Federal sources	28,049	-	4,638,298	4,666,347
State sources	16,678,032	-	525,466	17,203,498
Local sources	229,260	-	1,839,968	2,069,228
Interest income	8,894	9,749	714	19,357
Charges for services	76,900	-	180,018	256,918
On behalf payments	70,144	-	-	70,144
Total revenues	32,596,702	4,307,018	7,184,464	44,088,184
EXPENDITURES				
Current:				
Instruction	23,058,726	-	2,768,998	25,827,724
Support services:				
Pupil services	1,088,407	-	165,575	1,253,982
Improvement of instructional services	578,977	-	707,087	1,286,064
Educational media services	259,854	-	3,354	263,208
General administration	659,980	-	119,100	779,080
School administration	1,923,032	-	64,386	1,987,418
Business administration	482,108	-	-	482,108
Maintenance and operation of plant	2,856,751	-	46,506	2,903,257
Student transportation services	1,243,920	-	10,378	1,254,298
Central support services	348,965	-	-	348,965
Other support services	199,731	-	63,167	262,898
Food services operation	30,218	-	3,416,603	3,446,821
Community services operation	-	-	171,998	171,998
Intergovernmental	-	1,487,450	-	1,487,450
Capital outlay	-	2,197,294	-	2,197,294
Total expenditures	32,730,669	3,684,744	7,537,152	43,952,565
Excess (deficiency) of revenues over expenditures	(133,967)	622,274	(352,688)	135,619
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	31,696	31,696
Transfers out	(31,696)	-	-	(31,696)
Total other financing sources (uses)	(31,696)	-	31,696	-
Net change in fund balances	(165,663)	622,274	(320,992)	135,619
FUND BALANCE, beginning of year	12,403,854	8,097,454	2,054,535	22,555,843
FUND BALANCE, end of year	$ 12,238,191	$ 8,719,728	$ 1,733,543	$ 22,691,462

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, 2014

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 135,619
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	$ 925,862	
Depreciation expense	(519,629)	406,233
The net effect of the disposal of capital assets is to decrease net position.		(43,872)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(268,136)
Changes in net position - governmental activities		$ 229,844

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 14,590,308	$ 14,590,308	$ 15,505,423	$ 915,115
Federal sources	45,000	45,000	28,049	(16,951)
State sources	16,635,961	14,930,178	16,630,298	1,700,120
Local sources	-	-	229,260	229,260
Interest income	-	-	8,894	8,894
Charges for services	-	-	76,900	76,900
Total revenues	31,271,269	29,565,486	32,478,824	2,913,338
EXPENDITURES				
Current:				
Instruction	23,248,294	23,467,618	23,010,992	456,626
Support services:				
Pupil services	1,122,985	1,120,102	1,088,407	31,695
Improvement of instructional services	568,821	598,343	578,977	19,366
Educational media services	283,130	283,130	259,854	23,276
General administration	678,510	717,332	659,980	57,352
School administration	2,009,767	2,016,301	1,923,032	93,269
Business administration	680,953	674,654	480,244	194,410
Maintenance and operation of plant	3,165,501	3,218,467	2,843,623	374,844
Student transportation services	1,246,238	1,271,836	1,222,075	49,761
Central support services	273,292	317,004	347,248	(30,244)
Other support services	112,825	148,104	198,359	(50,255)
Total Expenditures	33,390,316	33,832,891	32,612,791	1,220,100
Excess (deficiency) of revenues over expenditures	(2,119,047)	(4,267,405)	(133,967)	4,133,438
OTHER FINANCING USES				
Transfers out	-	(31,696)	(31,696)	-
Total other financing uses	-	(31,696)	(31,696)	-
Net change in fund balances	(2,119,047)	(4,299,101)	(165,663)	4,133,438
FUND BALANCE, beginning of year	12,403,854	12,403,854	12,403,854	-
FUND BALANCE, end of year	$ 10,284,807	$ 8,104,753	$ 12,238,191	$ 4,133,438

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, 2014

	Agency Fund
ASSETS	
Cash	$ 120,704
LIABILITIES	
Due to others	$ 120,704

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Cartersville 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 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 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), the City of Cartersville School Board is a component unit of the City of Cartersville, Georgia.

The Board 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. There was no activity for the Foundation during the year ended June 30, 2014. Members of the Board serve as directors of the Foundation.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position 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 Board on a reimbursement basis.

The State of Georgia reimburses the Board 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 Board 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 Board 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 position 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	5-15

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

It is the 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 Board's policy not to accrue vacation leave and any unused vacation leave not taken before June 30 shall be forfeited.

Fund Equity/Net Position

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

Fund Balance – Generally, fund balance represents the difference between the 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity/Net Position (Continued)

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

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources for activities and funds which use the accrual basis of accounting. Amounts shown as net investment in capital assets are made up of capital asset costs, 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 position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

Deferred Outflows/Inflows of Resources

In addition to liablities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of deferred inflow, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

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

Prior to April 1st of each year, the Superintendent and the Board have work sessions to prepare the new upcoming budget. As soon as the Board receives the budgeted allocations from the State of Georgia Department of Education, the City of Cartersville School Board adopts the budget on or before their regular June meeting. The 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 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 City of Cartersville Board of Education to meet budgetary requirements of the Board 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. Encumbered appropriations are carried forward to the subsequent year automatically with no formal action required by the Board.

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 2014 revenues and expenditures for certain personnel are budgeted in June 2013, 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, 2014, the July and August 2014 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.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary/GAAP Basis Reconciliation (Continued)

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	$ 32,596,702	
Revenues Receivable Increase	(47,734)	
On-Behalf Benefit Contribution	(70,144)	
Budgeted Revenues, Budgetary Basis		$ 32,478,824
Expenditures GAAP Basis	$ 32,730,669	
Accrued Salary Increase	(47,734)	
On-Behalf Benefits Expenditure	(70,144)	
Budgeted Expenditures, Budgetary Basis		32,612,791
Other Financing Uses		(31,696)
Revenues Over Expenditures and Other Financing Uses, Budgetary Basis		$ (165,663)
Revenues Over Expenditures and Other Financing Uses, GAAP Basis		$ (165,663)

The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2014.

