City of Calhoun, Georgia

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Prepared by:

Department of Finance and Administration

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(Unaudited)

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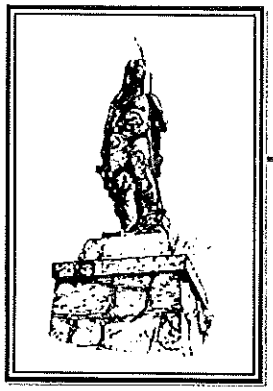
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City of Calhoun, Georgia

Site of New Echota in the Land of the Cherokee

February 29, 2012

To the Honorable Mayor, Members of the City Council and the Citizens of the City of Calhoun, Georgia:

The ***Comprehensive Annual Financial Report*** (CAFR) of the City of Calhoun for the fiscal year ended June 30, 2011, is submitted herewith. This report was prepared by the City's finance department and is intended to fulfill the requirements for audit prescribed by state laws for general-purpose local governments and to fulfill Single Audit requirements of Federal and State governments. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements

R. M. Dobbs & Company, Certified Public Accountants, has issued an unqualified ("clean") opinion of the City of Calhoun's financial statements for the fiscal year ended June 30, 2011. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

INTRODUCING THE CAFR

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart, and a list of elected and appointed officials. The financial section includes the MD&A, the basic financial statements and required supplementary information. The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

This report includes all funds of the City. The City provides a full range of services. These services include public safety (police, fire, and animal control), construction and maintenance of roads and infrastructure, recreational and park activities. This report includes three component units: the Calhoun Board of Education, the Downtown Development Authority and Mainstreet Partnership, all of which meet the component unit criteria as set forth in GAAP. The City is financially accountable for the local support required for the City's independent school system. The activity of the Downtown Development Authority and Mainstreet Partnership is immaterial and is, therefore, not presented on the face of the statements.

Also included in this report are the following enterprise funds: the water and sewer system fund, the electric system fund, the telecommunications fund, the Fields Ferry Golf Course fund, and the solid waste fund. In addition, the City provides economic development support thorough the revolving loan fund and the hotel-motel tax fund.

PROFILE OF THE GOVERNMENT

The City of Calhoun, incorporated in January 1852, is located in the northern portion of the state on I-75, and per the 2010 census is the 7th fastest growing city in the county and the fastest growing city in our state. The City of Calhoun occupies a land area of approximately 13 square miles and serves a residential population of approximately 15,650 and a service delivery population of approximately 55,000. The City of Calhoun is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, as deemed appropriate by the Mayor and Council.

The City of Calhoun operates under a Mayor, Council, City Administrator and General Manager form of government. Policy making and legislative authority are vested in the Mayor and Council, consisting of five members. The Mayor and Council are responsible for, among other things, passing of ordinances, zoning, adopting the budget, appointing committees, hiring the City Administrator, General Manager, and City Attorney, and for appointing the heads of various

departments of the City government. The City's Administrator and General Manager are responsible for carrying out the policies and ordinances adopted by the Mayor and Council and overseeing the day-to-day operations of the government. The Mayor and Council are elected on a non-partisan basis; they serve four-year, staggered terms, with two Council members elected every two years and the Mayor elected every four years. The Mayor and Council members are elected at large. However, the Council members are elected for specific Council posts; therefore, candidates seeking office declare a post number when qualifying.

The annual budget serves as the foundation for the City of Calhoun's financial planning and governmental control. All departments and agencies of the City of Calhoun are required to submit requests for appropriation to the Administrator and the Manager by the deadline established in the budget calendar prepared by the department head of each division and approved by the Mayor and Council. The City Administrator and the General Manager use these requests as the starting point for developing a proposed budget. They present the first budget draft to the Mayor and Council at a work session in April of each year. A public hearing on the refined first draft is held in early May of each year. Following the hearing, a second draft is prepared, if necessary, and is reviewed by the Mayor and Council in a second work session. The second public hearing on the final draft is held in early June and is adopted by the Mayor and Council in late June of each year. The appropriated budget is prepared by fund, function and department. Department heads may make transfers of appropriations within divisions of a department, as approved by the budget officers, the Administrator and Manager. However, transfers from department to department and fund to fund require approval of the Mayor and Council. The annual budget also includes the City's long-term financial planning efforts in the form of a five year capital plan for each department.

MAJOR INITIATIVES

Utility division:

In February 2003, the City of Calhoun completed initial engineering plans for the renovation of the oldest portion of the wastewater plant located off Kirby Road and estimated total project costs to be approximately $4.2 million. Funding was also secured at that time through the State Revolving Loan Fund of the Georgia Environmental Facilities Authority. Work continued on the project in fiscal 2010 and was completed in September with a final loan balance of $2,133,992.

In May 2003, the City of Calhoun purchased "Big Springs" from the Forster H. Bates Estate at a cost of $4,025,000, funded with a temporary bank loan and subsequently with permanent financing via a bond issue. The purchase will eventually allow the City to add over six million gallons of raw water per day to its system when permitted by the state. The bond issue was closed in July 2003 and the temporary bank loan was paid in full in fiscal 2004. The piping to connect the spring to the water system was budgeted for fiscal 2005, in the amount of $655,969. Changes in EPD requirements increased the scope and price of the project, and it was delayed. The project was listed as a primary project on the SPLOST Referendum that was successfully passed by 83% of those citizens voting in November 2005. The engineering began in fiscal 2006 and the construction phase was completed in fiscal 2010. The filtration portion of the project will be started in fiscal year 2011 with the total project estimated as being completed in fiscal year 2012. Additional land and buildings were purchased in fiscal year 2010 for approximately $1 million dollars that will enhance the Utilities ability to utilize this spring.

In September 2002 the City of Calhoun entered into an intergovernmental agreement with Pickens County for Calhoun to sell and deliver water at wholesale rates to their border. The agreement included a minimum of one half million gallons per day and a maximum of one and one half million gallons per day at an original price of $1.40 per one thousand gallons. Each local government was responsible for extending any lines to the border in order for the connection and metering equipment to be installed. The City of Calhoun began to deliver water in December 2004 and continues to do so. Originally, the City was only able to provide the minimum of half a million gallons. In fiscal year 2010, a waterline upgrade was installed and a substantial portion of the Covington Bridge pump station was completed allowing the City to fully supply the maximum one and one half million gallons per day if so required.

A similar agreement was entered into with the City of Chatsworth Waterworks Commission, City of Chatsworth, Georgia. The City began delivering water in January 2007 following extension of the Pine Chapel water line to the Chatsworth, Murray County border. The cost to extend the line and install metering and a pump station exceeded $700,000 with a 3.5 year pay back from sales. The line extension was provided by Ellis Contracting, Inc. for $440,500 and was completed in October 2006. City crews installed the pump station. The City of Calhoun began billing for sales in April 2007 and bills quarterly thereafter.

The City began discussions with the City of Dalton regarding an interconnection and the sale of wholesale water in fiscal year 2007. This was established and water sales were made until approximately the summer of 2008. Service is currently inactive.

The City of Calhoun began a project in the beginning of fiscal year 2009 to implement Phase I of an Automated Metering System. This was funded by Water and Sewerage Revenue Refunding Bonds, Series 2008 in the amount of $4,775,000,

$990,000 of which was to payoff prior GEFA debt. Phase I of this project was essentially completed in fiscal year 2010. Phase II of this project began in fiscal year 2010 and was completed in fiscal year 2011.

The Telecommunications department continues to research for new technologies that will increase efficiency, reduce cost and increase customer satisfaction. As a result, additional services may be offered and service areas can be expanded. The Telecommunications department hired a GIS manager in fiscal year 2008 and subsequent to year end a technician was hired. We have made substantial progress towards fully implementing a state of the art GIS system. We were able to accomplish this due to the economic slowdown allowing us to utilize existing personnel in getting the information into the system.

The City of Calhoun Electric fund had major projects for fiscal year 2011 of $1,138,026 that included constructing three new dedicated primary circuits that expanded large industrial loads at local flooring manufacturing facilities and GDOT intersection improvements of $208,283. They have also completed Phase I of the AMR project. The Electric fund is funding this project through current revenues. The City also voted and signed contracts obligating the City to participate in the expansion of two additional generating units at Plant Vogtle. Our allotted capacity will secure a future power resource in 2016. An additional five year Inter Participant Transfer (IPT), facilitated through MEAG, was executed in early 2011 to bridge electric generation needs until Plant Vogtle becomes commercially operable. These transactions should accommodate the community's power needs for the next 30 to 35 years.

General Government Division:

Public Safety:

Police:
The City of Calhoun Police Department case load remains average to last year with various types of property crimes, domestic disturbances, false alarms, and traffic related incidents being the highest in numbers. Violent crime statistics are similar to other southeastern municipalities which range in 1% from the past year. 2011 was another year without a traffic accident fatality. This is due to a concentrated effort by the patrol and traffic units controlling speeding, DUI's and other driving infractions. The DUI arrests are up this year due to the concentrated efforts of our department in conjunction with the Governor's Office of Highway Safety.

Department of Justice and COPS grant monthly drawdown's of federal grant funds are being used to fund two patrol officers salaries and fringe benefits totaling approximately $100,500 for this year.

The Department re-entered into a program with the Naval Surface Warfare Center Crane Law Enforcement Electro-Optics Technology Loan Program and was able to retain four (4) night vision devises valued at $2,500 each; two of which are used by the police department and the other two were signed over to the fire department for their use.

In fiscal year 2010, the police department conducted major emergency training scenarios at the Calhoun High School. Our school's safety is a national concern and comprehensive drills provided opportunities for public safety officials, teachers, administrators, students and parents to be part of a lock down process. Our Traffic Unit continues to educate our teenagers through the Teen Ride with Pride Program, which is through the University of Georgia.

The police department continued to work as a partner with the Federal Bureau of Investigation's (F.B.I.) Safe Streets Program that provides Calhoun with assets such as manpower, equipment, technical, and legal expertise for operations primarily associated with gang activity, drugs, illegal immigration, and forgery. This year we continue to partner with the Federal Alcohol Tobacco and Firearms division, where one of our officers is sworn as Federal Agent and is being provided with a vehicle, at no cost to the city.

The Calhoun Police Department was recognized by the Governor's Office of Highway Safety as the Mountain Area Traffic Enforcement Network Agency of the Year.

Fire:
The Calhoun Fire Department maintained its ISO 4 rating for property and casualty insurance purposes. The department is also currently building a training center located at Station #2. This center will consist of a live fire burn building and training tower, along with other training props. This is being built per ISO recommendations in the last review. The fire department is hiring a Chief of Training to coordinate the department training and use of the site.

The number of structure fires within the City of Calhoun continued to decline this year, while the total number of calls continues to increase due to increased medical call requests. Fire call reduction is due in part to fire inspections, fire codes, fire prevention classes, and fire resistant building materials. While the fire department's primary mission is life safety thru fire prevention and suppression, they also service other emergency areas. Situations involving search and rescue, EMS/medical calls, vehicle accidents, industrial accidents, hazardous materials incidents and conditions (leaks, spills, toxic materials, and hazardous materials), severe weather and other incidents have caused the department to broaden its scope of operations, response, and expertise.

The fire prevention division continues to have contact hours with over 2500 students per school year in the City school system in grades pre-k through 5th grade and in the Health Occupations and Construction Trades classes at Calhoun and Gordon Central High Schools. The department also participates in many other public safety education events and classes throughout the year with local businesses, industries, daycares and churches.

The Calhoun Fire Department and the Joint Special Operations Team (surrounding area fire departments in GEMA Region 6) now have a trained team of 72 personnel each with 420 hours of Search and Rescue training available to serve this community in case of a major catastrophic event. This GSAR (Georgia Search and Rescue) team and equipment along with a fully trained Haz-Mat team with a full line of Hazardous Mitigation Equipment, along with water search and rescue equipment, is all located at the Special Operations building at Station #2 on Richardson Road and is available and ready to serve this community in case of almost any type event.

Public Works:
Street Department operations during fiscal 2011 included the completion of the paving on E. Line Street from Wall Street to Hillcrest Drive through an agreement with Gordon County. The State LMIG Program contractor continued the paving there and continued down Dewspond Road to the red light at Curtis Pkwy.

Another project included continued improvements to the new 58 acre recreation park, such as maintenance cutting trees to clear creek banks and paving the access road and the parking lot for the 58 acre park playground. The department continues to participate in the West Calhoun Project, a CDBG grant project. Work is scheduled to start on the Transportation Enhancement Grant Project, Streetscape Phase III, that included design and engineering from Hicks Street north to Line Street and on the east side of Wall Street. Planning and purchasing of some of the supplies was done during 2010 and construction began in the spring of 2011.

Construction was completed on a 20 x 30 bulk salt storage building. This will allow the City to have up to 50 tons of bulk salt ready for use in any snow or ice storms. A new truck mounted salt spreader was also purchased that increased the street department's capacity to three spreaders to handle snow and ice events.

Work continued on the Water Tank Trails Mountain Bike trail wherein the length of the trail was increased to over three miles through the woods and along the Oothcaloga Creek.

Recreation:
Participation programming remained steady despite continued economic hardship. The City maintains a 58.5 acre park off of McDaniel Station road that connects to the existing Palmer Memorial Park. The Recreation Department operates and maintains nine softball and baseball fields, a gymnasium, four soccer fields, two football fields, fifteen tennis courts, a pool, 2 pavilions, walking trails, and the largest playground in Northwest Georgia. The Recreation Department worked to maintain an excellent source of programs on a tight budget with continued budget cuts into fiscal 2011. Several tournaments were hosted by the department in the spring and early summer to bring in additional income. The Calhoun Recreation Department is continuing to provide quality programs and activities for the citizens of Calhoun and Gordon County.

The City's public Golf Course, Fields Ferry, faced a challenging year but continued to offer an eighteen hole championship course to the surrounding population. Strong internal management and maintenance of the course allowed them to weather a continued overall downturn in the industry attributed to overbuild, weather, and economic recession that continued into fiscal 2011. The City maintained a Golf Advisory Commission, composed of businessmen active in the sport that met with Golf Management quarterly to review activity and to make recommendations on rates, budget projections, and to review financial reports. The Advisory Commission, established in 1991, continues to advise the Mayor and Council.

The City of Calhoun contracted with MACTEC Engineering and Consulting, Inc. (MACTEC) in November 2005 for an updated Comprehensive Plan that coordinates with the Gordon County Plan. The plan was completed and approved by the Georgia Department of Community Affairs and the Coosa Valley Regional Development Center in early December 2007. The Mayor and Council adopted a Comprehensive Plan and a re-negotiated parts of House Bill 489 contract with Gordon County on December 17, 2007. The Comprehensive Plan should aid the City of Calhoun in addressing the needs of the

community during the next twenty years. The City of Calhoun also began negotiations with Gordon County officials regarding the service delivery strategies associated with HB 489 and LOST negotiations will begin this year. The City of Calhoun also coordinated transportation planning efforts and solid waste planning efforts with Gordon County. The City of Calhoun has authorized a recreation plan for its multi-sports recreation department with MACTEC Engineering in November 2005. The draft plan is being coordinated with the West Calhoun Urban Redevelopment Plan, which is also being undertaken by MACTEC as authorized by the City of Calhoun in February 2009. The West Calhoun plan was completed in June 2010 and the recreation plan is an ongoing project.

Annexations requests continue to decline because of the slowdown in development due to the economy.

FINANCIAL INFORMATION

***Budgeting Controls*:** Budgets have been adopted and appropriated at the fund level for each City governmental fund. Budgetary control is maintained by continued review of the budget-to-actual reports by the finance departments and each department head and full fund reports to the Mayor and Council quarterly. Budget amendments were made after presentation to the Mayor and Council for consideration for governmental funds. The City's budgetary accounting basis is modified accrual, with all revenues and expenditures budgeted on an accrual basis except for line items for capital outlay and debt payments. All encumbrances are cancelled at the fiscal year end. Unexpended appropriations lapse at year-end for budgetary purposes and are subject to re-appropriation in the following year.

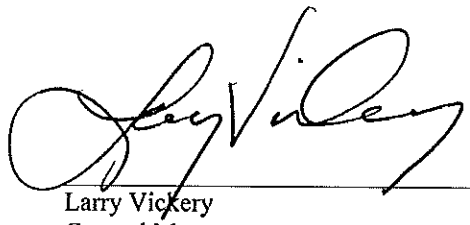
Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Calhoun for its comprehensive annual financial report for the fiscal year ended June 30, 2010. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. In order to be awarded this achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe the current CAFR continues to meet the program requirement.

Acknowledgments: We wish to express our gratitude and appreciation to the members of the finance department and the Director of Finance of the City of Calhoun for her diligent work on this year's CAFR. We would also like to acknowledge the interest and support of the Mayor and Council in the financial affairs of the City of Calhoun.

Respectfully Submitted,



Eddie Peterson
City Administrator and Clerk



Larry Vickery
General Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Calhoun
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2010

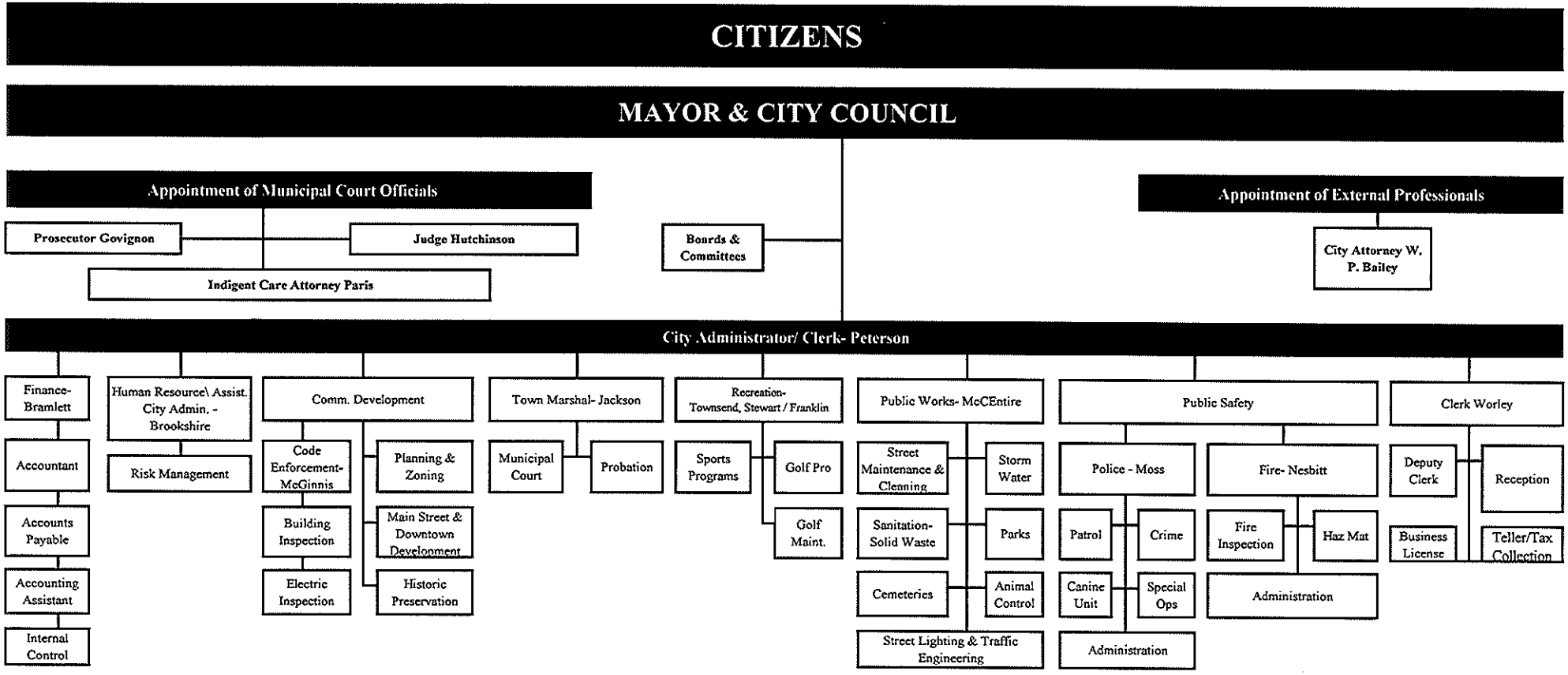
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



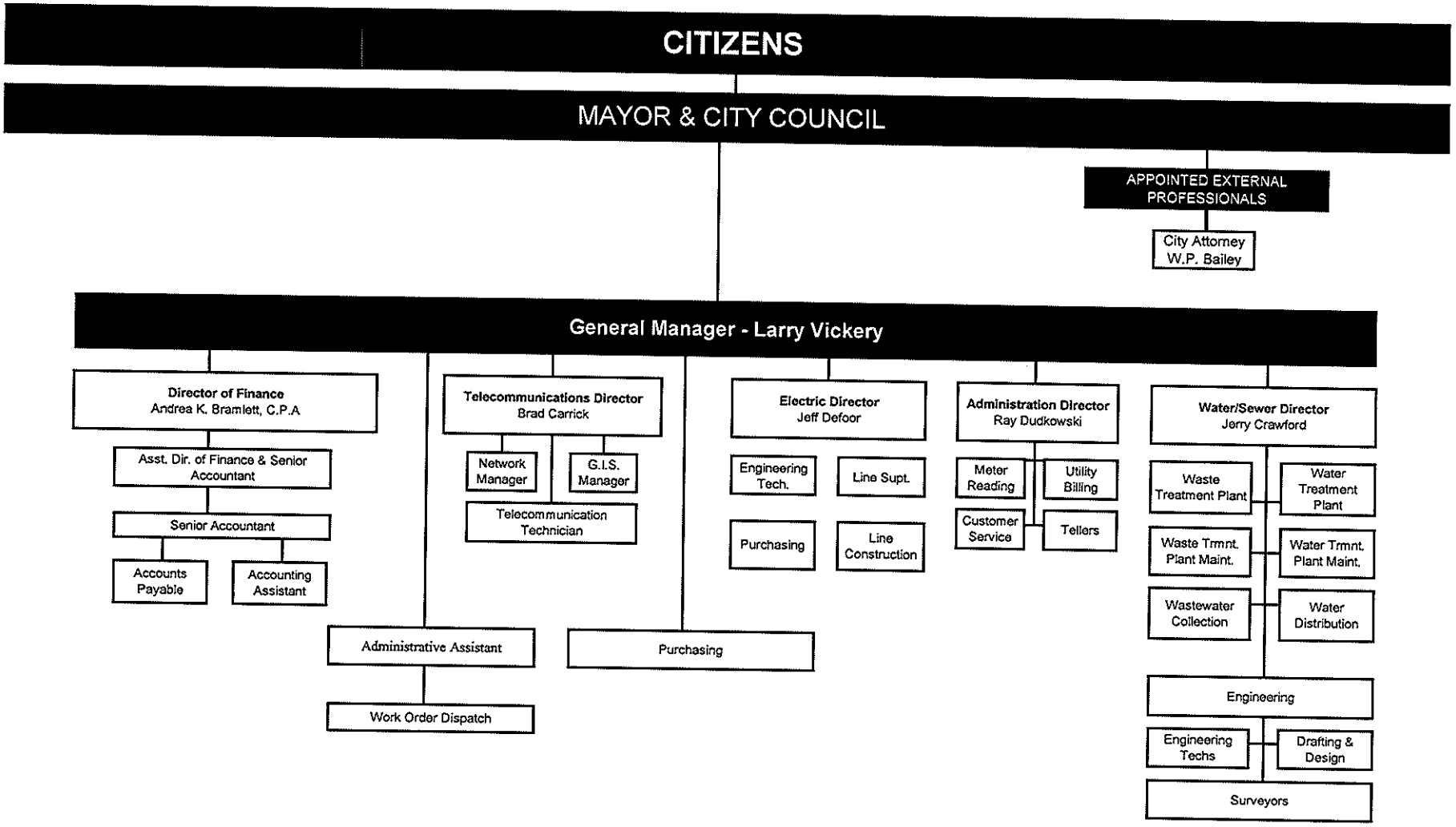
Linda C. Davidson
President

Jeffrey L. Esser
Executive Director

CITY OF CALHOUN, GEORGIA
GENERAL GOVERNMENT ORGANIZATIONAL CHART
FISCAL 2009-2010



CALHOUN UTILITIES
FISCAL 2010 - 2011 ORGANIZATIONAL CHART



City of Calhoun, Georgia
Officials, Management and Appointed Professionals
June 30, 2011

Elected Officials:

Mayor ..... James F. Palmer
Mayor Pro Tempore ..... Al Edwards
Councilperson ..... Matthew Barton
Councilperson ..... George Crowley
Councilperson ..... David Hammond

Appointed Officials and Management:

Administrator ..... F. Eddie Peterson
- Human Resource/ Assistant City Administrator ..... Linda Brookshire
- Director of Finance-General Government & Utilities ..... Andrea K. Bramlett
- Code Enforcement ..... Don McGinnis
- Town Marshall ..... Randy Jackson
- Police Chief ..... Garry Moss
- Fire Chief ..... Lenny Nesbitt
- Superintendent of Street Department ..... Kevin McEntire
- Recreation Director ..... Kim Townsend
- Golf Professional ..... Eric Stewart
- Superintendent of Golf Maintenance ..... Harold F. Franklin

General Manager Calhoun Utilities ..... Larry Vickery
- Director of Water & Sewer ..... Jerry Crawford
  - Water Plant Superintendent ..... Danny Stephens
  - Sewer Plant Superintendent ..... John Banks
  - Water/Sewer Construction Superintendent and Land Application Manager ..... Mark Williamson
  - Water and Sewer Maintenance Superintendent ..... Bobby Robertson
- Superintendent of Electric Department ..... Jeff Defoor
- Superintendent of Telecommunications ..... Brad Carrick
- Administration/Customer Services Director ..... Ray Dudkowski

Appointed Professionals Under Contract:

City Attorney ..... William P. Bailey
Municipal Court Judge ..... Susanne Hutchinson
Municipal Court Prosecutor ..... George Govignon
Municipal Court Indigent Care Attorney ..... Rebecca B. Paris

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R.M. DOBBS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 423
CALHOUN, GEORGIA 30703-0423
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MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable James F. Palmer, Mayor
and Members of the City Council
Calhoun, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Calhoun, Georgia, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Calhoun, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Calhoun, Georgia, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2012, on our consideration of the City of Calhoun, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 14 through 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Calhoun, Georgia's financial statements as a whole. The introductory section, combining and individual major and nonmajor fund financial statements, budgetary comparison schedules for nonmajor funds, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual major and nonmajor fund financial statements, budgetary comparison schedules for nonmajor funds, the schedule of expenditures of federal awards, and project cost schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

R. M. Dobbs & Company

Calhoun, Georgia
February 27, 2012

MANAGEMENT'S DISCUSSION & ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Calhoun, Georgia (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets exceeded its liabilities by $185,412,212 (net assets) for the fiscal year reported.
- Total net assets are comprised of the following:
  (1) Capital assets, net of related debt, of $140,029,271 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net assets of $15,431,931 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $29,951,010 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of $41,528,928 this year. This compares to the prior year ending fund balance of $17,303,886 showing an increase of $24,225,042 during the current year. Unreserved fund balance of $6,344,847 for fiscal year 2011 shows a $2,784,963 decrease from the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was $2,348,480 or 22% of total general fund expenditures
- Overall, the City continues to maintain a strong financial position, in spite of the economic slowdown.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, health and welfare, culture and recreation, housing and development and education. Business-type activities include the electric and water and sewer systems, the golf course, telecommunications and solid waste.