General Fund:	
Support Services:	
Central support services	$ 30,244
Other support services	50,255
School Food Services Fund:	
Food services operation	22,313
Lottery Fund:	
Food services operation	1,290

Deficit Fund Balance

For the year ended June 30, 2014, the Federal Programs Fund had a deficit fund balance of $95. This deficit will be reduced by future revenue collections and transfers from the General Fund, as necessary.

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.

Interest rate risk. The Board does not 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.

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, 2014, 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 $10,003,084 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 AAAf 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, 2014, the Board's investment in Georgia Fund 1 was rated AAAf by Standard & Poor's.

At June 30, 2014, the District had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	62 day weighted average	$ 10,003,084

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

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, 2014, the Board's cash accounts were insured and/or collateralized as required by State statutes.

NOTE 4 - RECEIVABLES

Intergovernmental receivables consist 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, 2014.

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, 2014 were as follows:

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

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

Governmental activities:	
Instruction	$ 63,909
Educational media services	840
Business administration	8,868
Maintenance and operations of plant services	222,729
Student transportation services	110,628
Central support services	46,396
Other support services	5,026
School nutrition program	55,860
Community services operation	5,373
Total depreciation expense	$ 519,629

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Non-major governmental funds	$ 588,254

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, 2014 are as follows:

Transfer in / out:

Transfer In	Transfer out	Amount
Non-major governmental funds	General Fund	$ 31,696

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, 2014, were 6.00% of annual salary. The member contribution rate will remain at 6.00% for the fiscal year beginning July 1, 2014. Employer contributions required for fiscal year 2014 were 12.28% of annual salary. The employer contribution rate will increase to 13.15% effective July 1, 2014.

Covered employee's contributions for the years ended June 30, 2014, 2013, and 2012 were $1,230,604, $1,239,240, and $1,194,324, respectively. The Board's contribution to the TRS for the years ending June 30, 2014, 2013 and 2012 were $2,493,157, $2,333,282, and $2,199,278 respectively, equal to the required contributions for each year.

NOTE 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 $14.75 multiplied by the number of years of creditable service. Death, disability, and spousal benefits are also available through PSERS. Additionally, PSERS makes periodic cost-of-living adjustments to the monthly benefits. The Board makes contributions of $4.00 per month for nine months on behalf of the employee members. Effective July 1, 2012 new members contribution rates are $10 per month for nine months, which is also paid by the Board.

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 Board's required contributions for the current year and each of the two preceding years. The Board's contributions to the PSERS for the years ending June 30, 2014, 2013 and 2012 were $2,151, $2,201, and $2,408, 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.

Encumbrances

As discussed in note 2, the Board's policy is to automatically carry forward encumbered amounts into the subsequent budget period. As of June 30, 2014 the General Fund's encumbrances expected to be honored upon performance by vendor in the next year are $15,828.

NOTE 10 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The Board has recognized revenue and expenditures in the amount of $70,144 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 $44,979.

Paid by the Georgia Department of Education to the Teachers Retirement System for Teachers Retirement (TRS) in the amount of $25,165.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Georgia School Personnel Employees Post-employment Health Benefit Fund

Plan Description. The Board contributes to the Georgia School Personnel Post-employment Health Benefit Fund (the "Benefit Fund"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Department of Community Health. The Benefit Fund 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 Community Health. The Department of Community Health issues a publicly available financial report that includes financial statements and required supplementary information for the Benefit Fund. 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 Community Health. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. On average, plan members pay approximately twenty-five percent (25%) of the cost of health insurance coverage. Participating employers are statutorily required to contribute in accordance with the employer contribution 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, 2014, were as follows:

Certified employees
July 2013 – June 2014 $945 per member per month

Non-Certified Employees
July 2013 – June 2014 $596.20 per member per month

No additional contribution was required by the Department of Community Health for fiscal year 2014 nor contributed to the Benefit Fund 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's contributions to the health insurance plans for the fiscal year ended June 30, 2014, 2013 and 2012 were $3,290,309, $3,238,191, and $3,725,660, 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, 2014

	Special Revenue					
ASSETS	School Food Services	Federal Programs	Lottery Programs	After School Program	Student Activities	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 1,144,884	$ -	$ 45,096	$ 70,173	$ 325,413	$ 1,585,566
Intergovernmental receivables	249,233	412,699	-	-	-	661,932
Inventory	144,533	-	-	-	-	144,533
Total assets	$ 1,538,650	$ 412,699	$ 45,096	$ 70,173	$ 325,413	$ 2,392,031
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 59,210	$ 11,024	$ -	$ -	$ -	$ 70,234
Due to other funds	141,388	401,770	45,096	-	-	588,254
Total liabilities	200,598	412,794	45,096	-	-	658,488
FUND BALANCES						
Nonspendable:						
Inventory	144,533	-	-	-	-	144,533
Restricted:						
School nutrition	1,193,519	-	-	-	-	1,193,519
Committed:						
After school programs	-	-	-	70,173	-	70,173
Student activities	-	-	-	-	325,413	325,413
Unassigned	-	(95)	-	-	-	(95)
Total fund balances	1,338,052	(95)	-	70,173	325,413	1,733,543
Total liabilities and fund balances	$ 1,538,650	$ 412,699	$ 45,096	$ 70,173	$ 325,413	$ 2,392,031

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, 2014

	Special Revenue					
	School Food Services	Federal Programs	Lottery Programs	After School Program	Student Activities	Total Nonmajor Governmental Funds
REVENUES						
Federal sources	$ 2,207,042	$ 2,431,256	$ -	$ -	$ -	$ 4,638,298
State sources	66,167	-	459,299	-	-	525,466
Local sources	901,364	-	-	-	938,604	1,839,968
Interest income	683	-	-	-	31	714
Charges for services	-	-	-	180,018	-	180,018
Total revenues	3,175,256	2,431,256	459,299	180,018	938,635	7,184,464
EXPENDITURES						
Instruction	-	1,407,083	397,817	-	964,098	2,768,998
Support services:						
Pupil services	-	165,503	-	-	72	165,575
Improvement of instructional services	-	704,535	2,102	-	450	707,087
Educational media services	-	-	-	-	3,354	3,354
General administration	-	113,313	5,787	-	-	119,100
School administration	-	-	4,865	-	59,521	64,386
Maintenance and operation of plant	-	-	46,506	-	-	46,506
Student transportation services	-	9,446	932	-	-	10,378
Other support services		63,167				63,167
Food services operation	3,415,313	-	1,290	-	-	3,416,603
Community services operation	-	-	-	171,998	-	171,998
Total expenditures	3,415,313	2,463,047	459,299	171,998	1,027,495	7,537,152
Excess (deficiency) of revenues over expenditures	(240,057)	(31,791)	-	8,020	(88,860)	(352,688)
OTHER FINANCING SOURCES						
Transfers in	-	31,696	-	-	-	31,696
Total other financing sources	-	31,696	-	-	-	31,696
Net change in fund balances	(240,057)	(95)	-	8,020	(88,860)	(320,992)
FUND BALANCE, beginning of year	1,578,109	-	-	62,153	414,273	2,054,535
FUND BALANCE (deficit), end of year	$ 1,338,052	$ (95)	$ -	$ 70,173	$ 325,413	$ 1,733,543

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Federal sources	$ 1,900,000	$ 1,900,000	$ 2,207,042	$ 307,042
State sources	50,000	50,000	66,167	16,167
Local sources	966,800	966,800	901,364	(65,436)
Interest income	-	-	683	683
Total revenues	2,916,800	2,916,800	3,175,256	258,456
EXPENDITURES				
Food services operation	3,331,000	3,393,000	3,415,313	(22,313)
Total expenditures	3,331,000	3,393,000	3,415,313	(22,313)
Net change in fund balances	(414,200)	(476,200)	(240,057)	236,143
FUND BALANCE, beginning of year	1,578,109	1,578,109	1,578,109	-
FUND BALANCE, end of year	$ 1,163,909	$ 1,101,909	$ 1,338,052	$ 236,143

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Federal sources	$ 4,384,701	$ 4,384,701	$ 2,431,256	$ (1,953,445)
Total revenues	4,384,701	4,384,701	2,431,256	(1,953,445)
EXPENDITURES				
Instruction	2,542,089	2,542,089	1,407,083	1,135,006
Support services:				
Pupil services	186,071	186,071	165,503	20,568
Improvement of instructional services	1,214,610	1,214,610	704,535	510,075
General administration	240,726	240,726	113,313	127,413
Student transportation services	11,750	11,750	9,446	2,304
Other support services	156,782	156,782	63,167	93,615
Total expenditures	4,352,028	4,352,028	2,463,047	1,888,981
Excess (deficiency) of revenues over expenditures	32,673	32,673	(31,791)	(64,464)
OTHER FINANCING SOURCES				
Transfers in	31,696	31,696	31,696	-
Total other financing sources	31,696	31,696	31,696	-
Net change in fund balances	64,369	64,369	(95)	(64,464)
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE (deficit), end of year	$ 64,369	$ 64,369	$ (95)	$ (64,464)

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
State sources	$ 459,299	$ 459,299	$ 459,299	$ -
Total revenues	459,299	459,299	459,299	-
EXPENDITURES				
Instruction	397,817	397,817	397,817	-
Support services:				
Improvement of instructional services	2,102	2,102	2,102	-
General administration	5,787	5,787	5,787	-
School administration	4,865	4,865	4,865	-
Maintenance and operation of plant	46,506	46,506	46,506	-
Student transportation services	932	932	932	-
Food services operation	-	-	1,290	(1,290)
Total expenditures	458,009	458,009	459,299	(1,290)
Net change in fund balances	1,290	1,290	-	(1,290)
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ 1,290	$ 1,290	$ -	$ (1,290)

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 175,000	$ 175,000	$ 180,018	$ 5,018
Total revenues	175,000	175,000	180,018	5,018
EXPENDITURES				
Community services operation	182,594	182,594	171,998	10,596
Total expenditures	182,594	182,594	171,998	10,596
Net change in fund balances	(7,594)	(7,594)	8,020	15,614
FUND BALANCE, beginning of year	62,153	62,153	62,153	-
FUND BALANCE, end of year	$ 54,559	$ 54,559	$ 70,173	$ 15,614

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Sales tax	$ 4,297,269	$ 4,297,269	$ 4,297,269	$ -
Interest income	9,500	9,500	9,749	249
Total revenues	4,306,769	4,306,769	4,307,018	249
EXPENDITURES				
Intergovernmental	1,487,450	1,487,450	1,487,450	-
Capital outlay	3,052,361	3,052,361	2,197,294	855,067
Total expenditures	4,539,811	4,539,811	3,684,744	855,067
Net change in fund balances	(233,042)	(233,042)	622,274	855,316
FUND BALANCE, beginning of year	8,097,454	8,097,454	8,097,454	-
FUND BALANCE, end of year	$ 7,864,412	$ 7,864,412	$ 8,719,728	$ 855,316

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, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Assets - cash	$ 69,641	$ 428,407	$ 377,344	$ 120,704
Liabilities - due to others	$ 69,641	$ 428,407	$ 377,344	$ 120,704

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, 2014

	Pre-Kindergarten Program
EXPENDITURES	
Salaries/benefits:	
Pre-K teacher salaries/benefits	$ 283,073
Paraprofessional	97,105
Substitute	3,146
Total salaries/benefits	383,324
Operating costs:	
Supplies	8,022
Other expenditures	67,953
Total operating costs	75,975
Total expenditures	$ 459,299