The government-wide financial statements are presented on pages 24-25 of this report.

Fund Financial Statements

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

The City has three kinds of funds:

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

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

The basic governmental fund financial statements are presented on pages 28-32 of this report.

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

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The five City proprietary funds are classified as enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for electric, water and sewer utilities, the golf course, telecommunications and solid waste management.

The basic enterprise fund financial statements are presented on pages 33-36 of this report.

Fiduciary funds are reported only in the basic financial statements on pages 37-38 and in the supplementary financial statements. This category reports an agency fund to account for flow of resources through the municipal court, a cemetery trust fund, and a trust fund for the City's pension fund.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 40 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the City's budget presentations. Budgetary comparison schedules are included as supplementary information for special revenue funds, debt service funds, and capital project funds, where applicable. These schedules demonstrate compliance with the City's adopted and final revised budget. As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 74.

Financial Analysis of the City as a Whole

The City's net assets at fiscal yearend are $185,412,212. The following table provides a summary of the City's net assets:

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total		%
	2011	2010	2011	2010	2011	2010	of Total 2011
Assets							
Current assets	$ 40,056,052	$ 18,319,039	$ 29,656,837	$ 25,133,859	$ 69,712,889	$ 43,452,898	27%
Other assets	1,352,590	1,441,156	8,242,665	5,736,476	9,595,255	7,177,632	4%
Capital assets	67,141,228	69,005,830	113,169,371	112,956,290	180,310,599	181,962,120	69%
Total assets	108,549,870	88,766,025	151,068,873	143,826,625	259,618,743	232,592,650	100%
Liabilities							
Current liabilities	(888,501)	2,196,437	11,903,945	9,971,339	11,015,444	12,167,776	15%
Long-term liabilities	34,435,208	14,659,219	28,755,879	28,461,614	63,191,087	43,120,833	85%
Total liabilities	33,546,707	16,855,656	40,659,824	38,432,953	74,206,531	55,288,609	100%
Net assets							
Invested in capital assets, net of debt	52,338,593	53,654,505	87,690,678	83,624,096	140,029,271	137,278,601	76%
Restricted	15,431,931	8,688,195	-	-	15,431,931	8,688,195	8%
Unrestricted	7,232,639	9,567,669	22,718,371	21,769,576	29,951,010	31,337,245	16%
Total net assets	$ 75,003,163	$ 71,910,369	$ 110,409,049	$ 105,393,672	$ 185,412,212	$ 177,304,041	100%

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 212 to 1 at June 30, 2011 as compared to 8.3 to 1 at June 30, 2010. The current ratio for business-type activities at June 30, 2011 is 2.5 to 1 compared to 2.5 to 1 in the prior year. For the City overall, the current ratio at June 30, 2011 is 5.2 to 1 as compared to 3.6 to 1 at June 30, 2010.

The City reported positive balances in net assets for both governmental and business-type activities. Net assets increased $3,092,794 for governmental activities and by $5,015,377 for business-type activities.

Approximately 70% of the governmental activities' net assets are invested in capital at June 30, 2011 as compared to 75% at June 30, 2010. The City uses these capital assets to provide services to its citizens. With business-type activities, the City

spent 79% of its net assets on capital in fiscal 2011 and 79% in 2010. Capital assets in the business-type activities provide utility services, but they also generate revenues for these funds.

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

	Governmental Activities		Business-type Activities		Total		
	2011	2010	2011	2010	2011	2010	% of Total 2011
Revenues							
Program							
Charges for services and fines	$ 1,363,474	$ 1,267,454	$ 46,664,263	$ 42,235,024	$ 48,027,737	$ 43,502,478	75%
Operating grants	3,700,825	3,858,010	123,040	-	3,823,865	3,858,010	6%
Capital grants	2,444,463	361,368	900,000	64,200	3,344,463	425,568	5%
General							
Taxes	7,611,239	9,846,540	-	-	7,611,239	9,846,540	12%
Other	178,490	232,878	719,876	626,382	898,366	859,260	1%
Total revenues	15,298,491	15,566,250	48,407,179	42,925,606	63,705,670	58,491,856	100%
Program Expenses							
General government	776,593	913,704	-	-	776,593	913,704	1%
Judicial	370,600	369,108	-	-	370,600	369,108	1%
Public safety	6,613,869	6,535,237	-	-	6,613,869	6,535,237	12%
Public works	3,049,832	2,652,196	-	-	3,049,832	2,652,196	5%
Health and welfare	58,247	63,526	-	-	58,247	63,526	0%
Culture and recreation	1,696,938	1,589,819	-	-	1,696,938	1,589,819	3%
Housing and economic devlopment	970,940	953,607	-	-	970,940	953,607	2%
Education	516,728	937,959	-	-	516,728	937,959	1%
Interest	523,229	677,260	-	-	523,229	677,260	1%
Electric	-	-	26,478,078	22,037,788	26,478,078	22,037,788	48%
Water and sewer	-	-	11,880,631	12,611,049	11,880,631	12,611,049	21%
Golf course	-	-	1,004,562	1,055,421	1,004,562	1,055,421	1%
Telecommunications	-	-	911,041	748,676	911,041	748,676	2%
Solid waste	-	-	746,211	783,757	746,211	783,757	1%
Total expenses	14,576,976	14,692,416	41,020,523	37,236,691	55,597,499	51,929,107	100%
Excess	721,515	873,834	7,386,656	5,688,915	8,108,171	6,562,749	
Transfers	2,371,279	732,481	(2,371,279)	(732,481)	-	-	
Change in net assets	3,092,794	1,606,315	5,015,377	4,956,434	8,108,171	6,562,749	
Beginning net assets	71,910,369	70,304,054	105,393,672	100,437,238	177,304,041	170,741,292	
Ending net assets	$ 75,003,163	$ 71,910,369	$ 110,409,049	$ 105,393,672	$ 185,412,212	$ 177,304,041	

GOVERNMENTAL REVENUES

The City is heavily reliant on business and franchise taxes and local option sales taxes to support governmental operations. Business license and franchise taxes provided 18% of the City's total governmental revenues as compared to 17% for fiscal year 2010. Sales taxes provided 13% of total governmental revenues versus 26% in fiscal year 2010. This includes SPLOST revenues for business-type activities that is included in revenue in the governmental funds and then transferred out to the water fund for approved projects. Property taxes and charges for services and fines are also important revenue sources (excluding grants and contributions) providing 8% and 9% of total revenues, respectively. Total General Fund revenues are 3% higher than the fiscal year 2010 amount. The City earned $95,043 in investment earnings in fiscal year 2011 to support governmental activities. This is down from earnings of $145,205 for fiscal year 2010 because of continued decline in interest rates. Capital grants totaled $39,640 in fiscal year 2011, relating mainly to public works projects for road improvements. SPLOST proceeds are also shown as capital grants and contributions. They are available for projects specified in the respective referendum.

GOVERNMENTAL FUNCTIONAL EXPENSES

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

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
General government	$ 776,593	$ 913,704	$ (1,763,186)	$ 777,598
Judicial	370,600	369,108	370,600	369,108
Public safety	6,613,869	6,535,237	5,454,221	5,340,224
Public works	3,049,832	2,652,196	2,929,608	2,439,119
Health and welfare	58,247	63,526	58,247	63,526
Culture and recreation	1,696,938	1,589,819	976,622	931,474
Housing and economic development	970,940	953,607	748,929	312,210
Education	516,728	937,959	(2,230,056)	(1,704,935)
Interest	523,229	677,260	523,229	677,260
Total	$ 14,576,976	$ 14,692,416	$ 7,068,214	$ 9,205,584

Public safety expenses make up 45% of the governmental activities expenses. This compares to 45% in fiscal year 2010. The public works function is the second largest cost, making up 21% of governmental activities expenses, compared to 18% in fiscal year 2010.

Approximately 18% of gross program costs for public safety functions were recovered from public safety revenues, primarily fines and forfeitures. This compares to 18% in the prior year.

Note that the education function reports excess of revenues over expenses. This presentation may be misleading, although required. Program revenue in the education function is from intergovernmental ESPLOST revenue restricted for debt service. Debt principal payments have been eliminated from the statement of activities and charged against the liability in the statement of net assets, causing the education function to appear to have a $2.2 million dollar net revenue. It is anticipated that once the debt is paid, education will have a net loss because of depreciation expense.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The operating revenues for all enterprise funds, including the internal service fund, were $4,120,119 or 9% more than 2010 and total operating expenses were $3,438,055 or 9%, more than fiscal year 2010. Within the total business-type activities of the City, these activities reported $7,131,809 in operating income compared to operating income of $6,449,745 in the prior year, or an increase of 11%. After transfers in and out between other funds and other non-operating items, these funds reported a net change in net assets of $5,015,377 compared to a net change in net assets of $4,956,434 in 2010.

Each specific fund reported the following operating income or (loss):

	Amount Change	%
Water and sewerage fund	$549,261	18%
Electric system fund	440,720	14%
Field Ferry Golf Course fund	26,433	9%
Telecommunications fund	(67,162)	(31%)
Solid waste fund	44,704	48%

Water and Sewerage Fund – One of the major funds is the water and sewerage fund. The operating revenues decreased 3% and operating expenses decreased 8% in fiscal year 2011, resulting in an increase in operating income from 2010 of approximately 18%.

Personal services have decreased by $239,226 or 8%. This is due to the hiring freeze that was in place for the majority of the year, forcing many departments to operate under-staffed.

Supplies decreased from the prior year by $452,001 or 16%. Calhoun Utilities has worked diligently to cut back in all areas due to the extreme situation that the economy is in and this decrease is reflected here.

Interfund allocations decreased $267,317 or 13% from the prior year. This is a result of the decrease in revenue. A portion of the revenue is paid out through allocations, thus as revenue decreases, so do the allocations. The percentage that is paid on the revenue decreased also.

Transfers into the water and sewerage fund decreased $2,487,074 or 71%. Transfers out of the water and sewerage fund decreased $945,593 or 47%. Both of these decreases are because in the prior year, we had the purchase of Big Springs. We borrowed funds from the Electric Fund for a two-month period until investments came due and then the funds were repaid. There was no such transaction in the current year.

Electric Fund - The other major enterprise fund is the electric system fund. The charges for services for this fund have increased 19% or $4,809,579 over fiscal year 2010. There were 74,146,492 more kilowatts sold in 2011 than in 2010, which reflects a 24% increase. The price per kilowatt is adjusted monthly so this is very close to the percentage increase in revenues. The difference is due to the additional revenues coming from new or expanding industrial sources which have a very tight margin between sales price and cost.

Personal services have decreased by $38,483 or 4%. This is due in part, to the hiring freeze that was in place for the majority of the year and to being very cost management minded in utilizing any over-time.

Supplies have increased by $4,591,819 or 25% from the prior year, which corresponds to the increase in revenue. This is due to the increased amount of power that must be purchased to satisfy demand.

Other expenses include a reduction in the pension accrual, which makes it appear to have decreased by $119,695. In the prior year, the adjustment was an increase in the accrual.

Transfers in during fiscal year 2011 decreased by $1,034,691. Transfers out decreased by $675,204 or 22%. Both of these occurred so that a temporary loan could be made to the Water Fund to purchase Big Springs in fiscal year 2010. Once the investment in the Water Fund matured, a repayment was made before year-end.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds reported in the fund statements have a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $41,528,928. Of this year-end total, $2,344,090 is unassigned indicating availability for continuing City service requirements. There is $4,000,757 committed for working capital and contingencies. Legally restricted fund balances for program purposes are $1,962,916, restricted for capital projects is $25,381,166 and $7,319,291 was restricted for debt service. Amounts equal to prepaid assets of $520,708 are nonspendable for current expenditures.

The total ending fund balances of governmental funds show an increase of $24,225,042 or 140% from the prior year. The majority of this increase is from the issuance of $21,000,000 of bonds by the 2011 School Bonds Capital Project Fund.

Major Governmental Funds

General Fund - The general fund is the City's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance increased by $371,163 in fiscal year 2011.

General fund revenue increased $269,023 or 3% from the prior year. Sales tax revenue increased 8% or $159,091 because of a small upswing in the economy. Other taxes increased over the prior year by $359,507 since franchise payments from outside businesses and the insurance premium tax collected by the state all increased. Intergovernmental revenues decreased $120,114 primarily due to the value of roads received from Gordon County was recorded in the prior year.

Total general fund expenditures decreased $463,727 or 4% when compared to the prior year. In fiscal year 2010, expenditures decreased 1%. The functional area with the largest change in the general fund was public works, with a decrease of $284,750, or 14%. The decrease resulted from less capital outlay expenditures and a reduction in electric costs due to a negotiated agreement with Calhoun Utilities regarding the security lights. Public safety expenditures decreased $145,201 or 2% over fiscal year 2010 largely due to fewer employee positions and less capital outlay.

Transfers into the General fund increased $457,302 or 18% due to the increase in Electric revenues. In fiscal year 2011, a percentage of these revenues is included in transfers.

The general fund's unassigned and committed ending fund balance represents the equivalent of 60% of annual expenditures, as compared to 54.0% at June 30, 2010.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, the analysis is presented above.

Budgetary Highlights

The General Fund – There were several budget amendments done during this fiscal year, including amendments within the department and Council approved amendments between departments. Revenues were $236,068 less than the final budget and 97% of final budgeted revenues were met. There were no budget amendments to the General fund revenues. There was a combination of factors in the difference in General fund revenues and budget in that collections on property taxes, sales tax and charges for services had decreased this year. The City also continued to see a reduction in the amount of interest income earned, all appearing to be a continued result of the economy not bouncing back as quickly as had been expected.

The City spent 94% of the final authorized budget and had overages in four funds. In three of these, there were sufficient revenues to offset the additional expenditures. In the Home Investment Partnership fund, expenditures only exceeded budget by $1,562, there was an adequate fund balance to cover the overage and this year represents the last year of activity in the fund. Expenditures were monitored closely during the year in order to offset any shortfall of revenues to the extent possible. General government expenditures actual was $696,083 less than budget due to many different under budget smaller accounts combined with wage and benefits for fewer positions and projects that were postponed. The budget amendments to increase general government, in the General Fund, $54,000 were primarily to budget for the building inspection office rent and budget transfers to other funds as needed.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2011, was $52,338,593 and $87,690,678 respectively. This was a decrease in net investment of 2% for governmental activities and an increase of 5% for business-type activities. See Note 3-F for additional information about changes in capital assets during the fiscal year and amounts outstanding at the end of the year.

At June 30, 2011, the depreciable capital assets for governmental activities were 40% depreciated; as compared to 37% in the prior year. For the City's business-type activities, 39% of the asset values were depreciated at June 30, 2011 compared to 39% at June 30, 2010. Consistent percentages are a positive financial indicator.

Long-term Debt

At the end of the fiscal year, the City had two types of bonds outstanding, notes payable, capital leases, claims, landfill closure costs, and a pension liability. See Note 3-I for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The City continues to feel the effects of the economic downturn, as is the nation. With the downturn in the housing market, the City was given the opportunity to stabilize growth by improving development standards and long-term efforts. The existence of a local technical college has allowed for the training and retraining of many in the work force for jobs where higher levels of education and technical skills are required or in areas where more jobs are available. Local option sales tax revenues, an indicator of consumer spending, showed a slight upswing from the previous year. There has been some plant expansion and industrial growth which has been very positive for the City. The City does continue to get industrial prospects who inquire about the possibility of locating here, as close accessibility to Atlanta is attractive. Volkswagen completed construction on its North America vehicle assembly plant in the Chattanooga area which is expected to employ 2,000 individuals once fully operational and the ripple effect within the region is expected to have a positive impact on Calhoun. The City of Calhoun has positioned itself very well for growth, due to capacity for expansion in the areas of water, sewer and electricity.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Director of Finance, Andrea K. Bramlett at 700 W. Line Street, Calhoun, GA 30701, (706) 602-5840, abramlett@calnet-ga.net.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Calhoun, Georgia
Statement of Net Assets
June 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Calhoun School District
Assets				
Current Assets				
Cash and cash equivalents	$ 32,736,905	$ 12,412,924	$ 45,149,829	$ 8,313,371
Investments	2,397,075	-	2,397,075	-
Restricted assets				
Cash and cash equivalents	-	2,208,270	2,208,270	-
Investments	-	5,510,595	5,510,595	-
Receivables				
Accounts	16,450	1,392,700	1,409,150	-
Accrued revenue	-	4,061,097	4,061,097	-
Other	-	12,043	12,043	-
Property taxes	1,198,598	-	1,198,598	-
Franchise taxes	112,469	-	112,469	-
Other taxes	61,961	-	61,961	-
Fines	823,196	-	823,196	-
Intergovernmental	1,704,250	1,137,618	2,841,868	2,787,417
Loans	247,114	-	247,114	-
Deposits	-	35,013	35,013	-
Interest	6,166	-	6,166	-
Due from component unit	231,160	-	231,160	-
Due from primary government	-	-	-	121,277
Inventory	-	2,728,553	2,728,553	54,077
Prepaid items	520,708	158,024	678,732	-
Total Current Assets	40,056,052	29,656,837	69,712,889	11,276,142
Noncurrent Assets				
Restricted assets	-	7,958,534	7,958,534	-
Deferred charges	248,429	284,131	532,560	-
Loans	1,104,161	-	1,104,161	-
Capital assets				
Nondepreciable	17,217,101	9,384,609	26,601,710	-
Depreciable, net	49,924,127	103,784,762	153,708,889	540,566
Total Noncurrent Assets	68,493,818	121,412,036	189,905,854	540,566
Total Assets	108,549,870	151,068,873	259,618,743	11,816,708
Liabilities				
Current Liabilities				
Accounts payable	214,690	2,885,760	3,100,450	44,860
Contractor bonds payable	-	38,671	38,671	-
Accrued payroll liabilities	797	139,230	140,027	2,956,412
Accrued expenses	256,633	91,010	347,643	-
Internal balances	(2,918,729)	2,918,729	-	-
Intergovernmental payable	-	-	-	-
Accrued interest payable	10,876	53,405	64,281	-
Due to component unit	121,277	-	121,277	-
Due to primary government	-	-	-	231,160
Post-closure care payable	-	22,643	22,643	-
Unearned revenue	19,614	370,237	389,851	-
Claims payable	5,500	-	5,500	-
Compensated absences payable	302,402	227,736	530,138	32,414
Capital leases payable	181,639	-	181,639	-
General obligation bonds payable	635,000	-	635,000	-
Revenue bonds payable	281,800	1,378,240	1,660,040	-
Notes payable	-	2,158,916	2,158,916	-
Payable from restricted assets	-	1,619,368	1,619,368	-
Total Current Liabilities	(888,501)	11,903,945	11,015,444	3,264,846
Long-Term Liabilities (net of current portion)				
Claims payable	80,228	-	80,228	-
Compensated absences payable	-	-	-	78,217
Pension liability payable	394,583	393,624	788,207	-
Post-closure care payable	-	95,193	95,193	-
Notes payable	-	17,057,909	17,057,909	-
Capital leases payable	467,673	-	467,673	-
General obligation bonds payable	31,540,624	-	31,540,624	-
Revenue bonds payable	1,952,100	4,883,628	6,835,728	-
Payable from restricted noncurrent assets	-	6,325,525	6,325,525	-
Total Long-Term Liabilities	34,435,208	28,755,879	63,191,087	78,217
Total Liabilities	33,546,707	40,659,824	74,206,531	3,343,063
Net Assets				
Invested in capital assets, net of related debt	52,338,593	87,690,678	140,029,271	540,566
Restricted for				
Debt service	7,319,291	-	7,319,291	-
Capital projects	5,124,966	-	5,124,966	-
Program purposes				
Education	1,057,425	-	1,057,425	455,369
Housing and development	1,819,780	-	1,819,780	-
Public safety	110,469	-	110,469	-
Unrestricted	7,232,639	22,718,371	29,951,010	7,477,710
Total Net Assets	$ 75,003,163	$ 110,409,049	$ 185,412,212	$ 8,473,645

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Function/Program	Expenses	Program Revenues: Charges for Services, Sales and Fines	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit: Calhoun School District
Primary Government								
Governmental Activities								
General government	$ 776,593	$ 134,956	$ -	$ 2,404,823	$ 1,763,186	$ -	$ 1,763,186	$ -
Judicial	370,600	-	-	-	(370,600)	-	(370,600)	-
Public safety	6,613,869	920,826	238,822	-	(5,454,221)	-	(5,454,221)	-
Public works	3,049,832	16,111	64,473	39,640	(2,929,608)	-	(2,929,608)	-
Health and welfare	58,247	-	-	-	(58,247)	-	(58,247)	-
Culture and recreation	1,696,938	215,276	505,040	-	(976,622)	-	(976,622)	-
Housing and economic dev.	970,940	76,305	145,706	-	(748,929)	-	(748,929)	-
Education	516,728	-	2,746,784	-	2,230,056	-	2,230,056	-
Interest	523,229	-	-	-	(523,229)	-	(523,229)	-
Total Governmental Activities	14,576,976	1,363,474	3,700,825	2,444,463	(7,068,214)	-	(7,068,214)	-
Business-Type Activities								
Electric system	26,478,078	29,853,546	39,546	-	-	3,415,014	3,415,014	-
Water and sewerage system	11,880,631	14,440,652	-	900,000	-	3,460,021	3,460,021	-
Fields ferry golf course	1,004,562	728,464	-	-	-	(276,098)	(276,098)	-
Telecommunications	911,041	949,524	83,494	-	-	121,977	121,977	-
Solid waste	746,211	692,077	-	-	-	(54,134)	(54,134)	-
Total Business-Type Activities	41,020,523	46,664,263	123,040	900,000	-	6,666,780	6,666,780	-
Total - Primary Government	$ 55,597,499	$ 48,027,737	$ 3,823,865	$ 3,344,463	(7,068,214)	6,666,780	(401,434)	-
Component Unit								
Calhoun School District	$ 30,636,486	$ 1,854,834	$ 18,551,038	$ -	-	-	-	(10,230,614)
General Revenues								
Property taxes levied for general government purposes					1,255,359	-	1,255,359	10,074,116
Sales taxes					2,057,988	-	2,057,988	2,515,625
Franchise taxes					2,819,216	-	2,819,216	-
Insurance premium taxes					718,274	-	718,274	-
Gas marketers taxes					69,149	-	69,149	-
Other taxes					691,253	-	691,253	-
Unrestricted intergovernmental					29,732	-	29,732	-
Gain on sale of capital assets					14,704	58,764	73,468	-
Investment earnings					95,043	309,784	404,827	25,852
Miscellaneous					39,011	351,328	390,339	371,412
Total General Revenues					7,789,729	719,876	8,509,605	12,987,005
Transfers					2,371,279	(2,371,279)	-	-
Total General Revenues and Transfers					10,161,008	(1,651,403)	8,509,605	12,987,005
Change in Net Assets					3,092,794	5,015,377	8,108,171	2,756,391
Net Assets Beginning of Year					71,910,369	105,393,672	177,304,041	5,717,254
Net Assets End of Year					$ 75,003,163	$ 110,409,049	$ 185,412,212	$ 8,473,645

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FUND FINANCIAL STATEMENTS

City of Calhoun, Georgia
Balance Sheet
Governmental Funds
June 30, 2011
(With Comparative Totals at June 30, 2010)