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, 2014

Project	Original Estimated Cost(1)	Current Estimated Costs(2)	Expended In Current Year (3)	Expended In Prior Years (3)	Total Expended	Project Status
2007 SPLOST						
City of Cartersville General Obligation 1992, 2001 and 2002 School Serial & Term Bond Debt Reduction	$ 12,671,443	$ 12,457,083	$ -	$ 12,457,083	$ 12,457,083	Complete
Acquisition, Renovation, and Equipping of School Buildings, Acquisition of School Transportation Vehicles, and Acquisition of Sites for Future Schools	19,932,617	11,233,553	2,197,294	7,824,045	10,021,339	Ongoing
	$ 32,604,060	$ 23,690,636		$ 20,281,128	$ 22,478,422	
2012 SPLOST						
City of Cartersville General Obligation 2010 School Serial & Term Bond Debt Reduction	$ 13,900,000	$ 13,900,000	$ 1,487,450	$ 1,147,975	$ 2,635,425	Ongoing
Acquisition, Renovation, and Equipping of School Buildings, Acquisition of School Transportation Vehicles, and Acquisition of Sites for Future	17,270,000	17,270,000	-	-	-	Ongoing
	$ 31,170,000	$ 31,170,000		$ 1,147,975	$ 2,635,425	
Total SPLOST Capital Project Fund Expenditures			$ 3,684,744			

(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.

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 **46**

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 **50**

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

Debt Capacity **54**

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 **56**

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 **60**

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.

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	$ 1,320,472	$ 1,196,905	$ 1,422,229	$ 1,731,879	$ 1,932,231	$ 1,842,444	$ 2,378,347	$ 2,554,000	$ 3,046,194	$ 3,408,555
Restricted	1,324,430	3,081,491	3,433,825	2,690,862	3,108,494	6,095,560	8,148,578	7,305,466	9,561,809	10,057,780
Unrestricted	7,769,567	8,574,955	9,229,391	9,107,126	10,396,450	10,630,346	12,262,011	11,515,221	13,312,746	12,684,258
Total governmental activities net position	$ 10,414,469	$ 12,853,351	$ 14,085,445	$ 13,529,867	$ 15,437,175	$ 18,568,350	$ 22,788,936	$ 21,374,687	$ 25,920,749	$ 26,150,593

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
Instruction	$ 19,956,072	$ 20,854,386	$ 22,575,922	$ 25,007,093	$ 25,729,605	$ 25,036,295	$ 25,245,277	$ 25,951,241	$ 25,617,850	$ 25,464,194
Support Services:										
Pupil services	1,628,259	1,973,158	1,482,383	1,427,977	1,444,029	1,381,914	1,293,166	1,255,932	1,218,309	1,253,982
Improvement of Instruction	1,701,868	1,531,629	1,743,972	1,842,833	791,317	1,402,770	1,346,535	1,569,840	1,376,105	1,286,064
Educational media services	461,775	476,026	524,924	655,995	659,982	544,402	500,258	458,667	262,242	264,048
General administration	697,974	690,932	721,076	796,181	801,301	819,952	811,620	820,273	808,889	779,080
School administration	1,577,084	1,661,948	1,731,431	1,862,583	1,861,421	1,794,910	1,896,584	1,920,090	2,003,017	1,987,418
Business administration	571,970	428,231	515,926	561,155	514,054	504,276	522,523	525,608	618,102	490,976
Maintenance and operation of plant	10,696,774	6,691,254	8,699,222	9,702,069	6,057,732	6,058,460	6,062,740	7,812,148	4,419,615	6,508,509
Student transportation service	750,485	892,110	843,941	1,011,230	1,183,741	1,123,307	1,280,390	1,217,782	1,162,442	1,364,926
Support services - central	157,411	167,270	73,328	95,500	130,650	114,599	152,916	208,895	351,401	323,495
Other support services	404,454	790,713	696,448	130,925	165,108	174,968	206,346	169,737	166,563	267,924
Total Support Services	18,648,054	15,303,271	17,032,651	18,086,448	13,609,335	13,919,558	14,073,078	15,958,972	12,386,685	14,526,422
Operations of non-instructional services										
Food services operation	1,769,935	1,966,106	2,060,159	2,478,321	2,513,898	2,532,216	3,071,864	3,062,448	3,099,196	3,422,217
Community service operations	139,033	138,046	146,386	188,770	148,969	104,283	109,014	136,518	167,842	177,371
Interest and fees	-	168	18,850	15,354	11,726	7,961	4,054	-	-	-
Other Miscellaneous Expenses	175,757	-	-	-	-	-	-	-	-	-
	2,084,725	2,104,320	2,225,395	2,682,445	2,674,593	2,644,460	3,184,932	3,198,966	3,267,038	3,599,588
Total Expenses	40,688,851	38,261,977	41,833,968	45,775,986	42,013,533	41,600,313	42,503,287	45,109,179	41,271,573	43,590,204
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	375,207	329,440
Support services	-	-	-	-	-	-	33,873	36,246	36,470	35,102
Food services operation	988,300	991,325	940,498	900,680	975,485	908,782	907,099	918,766	946,451	898,091
Community services operation	135,485	132,680	167,343	174,416	154,393	123,635	199,182	-	-	-
Operating grants, contributions and interest	18,027,314	19,943,715	21,225,665	22,681,210	19,975,041	21,058,944	23,817,658	22,340,252	24,219,378	23,003,502
Capital grants and contributions	282,296	-	-	-	42,412	-	161,921	83,064	9,747	9,749
Total governmental activities program revenues	19,583,052	21,230,780	22,495,042	23,915,631	21,292,401	22,106,561	25,331,433	23,572,564	25,587,253	24,275,884
Net Expense	(21,105,799)	(17,031,197)	(19,338,926)	(21,860,355)	(20,721,132)	(19,493,752)	(17,171,854)	- (21,536,615)	(15,684,320)	(19,314,320)
General revenues										
Governmental activities:										
Property taxes	13,512,642	14,280,660	15,040,913	16,039,781	16,583,430	16,558,682	16,445,865	15,580,291	16,003,431	15,237,287
Special purpose local option sales taxes	3,902,696	4,663,847	4,763,992	4,750,031	4,427,986	4,928,006	4,904,104	4,529,806	4,214,954	4,297,269
Investment earnings	267,704	525,572	753,187	514,965	120,026	54,800	30,350	12,269	11,997	9,608
Other miscellaneous revenues	-	-	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 position	17,683,042	19,470,079	20,571,020	21,304,777	22,308,368	22,624,927	21,392,440	- 20,122,366	20,230,382	19,544,164
Change in net position										
Governmental activities	(3,422,757)	2,438,882	1,232,094	(555,578)	1,587,236	3,131,175	4,220,586	(1,414,249)	4,546,062	229,844
Total primary government change in net position	$ (3,422,757)	$ 2,438,882	$ 1,232,094	$ (555,578)	$ 1,587,236	$ 3,131,175	$ 4,220,586	$ (1,414,249)	$ 4,546,062	$ 229,844