	2011			2010
	General	Nonmajor Governmental Funds	Total Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 2,463,575	$ 30,273,330	$ 32,736,905	$ 5,803,985
Investments	-	2,397,075	2,397,075	7,717,313
Receivables				
Property taxes	122,781	1,075,817	1,198,598	1,340,778
Franchise taxes	112,469	-	112,469	108,848
Other taxes	36,710	25,251	61,961	63,562
Accounts	16,425	25	16,450	18,116
Fines	823,196	-	823,196	637,057
Intergovernmental	1,057,339	646,911	1,704,250	1,519,518
Interest	-	6,165	6,165	14,686
Interfund	3,244,059	-	3,244,059	95,192
Loans	-	247,114	247,114	1,660,145
Loans- noncurrent	-	1,104,161	1,104,161	-
Component unit	-	231,160	231,160	247,412
Prepaid items	465,476	55,232	520,708	565,480
Total Assets	$ 8,342,030	$ 36,062,241	$ 44,404,271	$ 19,792,092
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 25,844	$ 188,846	$ 214,690	$ 248,941
Accrued payroll liabilities	797	-	797	2,339
Accrued expenditures	214,011	42,622	256,633	106,499
Due to component unit	-	121,277	121,277	121,277
Interfund payable	325,330	-	325,330	171,896
Deferred revenue	961,335	995,281	1,956,616	1,837,254
Total Liabilities	1,527,317	1,348,026	2,875,343	2,488,206
Fund Balances (Deficits)				
Nonspendable				
Prepaid items	465,476	55,232	520,708	565,480
Restricted				
Debt service	-	7,319,291	7,319,291	5,618,986
Capital Projects	-	25,381,166	25,381,166	3,197,082
Program purposes				
Education	-	32,667	32,667	67,644
Housing and development	-	1,819,780	1,819,780	1,802,754
Public safety	-	110,469	110,469	119,212
Committed				
Working capital/contingencies	4,000,757	-	4,000,757	3,740,089
Unassigned (deficits), reported in				
General fund	2,348,480	-	2,348,480	2,194,024
Special revenue funds	-	(4,390)	(4,390)	(1,385)
Total Fund Balances (Deficits)	6,814,713	34,714,215	41,528,928	17,303,886
Total Liabilities and Fund Balances (Deficits)	$ 8,342,030	$ 36,062,241	$ 44,404,271	$ 19,792,092

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Reconciliation of the Governmental Funds' Balance Sheet
to the Statement of Net Assets
June 30, 2011

Total Governmental Fund Balances			$ 41,528,928
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds (exclusive of internal service funds' capital assets).			
Cost of capital assets	$ 100,169,874		
Less accumulated depreciation	(33,028,646)		67,141,228
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Property taxes	$ 1,088,516		
Intergovernmental	43,415		
Cemetery lot sales	15,777		
Fines	789,295		1,937,003
Interfund receivables and payables between governmental funds are reported on the governmental fund's balance sheet but eliminated on the government-wide statement of net assets.			
Interfund receivables	$ -		
Interfund payables	-		-
Bond premiums, discounts, refundings and issuance costs are reported as other financing sources and uses and expenditures in the governmental fund financial statements but capitalized on the government-wide statement of net assets.			248,429
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net assets.			
Bonds	$ (34,409,524)		
Capital leases	(649,312)		
Pension	(394,583)		
Claims	(85,728)		
Compensated absences	(302,402)		
Accrued interest	(10,876)		(35,852,425)
Net Assets Of Governmental Activities			$ 75,003,163

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011
(With Comparative Totals For the Year Ended June 30, 2010)

	2011			2010
	General	Nonmajor Governmental Funds	Total Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Property	$ 1,250,797	$ 64,341	$ 1,315,138	$ 1,386,365
Sales	2,102,232	-	2,102,232	1,943,141
Other	4,014,346	283,546	4,297,892	3,927,446
Intergovernmental	490,327	5,617,031	6,107,358	6,388,360
Licenses and permits	201,293	-	201,293	219,490
Charges for services	189,173	215,276	404,449	375,453
Fines and forfeitures	537,880	18,133	556,013	588,606
Contributions	783	-	783	1,393
Investment earnings	13,974	80,904	94,878	145,205
Miscellaneous	16,612	32,170	48,782	35,097
Total Revenues	8,817,417	6,311,401	15,128,818	15,010,556
Expenditures				
Current				
General government	927,518	-	927,518	897,578
Judicial	364,090	-	364,090	363,530
Public safety	6,193,271	66,524	6,259,795	6,394,999
Public works	1,763,779	-	1,763,779	2,048,529
Health and welfare	58,678	-	58,678	63,698
Culture and recreation	311,726	1,003,916	1,315,642	1,188,282
Housing and economic development	582,429	392,038	974,467	1,023,147
Education	-	99,103	99,103	112,978
Capital Outlay	-	410,053	410,053	397,010
Debt Service				
Principal retirement	300,343	845,900	1,146,243	1,068,637
Interest and fiscal charges	29,633	604,046	633,679	676,517
Bond issuance costs	-	190,037	190,037	-
Total Expenditures	10,531,467	3,611,617	14,143,084	14,234,905
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,714,050)	2,699,784	985,734	775,651
Other Financing Sources (Uses)				
Sale of capital assets	15,029	-	15,029	39,482
Proceeds of bond issuance	-	21,000,000	21,000,000	-
Discount on bond issuance	-	(147,000)	(147,000)	-
Transfers in	2,933,374	788,498	3,721,872	3,351,073
Transfers out	(863,190)	(487,403)	(1,350,593)	(2,618,591)
Total Other Financing Sources (Uses)	2,085,213	21,154,095	23,239,308	771,964
Net Change in Fund Balances	371,163	23,853,879	24,225,042	1,547,615
Fund Balances Beginning of Year	6,443,550	10,860,336	17,303,886	15,756,271
Fund Balances End of Year	$ 6,814,713	$ 34,714,215	$ 41,528,928	$ 17,303,886

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Reconciliation of the Governmental Funds' Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2011

Net Changes In Fund Balances - Total Governmental Funds			$ 24,225,042
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.			
	Depreciation expense	$ (2,497,725)	
	Capital outlay	633,448	(1,864,277)
Bond proceeds are reported as other financing at the fund level but are reported as a liability on the government-wide statement of activities. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.			(20,662,963)
The cost of capital assets that are sold are reported in the government-wide statement of activities but not reported at the fund financial reporting level.			(325)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.			
	Property taxes:		
	Deferred @ 6/30/11	$ 1,088,515	
	Deferred @ 6/30/10	(1,149,526)	(61,011)
	Intergovernmental:		
	Deferred @ 6/30/11	$ 43,415	
	Deferred @ 6/30/10	(20,780)	22,635
	Cemetery lot sales:		
	Deferred @ 6/30/11	$ 15,777	
	Deferred @ 6/30/10	(14,957)	820
	Fines:		
	Deferred @ 6/30/11	$ 789,295	
	Deferred @ 6/30/10	(598,167)	191,128
Elimination of transfers between governmental funds, including net effect of transfers recorded for capital assets moved between governmental and enterprise funds.			
	Transfers in	$ (788,638)	
	Transfers out	788,638	-
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities.			1,146,243
Amortization of bond issuance costs and bond premiums are reported on the government-wide statement of activities but not reported on the fund financial reporting level.			(7,693)
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. The change in the current year expenses are as follows:			
	Accrued interest		
	Liability @ 6/30/11	$ (10,876)	
	Liability @ 6/30/10	129,018	118,142
	Compensated absences		
	Liability @ 6/30/11	$ (302,402)	
	Liability @ 6/30/10	308,129	5,727
	Claims		
	Liability @ 6/30/11	$ (85,728)	
	Liability @ 6/30/10	88,761	3,033
	Pension liability		
	Liability @ 6/30/11	$ (394,583)	
	Liability @ 6/30/10	370,876	(23,707)
Change In Net Assets of Governmental Activities			$ 3,092,794

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Property taxes	$ 1,430,520	$ 1,430,520	$ 1,250,797	$ (179,723)
Sales taxes	2,100,000	2,100,000	2,102,232	2,232
Other taxes	3,785,974	3,785,974	4,014,346	228,372
Intergovernmental	648,456	648,456	490,327	(158,129)
Licenses and permits	222,925	222,925	201,293	(21,632)
Charges for services	293,290	293,290	189,173	(104,117)
Fines and forfeitures	489,600	489,600	537,880	48,280
Contributions	13,700	13,700	783	(12,917)
Investment earnings	65,000	65,000	13,974	(51,026)
Miscellaneous	4,020	4,020	16,612	12,592
Total Revenues	9,053,485	9,053,485	8,817,417	(236,068)
Expenditures				
General government	841,136	895,136	927,518	(32,382)
Judicial	373,226	373,226	364,090	9,136
Public safety				
Police	3,790,491	3,790,491	3,587,657	202,834
Fire	2,957,688	2,957,688	2,935,590	22,098
Public works	2,128,050	2,171,550	1,763,779	407,771
Health and welfare	66,125	66,125	58,678	7,447
Culture and recreation	339,625	339,625	311,726	27,899
Housing and economic development	586,767	633,709	582,429	51,280
Total Expenditures	11,083,108	11,227,550	10,531,467	696,083
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,029,623)	(2,174,065)	(1,714,050)	460,015
Other Financing Sources (Uses)				
Sale of capital assets	10,000	10,000	15,029	5,029
Transfers in	2,887,453	2,960,053	2,933,374	(26,679)
Transfers out	(867,830)	(869,734)	(863,190)	6,544
Appropriation of fund balance	-	73,746	-	(73,746)
Total Other Financing Sources (Uses)	2,029,623	2,174,065	2,085,213	(88,852)
Net Change in Fund Balances	$ -	$ -	371,163	$ 371,163
Fund Balances Beginning of Year			6,443,550	
Fund Balances End of Year			$ 6,814,713	

See accompanying notes to the basic financial statements.

City of Calhoun, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2011
(With Comparative Totals at June 30, 2010)

	2011 Business-type Activities - Enterprise Funds				2010	2011 Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds	Total	Total	Internal Service Fund
Assets						
Current Assets						
Cash and cash equivalents	$ 8,265,523	$ -	$ 908,263	$ 9,173,786	$ 9,793,012	$ 3,239,138
Restricted Assets						
Cash and cash equivalents	929,500	1,278,770	-	2,208,270	2,001,741	-
Investments	5,510,595	-	-	5,510,595	4,259,448	-
Receivables						
Accounts	507,976	804,557	80,167	1,392,700	1,483,442	-
Accrued revenue	2,870,282	1,107,585	83,230	4,061,097	3,250,200	-
Intergovernmental	424,196	629,928	83,494	1,137,618	751,095	-
Interfund	188,380	-	58,720	247,100	194,848	325,330
Other	8,754	-	2,859	11,613	-	430
Advances	249,356	-	-	249,356	317,764	-
Deposits	35,013	-	-	35,013	36,408	-
Inventory	1,820,272	687,729	220,552	2,728,553	2,964,588	-
Prepaid items	17,713	55,357	9,621	82,691	120,017	75,333
Total Current Assets	20,827,560	4,563,926	1,446,906	26,838,392	25,172,563	3,640,231
Noncurrent Assets						
Restricted assets						
Cash and cash equivalents	-	491,812	-	491,812	411,841	-
Investments	7,466,722	-	-	7,466,722	5,029,701	-
Advances receivable	2,532,532	-	-	2,532,532	2,781,887	-
Deferred charges	-	284,131	-	284,131	294,934	-
Capital Assets						
Nondepreciable	352,283	7,994,776	1,010,573	9,357,632	15,583,759	26,977
Depreciable, net	14,773,250	84,965,246	2,629,818	102,368,314	95,849,772	1,416,448
Total Noncurrent Assets	25,124,787	93,735,965	3,640,391	122,501,143	119,951,894	1,443,425
Total Assets	45,952,347	98,299,891	5,087,297	149,339,535	145,124,457	5,083,656
Liabilities						
Current Liabilities						
Accounts payable	2,665,867	97,480	109,135	2,872,482	2,686,354	13,278
Contractor bonds payable	-	38,671	-	38,671	38,554	-
Accrued payroll liabilities	52	87,598	53	87,703	30,142	51,527
Accrued expenses	32,334	-	58,676	91,010	56,643	-
Accrued interest payable	-	53,405	-	53,405	57,094	-
Interfund payable	-	188,380	120,202	308,582	91,919	3,182,577
Post-closure care payable	-	-	22,643	22,643	22,199	-
Compensated absences payable	30,926	109,124	30,529	170,579	161,415	57,157
Unearned revenue	-	33,155	20,282	53,437	54,884	316,800
Advances payable	-	99,562	99,435	198,997	268,887	50,359
Notes payable	-	2,158,916	-	2,158,916	3,214,968	-
Revenue bonds payable	-	1,378,240	-	1,378,240	1,697,611	-
Payable From Restricted Assets:						
Accrued interest payable	-	17,850	-	17,850	22,185	-
Customer deposits and interest	929,500	672,018	-	1,601,518	1,569,513	-
Total Current Liabilities	3,658,679	4,934,399	460,955	9,054,033	9,972,368	3,671,698
Long-Term Liabilities						
Pension liability	150,610	186,103	56,911	393,624	445,073	-
Post-closure care payable (net of current portion)	-	-	95,193	95,193	117,836	-
Notes payable (net of current portion)	-	17,057,909	-	17,057,909	18,002,226	-
Revenue bonds payable (net of current portion)	-	4,883,628	-	4,883,628	6,258,628	-
Advances payable (net of current portion)	-	396,632	1,168,458	1,565,090	1,764,087	967,442
Payable From Restricted Assets:						
Regulatory liability	6,325,525	-	-	6,325,525	3,637,851	-
Total Long-Term Liabilities	6,476,135	22,524,272	1,320,562	30,320,969	30,225,701	967,442
Total Liabilities	10,134,814	27,458,671	1,781,517	39,375,002	40,198,069	4,639,140
Net Assets						
Invested in capital assets, net of related debt	15,125,533	67,481,329	3,640,391	86,247,253	82,101,337	1,443,425
Unrestricted (Deficit)	20,692,000	3,359,891	(334,611)	23,717,280	22,825,051	(998,909)
Total Net Assets	$ 35,817,533	$ 70,841,220	$ 3,305,780	$ 109,964,533	$ 104,926,388	$ 444,516
Reconciliation of the fund level statement of net assets to the government wide statement of net assets.						
Internal service fund net assets reported as business-type activities on the government wide statement				444,516		
Net Assets of Business-type Activities				$ 110,409,049		
Interfund receivables and payables between proprietary funds are reported on the fund level statement of net assets but eliminated on the government-wide statement of net assets	Interfund receivables			$ 109,620		$ (294,187)
	Interfund payables			216,663		3,182,577
				$ 326,283		$ 2,888,390
Interfund advances between proprietary funds are reported on the fund level statement of net assets but eliminated on the government-wide statement of net assets	Advances receivable			$ (2,781,888)		$ -
	Advances payable			1,764,087		1,017,801
				$ (1,017,801)		$ 1,017,801

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011
(With Comparative Totals For the Year Ended June 30, 2010)

	2011				2010	2011
	Business-type Activities - Enterprise Funds					Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds	Total	Total	Internal Service Fund
Operating Revenues						
Charges for services	$ 29,853,546	$ 14,440,652	$ 2,370,065	$ 46,664,263	$ 42,235,024	$ 2,282,066
Miscellaneous	186,679	76,542	31,721	294,942	249,861	56,386
Total Operating Revenues	30,040,225	14,517,194	2,401,786	46,959,205	42,484,885	2,338,452
Operating Expenses						
Personal services	967,652	2,909,540	935,089	4,812,281	5,160,470	1,714,497
Contractual services	1,173,411	701,888	833,492	2,708,791	2,695,360	390,790
Supplies	23,239,828	2,448,581	294,041	25,982,450	21,787,033	107,397
Interfund allocations	438,620	1,778,690	151,764	2,369,074	2,733,671	79,334
Depreciation	710,700	2,942,074	320,008	3,972,782	3,862,347	-
Amortization	-	74,766	-	74,766	82,457	-
Other	(70,249)	5,911	18,024	(46,314)	72,128	-
Total Operating Expenses	26,459,962	10,861,450	2,552,418	39,873,830	36,393,466	2,292,018
Operating Income (Loss)	3,580,263	3,655,744	(150,632)	7,085,375	6,091,419	46,434
Non-Operating Revenues (Expenses)						
Change in estimated landfill closure costs	-	-	(5,964)	(5,964)	(3,236)	-
Debt issuance costs	-	-	-	-	-	-
Interest expense	(10,338)	(985,553)	(19,938)	(1,015,829)	(1,108,540)	(31,454)
Investment earnings	253,713	47,214	7,005	307,932	307,709	1,852
Intergovernmental revenue	39,546	900,000	83,494	1,023,040	64,200	-
Intergovernmental expenses	-	-	(83,494)	(83,494)	-	-
Gain (loss) on disposition of capital assets	-	58,764	-	58,764	11,568	-
Total Non-Operating Revenues (Expenses)	282,921	20,425	(18,897)	284,449	(728,299)	(29,602)
Income (Loss) Before Contributions and Transfers	3,863,184	3,676,169	(169,529)	7,369,824	5,363,120	16,832
Transfers in	200	1,020,193	74,492	1,094,885	4,654,480	-
Transfers out	(2,339,899)	(1,086,665)	-	(3,426,564)	(5,147,361)	(39,600)
Total Contributions and Transfers	(2,339,699)	(66,472)	74,492	(2,331,679)	(492,881)	(39,600)
Change in Net Assets	1,523,485	3,609,697	(95,037)	5,038,145	4,870,239	(22,768)
Net Assets Beginning of Year	34,294,048	67,231,523	3,400,817	104,926,388	100,056,149	467,284
Net Assets End of Year	$ 35,817,533	$ 70,841,220	$ 3,305,780	$ 109,964,533	$ 104,926,388	$ 444,516

Reconciliation of the fund level operating statements to the government wide statement of activities.	
Change in net assets	$ 5,038,145
Internal service fund charges (credits) to enterprise funds, resulting in changes in operating expenses.	(9,952)
Miscellaneous revenue	56,386
Interest revenue	1,852
Interest expense	(31,454)
Transfers out	(39,600)
Change in Net assets of business-type activities	$ 5,015,377

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011
(With Comparative Totals For the Year Ended June 30, 2010)

	2011				2010	2011
	Business-type Activities - Enterprise Funds					Business-type Activities
	Electric System	Water & Sewerage System	Other Proprietary Funds	Total	Total	Internal Service Fund
Cash Flows from Operating Activities						
Cash received from customers	$ 27,817,576	$ 14,010,097	$ 2,007,702	$ 43,835,375	$ 39,388,391	$ -
Cash received from other	-	-	-	-	-	56,386
Cash received from interfund services provided	1,493,831	234,506	308,227	2,036,564	2,290,080	1,987,135
Cash payments for personal services	(970,065)	(2,837,962)	(928,152)	(4,736,179)	(5,158,285)	(1,753,460)
Cash payments for goods and services	(23,532,777)	(2,304,749)	(1,036,030)	(26,873,556)	(22,894,110)	2,666,142
Cash payments for interfund services used	(692,135)	(2,720,089)	(153,501)	(3,565,725)	(4,580,932)	-
Other cash payments	81,009	(5,794)	-	75,215	(60,674)	-
Net Cash Provided by (Used in) Operating Activities	4,197,439	6,376,009	198,246	10,771,694	8,984,470	2,956,203
Cash Flows from Noncapital Financing Activities						
Intergovernmental revenues	39,546	-	-	39,546	-	-
Transfers in	200	532,930	74,492	607,622	3,290,107	-
Transfers out	(2,339,899)	(1,086,665)	-	(3,426,564)	(5,147,361)	(39,600)
Advances from other funds	-	-	-	-	-	(48,876)
Payments for (reduction in) pension liability	(64,296)	10,016	2,831	(51,449)	170	-
Payments received on advance	317,763	-	-	317,763	323,002	-
Principal paid on advance	-	-	(97,955)	(97,955)	(109,574)	-
Interest paid on advance	-	-	(19,938)	(19,938)	(24,785)	(31,454)
Net Cash Provided by (Used in) Noncapital Financing Activities	(2,046,686)	(543,719)	(40,570)	(2,630,975)	(1,668,441)	(119,930)
Cash Flows from Capital and Related Financing Activities						
Transfers in- SPLOST and Internal Service funds	-	487,263	-	487,263	1,364,373	-
Capital grant	-	900,000	-	900,000	-	-
Proceeds from debt	-	92,598	-	92,598	1,407,250	-
Proceeds from sale of capital assets	-	67,118	-	67,118	30	-
Payments on interfund loans	-	(170,932)	-	(170,932)	(165,990)	
Payments for landfill post-closure costs	-	-	(28,163)	(28,163)	(25,001)	-
Principal paid on revenue bonds	-	(1,730,000)	-	(1,730,000)	(1,675,000)	-
Interest paid on revenue bonds	-	(279,888)	-	(279,888)	(332,381)	-
Principal paid on notes and leases	-	(2,092,967)	-	(2,092,967)	(1,763,129)	-
Interest paid on notes and leases	-	(821,000)	-	(821,000)	(828,540)	-
Payments for capital acquisitions and construction	(1,840,583)	(2,433,962)	-	(4,274,545)	(5,589,955)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,840,583)	(5,981,770)	(28,163)	(7,850,516)	(7,608,343)	-
Cash Flows from Investing Activities						
Purchase of investments	(1,000,494)	-	-	(1,000,494)	8,433,751	
Investment earnings	253,713	47,214	7,005	307,932	307,709	1,852
Interest rebated to customer accounts	(10,338)	-	-	(10,338)	(12,195)	-
Net Cash Provided by (Used in) Investing Activities	(757,119)	47,214	7,005	(702,900)	8,729,265	1,852
Net Increase (Decrease) in Cash and Cash Equivalents	(446,949)	(102,266)	136,518	(412,697)	8,436,951	2,838,125
Cash and Cash Equivalents Beginning of Year	9,641,972	1,381,036	771,745	11,794,753	3,357,802	401,013
Cash and Cash Equivalents End of Year	$ 9,195,023	$ 1,278,770	$ 908,263	$ 11,382,056	$ 11,794,753	$ 3,239,138

(continued)

City of Calhoun, Georgia
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011
(With Comparative Totals For the Year Ended June 30, 2010)

(continued)

	2011				2010	2011
	Business-type Activities - Enterprise Funds					Business-type Activities
	Electric System	Water & Sewerage System	Other Proprietary Funds	Total	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	$ 3,580,263	$ 3,655,744	$ (150,632)	$ 7,085,375	$ 6,091,419	$ 46,434
Adjustments						
Depreciation	710,700	2,942,074	320,008	3,972,782	3,862,347	79,334
Amortization	-	74,766	-	74,766	82,457	-
(Increase) Decrease in Assets						
Accounts receivable and accrued revenues	(660,910)	(273,876)	2,872	(931,914)	(846,893)	(430)
Inventories	310,985	(97,101)	22,151	236,035	(536,936)	-
Interfund receivables	(188,380)	137,480	(1,352)	(52,252)	(96,889)	(294,187)
Intergovernmental receivable	(100,024)	-	(83,494)	(183,518)	-	-
Deposits	1,395	-	-	1,395	1,905	-
Prepaid expenses	10,760	23,067	3,499	37,326	4,268	(2,438)
Increase (Decrease) in Liabilities						
Accounts payable and accrued liabilities	504,343	(347,388)	60,799	217,754	659,913	(36,682)
Accrued payroll liabilities	(2,413)	71,578	(2,440)	66,725	4,356	38,963
Deposits payable	30,720	1,285	-	32,005	80,501	-
Interfund payable	-	188,380	28,282	216,662	(311,731)	3,125,209
Unearned revenue	-	-	(1,447)	(1,447)	(10,247)	-
Net Cash Provided by (Used in) Operating Activities	$ 4,197,439	$ 6,376,009	$ 198,246	$ 10,771,694	$ 8,984,470	$ 2,956,203
Noncash Investing, Capital and Financing Activities						
Developer contributions - in kind	-	-	-	-	64,200	-

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Comparative Statements of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011 and 2010

	Municipal Court Agency Fund		Cemetery Trust Fund	
	2011	2010	2011	2010
Assets				
Cash and cash equivalents	$ 15,654	$ 17,499	$ 100,870	$ 143,363
Investments	-	-	927,710	848,988
Total Assets	$ 15,654	$ 17,499	$ 1,028,580	$ 992,351
Liabilities and Net Assets				
Liabilities				
Due to others	$ 15,654	$ 17,499	$ -	$ -
Net Assets				
Assets held in trust for cemetery perpetual care	-	-	1,028,580	992,351
Liabilities and Net Assets	$ 15,654	$ 17,499	$ 1,028,580	$ 992,351

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Comparative Statements of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Years Ended June 30, 2011 and 2010

	Pension Trust Fund		Cemetery Trust Fund	
	2011	2010	2011	2010
Additions				
Employer contributions	$ 149,263	$ 167,306	$ -	$ -
Cemetery lot sales- trust portion	-	-	23,689	26,750
Investment income	-	-	16,305	21,662
Total Additions	149,263	167,306	39,994	48,412
Deductions				
Benefits	149,263	167,306	-	-
Administrative expenses	-	-	3,765	3,778
Total Deductions	149,263	167,306	3,765	3,778
Change in Net Assets	-	-	36,229	44,634
Net Assets Beginning of Year	-	-	992,351	947,717
Net Assets End of Year	$ -	$ -	$ 1,028,580	$ 992,351

See accompanying notes to the basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the financial statements are a part of the basic financial statements and present additional detailed information to amounts presented on the face of the statements.

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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The City of Calhoun, Georgia (The City) is a municipal corporation governed by an elected mayor and four-member council.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies private sector standards issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level to the extent that those standards do not conflict with or contradict guidance of the GASB. The City applies private sector standards to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

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

1-A. Reporting Entity

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

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

A blended component unit, although a legally separate entity, is, in substance, part of the City's operations. The fund types of such component units are blended with the fund types of the City. A brief description of the blended component unit follows:

Calhoun Recreation Authority (Recreation Authority) – The Recreation Authority is governed by a seven-member board consisting of six members appointed by the City Council and one member from the elected City Council. Although it is legally separate from the City, the Recreation Authority is reported as if it were part of the City because its purpose is to finance golf course construction or other recreation activities. Bonds or other debt issued by the Recreation Authority are secured by a lease agreement with the City and will be retired through lease payments from the City.

Financial statements of the Calhoun Recreation Authority are included in the City's basic financial statements within the governmental debt service fund. Information may be obtained at City Hall, City Administrator's Office, 226 South Wall Street, Calhoun, Georgia.

The component unit columns included on the government-wide financial statements identifies the financial data of the City's discretely presented component units. They are reported separately to emphasize that they are legally separate from the City. A brief description of the discretely presented component units follows:

City of Calhoun, Georgia, Board of Education (School District) – The School Board is authorized within the City of Calhoun, Georgia's charter to regulate the operations of the system of public schools for the City of Calhoun. The School District consists of five members elected by the citizens of the City. However, the School District is fiscally dependent upon the City of Calhoun because the City Council must approve the annual budget, levy the necessary property taxes and approve any debt issuances. Separately issued financial statements for the School District may be obtained at the School District's administrative offices, 308 Barrett Road, NW, Calhoun, Georgia.

Downtown Development Authority (Development Authority) – The Development Authority is a public body, corporate and politic, and was created upon the adoption and approval of the Development Authorities Law of the State of Georgia. The Mayor and City Council appoint all members of the Development Authority. To date, the only activities associated with the Development Authority relate to property deeded by the City to the Development Authority, which was sold in fiscal 2004. Financial statements of the Downtown Development Authority, if material, are required to be in the City's basic financial statements as a discretely presented component unit. This is in accordance with a determination made for such entities by the Georgia Department of Audits

and Accounts. Specific information relative to these activities may be obtained at City Hall, City Administrator's Office, 226 South Wall Street, Calhoun, Georgia.

Mainstreet Partnership, Inc. (Mainstreet) – Mainstreet is a non-profit organization formed to promote the downtown business district and provide services to the downtown merchants and business owners. Dues are collected from downtown businesses for membership and used to promote activities such as concerts and festivals, but the organization is significantly funded by the City of Calhoun. Mainstreet elects a president, vice president, and secretary/treasurer to direct and oversee the actions of the executive director appointed by the City, who is also employed as the City's Downtown Development Director. Information about this activity may be obtained at City Hall, Finance Director's Office, 226 South Wall Street, Calhoun, Georgia.

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, which include aggregated fund data and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include a statement of net assets and a statement of activities. These statements report financial information for the City as a whole. The primary government and the discretely presented component units are presented separately within these financial statements with the focus on the primary government. All City funds, excluding the fiduciary activities and component units that are fiduciary in nature, are included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net assets presents the financial position of the governmental and business-type activities of the City and it's discretely presented component units at year-end. This statement is presented in a classified format.

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

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

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

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

Major individual governmental and enterprise funds are reported in separate columns with composite columns for nonmajor funds. Fiduciary funds are reported by type.

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

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following is the City's major governmental fund:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The City's proprietary funds are classified as enterprise funds. The following are the City's major enterprise funds:

Electric System Enterprise Fund – This major enterprise fund is used to account for the operations of the City's electric distribution system.

Water and Sewerage System Enterprise Fund - This major enterprise fund is used to account for the operations of the county-wide water treatment distribution system and wastewater treatment, primarily within the City limits.

Internal Service Fund – This fund provides support services to the various City utilities.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets. The City's fiduciary funds include its single employer pension trust fund, cemetery trust fund, and an agency fund. The pension trust fund is the "City Charter Unfunded Retirement Plan." The cemetery trust fund is a perpetual care trust held for the future maintenance of the cemeteries. The agency fund accounts for the activity of traffic and municipal ordinance violations resulting in fines for offenses occurring with the City. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities reports revenues and expenses.

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net assets. The statements of changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

The City's pension trust fund uses the flow of economic resources at the fund reporting level. The statement of changes in fiduciary net assets includes additions and deletions to the pension trust fund's net assets. The agency fund does not have a measurement focus.

1-D. Basis of Accounting

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

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

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales tax, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3-C) Revenue from grants and donations is recognized in the fiscal 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 City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, all revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following primary revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, franchise taxes, insurance premium taxes, fines, interest and charges for services.

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

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

Property taxes, fines and the sale of cemetery plot receivables not collected within 60 days of year-end have been recorded as deferred revenue at the fund reporting level. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue at both reporting levels.

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

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

1-E. Assets, Liabilities and Fund Equity

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

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

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

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

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

Notwithstanding these provisions of state statutes, local retirement system funds may be invested and reinvested subject to all terms, conditions, limitations, and restrictions imposed by the laws of Georgia upon domestic life insurance companies in making and disposing of their investments.

State statutes require all deposits to be collateralized by depository insurance, obligations of the United States or certain obligations guaranteed by the U. S. Government, obligations of the State of Georgia or bonds of public or development authorities, counties, or municipalities of the State of Georgia. The acceptable collateral pledged in the City's name are composed of bonds of U. S. Government agencies and bonds of the State of Georgia and its public authorities, counties and municipalities.

It is the City's policy that any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. Obligations.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue at June 30, 2011. The delinquent taxes receivable account represents past years of uncollected tax levies. The allowance for estimated uncollectibles is estimated at .58% of the tax digests for fiscal years ended June 30, 2008-2011, in addition to 100% of the receivable for all fiscal years prior to 2008.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Consumable Inventories

On the government-wide statement of net assets, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories are stated at lower of cost or market for proprietary funds with cost determined on a first-in, first-out basis. Inventories of the proprietary funds are expensed when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items at both reporting levels using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

1-E-6 Restricted Assets

Restricted assets represent resources segregated as required by bond ordinances, lease agreements and policies of the City.

1-E-7 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the enterprise funds' statement of net assets. The City owns and reports all School District land and buildings.

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 City maintains a capitalization threshold of five thousand dollars and twenty thousand dollars for infrastructure expenditures. The City's infrastructure consists of roads, curbs and gutters, sidewalks, bridges, drainage, traffic signals, water and sewer lines and the electric distribution systems. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Lives		
Asset Class	Governmental Activities	Business-type Activities	Component Unit
Buildings	20-50 Years	---	---
Improvements other than buildings	15-25 Years	15-25 Years	---
Buildings, plants, tanks	---	20-50 Years	---
Utility systems	---	20-50 Years	---
Machinery and equipment	5-25 Years	5-25 Years	5-10 Years
Vehicles	4-6 Years	4-6 Years	5-10 Years
Infrastructure	30-60 Years	---	---

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

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

Unused vacation leave rights expire at the end of the year in which earned. Unused sick leave benefits are paid annually and therefore do not accumulate. All amounts accrued relative to these benefits are paid in December each year.

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

The total compensated absence liability is reported on the government-wide financial statements for both governmental activities and business-type activities. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due.*"

1-E-9 Accrued Liabilities and Long-term Obligations

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

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

1-E-10 Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net assets and the proprietary fund type statement of net assets, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

At government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as debt service expenditure.

1-E-11 Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City 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 City 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 City Council.
- *Assigned* – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City's finance committee or the City's Finance Director 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 criteria. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balance may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, plus any outstanding balances of borrowings not yet expended, but restricted for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

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

1-E-12 Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. For the City, these revenues are charges to customers for water and sewerage services, electricity, golf course and associated rental fees, fees for telecommunications services and services for solid waste management. The water and sewer fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, including operating grants, investment earnings, interest expense and the gain or loss on the disposition of capital assets.

1-E-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from transfers from capital assets of governmental activities, outside contributions of capital assets, tap-on fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 Interfund Activity

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

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

The general fund charges each of the enterprise funds and the recreation fund for specific payroll and other administrative costs that relate to these funds. As interfund reimbursements, these charges are required to be reported "net" as reductions of expenditures in the general fund. These reimbursements are internal accounting adjustments used to reallocate expenditures or expenses to the appropriate fund. The utility internal service fund charges the electric, water & sewerage system, telecom, and general funds various costs that represent operating expenses and the utility internal service fund records these interfund services provided as revenue.

1-E-15 Estimates

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

1-E-16 Comparative Data

Comparative total data for the prior year have been presented for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Certain immaterial amounts presented in the prior year data have been reclassified to provide more comparative date.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – Annual appropriated budgets are prepared for all governmental funds except capital project funds. Project budgets also are adopted for the capital project funds. The budget is prepared on a modified accrual basis with budget items for capital outlay and debt service in all funds. Unspent appropriations lapse at year-end.

The budget officer can make reallocation of budgeted amounts within a department; however, any reallocations between departments within a fund or any increase in the total departmental appropriation within a fund require City Council approval. The

City Council amended the original appropriations for fiscal year 2011 for some funds.

The 2011 School Bonds Capital Project Fund's expenditures exceeded budget by $75,090, but there were ample revenues from the issuance of the bonds to cover this expenditure. In the General Fund, the general government department exceeded budget by $32,382. The Recreation Fund's expenditures exceeded budget by $2,127 and the Home Investment Partnership Fund expenditures exceeded budget by $1,562. In the Recreation Fund and the General Fund, revenues exceeded budget by more than the required amount to cover the overages. In the Home Investment Partnership Fund, there was adequate fund balances to cover the overage. This year represents the last activity on the loan program, so this should not be a problem.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

The City has adopted investment policies, which address the specific deposit or investment risks presented below.

Custodial Credit Risk – Deposits – the custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered. It is the City's policy that any investment or deposit in excess of the FDIC insured amount must be secured by 110% of an equivalent amount of State or U.S. Obligations, with the exception of the Municipal Competitive Trust, pension trust fund and cemetery trust fund.

At June 30, 2011, the carrying amount of the City's deposits, not including cash on hand, was $47,365,260 and the related bank balances totaled $48,191,633. All bank balances were covered by Federal Depository Insurance or by collateral held by the City's agent in the City's name.

Cash on hand at June 30, 2011 was $5,700.

Primary Government's Investments

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

At June 30, 2011, the City investments included $2,397,075 held in certificates of deposit and $12,977,317 held in the First Union MEAG Flexible Operating Trust. Interest rates for certificates are fixed for the term of the certificate. It is currently the City's policy to not invest in instruments with a variable interest rate, with the exception of the Municipal Competitive Trust (MCT) and the pension fund. The MCT investment is restricted to specific uses, as designated in the operating trust. All of the holdings of the MCT are fixed income (bond) investments and all are either direct obligations of or otherwise guaranteed by the government of the United States or one of its agencies, corporations, or instrumentalities. An institutional US Government Money Market Fund is also used in these accounts and that Fund invests in similar US Government obligations. MCT reports interest rate risk using a duration measure. The pension trust fund is monitored and managed by the Georgia Municipal Association.

Credit Quality Risk – Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the City's policy to invest in non-negotiable certificates of deposit and money market accounts that are covered by FDIC insurance or pledged collateral. The Council has also authorized investments in the MCT and the pension trust. The municipal competitive trust is not rated.

Foreign Currency Risk – The risk that changes in foreign currency exchange rates will adversely affect cash flows or the fair value of hedging derivative instrument or the associated hedged item. The City has not adopted a policy regarding foreign currency risk.

Cash and Investment Reconciliation:

Fund Reporting Level:	Cash and Cash Equivalents	Investments
Governmental Funds - Balance Sheet	$ 32,736,905	$ 2,397,075
Proprietary Fund Type Statement of Net Assets	12,412,924	-
Proprietary Fund Type Statement of Net Assets - Restricted	2,700,082	12,977,317
Total	$ 47,849,911	$ 15,374,392

3-B. Receivables

Receivables at June 30, 2011, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

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

At June 30, 2011, the amount of allowance for uncollectibles was $679,843.

3-C. Property Taxes

Generally, property taxes attach as an enforceable lien on property as of January 1. The City Council levied property taxes October 1, 2010. Property taxes were billed on December 1, 2010 and were payable on February 28, 2011. The lien date was September 15, 2011.

3-D. Component Unit - Special Purpose Local Option Sales Taxes (SPLOST)

SPLOST is to be used for capital outlay for educational purposes and debt service, as described in note 3-I.

3-E. Restricted Assets

The following are the details of the restricted assets for the enterprise funds:

Cash	
Construction Bonds	$ 38,671
Utility Deposits of Customers	1,601,518
Water and Sewerage Debt Service	1,059,893
Total Cash	2,700,082
Investments	
Electric Fund - Flexible Trust Account - MEAG	5,510,595
Electric Fund - Generation Trust Account - MEAG	7,466,722
Total Investments	12,977,317
Total Restricted Assets	$ 15,677,399

3-F. Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Balance 6/30/2010	Additions	Deductions	Balance 6/30/2011
Governmental activities				
Capital assets not being depreciated				
Land	$ 16,310,756	$ 131,916	$ -	$ 16,442,672
Construction in progress	346,734	428,020	325	774,429
Total capital assets not being depreciated	16,657,490	559,936	325	17,217,101
Depreciable capital assets				
Buildings	43,467,234	7,800	-	43,475,034
Improvements other than buildings	8,449,721	22,750	-	8,472,471
Machinery and equipment	7,222,742	42,962	30,276	7,235,428
Infrastructure	23,769,840	-	-	23,769,840
Total depreciable capital assets	82,909,537	73,512	30,276	82,952,773
Total capital assets	99,567,027	633,448	30,601	100,169,874
Accumulated depreciation				
Buildings	12,210,417	913,203	-	13,123,620
Improvements other than buildings	3,012,178	358,894	-	3,371,072
Machinery and equipment	4,662,826	559,955	30,276	5,192,505
Infrastructure	10,675,776	665,673	-	11,341,449
Total accumulated depreciation	30,561,197	2,497,725	30,276	33,028,646
Governmental activities capital assets, net	$ 69,005,830	$ (1,864,277)	$ 325	$ 67,141,228

Governmental activities depreciation expense

General government	$ 18,149
Judicial	5,497
Public safety	369,062
Public works	859,340
Culture and recreation	403,699
Housing and development	14,300
Education	827,678
Total governmental activities depreciation expense	$ 2,497,725

Construction in progress for governmental activities at June 30, 2011 includes the following:

Project Description	Project Authorized	Expended to June 30, 2010	Future Financing
West Calhoun Housing Project	$ 268,396	$ 102,934	$ 165,462
Widening & constuction of roads	200,000	190,075	9,925
School expansion	21,000,000	429,377	20,570,623
Streetscape Phase III	200,000	52,043	147,957
Total	$ 21,668,396	$ 774,429	$ 20,893,967

The following are the changes in the business-type capital assets:

	Balance 7/1/2010	Adjustments	Additions	Deductions	Balance 6/30/2011
Business-type activities					
Nondepreciable capital assets					
Land	$ 7,379,317	$ -	$ 10,000	$ -	$ 7,389,317
Intangibles	46,424	-	-	-	46,424
Construction in progress	8,184,995	-	1,878,593	8,114,720	1,948,868
Total nondepreciable capital assets	15,610,736	-	1,888,593	8,114,720	9,384,609
Depreciable capital assets					
Buildings, plant and tanks	39,842,335	-	157,187	66,505	39,933,017
Improvements other than buildings	5,395,526	-	-	-	5,395,526
Machinery and equipment	22,221,045	3,432	84,172	450,428	21,854,789
Utility systems	91,563,854	(3,432)	10,259,312	-	101,823,166
Total depreciable assets	159,022,760	-	10,500,671	516,933	169,006,498
Total capital assets	174,633,496	-	12,389,264	8,631,653	178,391,107
Accumulated depreciation					
Buildings, plant and tanks	16,890,444	-	821,040	50,986	17,660,498
Improvements other than buildings	3,181,552	-	209,960	-	3,391,512
Machinery and equipment	11,780,342	(4,427)	971,918	450,428	12,306,259
Utility systems	29,824,868	4,427	2,043,026	-	31,863,467
Total accumulated depreciation	61,677,206	-	4,045,944	501,414	65,221,736
Business-type activities capital assets, net	$ 112,956,290	$ -	$ 8,343,320	$ 8,130,239	$ 113,169,371

Construction in progress for business-type activities at June 30, 2011 includes the following:

Foster Glen Sewer Project	$ 34,842	$ 16,519	$ 18,323
Camden Court Sewer Extension	20,500	19,958	542
Brittany Drive Water Plant Renovation	1,935,000	801,817	1,133,183
Avalon Estates	176,200	767	175,433
Park Place-Phase VIII Sewer Extension	7,000	5,984	1,016
Sodium Hypochlorite project	1,200,000	12,842	1,187,158
Water/Sewer Relocate @ I 75 & Hwy. 156	1,647,412	3,892	1,643,520
South River Street Replacement	270,000	167,165	102,835
Interconnection - Bartow County	15,086	15,086	-
Sewer Camera System & trailer	75,000	64,696	10,304
College Street Intersection Water & Sewer Impr.	265,000	263,874	1,126
U.S. 41 @ S.R. 53 Water & Sewer Relocation	410,000	322,683	87,317
Waterline Relocate @ I 75 & Hwy. 136	510,300	939	509,361
College Street Intersection Electric Improvements	79,526	44,600	34,926
DOT Traffic Signal Upgrade	218,000	207,564	10,436
U.S. 41 @ S.R. 53 Relocation of Electric lines	98,000	482	97,518
Total	$ 6,961,866	$ 1,948,868	$ 5,012,998

3-G. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2011, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City expects to repay all interfund balances within one year.

General fund	$ -	$ -	$ -	$ 120,202	$ 3,123,857	3,244,059
Water & sewerage system fund	-	-	-	-	-	-
Electric fund	-	-	188,380	-	-	188,380
Nonmajor enterprise funds	-	-		-	58,720	58,720
Internal service fund	325,330	-		-	-	325,330
Total	$ 325,330	$ -	$ 188,380	$ 120,202	$ 3,182,577	$ 3,816,489

Long-term Balances - The electric system fund originally advanced the telecommunications fund resources to startup this fund. During fiscal 2006, the electric fund advanced an additional $61,968 to the telecommunications fund to finance the purchase of a bucket truck which was paid off in this fiscal year. As of June 30, 2011, the amounts to be repaid, including interest are as follows:

2012	$ 99,435	$ 18,461	$ 117,896
2013	100,935	16,961	117,896
2014	102,457	15,439	117,896
2015	104,003	13,892	117,895
2016	105,571	12,325	117,896
2017-2021	552,234	37,246	589,480
2022-2025	203,258	3,061	206,319
	$ 1,267,893	$ 117,385	$ 1,385,278

During fiscal year 2007, the electric system fund advanced the water & sewerage fund monies to construct the Pine Chapel water project and purchase property at the sewer plant. As of June 30, 2011, the amounts to be repaid, including interest are as follows:

2012	$ 99,562	$ 11,514	$ 111,076
2013	24,877	10,032	34,909
2014	25,527	9,382	34,909
2015	26,195	8,714	34,909
2016	26,880	8,029	34,909
2017-2021	145,321	29,227	174,548
2022-2026	147,832	9,260	157,092
	$ 496,194	$ 86,158	$ 582,352

During fiscal year 2007, the electric system fund advanced the utility internal service fund resources to renovate the building that is now their main location. As of June 30, 2011, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
2012	$ 50,359	$ 29,971	$ 80,330
2013	51,887	28,443	80,330
2014	53,461	26,869	80,330
2015	55,083	25,247	80,330
2016	56,754	23,576	80,330
2017-2021	310,668	90,982	401,650
2022-2026	360,743	40,907	401,650
2027-2031	78,846	1,484	80,330
Total	$ 1,017,801	$ 267,479	$ 1,285,280

Changes in the City's long-term advances from the electric fund consisted of the following for the year ended June 30, 2011:

Advances to:	Outstanding 7/1/2010	Additions	Reductions	Outstanding 6/30/2011	Amounts Due in One Year
Telecommunications fund	$ 1,365,848	$ -	$ 97,955	$ 1,267,893	$ 99,435
Water and sewerage fund	667,126	-	170,932	496,194	99,562
Internal service fund	1,066,677	-	48,876	1,017,801	249,356
Total Advances	$ 3,099,651	$ -	$ 317,763	$ 2,781,888	$ 448,353

Interfund Transfers – The following interfund transfers were made in fiscal year 2011:

	Transfers out						
Transfers in	General fund	Nonmajor governmental funds	Electric system fund	Water & sewerage fund	Nonmajor enterprise funds	Internal service fund	Total
General fund	$ -	$ 140	$ 1,806,969	$ 1,086,665	$ -	$ 39,600	$ 2,933,374
Nonmajor governmental funds	788,498	-	-	-	-	-	788,498
Electric system	200	-	-	-	-	-	200
Water & sewerage	-	487,263	532,930	-	-	-	1,020,193
Nonmajor enterprise funds	74,492	-	-	-	-	-	74,492
Total	$ 863,190	$ 487,403	$ 2,339,899	$ 1,086,665	$ -	$ 39,600	$ 4,816,757

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

Historically, the Mayor and City Council appropriate transfers from City Utilities to the General Fund. A four percent franchise fee and an amount representing the lease of assets is transferred monthly. These transfers are intended to offset public safety/works costs which are impacted by the heavy industrial base present within the city limits of Calhoun.

The Solid Waste fund is required to be accounted in an enterprise fund; however, the mayor and council chose to provide additional funding outside the normal solid waste revenue stream, i.e. through tax dollars. Therefore, a transfer from the General Fund is generally required to completely fund these operations.

3-H. Landfill Post-closure Care

The City's industrial landfill was closed under Georgia Environmental Protection Division (EPD) guidelines in 1992. During that year, eleven ground water monitoring wells and three surface water locators were installed under EPD *Solid Waste Guidelines*. The City has monitored the site and will continue such monitoring, as prescribed by the EPD guidelines. Annual costs associated with these requirements are estimated at $25,000 each year for the remaining six years of required monitoring. This annual estimate is based on costs experienced during the initial years of required monitoring. The liability for these costs is reported in the solid waste fund. In the future, significant economic inflation or deflation, technology or applicable laws or regulations may change future estimates of the liability. The estimate of post-closure liability may change from year to year and the change in estimate is a component of net income in the year of revision.

3-I. Long-Term Debt

The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities, including the renovation and expansion of educational facilities within the City. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City has issued revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Also, the City is obligated for notes payable, capital leases, claims, an unfunded pension plan, and landfill post-closure liabilities. Arbitrage rules apply to the tax-exempt debt issued by the City.

Governmental Activities Debt – The following is a summary of the outstanding debt for the City's governmental activities.

Bonds - On March 9, 2000, the City issued $4,857,800 in Calhoun Recreation Authority refunding revenue bonds at an interest rate of 4.16%. The City issued the bonds to advance refund $4,470,000 of the outstanding series 1992 Calhoun Recreation Authority revenue bonds with interest rates ranging between 4.7% and 6.125%. The bonds from the refunded 1992 issue are fully retired. Annual debt service requirements to amortize the 2000 series bonds at June 30, 2011 are as follows:

Fiscal Year	Principal	Interest	Total
2012	$ 281,800	$ 87,069	$ 368,869
2013	292,300	75,128	367,428
2014	307,300	62,656	369,956
2015	316,700	49,677	366,377
2016	330,600	36,213	366,813
2017-2018	705,200	29,702	734,902
Total	$ 2,233,900	$ 340,445	$ 2,574,345

In fiscal 2002, the City issued $14,995,000, in school general obligation bonds. These bonds bear interest rates ranging from 3% to 5% and mature in December 2021. On February 24, 2003, the City issued an additional $5,000,000 in school general obligation bonds. The bonds bear interest at rates ranging from 3.5% to 4.25% and mature in October 2021. These bonds are being used to finance construction for the City's schools and will be repaid, in part, from special sales taxes currently approved and being assessed within the City.

In fiscal 2011, the City issued $21,000,000 in school general obligation bonds. These bonds bear interest at a rate of 5.12% and mature in September 2025. These bonds are being used to finance construction for the City's schools and will be repaid, in part, from special sales taxes currently approved and being assessed within the City.

Annual debt service requirements to amortize the school bonds at June 30, 2011 are as follows:

Fiscal Year	Principal	Interest	Total
2012	$ 635,000	$ 1,266,552	$ 1,901,552
2013	695,000	1,458,089	2,153,089
2014	765,000	1,429,259	2,194,259
2015	840,000	1,396,766	2,236,766
2016	915,000	1,360,316	2,275,316
2017-2021	5,955,000	6,091,150	12,046,150
2022-2026	22,515,000	3,131,586	25,646,586
Total	$ 32,320,000	$ 16,133,718	$ 48,453,718

Capital Leases –In fiscal year 2007, the City entered into a capital lease for a new fleet of police patrol cars. The financing period is 5 years at a 4.03% interest rate. Cost of the patrol cars total $696,540. In fiscal 2008, the City entered into a capital lease for a fire platform truck in the amount of $694,872. The financing period is 7 years at an interest rate of 3.58%. In fiscal year 2009, the City entered into a capital lease for a fire pumper truck in the amount of $392,733 for a period of 7 years at 3.6%.

Annual debt service requirements to amortize these capital leases at June 30, 2011 are as follows:

Fiscal Year	Principal	Interest	Total
2012	$ 181,639	$ 19,951	$ 201,590
2013	161,780	14,133	175,913
2014	167,676	8,237	175,913
2015	117,188	2,546	119,734
2016	21,029	158	21,187
Total	$ 649,312	$ 45,025	$ 694,337

The assets acquired through these capital leases are as follows:

Asset	Governmental Activities
Machinery and equipment	$ 1,784,145
Less: accumulated depreciation	(868,273)
Total	$ 915,872

Business-type Activities Debt – The following is a summary of the outstanding debt for the City's business-type activities.