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)

	2005	2006	2007	2008	2009	2010	2011 **	2012	2013	2014
General Fund										
Reserved	$ 27,210	$ 37,851	$ 85,935	$ 64,948	$ 5,842,212	$ 5,842,412	$ -	$ -	$ -	$ -
Unreserved, Undesignated	1,802,724	3,582,142	3,011,754	2,796,107	2,406,760	3,309,362	-	-	-	-
Unreserved, Designated	5,703,531	4,731,949	5,867,328	5,831,871	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	8,420,946	6,818,148	8,186,880	8,105,354
Unassigned	-	-	-	-	-	-	3,015,008	3,839,099	4,216,974	4,132,837
Total general fund	$ 7,533,465	$ 8,351,942	$ 8,965,017	$ 8,692,926	$ 8,248,972	$ 9,151,774	$ 11,435,954	$ 10,657,247	$ 12,403,854	$ 12,238,191
All Other Governmental Funds										
Reserved										
Special Revenue Funds	$ -	$ -	$ -	$ -	$ 107,292	$ 79,341	$ -	$ -	$ -	$ -
Unreserved, Undesignated, reported in:										
Special Purpose Local Option Sales Tax Fund	-	795,294	368,771	-	1,017,107	5,182,142	-	-	-	-
Special Revenue Funds	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	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	113,754	144,533
Restricted	-	-	-	-	-	-	8,148,578	7,305,466	9,561,809	9,913,247
Committed	-	-	-	-	-	-	281,106	338,453	476,426	395,586
Unassigned	-	-	-	-	-	-	-	-	-	(95)
Total all other governmental funds	$ 1,477,830	$ 3,286,706	$ 3,579,834	$ 2,862,647	$ 4,981,465	$ 7,114,811	$ 8,543,431	$ 7,745,139	$ 10,151,989	$ 10,453,271

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,473,982 (1)	$ 15,593,194	$ 16,103,020	$ 15,505,423
Local sources	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	2,229,102	2,069,228
State sources	12,949,028	14,020,186	15,708,399	16,989,923	15,807,816	14,642,810	17,607,466	16,706,406	17,577,839	17,203,498
Federal sources	3,118,997	3,326,572	3,048,996	2,990,392	3,913,662	6,416,134	5,626,456	4,650,280	5,455,554	4,666,347
Special purpose local option sales tax	3,902,696	4,663,847	4,763,992	4,750,031	4,427,986	4,928,006	4,904,104	4,529,806	4,214,954	4,297,269
School receipts	2,234,959	2,230,439	2,216,750	2,167,500	1,274,948	1,047,617	191,090	196,708	253,908	256,918
Commodities contributed	88,746	56,928	63,589	118,202	-	-	-	-	-	-
State lottery	479,231	513,710	536,005	562,592	-	-	-	-	-	-
Interest income	267,704	525,572	753,187	514,965	120,026	54,800	39,687	19,113	21,744	19,357
Other sources	730,343	1,082,945	921,302	1,087,022	1,472,901	1,083,439	89,347 (1)	47,132	61,103	70,144
Total revenues	37,279,921	40,765,763	42,952,566	45,096,358	43,568,677	44,546,674	46,739,869	43,707,833	45,917,224	44,088,184
Expenditures:										
Current:										
Instruction	20,004,983	20,860,688	22,544,141	25,120,575	25,562,352	24,983,358	25,195,660	25,899,470	25,589,969	25,827,724
Pupil services	1,626,259	1,971,158	1,480,383	1,425,977	1,442,029	1,379,914	1,291,166	1,253,932	1,216,309	1,253,982
Improvement of instructional services	1,700,868	1,531,629	1,743,972	1,842,833	791,317	1,402,770	1,346,535	1,569,840	1,376,105	1,286,064
Educational media services	460,935	475,186	524,084	655,155	659,142	543,562	499,418	457,827	261,402	263,208
General administration	697,277	690,235	721,017	796,181	801,301	819,952	811,620	820,273	808,889	779,080
School administration	1,575,136	1,661,417	1,731,431	1,862,583	1,861,421	1,794,910	1,896,584	1,920,090	2,003,017	1,987,418
Business administration	583,472	455,402	509,407	581,856	500,885	491,167	511,543	514,628	608,386	482,108
Maintenance and operation of plant	2,501,100	2,553,962	2,678,363	3,009,550	2,865,545	2,826,442	2,792,360	2,754,693	2,856,097	2,903,257
Student transportation service	766,570	1,258,721	860,910	992,084	1,051,316	1,001,889	1,440,021	1,249,939	1,201,237	1,254,298
Support services - central	154,214	164,932	77,741	93,163	127,222	112,112	147,641	200,132	325,291	348,965
Other support services	404,454	790,713	696,448	130,506	160,082	169,942	201,320	164,711	161,537	262,898
Food services operation	1,776,542	1,943,809	2,016,706	2,609,215	2,489,521	2,508,182	3,041,238	3,017,612	3,046,485	3,446,821
Community service operations	139,033	138,046	146,386	188,770	148,258	102,577	107,309	134,812	164,952	171,998
Intergovernmental	8,123,745	3,954,236	4,581,293	6,259,894	-	-	2,518,768	2,377,677	1,147,975	1,487,450
Capital outlay	278,003	190,533	1,643,451	443,317	3,641,905	3,262,160	1,128,297	2,949,196	996,116	2,197,294
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	40,792,591	38,649,051	42,059,106	46,123,248	42,213,885	41,510,526	43,041,069	45,284,832	41,763,767	43,952,565
Excess (deficiency) of revenues over expenditures	(3,512,670)	2,116,712	893,460	(1,026,890)	1,354,792	3,036,148	3,698,800	(1,576,999)	4,153,457	135,619
Other financing sources (uses)										
Proceeds from sale of capital assets	-	-	23,258	-	-	-	14,000	-	-	-
Transfers in	13,320,632	8,209,177	8,422,809	10,929,753	8	36,484	358,554	22,497	4,127	31,696
Transfers out	(13,320,632)	(8,209,177)	(8,422,809)	(10,929,753)	(8)	(36,484)	(358,554)	(22,497)	(4,127)	(31,696)
Proceeds from capital leases	-	500,000	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	500,000	23,258	-	-	-	14,000	-	-	-
Net change in fund balances	$ (3,512,670)	$ 2,616,712	$ 916,718	$ (1,026,890)	$ 1,354,792	$ 3,036,148	$ 3,712,800	$ (1,576,999)	$ 4,153,457	$ 135,619
Debt service as a percentage of non-capital expenditures	0.00%	0.02%	0.26%	0.24%	0.27%	0.27%	0.26%	0.00%	0.00%	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
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	851,462,240	2,128,655,600	42,435,067	106,087,668	893,897,307	18.23	2,234,743,268	40%
2013	878,423,199	2,196,057,998	42,435,067	106,087,668	920,858,266	18.23	2,302,145,665	40%
2014	*	*	*	*	*	*	*	*

[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, 2014 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 (1)	Overlapping Rates			Total
Fiscal Year	Cartersville School Board	City of Cartersville Operating	Bartow County	State of Georgia	Direct & Overlapping Rates
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	9.07	0.25	27.93
2012	17.23	1.38	9.07	0.25	27.93
2013	18.23	1.38	10.97	0.20	30.78
2014	18.23	1.38	10.97	0.15	30.73

Source: Bartow County Tax Commissioner

(1) Cartersville School Board only levies one rate for maintenance and operations, thus there are no components of the direct rate to report.

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

	2013 *			2004		
Employer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Anheuser Busch	$ 121,706,228	1	13.62%	$ 128,371,033	1	17.14%
Shaw Industries	24,866,428	2	2.78%	30,268,304	2	4.04%
Aqualfil USA, Inc	17,817,605	3	1.99%			
Continental Pet Technologies	11,604,723	4	1.30%	16,535,674	5	2.21%
Forty-One Connector, LTD	9,976,320	5	1.12%			
Applied Thermoplastic	9,882,121	6	1.11%			
Colloid Environment Tech Co	8,490,582	7	0.95%			
Gerdau Ameristeel, US Inc.	5,393,989	8	0.60%			
Bellsouth Telecommunications	5,381,039	9	0.60%	6,200,793	7	0.83%
Ampacet	5,349,989	10	0.60%			
Glad Manufacturing				21,496,367	3	2.87%
Lever Brothers Company				17,752,828	4	2.37%
Trinity Industries				12,875,083	6	1.72%
Academic Books				5,510,568	8	0.74%
TI Group				4,895,074	9	0.65%
St. Albans, LLC				4,856,840	10	0.65%
	$ 220,469,024		24.66%	$ 248,762,564		33.22%

Sources: City Tax Digest

* The Statistical information for the fiscal year ended June 30, 2014 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
2005	$ 13,421,757	$ 12,458,717	92.8%	$ 453,410	$ 12,912,127	96.2%
2006	14,182,722	13,251,645	93.4%	575,157	13,826,802	97.5%
2007	14,738,757	13,706,051	93.0%	522,106	14,228,157	96.5%
2008	15,828,096	14,598,808	92.2%	597,943	15,196,751	96.0%
2009	16,701,807	15,103,072	90.4%	993,881	16,096,953	96.4%
2010	17,293,232	15,575,438	90.1%	1,717,794	17,293,232	100.0%
2011	16,500,463	15,045,085	91.2%	1,455,378	16,500,463	100.0%
2012	15,385,479	14,613,806	95.0%	771,673	15,385,479	100.0%
2013	15,865,364	15,024,418	94.7%	328,134	15,352,552	96.8%
2014	14,930,001	13,917,886	93.2%	-	13,917,886	93.2%

[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
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	-	-	-
2013	-	-	-
2014	-	-	-

CITY OF CARTERSVILLE BOARD OF EDUCATION

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2013 *

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
City of Cartersville, Georgia	$ 40,088,485	100%	$ 40,088,485
Bartow County, Georgia	38,255,000	25%	9,563,750
Total overlapping debt	$ 78,343,485		$ 49,652,235

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, 2014 from the City of Cartersville, Georgia is not available.

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

	2013*			2008		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Shaw Industries	2,562	1	N/A	2,100	1	N/A
Bartow County Schools	1,820	2	N/A	1,618	2	N/A
Toyo Tire North America	1,070	3	N/A	555	7	N/A
Bartow County	882	4	N/A	850	4	N/A
Cartersville Medical Center	750	5	N/A	1,140	3	N/A
Anheuser-Busch	496	6	N/A	750	5	N/A
Quest Global	489	7	N/A			
Walmart	420	8	N/A	397	9	N/A
Cartersville Schools	414	9	N/A	575	6	N/A
Georgia Power Company	400	10	N/A	400	8	N/A
Gerdau Ameristeel				390	10	N/A
	9,303		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 2008 information is oldest available.