Bonds – On June 11, 2001, the City issued $8,905,000 in Water and Sewerage Revenue Refunding Bonds with interest rates ranging between 2.75% and 5.0%. The City issued the bonds to advance refund $1,865,000 of the outstanding 1980A series revenue bonds with a 5% interest rate; $1,990,000 of the outstanding 1992 refunding series revenue bonds with interest rates ranging from 4.75% to 6.35%; and to prepay $4,728,314 of outstanding Georgia Environmental Facilities Authority loans with interest rates ranging between 5.3% and 6.7%. No debt remains outstanding on these refunded issues at June 30, 2011.

Annual debt service requirements to amortize these bonds at June 30, 2011 are as follows:

Fiscal Year	Principal	Interest	Total
2012	$ 240,000	$ 75,955	$ 315,955
2013	225,000	65,155	290,155
2014	165,000	54,805	219,805
2015	170,000	45,050	215,050
2016	175,000	38,890	213,890
2017-2020	610,000	74,065	684,065
Total	$ 1,585,000	$ 353,920	$ 1,938,920

On July 15, 2004, the City issued Water and Sewerage Revenue Refunding Bonds, Series 2003 in the amount of $4,125,000. Proceeds from this issue repaid a temporary loan from March 2004 in the amount of $4,025,000, used to purchase approximately 100 acres and a spring known as "Big Springs." This purchase was to provide additional water resources for the future of the City of Calhoun. The issue is a private placement issue and bears interest at a rate of 3.6%.

Maturities and debt service requirements remaining on the bond issue at June 30, 2011 are as follows:

Fiscal Year	Principal	Interest	Total
2012	$ 190,000	$ 101,700	$ 291,700
2013	200,000	94,860	294,860
2014	205,000	87,660	292,660
2015	215,000	80,280	295,280
2016	220,000	72,540	292,540
2017-2021	1,235,000	237,240	1,472,240
2022-2023	560,000	30,420	590,420
Total	$ 2,825,000	$ 704,700	$ 3,529,700

On April 14, 2008, the City issued Water and Sewerage Revenue Refunding Bonds, Series 2008 in the amount of $4,775,000. Proceeds from this issue prepaid GEFA loans in the amount of $981,486 with interest rates ranging between 4.8% and 5.12% and will also finance the construction of the automated meter reading system. The issue is a private placement issue and bears interest at a rate of 2.396%. There was a total savings on this refunding of $130,623. The present value of this savings is $97,621 and this is 9.95% of the refunded GEFA loans.

Maturities and debt service requirements remaining on the bond issue at June 30, 2011 are as follows:

2012	$ 975,000	$ 47,321	$ 1,022,321
2013	1,000,000	23,960	1,023,960
Total	$ 1,975,000	$ 71,281	$ 2,046,281

Combined debt service requirements on business type activity bonds are as follows:

Fiscal Year	Principal	Interest	Total
2012	$ 1,405,000	$ 224,976	$ 1,629,976
2013	1,425,000	183,975	1,608,975
2014	370,000	142,465	512,465
2015	385,000	125,330	510,330
2016	395,000	111,430	506,430
2017-2021	1,845,000	311,305	2,156,305
2022-2024	560,000	30,420	590,420
	$ 6,385,000	$ 1,129,901	$ 7,514,901

Notes Payable-The City has obtained loans from the Georgia Environmental Facilities Authority and the State Revolving Loan Fund for various water and sewer improvements, renovations and expansion. Details of the various loans are as follows:

Georgia Environmental Facilities Authority									
3.00%	19,215	1/1/2004	5/28/2002	3,350,649	8/1/2024	$ 2,658,925	$ -	$ 152,914	$ 2,506,011
3.88%	19,235	10/1/2005	9/2/2004	3,207,598	9/1/2025	2,653,519	-	130,158	2,523,361
3.92%	8,909	4/1/2006	2/28/2006	1,480,396	3/1/2026	1,254,772	-	58,752	1,196,020
3.00%	11,835	5/1/2009	2/6/2003	2,133,992	4/1/2029	2,041,500	-	81,899	1,959,601
3.00%	5,792	4/1/2011	3/5/2010	599,848	3/1/2021	1,407,250	92,598	912,910	586,938
2.00%	N/A	N/A	N/A	N/A	N/A	-	627,662	-	627,662
State Revolving Loan Fund									
2.00%	32,168	9/1/1991	5/15/1989	6,359,995	6/1/2011	381,751	-	381,751	-
4.00%	19,018	11/1/1993	1/13/1992	3,140,186	8/1/2013	677,641	-	204,829	472,812
4.00%	66,622	12/1/1998	2/12/1996	10,718,570	9/1/2018	5,608,808	-	585,751	5,023,057
3.00%	86,322	6/1/2007	2/28/2007	5,178,828	3/1/2007	4,533,028	-	211,665	4,321,363
TOTAL						$ 21,217,194	$ 720,260	$ 2,720,629	$ 19,216,825

The following shows the required debt service for future years on the GEFA/SRF loans:

Fiscal Year	Principal	Interest	Total
2012	$ 2,158,916	$ 634,116	$ 2,793,032
2013	1,589,264	563,552	2,152,816
2014	1,454,648	567,747	2,022,395
2015	1,468,708	455,895	1,924,603
2016	1,522,162	402,442	1,924,604
2017-2021	6,153,785	1,252,170	7,405,955
2022-2026	4,228,909	426,885	4,655,794
2027-2031	640,433	20,925	661,358
	$ 19,216,825	$ 4,323,732	$ 23,540,557

Landfill Post-closure Care

As described in detail in note 3-H, the City's industrial landfill was closed under Georgia Environmental Protection Division (EPD) guidelines in 1992. Estimated maturities of the post-closure costs recorded as long-term debt in the solid waste enterprise fund are as follows:

Fiscal Year	Principal	Interest	Total
2012	$ 22,643	$ 2,357	$ 25,000
2013	23,096	1,904	25,000
2014	23,558	1,442	25,000
2015	24,029	971	25,000
2016	24,510	490	25,000
	$ 117,836	$ 7,164	$ 125,000

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended June 30, 2011:

Governmental Activities	Outstanding 7/1/2010	Additions	Reductions	Outstanding 6/30/2011	Amounts Due in One Year
Revenue bonds	$ 2,504,800	$ -	$ 270,900	$ 2,233,900	$ 281,800
School bonds	11,895,000	21,000,000	575,000	32,320,000	635,000
Capital leases	949,655	-	300,343	649,312	181,639
Claims	88,761	-	3,033	85,728	5,500
Compensated absences	306,092	271,793	275,483	302,402	302,402
Pension liability	370,876	23,707	-	394,583	-
Total Governmental Activities	$ 16,115,184	$ 21,295,500	$ 1,424,759	35,985,925	1,406,341
Less Deferred Bond Related Items				(144,376)	-
Net Governmental Activities				$ 35,841,549	$ 1,406,341
Business-Type Activities					
Revenue bonds	$ 8,115,000	$ -	$ 1,730,000	$ 6,385,000	$ 1,405,000
GEFA/SRF loans	21,217,194	720,260	2,720,629	19,216,825	2,158,916
Estimated landfill closure costs	140,035	-	22,199	117,836	22,643
Compensated absences	214,182	206,318	192,764	227,736	227,736
Pension liability	445,073	-	51,449	393,624	-
Total Business-Type Activities	$ 30,131,484	$ 926,578	$ 4,717,041	26,341,021	3,814,295
Less Deferred Bond Related Items				(123,132)	(26,760)
Net Business-Type Activities				$ 26,217,889	$ 3,787,535

The Recreation Authority revenue bonds principal and interest are paid by the general fund transferring resources to the debt service funds. The school bonds principal and interest are paid by the school bonds debt service fund. The governmental activities

capital leases are being repaid from the general fund. Claims and pension liabilities are being repaid from the general fund and the water and sewerage funds. Amounts on landfill closure costs are being repaid from the solid waste enterprise fund. Principal and interest payments related to the City's water & sewerage system enterprise fund are financed from income derived from the operation of the water and sewerage system.

3-J. Pension Plans

Primary Government

The City participates in four pension plans, three of which became effective July 1, 2004, and which effectively replaced the City of Calhoun Employees' Pension Plan adopted by the City in 1981, as amended in 1996. The fourth plan is the City Charter Unfunded Retirement Plan which includes retired employees who chose to remain in this plan in 1981 when the City of Calhoun Employees' Pension Plan was established.

Plans Administered through the Georgia Municipal Association

This plan is a defined benefit plan that covers all full-time City employees (30 hours weekly or more) who have been employed for one year or more, plus current elected officials. The plan goes forward covering service from July 1, 2003, plus it will cover current employees with service prior to July 1, 1981. Normal retirement age will be 65, with 5 years of credited service. Early retirement age will be 55, with 10 years of credited service, and benefits will be lower than those paid to employees retiring at normal retirement age. The benefit formula for regular employees will be 1.5% of wages contributed by the City. The benefit level for elected officials will be $50 per year of service, with a cap not to exceed 100% of final base wages. The plan will be funded 100% by the City. This plan is not eligible for roll-over.

Plan Description - The City's defined benefit pension plan, the City of Calhoun Retirement Plan (the "Plan"), provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (the "System"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. The City is assigned the authority to establish and amend benefit provisions of the Plan. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Funding Policy - Employees are not required to contribute to the Plan. The City is required to contribute at an actuarially determined rate. The minimum annual contribution requirements of the City are established by Public Retirement Systems Standards Law (Georgia Code Section 47-20-10).

Annual Pension Cost and Net Pension Obligation - For 2011, the City's annual pension cost of $744,457 for the plan was equal to the City's required and actual contributions, based on fiscal year, which differs from the actuarial year. The actuarial valuation date was changed from March 1 to January 1 in fiscal year 2010. The required contribution was determined as part of the January 1, 2011, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return and (b) projected salary increases of 3.5% per year for inflation. The asset valuation method is the sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years. The remaining amortization period varies for the bases, with a net effective amortization period of 15 years. These amortization periods, if applicable, are closed for this plan year. The amortization method is closed level dollar.

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
3/1/2006	1,238,987	2,232,214	55.5%	993,227	8,530,446	11.6%
3/1/2007	1,841,950	2,988,371	61.6%	1,146,421	9,115,481	12.6%
3/1/2008	2,547,455	3,790,074	67.2%	1,242,619	9,364,641	13.3%
3/1/2009	2,744,491	4,617,225	59.4%	1,872,734	10,490,318	17.9%
1/1/2010	3,816,264	5,301,253	72.0%	1,484,989	10,295,999	14.4%
1/1/2011	4,717,707	6,120,497	77.08%	1,402,790	10,106,966	13.88%

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	Annual Pension Cost	Percentage Contributed
3/1/2008	646,701	100%	631,899	100%
1/1/2009	757,724	100%	735,285	100%
1/1/2010	756,671	100%	744,457	100%

Participation in this plan is comprised of the following as of the valuation date of January 1, 2011:

Retirees and beneficiaries receiving benefits	27
Terminated plan members entitled to, but not yet receiving benefits	29
Active plan members	272
Total	328

Defined Contribution Plan – This pension plan is a defined contribution plan, which allowed roll-over of the plan assets at June 30, 2003, from the plan administered by AmSouth Bank in Birmingham, Alabama, which was the City's primary plan through June 30, 2003. The employees did not make additional contributions to these funds after June 30, 2003; however, the City provided the final matching amount for fiscal year ended June 30, 2003, during fiscal 2004 in the amount of $371,444. The plan was effective as of July 1, 2003, and upon transfer, the funds were invested at GMA in the Citistreet Program with investments being directed by the employee. No new funds, other than earnings, are paid into the plan. The plan will accept the current life insurance policies, and GMA will administer these as part of the plan. The plan is eligible for rollover at termination or retirement.

Deferred Compensation Plan - The third plan is the 457(b) plan of deferred compensation that will be funded 100% by the employees. The plan calls for volunteer contribution up to the levels allowed by the IRS. The cost of the plan will be borne by the participating employees. The funds will be invested under the Citistreet Program at GMA, and the employee will direct such investments. The employee will have a "one-time" opportunity to buy whole life insurance without a physical when joining the plan. The plan is portable and eligible for rollover.

City Charter Unfunded Retirement Plan - Single Employer Defined Benefit Pension Plan

Plan Description. Contribution Information and Funding Policies - Prior to the adoption of the City of Calhoun Employees' Pension Plan, the City Charter provided that an employee with thirty years of service should be retired and receive a pension at a rate of 60 percent of the highest pay per year. Benefits are funded via annual budget appropriations. The amounts are disbursed on a weekly basis, and are reflected as contributions made and benefits paid in plan financial statements. The Charter did not require payments to beneficiaries. The Charter did not mandate any funding requirements, i.e., employer/employee contributions. Upon the adoption of the new plan, effective July 1, 1981, employees made irrevocable decisions regarding their plan choice. Only current covered employees are eligible for coverage.

Participation in this plan is comprised of the following:

		June 30, 2011
Retirees Currently Receiving Benefits:		
General government	2	
Culture and recreation	1	
Electric system	1	
Water and sewerage system	1	
Solid waste	2	
Total Retirees Currently Receiving Benefits		7
Active Employees - Fully Vested		---
Active Employees - Nonvested		---
Terminated Employees, entitled to benefits, but not yet receiving benefits		---

Plan Assets, Annual Pension Cost and Net Pension Obligation - There are no assets legally reserved for future funding of the obligations associated with this defined benefit plan. All obligations, including administrative costs, of the plan are paid in conjunction with appropriated annual budgets of funds, which experience costs associated with this plan. The plan is reported in the City's financial statements as a pension trust fund and the actuarial valuation is available as a separate report. A separate audited financial report is not available. Current year annual pension costs for the plan previously provided in the City Charter are shown below. Actuarial valuations are performed annually to determine the pension costs and associated net pension obligation resulting from the "pay as you go" funding called for in the charter. Benefits are recognized when due and payable in accordance with the terms of the plan. Actuarial gains and losses are amortized over a 5 year period. The unfunded actuarial accrued liability was restated in 2007 and is also being amortized over a 5 year period. An assumption change occurred in 2008 and is being amortized over a 10 year period. Administrative costs are financed from the fund applicable to each participant. Trend information for the previous years is shown below:

Fiscal Year	Pension Costs (ARC Adjusted)	Employer Actual Plan Contributions	% of Pension Costs Contributed	Net Pension Obligation
2011	$ 121,521	$ 149,263	123%	$ 788,207
2010	123,168	167,306	136%	815,949
2009	109,603	171,646	157%	860,087
2008	93,002	171,646	185%	922,130
2007	104,300	171,646	165%	1,000,774
2006	129,896	183,460	141%	1,068,120

The pension costs for fiscal year ended June 30, 2011 are comprised of the annual required contribution (ARC), interest on the net pension obligation and adjustments to the ARC. The net pension obligation at June 30, 2011 is as follows:

Net pension obligation, beginning of year	$ 815,949
Annual pension cost	
Annual required contribution (ARC)	91,868
Interest on net pension obligation	29,653
Pension costs	121,521
Employer contributions	(149,263)
Increase (decrease) in net pension obligation	(27,742)
Net pension obligation, end of year	$ 788,207

The schedule of funding progress is associated with this plan is listed below:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
6/30/2006	-	1,107,264	0.0%	1,107,264	-	-
6/30/2007	-	1,191,569	0.0%	1,191,569	-	-
6/30/2008	-	1,286,024	0.0%	1,286,024	-	-
6/30/2009	-	1,233,436	0.0%	1,233,436	-	-
6/30/2010	-	1,111,036	0.0%	1,111,036	-	-
6/30/2011	-	970,093	0.0%	970,093	-	-

The following are the actuarial assumptions used in this plan:

Actuarial valuation date	6/30/2011
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return	4%
Projected salary increases	No Active Employees
Inflation	None
Post employment retirement increases	None
Mortality	Unix's Pension 1984 Mortality Table

3-K. Invested in Capital Assets, Net of Related Debt

Net assets on the government-wide statement of net assets as of June 30, 2011 are as follows:

Investments in capital assets, net of related debt:	Governmental Activities	Business Type Activities
Cost of capital assets	$ 100,169,874	$ 178,391,107
Less accumulated depreciation	33,028,646	65,221,736
Book value	67,141,228	113,169,371
Less capital related debt, net of deferred refunding amounts, bond premiums and discounts	(35,058,836)	(25,478,693)
Add debt proceeds unspent at fiscal year end	20,256,201	-
Investments in capital assets, net of related debt	$ 52,338,593	$ 87,690,678

Note 4 - Other Notes

4-A. Risk Management

The City maintains liability insurance coverage with traditional carriers for group insurance coverage, public official liability, comprehensive law enforcement liability, commercial auto and uninsured motorists, property, public employee dishonesty,

commercial general liability, and public official bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Coverage for workers' compensation is provided through the Georgia Municipal Association (GMA) Workers' Compensation Self-Insurance Fund which is a group self-insured program authorized by state statute and administered by GMA. The fund was created in 1982 to provide workers' compensation statutory coverage to local government entities in Georgia. The fund is the largest source of workers' compensation coverage for municipal governments in Georgia with nearly 540 members. Municipalities, municipal authorities and commissions, housing authorities, regional development centers, and municipal school districts are eligible to participate in the fund. The premiums paid by the City to the fund are expensed. Other than normal audits associated with workers' compensation coverage, the risk pool has made no additional assessments to its participants since its formation. However, the legislation permitting the formation of the fund does provide for assessment of the fund's membership if contributions and surplus are not sufficient to meet operating expenses or claim loss expenses.

4-B. Subsequent Events

Subsequent to year end, Calhoun Utilities issued $6,525,000 of bonds to refund the Series 2001 Water and Sewer Bonds and to refund an SRF loan with an outstanding balance of $4,955,000. These bonds were issued for a term of nine years at 1.935% at a total savings to the Utilities in excess of $430,000.

4-C. Contingent Liabilities

Grants - Amounts received or receivable from grantor agencies are, subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Lawsuits - The City was a defendant in lawsuits at June 30, 2011. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

MEAG - The City, together with 47 other cities and one county in the State, has entered into Power Sales Contracts dated March 1, 1976 with the Municipal Electric Authority of Georgia (MEAG) under which the City purchases certain power and energy for resale to its electric system customers. Under the contract entitlement, if the City were unable to purchase budgeted power, MEAG would be obligated to make a good faith effort to sell the power elsewhere. If MEAG were unable to sell the power at a price above its cost, the difference would be an obligation of the City. The contracts are agreements to pay the cost of generating power budgeted for the City. The obligation to pay MEAG certain amounts, whether or not power and energy are received, is a general obligation of the City to which its full faith and credit are pledged. If payments under the Power Sales Contracts are not made from revenues of the electric distribution system, the City is required under the contracts to include in its general revenue or appropriation measures sums sufficient together with other available revenues to make such payments. During the fiscal year, the City purchased electric power under these contracts for a total cost of $23,377,779 net of off-system sales which reduced costs. Rebates of $511,957 are reflected in the net power purchases of $22,865,822.

On February 22, 1999, the City approved a resolution adopting the provisions of a Municipal Competitive Trust agreement between the City and MEAG. MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers (Cities) who elect to become participants. The Trust was created to provide a means to mitigate the expected differential between "after deregulation" market rates for power and the associated costs of generating that power.

The Trust originally created three types of accounts that are held by MEAG in the name of the City. The flexible operating trust account includes funds that are available to the City for operating costs and rate stabilization. As of June 30, 2011, the balance in this account was $3,622,842. The City of Calhoun also contributed to the generation trust account which has been established to set aside funds to provide generation for the future. As of June 30, 2011, the balance in this account was $1,804,917 for a total of $5,427,759 to be included in restricted investments in the electric fund.

The funds in the credit support operating account are restricted for use to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs. The funds in the reserve funded debt account can be only applied to charges related to MEAG's bond obligations. The balance of these accounts at June 30, 2011, was $5,564,126 and $9,287,796, respectively. Due to the restrictive nature of these funds, neither is shown in the cash balance for the electric fund. The intermediate generation trust account provides a more restricted investment account to provide for future generation and the

balance of that account at June 30, 2011 is $7,466,722. This account has been included on the City's books, but is only available for very restricted purposes. The intermediate flexible operating trust account has a balance of $82,836 as of June 30 and is somewhat restrictive in nature, but the funds are available for a variety of uses, thus this account is included on the Electric funds books.

In March 2008 the City voted and signed contracts for the City to participate in the expansion of two additional generating units at Plant Vogtle thus obligating the City to future debt through MEAG in the purchase of approximately 25 megawatts of capacity. This generation is estimated to cost approximately $3,140 per kW at present value and is estimated that it will cost approximately $6,200 in the year 2016. The City has secured power sales agreements with other entities that will cover a substantial portion of this obligation. The City of Calhoun will maintain 10 megawatts through the life of the project and 15 megawatts were sold through a purchased power agreement for twenty years. Our allotted capacity will secure a future power resource in 2016 which should accommodate the community's power needs for the next 30 to 35 years.

Airport Authority - On July 8, 1996, the City and Gordon County, GA entered into an equipment purchase agreement with the Calhoun-Gordon County Airport Authority as joint lessees. The agreement was to finance fourteen T-hangars at the local airport. The City and Gordon County entered with the Airport Authority in order to guarantee financing. The lease purchase calls for monthly payments of $1,750 totaling $362,250, maturing in a seventeen year period. The interest rate on the obligation is 6.25%. The Authority is responsible for making payments as required by the agreement from hangar rental fees.

4-D. Related Organizations

The City of Calhoun, Georgia, Housing Authority: The Housing Authority has been established under federal laws to carry on activities within the City. The City does appoint board members at the recommendation of the existing board but provides no financing or participation in management or operating decisions of the Authority. The Authority issues separate, audited financial statements with a March 31 fiscal year.

4-E. Joint Ventures

Northwest Georgia Regional Commission: Under Georgia law, the City in conjunction with other cities and counties in the Northwest Georgia area, is a member of the Northwest Georgia Regional Commission (NWGRC). Membership in NWGRC is required by the Official Code of Georgia Annotated (OCGA) section 50-8-34 which provides for the organizational structure of the NWGRC. Membership in the NWGRC includes the chief elected of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a NWGRC. During fiscal year 2011, the City paid dues in the amount of $14,740 to the NWGRC. Separate financial statements may be obtained from the Northwest Georgia Regional Commission, 1 Jackson Hill Drive, Rome, Georgia 30162.

The Calhoun-Gordon County Library: The Calhoun-Gordon County Library is a part of the Dalton, Georgia Regional Library System. This system consists of boards from four member counties. Of the five board members comprising the Gordon County Library Board, one is an appointee of the City. Other board members represent appointees from the City and County school boards and the Gordon County Board of Commissioners. The library board retains asset/equity ownership. The City, local school boards and the Gordon County Board of Commissioners make regular contributions to the Calhoun-Gordon County Library Board. Though the City does provide various support services for the library, the City's ability to significantly influence operations is moderate or comparable in relation to influences of other governments involved. Payments/expenditures to/for the library for the fiscal year ended June 30, 2011, were $125,249. The library issues an annual list of cash receipts and disbursements on a June 30 fiscal year basis. Separate schedules may be obtained from the Calhoun-Gordon County Library, 100 N Park Avenue, Calhoun, GA 30701.

The Calhoun-Gordon County Airport Authority: This Authority is a legally separate entity with full corporate powers, including power to establish rates necessary to finance any debt the Authority might incur. The City and Gordon County, Georgia appoint members of the Airport Authority. The City shares appointment powers with the County equally. The City does not significantly influence operations with contributions in excess of the County. The City and County participate in providing local funding when the Authority is recipient of grants that require matching funding. Both the City and County have entered into agreements to participate as joint lessees in order to guarantee certain debt of the Authority. Additionally, on August 1, 2001, the City, along with Gordon County, entered into an intergovernmental contract with the Calhoun-Gordon County Airport Authority. In the contract, the City and County each agree to provide one-half the debt service payments required on the Authority's 2001 bond issue. The issue, with total debt principal of $685,000, financed construction of a new airport terminal. Debt service requirements

total $64,088, per year through the fiscal year 2016. The City's portion (one-half) of the annual debt service is $32,044. The airport is leased to and operated by a for-profit entity. Total expenditures for the Airport Authority for fiscal 2011 were $94,068. Separate financial statements may be obtained from the Calhoun-Gordon County Airport Authority, 1957 Hwy. 41 South, Calhoun, GA 30701.

4-F. Hotel-Motel Lodging Tax

The City of Calhoun levies a 5% Hotel/Motel tax in accordance with OCGA 48-13-51. Amounts levied in excess of 3% (40% of the taxes levied) are expended for the purpose of promoting tourism in accordance with OCGA 48-13-51 (a) (3).

		Tax Rate	% of Receipts		Total
Lodging Tax Receipts					$ 283,546
Disbursements					
Gordon County Chamber of Commerce	Tourism	2%	40%	$ 113,418	
Gordon County Chamber of Commerce	Economic Development	1%	20%	56,709	
Gordon County Industrial Development Authority	Economic Development	2%	40%	113,418	(283,546)
		5%	100%		
Difference					$ -

SUPPLEMENTARY INFORMATION

GENERAL FUND
INDIVIDUAL FUND STATEMENTS

The general fund accounts for all financial resources except for those required to be accounted for in another fund.