* The Statistical information for the fiscal year ended June 30, 2014 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
2005	Cartersville	$ 3,810	$ 13,508,217	$ 778,833,059	1.73%	$ 3,545
2006	Cartersville	3,809	14,345,564	796,778,400	1.80%	3,766
2007	Cartersville	3,817	14,940,346	846,157,171	1.77%	3,914
2008	Cartersville	3,819	15,915,731	883,661,725	1.80%	4,168
2009	Cartersville	3,803	16,551,338	948,341,950	1.75%	4,352
2010	Cartersville	4,036	16,373,868	1,001,687,504	1.63%	4,057
2011	Cartersville	4,159	16,473,982	1,013,929,346	1.62%	3,961
2012	Cartersville	4,162	15,593,194	953,229,075	1.64%	3,747
2013	Cartersville	4,046	16,103,020	893,897,307	1.80%	3,980
2014	Cartersville	4,046	15,505,423	920,858,266	1.68%	3,832

** 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***
2005	Cartersville	$ 3,810	$ 10,582	$ 204,741	5.17%	$ 778,833,059
2006	Cartersville	3,809	10,052	209,128	4.81%	796,778,400
2007	Cartersville	3,817	10,793	222,147	4.86%	846,157,171
2008	Cartersville	3,819	11,857	231,507	5.12%	883,661,725
2009	Cartersville	3,803	10,711	248,322	4.31%	948,341,950
2010	Cartersville	4,036	10,285	248,188	4.14%	1,001,687,504
2011	Cartersville	4,159	10,349	243,792	4.24%	1,013,929,346
2012	Cartersville	4,162	10,881	229,031	4.75%	953,229,075
2013	Cartersville	4,046	10,322	220,934	4.67%	893,897,307
2014	Cartersville	4,046	10,866	227,597	4.77%	920,858,266

** 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)
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	100,968	2,335,894,680	23,135	35.90	4,162
2013	101,282	2,381,342,384	23,512	36.30	4,045
2014	*	*	*	*	4,046

(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, 2014 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
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
2013	280	89	44	413	4,046	14.45
2014	280	84	44	408	4,046	14.45

(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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
READING										
1st Grade - meet/exceed standard	93%	92%	93%	93%	94%	94%	N/A	N/A	N/A	N/A
2nd Grade - meet/exceed standard	92%	93%	94%	92%	94%	95%	N/A	N/A	N/A	N/A
3rd Grade - meet/exceed standard	96%	87%	89%	89%	95%	95%	91%	97%	96%	95%
4th Grade - meet/exceed standard	94%	86%	93%	89%	87%	92%	95%	93%	97%	98%
5th Grade - meet/exceed standard	92%	83%	87%	94%	89%	92%	98%	95%	95%	98%
6th Grade - meet/exceed standard	87%	87%	92%	95%	84%	96%	97%	98%	99%	98%
7th Grade - meet/exceed standard	92%	80%	87%	90%	92%	91%	98%	97%	97%	96%
8th Grade - meet/exceed standard	88%	89%	90%	93%	96%	95%	97%	100%	99%	99%
ENGLISH/LANGUAGE ARTS										
1st Grade - meet/exceed standard	88%	83%	86%	88%	89%	92%	N/A	N/A	N/A	N/A
2nd Grade - meet/exceed standard	90%	91%	91%	88%	90%	93%	N/A	N/A	N/A	N/A
3rd Grade - meet/exceed standard	92%	90%	88%	87%	90%	92%	96%	95%	94%	94%
4th Grade - meet/exceed standard	91%	82%	92%	88%	85%	91%	93%	96%	94%	93%
5th Grade - meet/exceed standard	89%	87%	86%	94%	94%	93%	97%	98%	96%	99%
6th Grade - meet/exceed standard	84%	86%	89%	89%	92%	93%	93%	94%	98%	95%
7th Grade - meet/exceed standard	91%	83%	92%	94%	94%	74%	97%	95%	97%	97%
8th Grade - meet/exceed standard	81%	89%	90%	91%	95%	95%	96%	99%	97%	99%
MATHEMATICS										
1st Grade - meet/exceed standard	90%	89%	86%	88%	94%	90%	N/A	N/A	N/A	N/A
2nd Grade - meet/exceed standard	92%	93%	86%	90%	90%	97%	N/A	N/A	N/A	N/A
3rd Grade - meet/exceed standard	93%	96%	94%	72%	82%	87%	88%	90%	86%	88%
4th Grade - meet/exceed standard	83%	86%	87%	70%	73%	85%	92%	83%	91%	91%

(Continued)

CITY OF CARTERSVILLE BOARD OF EDUCATION

CRC TEST COMPARISON*
LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013
READING - CONTINUED										
5th Grade - meet/exceed standard	93%	94%	90%	82%	87%	89%	97%	94%	96%	98%
6th Grade - meet/exceed standard	86%	74%	68%	76%	83%	77%	85%	87%	91%	98%
7th Grade - meet/exceed standard	93%	85%	79%	80%	85%	86%	95%	95%	95%	96%
8th Grade - meet/exceed standard	80%	83%	85%	62%	72%	79%	83%	88%	88%	99%
SCIENCE										
3rd Grade - meet/exceed standard	90%	90%	72%	79%	87%	89%	88%	90%	87%	81%
4th Grade - meet/exceed standard	90%	92%	83%	75%	80%	87%	86%	82%	88%	90%
5th Grade - meet/exceed standard	92%	92%	70%	77%	77%	84%	83%	85%	85%	85%
6th Grade - meet/exceed standard	91%	69%	55%	74%	80%	74%	77%	77%	86%	87%
7th Grade - meet/exceed standard	92%	62%	72%	83%	79%	85%	90%	88%	87%	91%
8th Grade - meet/exceed standard	83%	87%	84%	64%	58%	70%	75%	80%	73%	86%
SOCIAL STUDIES	93%	93%	89%	89%	76%	84%	90%	88%	90%	82%
3rd Grade - meet/exceed standard	91%	91%	94%	92%	77%	86%	90%	86%	88%	90%
4th Grade - meet/exceed standard	91%	89%	93%	91%	73%	80%	79%	87%	89%	87%
5th Grade - meet/exceed standard	87%	86%	87%			66%	84%	86%	87%	89%
6th Grade - meet/exceed standard	92%	89%	87%			75%	77%	78%	84%	88%
7th Grade - meet/exceed standard	93%	96%	85%	58%	62%	80%	75%	89%	83%	86%
8th Grade - meet/exceed standard										

* City of Cartersville Board of Education's Curriculum Department
N/A - Information was not available at June 30, 2014.