City of Calhoun, Georgia
General Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 2,463,575	$ 1,750,483
Investments	-	3,161,690
Receivables (net)		
Property taxes	122,781	135,539
Franchise taxes	112,469	108,848
Other taxes	36,710	36,206
Accounts	16,425	16,166
Fines	823,196	637,057
Intergovernmental		
Federal	10,240	20,071
State	963,663	804,078
County	36,884	55,062
Authorities	46,552	55,723
Interfund	3,244,059	95,192
Prepaid items	465,476	509,437
Total Assets	$ 8,342,030	$ 7,385,552
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 25,844	$ 81,098
Accrued payroll liabilities	797	2,339
Accrued expenditures	214,011	74,708
Interfund payable	325,330	31,150
Deferred revenue	961,335	752,707
Total Liabilities	1,527,317	942,002
Fund Balances		
Nonspendable		
Prepaid items	465,476	509,437
Committed		
Working capital/contingencies	4,000,757	3,740,089
Unassigned	2,348,480	2,194,024
Total Fund Balances	6,814,713	6,443,550
Total Liabilities and Fund Balances	$ 8,342,030	$ 7,385,552

City of Calhoun, Georgia
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Property taxes	$ 1,250,797	$ 1,273,387
Sales taxes	2,102,232	1,943,141
Other taxes	4,014,346	3,654,839
Intergovernmental	490,327	610,441
Licenses and permits	201,293	219,490
Charges for services	189,173	215,463
Fines and forfeitures	537,880	554,815
Contributions	783	1,393
Investment earnings	13,974	55,829
Miscellaneous	16,612	19,596
Total Revenues	8,817,417	8,548,394
Expenditures		
Current		
General government	927,518	897,578
Judicial	364,090	363,530
Public safety	6,193,271	6,338,472
Public works	1,763,779	2,048,529
Health and welfare	58,678	63,698
Culture and recreation	311,726	333,563
Housing and economic development	582,429	619,849
Debt Service		
Principal retirement	300,343	289,137
Interest and fiscal charges	29,633	40,838
Total Expenditures	10,531,467	10,995,194
(Deficiency) of Revenues (Under) Expenditures	(1,714,050)	(2,446,800)
Other Financing Sources (Uses)		
Sale of capital assets	15,029	39,482
Transfers in	2,933,374	2,476,072
Transfers out	(863,190)	(882,001)
Total Other Financing Sources	2,085,213	1,633,553
Net Change in Fund Balances	371,163	(813,247)
Fund Balances Beginning of Year	6,443,550	7,256,797
Fund Balances End of Year	$ 6,814,713	$ 6,443,550

NONMAJOR GOVERNMENTAL FUNDS
COMBINING AND INDIVIDUAL FUND STATEMENTS

Special revenue funds are used to account for specific revenue sources that are restricted to expenditures for specific purposes.

Urban Development Action Grant Fund- to account for the Revolving Loan grant used to make low-interest loans to local businesses and promote growth.

Home Investment Partnership Act Fund- to account for transactions relating to loans assigned to the City by the Georgia Department of Community Affairs.

Confiscated Assets Fund- accounts for police seizures and expenditures according to Georgia law.

West Calhoun Grant Fund- accounts for a CDBG grant to redevelop the West Calhoun area.

Hotel/Motel Tax Fund- to account for the collection and disburement of hotel/motel taxes.

School Tax Fund- to account for School tax collections and expenditures paid directly on behalf of the School, with remaining collections transferred to the School monthly.

Recreation Fund- to account for sports programs and recreational activites offered to City residents.

Debt service funds are used to account for the accumulation of resources and the payment of principal and interest on long term general obligation debt.

Revenue Bond Debt Service Fund- to account for debt service of Calhoun Recreation Authority revenue bonds.

School Bond Debt Service Fund- to account for the debt service of the City School Board of Education.

Capital project funds are established for the construction or purchase of significant capital assets used by governmental funds only.

County SPLOST Fund- to account for SPLOST revenues and recreation and park capital expenditures.

2005 SPLOST Fund- to account for SPLOST revenues and capital outlay for water and sewer projects and public safety improvements.

School SPLOST Fund- to account for ESPLOST revenues approved for capital outlay for the City Schools.

City of Calhoun, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2011
(With Comparative Totals at June 30, 2010)

	2011				2010
	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	$ 759,960	$ 4,691,056	24,822,314	$ 30,273,330	$ 4,053,502
Investments	-	2,397,075	-	2,397,075	4,555,623
Receivables					
Property taxes	1,075,817	-	-	1,075,817	1,205,239
Other taxes	25,251	-	-	25,251	27,356
Accounts receivable	25	-	-	25	1,950
Intergovernmental	-	-	646,911	646,911	584,584
Interest	6,165	-	-	6,165	14,686
Loans	247,114	-	-	247,114	1,660,145
Loans- noncurrent	1,104,161			1,104,161	-
Due from component unit	-	231,160	-	231,160	247,412
Prepaid items	55,232	-	-	55,232	56,043
Total Assets	$ 3,273,725	$ 7,319,291	$ 25,469,225	$ 36,062,241	$ 12,406,540
Liabilities and Fund Balances (Deficits)					
Liabilities					
Accounts payable	$ 100,787	$ -	$ 88,059	$ 188,846	$ 167,843
Accrued expenditures	42,622	-	-	42,622	31,791
Due to component unit	121,277	-	-	121,277	121,277
Interfund payable	-	-	-	-	140,746
Deferred revenue	995,281	-	-	995,281	1,084,547
Total Liabilities	1,259,967	-	88,059	1,348,026	1,546,204
Fund Balances (Deficits)					
Nonspendable					
Prepaid items	55,232	-	-	55,232	56,043
Restricted					
Debt service	-	7,319,291	-	7,319,291	5,618,986
Capital projects	-	-	25,381,166	25,381,166	3,197,082
Program purposes					
Education	32,667	-	-	32,667	67,644
Housing and development	1,819,780	-	-	1,819,780	1,802,754
Public safety	110,469	-	-	110,469	119,212
Unassigned (deficits), reported in					
Special revenue funds	(4,390)	-	-	(4,390)	(1,385)
Total Fund Balances (Deficits)	2,013,758	7,319,291	25,381,166	34,714,215	10,860,336
Total Liabilities and Fund Balances (Deficits)	$ 3,273,725	$ 7,319,291	$ 25,469,225	$ 36,062,241	$ 12,406,540

City of Calhoun, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Fiscal Years Ended June 30, 2011 and 2010

	2011				2010
	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds	Total Nonmajor Governmental Funds
Revenues					
Property taxes	$ 64,341	$ -	$ -	$ 64,341	$ 112,978
Hotel/motel taxes	283,546	-	-	283,546	272,607
Intergovernmental	430,388	2,746,784	2,439,859	5,617,031	5,777,919
Charges for services	215,276	-	-	215,276	159,990
Fines and forfeitures	18,133	-	-	18,133	33,791
Investment earnings	30,184	32,502	18,218	80,904	89,376
Miscellaneous	32,170	-	-	32,170	15,501
Total Revenues	1,074,038	2,779,286	2,458,077	6,311,401	6,462,162
Expenditures					
Current					
Public safety	27,024	-	39,500	66,524	56,527
Culture and recreation	1,003,916	-	-	1,003,916	854,719
Housing and economic development	392,038	-	-	392,038	403,298
Education	99,103	-	-	99,103	112,978
Capital Outlay	-	-	410,053	410,053	397,010
Debt Service					
Principal retirement	-	845,900	-	845,900	779,500
Interest and fiscal charges	-	604,046	-	604,046	635,679
Bond issuance costs	-	-	190,037	190,037	-
Total Expenditures	1,522,081	1,449,946	639,590	3,611,617	3,239,711
Excess (Deficiency) of Revenues Over (Under) Expenditures	(448,043)	1,329,340	1,818,487	2,699,784	3,222,451
Other Financing Sources (Uses)					
Proceeds of bond issuance	-	-	21,000,000	21,000,000	-
Discount on bond issuance	-	-	(147,000)	(147,000)	-
Transfers in	417,533	370,965	-	788,498	875,001
Transfers out	-	-	(487,403)	(487,403)	(1,736,590)
Total Other Financing Sources (Uses)	417,533	370,965	20,365,597	21,154,095	(861,589)
Net Change in Fund Balances	(30,510)	1,700,305	22,184,084	23,853,879	2,360,862
Fund Balances (Deficits) Beginning of Year	2,044,268	5,618,986	3,197,082	10,860,336	8,499,474
Fund Balances (Deficits) End of Year	$ 2,013,758	$ 7,319,291	$ 25,381,166	$ 34,714,215	$ 10,860,336

City of Calhoun, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011
(With Comparative Totals at June 30, 2010)

	2011								2010
	Urban Development Action Grant	Home Investment Partnership	Confiscated Assets	West Calhoun Grant	Hotel/Motel Tax	School Tax	Recreation	Total Nonmajor Special Revenue Funds	Total Nonmajor Special Revenue Funds
Assets									
Cash and cash equivalents	$ 479,603	$ -	$ 189,438	$ 2,351	$ -	$ 61,004	$ 27,564	$ 759,960	$ 474,948
Receivables									
Property taxes	-	-	-	-	-	1,075,817	-	1,075,817	1,205,239
Other taxes	-	-	-	-	25,251	-	-	25,251	27,356
Accounts receivable	-	-	-	-	-	-	25	25	1,950
Interest	6,165	-	-	-	-	-	-	6,165	9,191
Loans	227,500	19,614	-	-	-	-	-	247,114	1,660,145
Loans- noncurrent	1,104,161							1,104,161	-
Due from component unit	-	-	-	-	-	-	-	-	17,979
Prepaid items	-	-	-	-	-	49,091	6,141	55,232	56,043
Total Assets	$ 1,817,429	$ 19,614	$ 189,438	$ 2,351	$ 25,251	$ 1,185,912	$ 33,730	$ 3,273,725	$ 3,452,851
Liabilities and Fund Balances (Deficits)									
Liabilities									
Accounts payable	$ -	$ -	$ 78,969	$ -	$ -	$ 7,210	$ 14,608	$ 100,787	$ 167,835
Accrued expenditures	-	-	-	-	25,251	-	17,371	42,622	31,791
Due to component unit	-	-	-	-	-	121,277	-	121,277	121,277
Interfund payable	-	-	-	-	-	-	-	-	3,273
Deferred revenue	-	19,614	-	-	-	975,667	-	995,281	1,084,407
Total Liabilities	-	19,614	78,969	-	25,251	1,104,154	31,979	1,259,967	1,408,583
Fund Balances (Deficits)									
Nonspendable									
Prepaid items	-	-	-	-	-	49,091	6,141	55,232	56,043
Restricted									
Program purposes									
Education	-	-	-	-	-	32,667	-	32,667	67,644
Housing and development	1,817,429	-	-	2,351	-	-	-	1,819,780	1,802,754
Public safety	-	-	110,469	-	-	-	-	110,469	119,212
Unassigned (deficits)	-	-	-	-	-	-	(4,390)	(4,390)	(1,385)
Total Fund Balances (Deficits)	1,817,429	-	110,469	2,351	-	81,758	1,751	2,013,758	2,044,268
Total Liabilities and Fund Balances (Deficits)	$ 1,817,429	$ 19,614	$ 189,438	$ 2,351	$ 25,251	$ 1,185,912	$ 33,730	$ 3,273,725	$ 3,452,851

City of Calhoun, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011
(With Comparative Totals For the Year Ended June 30, 2010)

	2011								2010
	Urban Development Action Grant	Home Investment Partnership	Confiscated Assets	West Calhoun Grant	Hotel/Motel Tax	School Tax	Recreation	Total Nonmajor Special Revenue Funds	Total Nonmajor Special Revenue Funds
Revenues									
Property taxes	$ -	$ -	$ -	$ -	$ -	$ 64,341	$ -	$ 64,341	$ 112,978
Hotel/motel taxes	-	-	-	-	283,546	-	-	283,546	272,607
Intergovernmental	-	-	-	82,027	-	-	348,361	430,388	783,323
Charges for services	-	-	-	-	-	-	215,276	215,276	159,990
Fines and forfeitures	-	-	18,133	-	-	-	-	18,133	33,791
Investment earnings	30,036	-	148	-	-	-	-	30,184	29,200
Miscellaneous	-	2,462	-	-	-	-	29,708	32,170	15,501
Total Revenues	30,036	2,462	18,281	82,027	283,546	64,341	593,345	1,074,038	1,407,390
Expenditures									
Current									
Public safety	-	-	27,024	-	-	-	-	27,024	56,527
Culture and recreation	-	-	-	-	-	-	1,003,916	1,003,916	854,719
Housing and economic development	2,500	15,323	-	90,669	283,546	-	-	392,038	403,298
Education	-	-	-	-	-	99,103	-	99,103	112,978
Total Expenditures	2,500	15,323	27,024	90,669	283,546	99,103	1,003,916	1,522,081	1,427,522
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,536	(12,861)	(8,743)	(8,642)	-	(34,762)	(410,571)	(448,043)	(20,132)
Other Financing Sources (Uses)									
Transfers in	-	-	-	10,993	-	-	406,540	417,533	394,797
Transfers out	-	-	-	-	-	-	-	-	(372,218)
Total Other Financing Sources (Uses)	-	-	-	10,993	-	-	406,540	417,533	22,579
Net Change in Fund Balances	27,536	(12,861)	(8,743)	2,351	-	(34,762)	(4,031)	(30,510)	2,447
Fund Balances (Deficits) Beginning of Year	1,789,893	12,861	119,212	-	-	116,520	5,782	2,044,268	2,041,821
Fund Balances End of Year	$ 1,817,429	$ -	$ 110,469	$ 2,351	$ -	$ 81,758	$ 1,751	$ 2,013,758	$ 2,044,268

City of Calhoun, Georgia
Urban Development Action Grant Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 479,603	$ 174,241
Receivables (net)		
Loans	227,500	228,600
Interest	6,165	9,191
Loans - noncurrent	1,104,161	1,377,861
Total Assets	$ 1,817,429	$ 1,789,893
Fund Balances		
Restricted for housing	$ 1,817,429	$ 1,789,893

City of Calhoun, Georgia
Urban Development Action Grant Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Investment earnings	$ 30,036	$ 28,717
Expenditures		
Current		
Housing and economic development	2,500	2,500
Excess of Revenues Over Expenditures	27,536	26,217
Fund Balances Beginning of Year	1,789,893	1,763,676
Fund Balances End of Year	$ 1,817,429	$ 1,789,893

City of Calhoun, Georgia
Urban Development Action Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Investment earnings	$ 32,000	$ 32,000	$ 30,036	$ (1,964)	$ 28,717
Expenditures					
Current					
Housing and economic development	2,500	2,500	2,500	-	2,500
Excess of Revenues Over Expenditures	29,500	29,500	27,536	(1,964)	26,217
Other Financing Sources (Uses)					
Transfer to fund balance	(29,500)	(29,500)	-	29,500	-
Net Change in Fund Balances	$ -	$ -	27,536	$ 27,536	26,217
Fund Balances Beginning of Year			1,789,893		1,763,676
Fund Balances End of Year			$ 1,817,429		$ 1,789,893

City of Calhoun, Georgia
Home Investment Partnership Act Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ -	$ 12,861
Loans receivable	19,614	53,684
Total Assets	$ 19,614	$ 66,545
Liabilities and Fund Balances		
Liabilities		
Deferred revenue	$ 19,614	$ 53,684
Fund Balances		
Restricted for housing - home program	-	12,861
Total Liabilities and Fund Balances	$ 19,614	$ 66,545

City of Calhoun, Georgia
Home Investment Partnership Act Fund
Comparative Statements of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Investment earnings	$ -	$ 258
Grant revenue	2,462	638
Total Revenues	2,462	896
Expenditures		
Current		
Housing and economic development	15,323	23,159
(Deficiency) of Revenues (Under) Expenditures	(12,861)	(22,263)
Fund Balances Beginning of Year	12,861	35,124
Fund Balances End of Year	$ -	$ 12,861

City of Calhoun, Georgia
Home Investment Partnership Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Investment earnings	$ -	$ 900	$ -	$ (900)	$ 258
Grant revenue	-	-	2,462	2,462	638
Total Revenues	-	900	2,462	1,562	896
Expenditures					
Current					
Housing and economic development	-	13,761	15,323	(1,562)	23,159
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(12,861)	(12,861)	-	(22,263)
Other Financing Sources					
Appropriation of fund balance	-	12,861	-	(12,861)	-
Net Change in Fund Balances	$ -	$ -	(12,861)	$ (12,861)	(22,263)
Fund Balances Beginning of Year			12,861		35,124
Fund Balances End of Year			$ -		$ 12,861

City of Calhoun, Georgia
Confiscated Assets Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 189,438	$ 264,542
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 78,969	$ 144,007
Interfund payable	-	1,323
Total Liabilities	78,969	145,330
Fund Balances		
Restricted for public safety - police	110,469	119,212
Total Liabilities and Fund Balances	$ 189,438	$ 264,542

City of Calhoun, Georgia
Confiscated Assets Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Fines and forfeitures	$ 18,133	$ 33,791
Investment earnings	148	225
Total Revenues	18,281	34,016
Expenditures		
Current		
Public safety	27,024	56,527
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,743)	(22,511)
Fund Balances Beginning of Year	119,212	141,723
Fund Balances End of Year	$ 110,469	$ 119,212

City of Calhoun, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 15,300	$ 15,300	$ 18,133	$ 2,833	$ 33,791
Investment earnings	200	200	148	(52)	225
Total Revenues	15,500	15,500	18,281	2,781	34,016
Expenditures					
Current					
Public safety	15,500	27,024	27,024	-	56,527
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(11,524)	(8,743)	2,781	(22,511)
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	-
Sale of capital assets	-	2,781	-	(2,781)	-
Appropriation of fund balance	-	8,743	-	(8,743)	-
Net Change in Fund Balances	$ -	$ -	(8,743)	$ (8,743)	(22,511)
Fund Balances Beginning of Year			119,212		141,723
Fund Balances End of Year			$ 110,469		$ 119,212

City of Calhoun, Georgia
West Calhoun Grant Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 2,351	$ -
Accounts receivable	-	1,950
Total Assets	$ 2,351	$ 1,950
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ -	$ 1,950
Fund Balances		
Restricted for housing and development	2,351	-
Total Liabilities and Fund Balances	$ 2,351	$ 1,950

City of Calhoun, Georgia
West Calhoun Grant Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Intergovernmental	$ 82,027	$ 445,108
Expenditures		
Current		
Housing and development	90,669	105,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,642)	340,076
Other Financing Sources (Uses)		
Transfers in	10,993	34,797
Transfers out	-	(372,218)
Total Other Financing Sources (Uses)	10,993	(337,421)
Net Change in Fund Balances	2,351	2,655
Fund Balances Beginning of Year	-	(2,655)
Fund Balances End of Year	$ 2,351	$ -

City of Calhoun, Georgia
West Calhoun Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 356,842	$ 356,842	$ 82,027	$ (274,815)	$ 445,108
Expenditures					
Current					
Housing and development	389,183	389,183	90,669	298,514	105,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,341)	(32,341)	(8,642)	23,699	340,076
Other Financing Sources (Uses)					
Transfers in	32,341	32,341	10,993	(21,348)	34,797
Transfers out	-	-	-	-	(372,218)
Total Other Financing Sources (Uses)	32,341	32,341	10,993	(21,348)	(337,421)
Net Change in Fund Balances	$ -	$ -	2,351	$ 2,351	2,655
Fund Balances Beginning of Year			-		(2,655)
Fund Balances End of Year			$ 2,351		$ -

City of Calhoun, Georgia
Hotel/Motel Tax Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Hotel/motel taxes receivable	$ 25,251	$ 27,356
Liabilities		
Accrued expenditures	$ 25,251	$ 27,356

City of Calhoun, Georgia
Hotel/Motel Tax Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Hotel/motel taxes	$ 283,546	$ 272,607
Expenditures		
Current		
Housing and economic development	283,546	272,607
Excess of Revenues Over Expenditures	-	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ -	$ -

City of Calhoun, Georgia
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Hotel/motel taxes	$ 265,000	$ 283,546	$ 283,546	$ -	$ 272,607
Expenditures					
Current					
Housing and economic development	265,000	283,546	283,546	-	272,607
Excess of Revenues Over Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Calhoun, Georgia
School Tax Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 61,004	$ 6,668
Property taxes receivable	1,075,817	1,205,239
Due from component unit	-	17,979
Prepaid items	49,091	48,876
Total Assets	$ 1,185,912	$ 1,278,762
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 7,210	$ 10,242
Due to component unit	121,277	121,277
Deferred revenues	975,667	1,030,723
Total Liabilities	1,104,154	1,162,242
Fund Balances		
Nonspendable		
Prepaid items	49,091	48,876
Restricted		
Education	32,667	67,644
Total Fund Balances	81,758	116,520
Total Liabilities and Fund Balances	$ 1,185,912	$ 1,278,762

City of Calhoun, Georgia
School Tax Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Property taxes	$ 64,341	$ 112,978
Expenditures		
Current		
Education	99,103	112,978
Excess of Revenues Over Expenditures	(34,762)	-
Fund Balances Beginning of Year	116,520	116,520
Fund Balances End of Year	$ 81,758	$ 116,520

City of Calhoun, Georgia
School Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Property taxes	$ 132,078	$ 132,078	$ 64,341	$ (67,737)	$ 112,978
Expenditures					
Current					
Education	132,078	132,078	99,103	32,975	112,978
Excess of Revenues Over Expenditures	$ -	$ -	(34,762)	$ (34,762)	-
Fund Balances Beginning of Year			116,520		116,520
Fund Balances End of Year			$ 81,758		$ 116,520

City of Calhoun, Georgia
Recreation Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 27,564	$ 16,636
Accounts receivable	25	-
Prepaid items	6,141	7,167
Total Assets	$ 33,730	$ 23,803
Liabilities and Fund Balances (Deficits)		
Liabilities		
Accounts payable	$ 14,608	$ 13,586
Accrued expenditures	17,371	4,435
Total Liabilities	31,979	18,021
Fund Balances (Deficits)		
Nonspendable		
Prepaid items	6,141	7,167
Unassigned (deficits)	(4,390)	(1,385)
Total Fund Balances (Deficits)	1,751	5,782
Total Liabilities and Fund Balances (Deficits)	$ 33,730	$ 23,803

City of Calhoun, Georgia
Recreation Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Intergovernmental	$ 348,361	$ 338,215
Charges for services	215,276	159,990
Miscellaneous	29,708	14,863
Total Revenues	593,345	513,068
Expenditures		
Current		
Culture and recreation	1,003,916	854,719
(Deficiency) of Revenues (Under) Expenditures	(410,571)	(341,651)
Other Financing Sources		
Transfers in	406,540	360,000
Net Change in Fund Balances	(4,031)	18,349
Fund Balances (Deficits) Beginning of Year	5,782	(12,567)
Fund Balances (Deficits) End of Year	$ 1,751	$ 5,782

City of Calhoun, Georgia
Recreation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 348,362	$ 348,362	$ 348,361	$ (1)	$ 338,215
Charges for services	161,600	207,856	215,276	7,420	159,990
Miscellaneous	12,450	17,950	29,708	11,758	14,863
Total Revenues	522,412	574,168	593,345	19,177	513,068
Expenditures					
Current					
Culture and recreation	941,589	1,001,789	1,003,916	(2,127)	854,719
Excess (Deficiency) of Revenues Over (Under) Expenditures	(419,177)	(427,621)	(410,571)	17,050	(341,651)
Other Financing Sources					
Transfers in	419,177	427,621	406,540	(21,081)	360,000
Net Change in Fund Balances	$ -	$ -	(4,031)	$ (4,031)	18,349
Fund Balances (Deficits) Beginning of Year			5,782		(12,567)
Fund Balances (Deficits) End of Year			$ 1,751		$ 5,782

City of Calhoun, Georgia
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2011
(With Comparative Totals For the Year Ended June 30, 2010)

	2011			2010
	Revenue Bonds	School Bonds	Total Nonmajor Debt Service Funds	Total Nonmajor Debt Service Funds
Assets				
Cash and cash equivalents	$ 9	$ 4,691,047	$ 4,691,056	$ 1,833,930
Investments	-	2,397,075	2,397,075	3,555,623
Due from component unit	-	231,160	231,160	229,433
Total Assets	$ 9	$ 7,319,282	$ 7,319,291	$ 5,618,986
Fund Balances				
Restricted for debt service	$ 9	$ 7,319,282	$ 7,319,291	$ 5,618,986

City of Calhoun, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2011
(With Comparative Totals For the Year Ended June 30, 2010)

	2011			2010
	Revenue Bonds	School Bonds	Total Nonmajor Debt Service Funds	Total Nonmajor Debt Service Funds
Revenues				
Intergovernmental	$ -	$ 2,746,784	$ 2,746,784	$ 2,642,894
Investment earnings	1	32,501	32,502	50,646
Total Revenues	1	2,779,285	2,779,286	2,693,540
Expenditures				
Debt Service				
Principal retirement	270,900	575,000	845,900	779,500
Interest and fiscal charges	100,065	503,981	604,046	635,679
Total Expenditures	370,965	1,078,981	1,449,946	1,415,179
Excess (Deficiency) of Revenues Over (Under) Expenditures	(370,964)	1,700,304	1,329,340	1,278,361
Other Financing Sources (Uses)				
Transfers in	370,965	-	370,965	370,557
Net Change in Fund Balances	1	1,700,304	1,700,305	1,648,918
Fund Balances Beginning of Year	8	5,618,978	5,618,986	3,970,068
Fund Balances End of Year	$ 9	$ 7,319,282	$ 7,319,291	$ 5,618,986

City of Calhoun, Georgia
Revenue Bonds Debt Service Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 9	$ 8
Fund Balances		
Restricted for debt service	$ 9	$ 8

City of Calhoun, Georgia
Revenue Bonds Debt Service Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Investment earnings	$ 1	$ 1
Expenditures		
Debt Service		
Principal retirement	270,900	259,500
Interest and fiscal charges	100,065	111,097
Total Expenditures	370,965	370,597
Excess (Deficiency) of Revenues Over (Under) Expenditures	(370,964)	(370,596)
Other Financing Sources		
Transfers in	370,965	370,557
Net Change in Fund Balances	1	(39)
Fund Balances Beginning of Year	8	47
Fund Balances End of Year	$ 9	$ 8