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
2005	70%	505	513	N/A	1,018	993	1,028
2006	64%	489	510	488	999	1,477	1,520
2007	62%	490	506	487	1,483	1,472	1,511
2008	71%	503	509	493	1,505	1,466	1,511
2009	70%	493	487	486	1,466	1,460	1,509
2010	69%	482	489	477	1,448	1,453	1,509
2011	70%	485	487	473	1,445	1,445	1,500
2012	68%	519	522	504	1,545	1,452	1,498
2013	67%	497	492	474	1,463	1,452	1,498
2014	**	**	**	**	**	**	**

*City of Cartersville Board of Education's Curriculum Department.
** Information not available

CITY OF CARTERSVILLE BOARD OF EDUCATION

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

Positions	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Cartersville Primary School										
Classroom Teachers	87	87	89	89	91	92	91	88	83	83
Support Personnel	82	84	84	85	75	63	60	58	21 (1)	19
Administrators	2	3	3	3	2	2	3	3	3	3
Cartersville Elementary School										
Classroom Teachers	61	61	63	64	70	70	69	67	65	64
Support Personnel	46	46	45	47	45	36	35	38	18 (1)	16
Administrators	2	2	2	2	2	2	2	2	3	3
Cartersville Middle School										
Classroom Teachers	60	62	61	64	63	61	59	61	57	59
Support Personnel	32	31	31	33	28	30	28	31	21 (1)	19
Administrators	3	3	3	3	3	3	3	3	3	3
Cartersville High School										
Classroom Teachers	63	63	64	64	67	62	61	61	58	58
Support Personnel	40	40	43	42	37	35	31	30	18 (1)	17
Administrators	4	4	4	4	4	4	4	4	3	3
Central Office										
Support Personnel	16	17	16	16	16	18	16	14	13	12
Administrators	6	6	5	5	5	5	5	5	4	4
Maintenance Facility	6	6	7	7	8	8	7	7	7	7
Other Auxiliary Facility										
Support Personnel	4	4	3	5	4	4	4	4	3	3
Administrators	-	-	-	-	-	-	-	-	1	1
Transportation	31	33	35	35	36	37	36	37	34	34
School Board Members	7	7	7	7	7	7	7	7	7	7
	552	559	565	575	563	539	521	520	422	415

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

(1) During the fiscal year ended June 30, 2013 the District eliminated numerous suppport personnel and filled the vacant roles with externally contracted services, as a means of trying to reduce expenditures.

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
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
2013	36,766	79,783	0.0%	N/A
2014	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, 2014.

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
2004	$ 42,606,583	3,791	$ 11,239	14.61%	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
2013	41,763,767	4,046	10,322	-5.13%	280	14.45
2014	43,952,565	4,045	10,866	-0.13%	280	14.45

(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
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%
2013	2,748	2.25	2.50	1,915	1.25	1.50	4	57.52%
2014	2,714	2.25	2.50	1,848	1.25	1.50	4	56.43%

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

CITY OF CARTERSVILLE BOARD OF EDUCATION

SCHOOL BUILDINGS **
LAST TEN FISCAL YEARS

School Name	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	1,070	1,084	1,091	1,116	1,093	1,186	991	992	1,112	1,070
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	866	882	851	860	926	912	996	996	1,035	1,003
Cartersville Middle School (1993)										
Square Feet	149,120	149,120	149,120	149,120	149,120	149,120	149,120	169,972	169,972	169,972
Capacity*										
Enrollment	973	865	917	863	873	876	938	939	915	990
Cartersville High School (1953)										
Square Feet	239,587	239,587	239,587	239,587	239,587	239,587	239,587	239,587	239,587	239,587
Capacity*										
Enrollment	1,081	1,110	1,089	1,115	1,049	1,062	1,102	1,103	1,065	1,114

*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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMLPIANCE 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of 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, 2014, and the related noted to the financial statements, which collectively comprise the City of Cartersville Board of Education's basic financial statements, and have issued our report thereon dated November 13, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 13, 2014

MAULDIN & JENKINS

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

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

Report on Compliance for Each Major Federal Program

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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Cartersville Board of Education's major federal programs for the year ended June 30, 2014. 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.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the City of Cartersville Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the City of Cartersville Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Cartersville Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Atlanta, Georgia
November 13, 2014

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, 2014

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	$ 1,498,637
Non-Cash Assistance (Commodities) (2)	10.555	N/A	162,153
National School Lunch Program			1,660,790
Summer Food Service Program for Children	10.559	N/A	546,252
Total Child Nutrition Cluster			2,207,042
Total U.S. Department of Agriculture			2,207,042
U.S. Department of Education			
Special Education Cluster (IDEA)			
Pass-Through From Georgia Department of Education:			
Part B-Exceptional Student			
Flow Through	84.027	N/A	646,094
Preschool	84.173	N/A	16,244
High Cost Grant	84.027	N/A	6,561
Total Special Education Cluster (IDEA)			668,899
Title I Part A			
Pass-Through From Georgia Department of Education:			
Title I Part A			
Grants to Local Educational Agencies	84.010	N/A	957,118

(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, 2014

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Education of Homeless Children and Youth			
Pass-Through From Georgia Department of Education:			
Stewart B. McKinney Homeless Assistance Act			
Education for Homeless Children and Youth	84.196	N/A	42,277
Other Programs			
Pass-Through From Georgia Department of Education:			
Title II			
Improving Teacher Quality	84.367	N/A	133,733
Title III			
Limited English Proficient	84.365	N/A	69,589
Vocational Education-Basic Grants to States			
Perkins Plus	84.048	N/A	4,222
Program Improvement	84.048	N/A	24,418
Total Vocational Education			28,640
Striving Readers Grant	84.371	N/A	531,000
Total U.S. Department of Education			2,431,256
Total Expenditures of Federal Awards			$ 4,638,298

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, 2014

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
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	Unmodified
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
Special Education Cluster (IDEA)	84.027 and 84.173
Title I, Part A	84.010

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, 2014

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, 2014

Section IV – Status of Prior Audit Findings

None Reported