City of Calhoun, Georgia
Revenue Bonds Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Investment earnings	$ -	$ -	$ 1	$ 1	$ 1
Expenditures					
Debt Service					
Principal	270,900	270,900	270,900	-	259,500
Interest and fiscal charges	100,065	100,065	100,065	-	111,097
Total Expenditures	370,965	370,965	370,965	-	370,597
Excess (Deficiency) of Revenues Over (Under) Expenditures	(370,965)	(370,965)	(370,964)	1	(370,596)
Other Financing Sources					
Transfers in	370,965	370,965	370,965	-	370,557
Net Change in Fund Balances	$ -	$ -	1	$ 1	(39)
Fund Balances Beginning of Year			8		47
Fund Balances End of Year			$ 9		$ 8

City of Calhoun, Georgia
School Bond Debt Service Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 4,691,047	$ 1,833,922
Investments	2,397,075	3,555,623
Due from component unit	231,160	229,433
Total Assets	$ 7,319,282	$ 5,618,978
Fund Balances		
Restricted for debt service	$ 7,319,282	$ 5,618,978

City of Calhoun, Georgia
School Bonds Debt Service Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Intergovernmental	$ 2,746,784	$ 2,642,894
Investment earnings	32,501	50,645
Total Revenues	2,779,285	2,693,539
Expenditures		
Debt Service		
Principal retirement	575,000	520,000
Interest and fiscal charges	503,981	524,582
Total Expenditures	1,078,981	1,044,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,700,304	1,648,957
Fund Balances Beginning of Year	5,618,978	3,970,021
Fund Balances End of Year	$ 7,319,282	$ 5,618,978

City of Calhoun, Georgia
School Bonds Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 2,600,000	$ 2,600,000	$ 2,746,784	$ 146,784	$ 2,642,894
Investment earnings	60,000	60,000	32,501	(27,499)	50,645
Total Revenues	2,660,000	2,660,000	2,779,285	119,285	2,693,539
Expenditures					
Debt Service					
Principal	575,000	575,000	575,000	-	520,000
Interest	503,982	503,982	503,981	1	524,582
Total Expenditures	1,078,982	1,078,982	1,078,981	1	1,044,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,581,018	1,581,018	1,700,304	119,286	1,648,957
Other Financing Sources (Uses)					
Appropriation of fund balance	(1,581,018)	(1,581,018)	-	1,581,018	-
Total Other Financing Sources (Uses)	(1,581,018)	(1,581,018)	-	1,581,018	-
Net Change in Fund Balances	$ -	$ -	1,700,304	$ 1,700,304	1,648,957
Fund Balances Beginning of Year			5,618,978		3,970,021
Fund Balances End of Year			$ 7,319,282		$ 5,618,978

City of Calhoun, Georgia
Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2011
(With Comparative Totals at June 30, 2010)

	2011					2010
	County SPLOST	2005 SPLOST	School SPLOST	2011 School Bonds	Total Nonmajor Capital Projects Funds	Total Nonmajor Capital Projects Funds
Assets						
Cash and cash equivalents	$ -	$ 3,443,874	$ 1,034,181	$ 20,344,259	$ 24,822,314	$ 1,744,624
Investments	-	-	-	-	-	1,000,000
Receivables:						
Interest	-	-	-	-	-	5,495
Intergovernmental	-	646,911	-	-	646,911	584,584
Total Assets	$ -	$ 4,090,785	$ 1,034,181	$ 20,344,259	$ 25,469,225	$ 3,334,703
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ -	$ -	$ -	$ 88,059	$ 88,059	$ 8
Contracts payable	-	-	-	-	-	140
Interfund payable	-	-	-	-	-	137,473
Total Liabilities	-	-	-	88,059	88,059	137,621
Fund Balances						
Restricted for capital projects	-	4,090,785	1,034,181	20,256,200	25,381,166	3,197,082
Total Liabilities and Fund Balances	$ -	$ 4,090,785	$ 1,034,181	$ 20,344,259	$ 25,469,225	$ 3,334,703

City of Calhoun, Georgia
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011					2010
	County SPLOST	2005 SPLOST	School SPLOST	2011 School Bonds	Total Nonmajor Capital Projects Funds	Total Nonmajor Capital Projects Funds
Revenues						
Intergovernmental	$ 39,640	$ 2,400,219	$ -	$ -	$ 2,439,859	$ 2,351,702
Investment earnings	-	4,604	10,324	3,290	18,218	9,530
Total Revenues	39,640	2,404,823	10,324	3,290	2,458,077	2,361,232
Expenditures						
Capital Outlay						
Public works	39,500	-	-	-	39,500	194,183
Education	-	-	-	410,053	410,053	202,827
Debt Service						
Bond issuance costs	-	-	-	190,037	190,037	-
Total Expenditures	39,500	-	-	600,090	639,590	397,010
Excess (Deficiency) of Revenues Over (Under) Expenditures	140	2,404,823	10,324	(596,800)	1,818,487	1,964,222
Other Financing Sources (Uses)						
Proceeds of bond issuance				21,000,000	21,000,000	-
Discount on bond issuance				(147,000)	(147,000)	-
Transfers in	-	-	-	-	-	109,647
Transfers out	(140)	(487,263)	-	-	(487,403)	(1,364,372)
Total Financing Sources (Uses)	(140)	(487,263)	-	20,853,000	20,365,597	(1,254,725)
Net Change in Fund Balances	-	1,917,560	10,324	20,256,200	22,184,084	709,497
Fund Balances (Deficits) Beginning of Year	-	2,173,225	1,023,857	-	3,197,082	2,487,585
Fund Balances (Deficits) End of Year	$ -	$ 4,090,785	$ 1,034,181	$ 20,256,200	$ 25,381,166	$ 3,197,082

City of Calhoun, Georgia
County SPLOST Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ -	$ -
Receivables:		
Intergovernmental	-	148
Total Assets	$ -	$ 148
Liabilities and Fund Balances (Deficits)		
Liabilities		
Accounts payable	$ -	$ 8
Deferred revenue	-	140
Total Liabilities	-	148
Fund Balances (Deficits)		
Unassigned	-	-
Total Liabilities and Fund Balances	$ -	$ 148

City of Calhoun, Georgia
County SPLOST Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Intergovernmental	$ 39,640	$ 194,183
Expenditures		
Capital Outlay		
Public works	39,500	194,183
Excess (Deficiency) of Revenues Over (Under) Expenditures	140	-
Other Financing Sources		
Transfers in	-	109,647
Transfers out	(140)	-
Total Other Financing Sources	(140)	109,647
Net Change in Fund Balances	-	109,647
Fund Balances (Deficits) Beginning of Year	-	(109,647)
Fund Balances (Deficits) End of Year	$ -	$ -

City of Calhoun, Georgia
County SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 20,000	$ 40,000	$ 39,640	$ (360)	$ 194,183
Expenditures					
Capital Outlay					
Public works	20,000	40,000	39,500	500	194,183
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	140	(140)	-
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	109,647
Transfers out	-	-	(140)	140	-
Total Other Financing Sources (Uses)	-	-	(140)	140	109,647
Net Change in Fund Balances	$ -	$ -	-	$ -	109,647
Fund Balances (Deficits) Beginning of Year			-		(109,647)
Fund Balances (Deficits) End of Year			$ -		$ -

City of Calhoun, Georgia
2005 SPLOST Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 3,443,874	$ 1,726,262
Receivables:		
Intergovernmental	646,911	584,436
Total Assets	$ 4,090,785	$ 2,310,698
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ -	$ 137,473
Fund Balances		
Restricted for capital projects	4,090,785	2,173,225
Total Liabilities and Fund Balances	$ 4,090,785	$ 2,310,698

City of Calhoun, Georgia
2005 SPLOST Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Intergovernmental	$ 2,400,219	$ 2,157,519
Investment earnings	4,604	1,736
Total Revenues	2,404,823	2,159,255
Other Financing Sources (Uses)		
Transfers out	(487,263)	(1,364,372)
Net Change in Fund Balances	1,917,560	794,883
Fund Balances Beginning of Year	2,173,225	1,378,342
Fund Balances End of Year	$ 4,090,785	$ 2,173,225

City of Calhoun, Georgia
2005 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 2,337,744	$ 2,337,744	$ 2,400,219	$ 62,475	$ 2,157,519
Investment earnings	1,800	1,800	4,604	2,804	1,736
Total Revenues	2,339,544	2,339,544	2,404,823	65,279	2,159,255
Other Financing Sources and Uses					
Transfers out	(1,129,948)	(1,129,948)	(487,263)	642,685	(1,364,372)
Additions to fund balance	(1,209,596)	(1,209,596)	-	1,209,596	-
Total Other Financing Sources and Uses	(2,339,544)	(2,339,544)	(487,263)	1,852,281	(1,364,372)
Net Change in Fund Balances	$ -	$ -	1,917,560	$ 1,917,560	794,883
Fund Balances Beginning of Year			2,173,225		1,378,342
Fund Balances End of Year			$ 4,090,785		$ 2,173,225

City of Calhoun, Georgia
School SPLOST Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 1,034,181	$ 18,362
Investments	-	1,000,000
Receivables:		
Interest	-	5,495
Total Assets	$ 1,034,181	$ 1,023,857
Fund Balances		
Restricted for capital projects	$ 1,034,181	$ 1,023,857

City of Calhoun, Georgia
School SPLOST Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Investment earnings	$ 10,324	$ 7,794
Expenditures		
Capital Outlay		
Education	-	202,827
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,324	(195,033)
Fund Balances Beginning of Year	1,023,857	1,218,890
Fund Balances End of Year	$ 1,034,181	$ 1,023,857

City of Calhoun, Georgia
School SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Investment earnings	$ 4,500	$ 4,500	$ 10,324	$ 5,824	$ 7,794
Expenditures					
Capital Outlay					
Education	-	-	-	-	202,827
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,500	4,500	10,324	5,824	(195,033)
Other Financing Sources (Uses)					
Additions to fund balance	(4,500)	(4,500)	-	4,500	-
Net Change in Fund Balances	$ -	$ -	10,324	$ 10,324	(195,033)
Fund Balances Beginning of Year			1,023,857		1,218,890
Fund Balances End of Year			$ 1,034,181		$ 1,023,857

City of Calhoun, Georgia
2011 School Bonds Capital Project Fund
Comparative Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 20,344,259	$ -
Liabilities and Fund Balances (Deficits)		
Liabilities		
Accounts payable	$ 88,059	$ -
Fund Balances		
Restricted for capital projects	20,256,200	-
Total Liabilities and Fund Balances (Deficits)	$ 20,344,259	$ -

City of Calhoun, Georgia
2011 School Bonds Capital Project Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Investment earnings	$ 3,290	$ -
Expenditures		
Capital Outlay		
Education	410,053	-
Debt Service		
Bond issuance costs	190,037	-
Total Expenditures	600,090	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(596,800)	-
Other Financing Sources and Uses		
Proceeds of bond issuance	21,000,000	-
Discount on bond issuance	(147,000)	-
Other Financing Sources and Uses	20,853,000	-
Net Change in Fund Balances	20,256,200	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ 20,256,200	$ -

City of Calhoun, Georgia
2011 School Bonds Capital Project Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts For the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Investment earnings	$ -	$ -	$ 3,290	$ 3,290	$ -
Expenditures					
Capital Outlay					
Education	-	325,000	410,053	(85,053)	-
Debt Service					
Bond issuance costs	-	200,000	190,037	9,963	-
Total Expenditures	-	525,000	600,090	(75,090)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(525,000)	(596,800)	(71,800)	-
Other Financing Sources (Uses)					
Proceeds of bond issuance	-	21,000,000	21,000,000	-	-
Discount on bond issuance	-	(150,000)	(147,000)	3,000	-
Addition to fund balance	-	(20,325,000)	-	20,325,000	-
Total Other Financing Sources (Uses)	-	525,000	20,853,000	20,328,000	-
Net Change in Fund Balances	$ -	$ -	20,256,200	$20,256,200	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ 20,256,200		$ -

MAJOR PROPRIETARY FUNDS
INDIVIDUAL FUND STATEMENTS

Enterprise funds financed and operated in a manner similar to a private business enterprise.

Electric Fund - generates and distributes electricity.

Water and Sewer Fund - provides water and sewer services.

City of Calhoun, Georgia
Electric System Fund
Comparative Statements of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 8,265,523	$ 8,743,192
Restricted assets		
Cash and cash equivalents	929,500	898,780
Investments	5,510,595	4,259,448
Receivables		
Accounts	507,976	612,373
Accrued revenue	2,870,282	2,113,729
Intergovernmental	424,196	324,172
Interfund	188,380	-
Other	8,754	-
Advances	249,356	317,764
Deposits	35,013	36,408
Inventories	1,820,272	2,131,257
Prepaid items	17,713	28,473
Total Current Assets	20,827,560	19,465,596
Noncurrent Assets		
Restricted assets		
Investments	7,466,722	5,029,701
Advances receivable	2,532,532	2,781,887
Capital assets		
Nondepreciable	352,283	194,197
Depreciable, net	14,773,250	13,801,454
Total Noncurrent Assets	25,124,787	21,807,239
Total Assets	45,952,347	41,272,835
Liabilities		
Current Liabilities		
Accounts payable	2,665,867	2,183,040
Accrued payroll liabilities	52	111
Accrued expenses	32,334	10,819
Compensated absences	30,926	33,280
Payable From Restricted Assets:		
Customer deposits	929,500	898,780
Total Current Liabilities	3,658,679	3,126,030
Long-term Liabilities		
Pension liability	150,610	214,906
Payable From Restricted Assets:		
Regulatory liability	6,325,525	3,637,851
Total Long-term Liabilities	6,476,135	3,852,757
Total Liabilities	10,134,814	6,978,787
Net Assets		
Invested in capital assets, net of related debt	15,125,533	13,995,651
Unrestricted	20,692,000	20,298,397
Total Net Assets	$ 35,817,533	$ 34,294,048

City of Calhoun, Georgia
Electric System Fund
Comparative Statements of Revenues,
Expenses and Changes in Fund Net Assets
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Charges for services	$ 29,853,546	$ 25,043,967
Miscellaneous	186,679	171,615
Total Operating Revenues	30,040,225	25,215,582
Operating Expenses		
Personal services	967,652	1,006,135
Contractual services	1,173,411	1,162,688
Supplies	23,239,828	18,648,009
Interfund allocations	438,620	521,220
Depreciation	710,700	688,541
Other	(70,249)	49,446
Total Operating Expenses	26,459,962	22,076,039
Operating Income	3,580,263	3,139,543
Non-Operating Revenues (Expenses)		
Investment earnings	253,713	251,499
Intergovernmental revenue	39,546	-
Gain (Loss) on sale of capital assets	-	(1,714)
Interest expense	(10,338)	(12,195)
Total Non-Operating Revenues	282,921	237,590
Income Before Transfers	3,863,184	3,377,133
Transfers in	200	1,034,891
Transfers out	(2,339,899)	(3,015,103)
Total Transfers	(2,339,699)	(1,980,212)
Change in Net Assets	1,523,485	1,396,921
Net Assets Beginning of Year	34,294,048	32,897,127
Net Assets End of Year	$ 35,817,533	$ 34,294,048

City of Calhoun, Georgia
Electric System Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Cash received from customers	$ 27,817,576	$ 23,268,904
Cash received from interfund services provided	1,493,831	1,711,345
Cash payments for personal services	(970,065)	(1,006,859)
Cash payments for goods and services	(23,532,777)	(20,104,132)
Cash payments for interfund services used	(692,135)	(704,030)
Other cash (payments) receipts	81,009	(53,404)
Net Cash Provided by (Used in) Operating Activities	4,197,439	3,111,824
Cash Flows From Noncapital Financing Activities		
Payments received on advances	317,763	323,002
Intergovernmental revenues received	39,546	-
Payments for (reduction in) pension liability	(64,296)	1,254
Transfers in	200	1,034,891
Transfers out	(2,339,899)	(3,015,103)
Net Cash Provided by (Used in) Noncapital Financing Activities	(2,046,686)	(1,655,956)
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisitions	(1,840,583)	(757,797)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,840,583)	(757,797)
Cash Flows from Investing Activities		
Investment earnings	253,713	238,247
(Purchase) Disposal of investments, net of regulatory liability	(1,000,494)	5,445,536
Interest rebated to customer accounts	(10,338)	(12,195)
Net Cash Provided by (Used in) Investing Activities	(757,119)	5,671,588
Net Increase (Decrease) in Cash and Cash Equivalents	(446,949)	6,369,659
Cash and Cash Equivalents Beginning of Year	9,641,972	3,272,313
Cash and Cash Equivalents End of Year	$ 9,195,023	$ 9,641,972
Reconciliation of total cash and cash equivalents:		
Cash and cash equivalents	$ 8,265,523	$ 8,743,192
Restricted assets-cash and cash equivalents	929,500	898,780
Total cash and cash equivalents	$ 9,195,023	$ 9,641,972

(continued)

City of Calhoun, Georgia
Electric System Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

(continued)

	2011	2010
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 3,580,263	$ 3,139,543
Adjustments		
Depreciation	710,700	688,541
(Increase) Decrease in Assets		
Accounts receivable and accrued revenues	(660,910)	(288,448)
Intergovernmental receivable	(100,024)	-
Inventories	310,985	(647,934)
Interfund receivables	(188,380)	40,770
Deposits	1,395	1,905
Prepaid expenses	10,760	(3,958)
Increase (Decrease) in Liabilities		
Accounts payable and accrued liabilities	504,343	302,916
Accrued payroll liabilities	(2,413)	-
Deposits payable	30,720	51,210
Interfund payable	-	(172,721)
Net Cash Provided by (Used in) Operating Activities	$ 4,197,439	$ 3,111,824

City of Calhoun, Georgia
Water & Sewerage System Fund
Comparative Statements of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ -	$ 278,075
Restricted assets		
Cash and cash equivalents	1,278,770	1,102,961
Receivables		
Accounts	804,557	792,335
Accrued revenue	1,107,585	1,048,936
Interfund	-	137,480
Intergovernmental	629,928	426,923
Inventory	687,729	590,628
Prepaid items	55,357	78,424
Total Current Assets	4,563,926	4,455,762
Noncurrent Assets		
Restricted assets		
Cash and cash equivalents	491,812	411,841
Deferred charges	284,131	294,934
Capital assets		
Nondepreciable	7,994,776	14,378,989
Depreciable, net	84,965,246	79,098,493
Total Noncurrent Assets	93,735,965	94,184,257
Total Assets	98,299,891	98,640,019
Liabilities		
Current Liabilities		
Accounts payable	97,480	444,985
Contractor bonds payable	38,671	38,554
Accrued payroll liabilities	87,598	29,898
Accrued interest	53,405	57,094
Interfund payable	188,380	-
Compensated absences payable	109,124	95,246
Unearned revenue	33,155	33,155
Advances payable	99,562	170,930
Notes payable	2,158,916	3,214,968
Revenue bonds payable	1,378,240	1,697,611
Payable from Restricted Assets:		
Accrued interest payable	17,850	22,185
Customer deposits and interest	672,018	670,733
Total Current Liabilities	4,934,399	6,475,359
Long-Term Liabilities		
Pension liability	186,103	176,087
Notes payable (net of current portion)	17,057,909	18,002,226
Revenue bonds payable (net of current portion)	4,883,628	6,258,628
Advances payable (net of current portion)	396,632	496,196
Total Long-Term Liabilities	22,524,272	24,933,137
Total Liabilities	27,458,671	31,408,496
Net Assets		
Invested in capital assets, net of related debt	67,481,329	64,145,288
Unrestricted	3,359,891	3,086,235
Total Net Assets	$ 70,841,220	$ 67,231,523

City of Calhoun, Georgia
Water & Sewerage System Fund
Comparative Statements of Revenues,
Expenses and Changes in Fund Net Assets
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Charges for services	$ 14,440,652	$ 14,807,017
Miscellaneous	76,542	54,060
Total Operating Revenues	14,517,194	14,861,077
Operating Expenses		
Personal services	2,909,540	3,148,766
Contractual services	701,888	731,109
Supplies	2,448,581	2,900,582
Interfund allocations	1,778,690	2,046,007
Depreciation	2,942,074	2,838,336
Amortization	74,766	82,457
Other	5,911	7,337
Total Operating Expenses	10,861,450	11,754,594
Operating Income	3,655,744	3,106,483
Non-Operating Revenues (Expenses)		
Interest and fiscal charges	(985,553)	(1,074,560)
Gain (loss) on disposition of capital assets	58,764	30
Intergovernmental revenue	900,000	64,200
Investment earnings	47,214	63,533
Total Non-Operating (Expenses)	20,425	(946,797)
Income Before Contributions and Transfers	3,676,169	2,159,686
Transfers in	1,020,193	3,507,267
Transfers out	(1,086,665)	(2,032,258)
Total Contributions and Transfers	(66,472)	1,475,009
Change in Net Assets	3,609,697	3,634,695
Net Assets Beginning of Year	67,231,523	63,596,828
Net Assets End of Year	$ 70,841,220	$ 67,231,523

City of Calhoun, Georgia
Water & Sewerage System Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Cash received from customers	$ 14,010,097	$ 14,071,577
Cash received from interfund services provided	234,506	267,988
Cash payments for personal services	(2,837,962)	(3,149,530)
Cash payments for goods and services	(2,304,749)	(1,796,146)
Cash payments for interfund services used	(2,720,089)	(3,652,349)
Other cash payments	(5,794)	(7,270)
Net Cash Provided by (Used in) Operating Activities	6,376,009	5,734,270
Cash Flows from Noncapital Financing Activities		
Payments for (reductions in) pension liability	10,016	(1,236)
Transfers in	532,930	2,142,894
Transfers out	(1,086,665)	(2,032,258)
Net Cash Provided by (Used in) Noncapital Financing Activities	(543,719)	109,400
Cash Flows from Capital and Related Financing Activities		
Transfers in - SPLOST	487,263	1,364,373
Capital grant	900,000	-
Proceeds from debt	92,598	1,407,250
Payments on interfund loans	(170,932)	(165,990)
Principal paid on revenue bonds	(1,730,000)	(1,675,000)
Interest paid on revenue bonds	(279,888)	(332,381)
Principal paid on notes and capital leases	(2,092,967)	(1,763,129)
Interest paid on notes and capital leases	(821,000)	(828,540)
Proceeds from the sale of capital assets	67,118	30
Payments for capital acquisitions and construction	(2,433,962)	(4,701,678)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(5,981,770)	(6,695,065)
Cash Flows from Investing Activities		
Investments earnings	47,214	63,533
(Purchase) Disposal of investments	-	2,616,160
Net Cash Provided by (Used in) Investing Activities	47,214	2,679,693
Net Increase (Decrease) in Cash and Cash Equivalents	(102,266)	1,828,298
Cash and Cash Equivalents Beginning of Year	1,381,036	(447,262)
Cash and Cash Equivalents End of Year	$ 1,278,770	$ 1,381,036
Reconciliation of total cash and cash equivalents:		
Cash and cash equivalents	$ -	$ 278,075
Current restricted assets-cash and cash equivalents	1,278,770	1,102,961
Total cash and cash equivalents	$ 1,278,770	$ 1,381,036

(continued)

City of Calhoun, Georgia
Water and Sewerage System Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

(continued)

	2011	2010
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 3,655,744	$ 3,106,483
Adjustments		
Depreciation	2,942,074	2,838,336
Amortization	74,766	82,457
(Increase) Decrease in Assets		
Accounts receivable and accrued revenues	(273,876)	(542,222)
Inventories	(97,101)	115,575
Interfund receivables	137,480	(133,584)
Prepaid expenses	23,067	7,712
Increase (Decrease) in Liabilities		
Accounts payable and accrued liabilities	(347,388)	318,250
Accrued payroll liabilities	71,578	6,900
Deposits payable	1,285	29,291
Interfund payable	188,380	(94,928)
Net Cash Provided by (Used in) Operating Activities	$ 6,376,009	$ 5,734,270
Noncash Investing, Capital and Financing Activities		
Developer contributions - in kind	$ -	$ 64,200

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NONMAJOR PROPRIETARY FUNDS
COMBINING AND INDIVIDUAL FUND STATEMENTS

Enterprise funds financed and operated in a manner similar to a private business enterprise.

Telecom Fund - provides communication and data services.

Solid Waste Fund - provides for collection of solid waste for the residents of the City.

Field's Ferry Golf Course Fund - accounts for the activities related to the City's golf course.

City of Calhoun, Georgia
Combining Statement of Net Assets
Nonmajor Proprietary Funds
June 30, 2011
(With Comparative Totals at June 30, 2010)

	2011				2010
	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds	Total Nonmajor Enterprise Funds
Assets					
Current Assets					
Cash and cash equivalents	$ 400	$ 907,863	$ -	$ 908,263	$ 771,745
Receivables					
Accounts	1,146	30,036	48,985	80,167	78,734
Accrued revenue	-	42,088	41,142	83,230	87,535
Interfund	-	-	58,720	58,720	57,368
Intergovernmental	-	83,494	-	83,494	-
Other	-	2,859	-	2,859	-
Inventory	-	220,552	-	220,552	242,703
Prepaid items	4,425	2,329	2,867	9,621	13,120
Total Current Assets	5,971	1,289,221	151,714	1,446,906	1,251,205
Noncurrent Assets					
Capital Assets					
Nondepreciable capital assets	696,138	-	314,435	1,010,573	1,010,573
Depreciable capital assets, net	1,434,396	1,195,241	181	2,629,818	2,949,825
Total Noncurrent Assets	2,130,534	1,195,241	314,616	3,640,391	3,960,398
Total Assets	2,136,505	2,484,462	466,330	5,087,297	5,211,603
Liabilities					
Current Liabilities					
Accounts payable	17,673	86,729	4,733	109,135	58,329
Accrued payroll liabilities	9	44	-	53	133
Accrued expenses	14,686	7,678	36,312	58,676	45,824
Interfund payable	37,641	-	82,561	120,202	91,919
Post-closure care payable	-	-	22,643	22,643	22,199
Compensated absences payable	20,495	10,034	-	30,529	32,889
Unearned revenue	20,282	-	-	20,282	21,729
Advances payable	-	99,435	-	99,435	97,957
Total Current Liabilities	110,786	203,920	146,249	460,955	370,979
Long-Term Liabilities					
Pension liability	-	-	56,911	56,911	54,080
Post-closure care payable (net of current portion)	-	-	95,193	95,193	117,836
Advances payable (net of current portion)	-	1,168,458	-	1,168,458	1,267,891
Total Long-Term Liabilities	-	1,168,458	152,104	1,320,562	1,439,807
Total Liabilities	110,786	1,372,378	298,353	1,781,517	1,810,786
Net Assets					
Invested in capital assets	2,130,534	1,195,241	314,616	3,640,391	3,960,398
Unrestricted	(104,815)	(83,157)	(146,639)	(334,611)	(559,581)
Total Net Assets	$ 2,025,719	$ 1,112,084	$ 167,977	$ 3,305,780	$ 3,400,817

City of Calhoun, Georgia
Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2011
(With Comparative Totals For the Year Ended June 30, 2010)

	2011				2010
	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds	Total Nonmajor Enterprise Funds
Operating Revenues					
Charges for services	$ 728,464	$ 949,524	$ 692,077	$ 2,370,065	$ 2,384,040
Miscellaneous	21,741	9,980	-	31,721	24,186
Total Operating Revenues	750,205	959,504	692,077	2,401,786	2,408,226
Operating Expenses					
Personal services	524,907	272,750	137,432	935,089	1,005,569
Contractual services	44,122	302,170	487,200	833,492	801,563
Supplies	185,002	82,760	26,279	294,041	238,442
Interfund allocations	26,006	54,454	71,304	151,764	166,444
Depreciation	224,525	95,475	8	320,008	335,470
Other	-	-	18,024	18,024	15,345
Total Operating Expenses	1,004,562	807,609	740,247	2,552,418	2,562,833
Operating Income (Loss)	(254,357)	151,895	(48,170)	(150,632)	(154,607)
Non-Operating Revenues (Expenses)					
Change in estimated landfill closure costs	-	-	(5,964)	(5,964)	(3,236)
Investment earnings	-	7,005	-	7,005	5,929
Intergovernmental revenue	-	83,494	-	83,494	-
Interest and fiscal charges	-	(19,938)	-	(19,938)	(21,785)
Intergovernmental expenses	-	(83,494)	-	(83,494)	-
Total Non-Operating Revenues (Expenses)	-	(12,933)	(5,964)	(18,897)	(19,092)
Income (Loss) Before Transfers	(254,357)	138,962	(54,134)	(169,529)	(173,699)
Transfers in	-	304	74,188	74,492	112,322
Transfers out	-	-	-	-	(100,000)
Change in Net Assets	(254,357)	139,266	20,054	(95,037)	(161,377)
Net Assets Beginning of Year	2,280,076	972,818	147,923	3,400,817	3,562,194
Net Assets End of Year	$ 2,025,719	$ 1,112,084	$ 167,977	$ 3,305,780	$ 3,400,817

City of Calhoun, Georgia
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2011
(With Comparative Totals For the Year Ended June 30, 2010)

	2011				2010
	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities					
Cash received from customers	$ 748,913	$ 573,497	$ 685,292	$ 2,007,702	$ 2,047,910
Cash received from interfund services provided	-	306,893	1,334	308,227	310,747
Cash payments for personal services	(516,272)	(271,478)	(140,402)	(928,152)	(1,001,896)
Cash payments for goods and services	(230,688)	(276,974)	(528,368)	(1,036,030)	(993,832)
Cash payments for interfund services used	(2,316)	(84,473)	(66,712)	(153,501)	(224,553)
Net Cash Provided by (Used in) Operating Activities	(363)	247,465	(48,856)	198,246	138,376
Cash Flows from Noncapital Financing Activities					
Payments for (reductions in) pension liability	-	-	2,831	2,831	152
Transfers in	-	304	74,188	74,492	112,322
Transfers out	-	-	-	-	(100,000)
Principal paid on advance	-	(97,955)	-	(97,955)	(109,574)
Interest paid on advance	-	(19,938)	-	(19,938)	(24,785)
Net Cash Provided by (Used in) Noncapital Financing Activities	-	(117,589)	77,019	(40,570)	(121,885)
Cash Flows from Capital and Related Financing Activities					
Payments for capital acquisition and construction	-	-	-	-	(130,480)
Payments for landfill postclosure care	-	-	(28,163)	(28,163)	(25,001)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-	(28,163)	(28,163)	(155,481)
Cash Flows from Investing Activities					
(Purchase) disposal of investments	-	-	-	-	372,055
Investment earnings	-	7,005	-	7,005	5,929
Net Cash Provided by (Used in) Investing Activities	-	7,005	-	7,005	377,984
Net Increase (Decrease) in Cash and Cash Equivalents	(363)	136,881	-	136,518	238,994
Cash and Cash Equivalents Beginning of Year	763	770,982	-	771,745	532,751
Cash and Cash Equivalents End of Year	$ 400	$ 907,863	$ -	$ 908,263	$ 771,745

(continued)

City of Calhoun, Georgia
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2011
(With Comparative Totals For the Year Ended June 30, 2010)

(continued)

	2011				2010
	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	$ (254,357)	$ 151,895	$ (48,170)	$ (150,632)	$ (154,607)
Adjustments					
Depreciation	224,525	95,475	8	320,008	335,470
(Increase) Decrease in Assets					
Accounts receivable and accrued revenue	155	6,816	(4,099)	2,872	(16,223)
Inventory	-	22,151	-	22,151	(4,577)
Interfund receivable	-	-	(1,352)	(1,352)	(4,075)
Intergovernmental receivable	-	(83,494)	-	(83,494)	-
Prepaid expenses	1,961	423	1,115	3,499	514
Increase (Decrease) in Liabilities					
Accounts payable and accrued expenses	5,852	52,927	2,020	60,799	38,747
Accrued payroll liabilities	(742)	1,272	(2,970)	(2,440)	(2,544)
Interfund payable	23,690	-	4,592	28,282	(44,082)
Unearned revenue	(1,447)	-	-	(1,447)	(10,247)
Net Cash Provided by (Used in) Operating Activities	$ (363)	$ 247,465	$ (48,856)	$ 198,246	$ 138,376
Noncash Investing, Capital and Financing Activities					
Transfer of capital assets	$ -	$ -	$ -	$ -	$ 6,460

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Comparative Statements of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 400	$ 763
Accounts receivable	1,146	1,301
Prepaid items	4,425	6,386
Total Current Assets	5,971	8,450
Noncurrent Assets		
Capital assets		
Nondepreciable	696,138	696,138
Depreciable, net	1,434,396	1,658,920
Total Noncurrent Assets	2,130,534	2,355,058
Total Assets	2,136,505	2,363,508
Liabilities		
Current Liabilities		
Accounts payable	17,673	21,198
Accrued payroll liabilities	9	89
Accrued expenses	14,686	5,309
Interfund payable	37,641	13,950
Compensated absences payable	20,495	21,157
Unearned revenue	20,282	21,729
Total Current Liabilities	110,786	83,432
Net Assets		
Invested in capital assets	2,130,534	2,355,058
Unrestricted	(104,815)	(74,982)
Total Net Assets	$ 2,025,719	$ 2,280,076

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Comparative Statements of Revenues,
Expenses and Changes in Fund Net Assets
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Charges for services		
Green fees	$ 456,419	$ 470,974
Cart fees	253,135	263,164
Range fees	18,910	18,452
Miscellaneous	21,741	22,041
Total Operating Revenues	750,205	774,631
Operating Expenses		
Maintenance		
Personal services	343,820	387,350
Contractual services	19,311	19,537
Supplies	150,292	146,418
Interfund allocations	12,753	9,509
Depreciation	24,505	31,830
Total Maintenance	550,681	594,644
Pro Shop		
Personal services	181,087	182,864
Contractual services	24,811	26,838
Supplies	34,710	31,488
Interfund allocations	13,253	9,930
Depreciation	200,020	209,657
Total Pro Shop	453,881	460,777
Total Operating Expenses	1,004,562	1,055,421
Operating (Loss)	(254,357)	(280,790)
Non-Operating Revenues		
Investment earnings	-	221
Loss Before Transfers	(254,357)	(280,569)
Transfers out	-	(100,000)
Change in Net Assets	(254,357)	(380,569)
Net Assets Beginning of Year	2,280,076	2,660,645
Net Assets End of Year	$ 2,025,719	$ 2,280,076

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Cash received from customers	$ 748,913	$ 767,828
Cash payments for personal services	(516,272)	(567,860)
Cash payments for goods and services	(230,688)	(223,725)
Cash payments for interfund services used	(2,316)	(105,237)
Net Cash Provided by (Used in) Operating Activities	(363)	(128,994)
Cash Flows from Noncapital Financing Activities		
Transfers out	-	(100,000)
Cash Flows from Investing Activities		
Investment earnings	-	221
Net Increase (Decrease) in Cash and Cash Equivalents	(363)	(228,773)
Cash and Cash Equivalents Beginning of Year	763	229,536
Cash and Cash Equivalents End of Year	$ 400	$ 763

(continued)

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

(continued)

	2011	2010
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ (254,357)	$ (280,790)
Adjustments		
Depreciation	224,525	241,487
(Increase) Decrease in Assets		
Accounts receivable	155	3,444
Prepaid expenses	1,961	25
Increase (Decrease) in Liabilities		
Accounts payable	(3,525)	531
Accrued expenses	9,377	1,397
Accrued payroll liabilities	(742)	957
Interfund payable	23,690	(85,798)
Unearned revenue	(1,447)	(10,247)
Net Cash Provided by (Used in) Operating Activities	$ (363)	$ (128,994)

City of Calhoun, Georgia
Telecommunications Fund
Comparative Statements of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 907,863	$ 770,982
Receivables		
Accounts	30,036	32,389
Accrued revenue	42,088	46,551
Intergovernmental	83,494	-
Other	2,859	-
Inventory	220,552	242,703
Prepaid items	2,329	2,752
Total Current Assets	1,289,221	1,095,377
Noncurrent Assets		
Capital assets		
Depreciable, net	1,195,241	1,290,716
Total Noncurrent Assets	1,195,241	1,290,716
Total Assets	2,484,462	2,386,093
Liabilities		
Current Liabilities		
Accounts payable	86,729	36,078
Accrued payroll liabilities	44	44
Accrued expenses	7,678	2,543
Compensated absences payable	10,034	8,762
Advances payable	99,435	97,957
Total Current Liabilities	203,920	145,384
Long-Term Liabilities		
Advances payable (net of current portion)	1,168,458	1,267,891
Total Liabilities	1,372,378	1,413,275
Net Assets (Deficit)		
Invested in capital assets	1,195,241	1,290,716
Unrestricted (deficit)	(83,157)	(317,898)
Total Net Assets (Deficit)	$ 1,112,084	$ 972,818

City of Calhoun, Georgia
Telecommunications Fund
Comparative Statements of Revenues,
Expenses and Changes in Fund Net Assets
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Charges for services	$ 949,524	$ 943,803
Miscellaneous	9,980	2,145
Total Operating Revenues	959,504	945,948
Operating Expenses		
Personal services	272,750	256,259
Contractual services	302,170	265,043
Supplies	82,760	38,649
Interfund allocations	54,454	72,965
Depreciation	95,475	93,975
Total Operating Expenses	807,609	726,891
Operating Income	151,895	219,057
Non-Operating Income (Expenses)		
Investment earnings	7,005	5,708
Intergovernmental revenue	83,494	-
Intergovernmental expenditure	(83,494)	-
Interest and fiscal charges	(19,938)	(21,785)
Total Non-operating Income (Expenses)	(12,933)	(16,077)
Income Before Transfers (Out)	138,962	202,980
Transfers in	304	5,322
Change in Net Assets	139,266	208,302
Net Assets Beginning of Year	972,818	764,516
Net Assets End of Year	$ 1,112,084	$ 972,818

City of Calhoun, Georgia
Telecommunications Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Cash received from customers	$ 573,497	$ 627,240
Cash received from interfund services provided	306,893	309,411
Cash payments for personal services	(271,478)	(253,849)
Cash payments for goods and services	(276,974)	(243,189)
Cash payments for interfund services used	(84,473)	(90,092)
Net Cash Provided by (Used in) Operating Activities	247,465	349,521
Cash Flows from Noncapital Financing Activities		
Principal paid on advance	(97,955)	(109,574)
Interest paid on advance	(19,938)	(24,785)
Transfers in	304	5,322
Net Cash Provided by (Used in) Noncapital Financing Activities	(117,589)	(129,037)
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisition and construction	-	(130,480)
Net Cash Flows Provided by (Used in) Capital and Related Financing Activitie	-	(130,480)
Cash Flows from Investing Activities		
(Purchase) Disposal of investments	-	372,055
Investment earnings	7,005	5,708
Net Cash Flows Provided by (Used in) Investing Activities	7,005	377,763
Net Increase (Decrease) in Cash and Cash Equivalents	136,881	467,767
Cash and Cash Equivalents Beginning of Year	770,982	303,215
Cash and Cash Equivalents End of Year	$ 907,863	$ 770,982

(continued)

City of Calhoun, Georgia
Telecommunications Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

(continued)

	2011	2010
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 151,895	$ 219,057
Adjustments		
Depreciation	95,475	93,975
(Increase) Decrease in Assets		
Accounts receivable and accrued revenue	6,816	(2,885)
Inventory	22,151	(4,577)
Interfund receivable	-	12,612
Intergovernmental receivable	(83,494)	-
Prepaid expenses	423	(15)
Increase (Decrease) in Liabilities		
Accounts payable and accrued expenses	52,927	36,864
Accrued payroll liabilities	1,272	(2,410)
Interfund payable	-	(3,100)
Net Cash Provided by (Used in) Operating Activities	$ 247,465	$ 349,521

City of Calhoun, Georgia
Solid Waste Fund
Comparative Statements of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Receivables		
Accounts	$ 48,985	$ 45,044
Accrued revenue	41,142	40,984
Interfund	58,720	57,368
Prepaid items	2,867	3,982
Total Current Assets	151,714	147,378
Noncurrent Assets		
Capital assets		
Nondepreciable	314,435	314,435
Depreciable capital assets, net	181	189
Total Noncurrent Assets	314,616	314,624
Total Assets	466,330	462,002
Liabilities		
Current Liabilities		
Accounts payable	4,733	1,053
Accrued expenses	36,312	37,972
Interfund payable	82,561	77,969
Post-closure care payable	22,643	22,199
Compensated absences payable	-	2,970
Total Current Liabilities	146,249	142,163
Long-Term Liabilities		
Pension liability	56,911	54,080
Post-closure care payable	95,193	117,836
Total Long-Term Liabilities	152,104	171,916
Total Liabilities	298,353	314,079
Net Assets (Deficit)		
Invested in capital assets	314,616	314,624
Unrestricted (deficit)	(146,639)	(166,701)
Total Net Assets (Deficit)	$ 167,977	$ 147,923

City of Calhoun, Georgia
Solid Waste Fund
Comparative Statements of Revenues,
Expenses and Changes in Fund Net Assets
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Charges for services	$ 692,077	$ 687,647
Total Revenues	692,077	687,647
Operating Expenses		
Personal services	137,432	179,096
Contractual services	487,200	490,145
Supplies	26,279	21,887
Interfund allocations	71,304	74,040
Depreciation	8	8
Other	18,024	15,345
Total Operating Expenses	740,247	780,521
Operating (Loss)	(48,170)	(92,874)
Non-Operating Revenues		
Change in estimated landfill closure costs	(5,964)	(3,236)
Total Non-Operating Revenues	(5,964)	(3,236)
Loss Before Transfers	(54,134)	(96,110)
Transfers in	74,188	107,000
Change in Net Assets	20,054	10,890
Net Assets Beginning of Year	147,923	137,033
Net Assets End of Year	$ 167,977	$ 147,923

City of Calhoun, Georgia
Solid Waste Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Cash received from customers	$ 685,292	$ 652,842
Cash received from interfund services provided	1,334	1,336
Cash payments for personal services	(140,402)	(180,187)
Cash payments for goods and services	(528,368)	(526,918)
Cash payments for interfund services used	(66,712)	(29,224)
Net Cash Provided by (Used in) Operating Activities	(48,856)	(82,151)
Cash Flows from Noncapital Financing Activities		
Payments for (reductions in) pension liability	2,831	152
Transfers in	74,188	107,000
Net Cash Flows from Noncapital Financing Activities	77,019	107,152
Cash Flows from Capital and Related Financing Activities		
Payments for landfill postclosure care	(28,163)	(25,001)
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents Beginning of Year	-	-
Cash and Cash Equivalents End of Year	$ -	$ -

(continued)

City of Calhoun, Georgia
Solid Waste Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

(continued)

	2011	2010
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities		
Operating Income (Loss)	$ (48,170)	$ (92,874)
Adjustments		
Depreciation	8	8
(Increase) Decrease in Assets		
Accounts receivable and accrued revenue	(4,099)	(16,782)
Interfund receivable	(1,352)	(16,687)
Prepaid expenses	1,115	504
Increase (Decrease) in Liabilities		
Accounts payables and accrued expenses	2,020	(45)
Accrued payroll liabilities	(2,970)	(1,091)
Interfund payable	4,592	44,816
Net Cash Provided by (Used in) Operating Activities	$ (48,856)	$ (82,151)

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INTERNAL SERVICE FUND
INDIVIDUAL FUND STATEMENTS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments or agencies on a cost-reimbursed basis.

City of Calhoun, Georgia
Utilities Administration Fund
Comparative Statements of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Cash	$ 3,239,138	$ 401,013
Receivables		
Interfund	325,330	31,143
Other	430	-
Prepaid items	75,333	72,895
Total Current Assets	3,640,231	505,051
Noncurrent Assets		
Capital assets		
Nondepreciable	26,977	26,977
Depreciable, net	1,416,448	1,495,782
Total Noncurrent Assets	1,443,425	1,522,759
Total Assets	5,083,656	2,027,810
Liabilities		
Current Liabilities		
Accounts payable	13,278	6,562
Accrued payroll liabilities	51,527	16,954
Accrued expenses	-	3,798
Deferred revenue	316,800	356,400
Interfund payable	3,182,577	57,368
Advances payable	50,359	48,876
Compensated absences payable	57,157	52,767
Total Current Liabilities	3,671,698	542,725
Long-term Liabilities		
Advances payable (net of current portion)	967,442	1,017,801
Total Liabilities	4,639,140	1,560,526
Net Assets (Deficit)		
Invested in capital assets	1,443,425	1,522,759
Unrestricted (deficit)	(998,909)	(1,055,475)
Total Net Assets (Deficit)	$ 444,516	$ 467,284

City of Calhoun, Georgia
Utilities Administration Fund
Comparative Statements of Revenues,
Expenses and Changes in Fund Net Assets
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Charges for services	$ 2,282,066	$ 2,635,770
Miscellaneous	56,386	56,883
Total Operating Revenues	2,338,452	2,692,653
Operating Expenses		
Personal services	1,714,497	1,763,588
Contractual services	390,790	372,797
Supplies	107,397	115,250
Depreciation	79,334	82,692
Total Operating Expenses	2,292,018	2,334,327
Operating Income	46,434	358,326
Non-Operating Expenses		
Investment earnings	1,852	361
Interest expense	(31,454)	(32,892)
Total Non-Operating (Expenses)	(29,602)	(32,531)
Income Before Transfers Out	16,832	325,795
Transfers out	(39,600)	(239,600)
Change in Net Assets	(22,768)	86,195
Net Assets Beginning of Year	467,284	381,089
Net Assets End of Year	$ 444,516	$ 467,284

City of Calhoun, Georgia
Utilities Administration Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Cash received from interfund services provided	$ 1,987,135	$ 2,600,663
Cash received from other	56,386	56,883
Cash payments for personal services	(1,753,460)	(1,761,015)
Cash payments for goods and services	2,666,142	(204,880)
Net Cash Provided by (Used in) Operating Activities	2,956,203	691,651
Cash Flows from Noncapital Financing Activities		
Transfers out	(39,600)	(239,600)
Advance (payments) from other funds	(48,876)	(47,438)
Interest paid on advance	(31,454)	(32,892)
Total Cash Flows Provided by (Used in) Noncapital Financing Activities	(119,930)	(319,930)
Cash Flows from Investing Activities		
Investment earnings	1,852	361
Net Increase (Decrease) in Cash and Cash Equivalents	2,838,125	372,082
Cash and Cash Equivalents Beginning of Year	401,013	28,931
Cash and Cash Equivalents End of Year	$ 3,239,138	$ 401,013
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 46,434	$ 358,326
Adjustments		
Depreciation	79,334	82,692
(Increase) Decrease in Assets		
Accounts receivable - other	(430)	-
Interfund receivables	(294,187)	(29,961)
Prepaid expenses	(2,438)	(13,867)
Increase (Decrease) in Liabilities		
Accounts payables and accrued expenses	(36,682)	348,834
Accrued payroll liabilities	38,963	4,918
Interfund payable	3,125,209	(59,291)
Net Cash Provided by (Used in) Operating Activities	$ 2,956,203	$ 691,651

AGENCY FUND
INDIVIDUAL FUND STATEMENT

The Municipal Court Fund is used to account for the recording of the payment of fines.

City of Calhoun, Georgia
Municipal Court Agency Fund
Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Assets				
Cash and cash equivalents	$ 17,499	$ 782,444	$ 784,289	$ 15,654
Liabilities				
Interfund payable	$ -	$ 536,031	$ 536,031	$ -
Intergovernmental payable	17,499	246,413	248,258	15,654
Total Liabilities	$ 17,499	$ 782,444	$ 784,289	$ 15,654

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited.

Contents *Exhibit*

Financial Trends I - XIX

These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in a historical perspective.

Revenue Capacity XX - XXX

These tables contain information that may assist the reader in assessing the viability of the City's three most significant "*own-source*" revenue sources, utility charges for services, property taxes and sales taxes. Electric user charges are the primary "own revenue source." Some similiar data for the water and sewerage charges also is presented. The principal sales tax remitters information is not available from the Georgia Department of Revenue, the organization which collects the sales taxes from businesses and remits the City's share to the City.

Debt Capacity XXXI - XXXVI

These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information XXXVII - XXXVIII

This table offers demographic and economic indicators that are commonly used for financial analysis and that can inform one's understanding the City's present and ongoing financial status.

Operating Information XXXIX - XXXXIII

These tables contain service and infrastructure indicators that can inform one's understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs.

Data Source:

[1] Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in fiscal year 2003, therefore tables presenting government-wide information include only nine years of data.

Exhibit I

City of Calhoun, Georgia
Government-wide Net Assets by Category[2]
Last Nine Fiscal Years[1]
(accrual basis of accounting)

	Amounts								
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Governmental Activities									
Invested in capital assets, net of related debt	$ 36,086,443	$ 42,837,851	$ 45,071,915	$ 48,576,577	$ 51,507,994	$ 53,918,878	$ 54,267,923	$ 53,654,505	$ 52,338,593
Restricted	2,861,025	3,604,957	2,937,541	3,321,689	4,061,264	4,475,779	6,667,786	8,688,195	15,431,931
Unrestricted	5,295,369	5,586,115	5,516,383	6,892,771	8,464,916	10,331,322	9,368,345	9,567,669	7,232,639
Subtotal Governmental Activities Net Assets	44,242,837	52,028,923	53,525,839	58,791,037	64,034,174	68,725,979	70,304,054	71,910,369	75,003,163
Business-type Activities									
Invested in capital assets, net of related debt	58,727,845	62,366,502	63,845,193	68,383,190	73,551,942	76,306,384	80,087,162	83,941,618	87,690,678
Restricted	90,064	120,210	193,720	121,239	-	2,426,382	-	-	-
Unrestricted	13,451,520	14,834,989	16,736,179	17,088,381	18,536,443	17,957,256	20,350,076	21,452,054	22,718,371
Subtotal Business-type Activities Net Assets	72,269,429	77,321,701	80,775,092	85,592,810	92,088,385	96,690,022	100,437,238	105,393,672	110,409,049
Primary Government									
Invested in capital assets, net of related debt	94,814,288	105,204,353	108,917,108	116,959,767	125,059,936	130,225,262	134,355,085	137,278,601	140,029,271
Restricted	2,951,089	3,725,167	3,131,261	3,442,928	4,061,264	6,902,161	6,667,786	8,688,195	15,431,931
Unrestricted	18,746,889	20,421,104	22,252,562	23,981,152	27,001,359	28,288,578	29,718,421	31,337,245	29,951,010
Total Primary Government Net Assets	$ 116,512,266	$ 129,350,624	$ 134,300,931	$ 144,383,847	$156,122,559	$ 165,416,001	$ 170,741,292	$ 177,304,041	$ 185,412,212

	Percentage of Total								
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Governmental Activities									
Invested in capital assets, net of related debt	81.6%	82.3%	84.2%	82.6%	80.4%	78.5%	77.2%	74.6%	69.8%
Restricted	6.4%	7.0%	5.5%	5.7%	6.3%	6.5%	9.5%	12.1%	20.6%
Unrestricted	12.0%	10.7%	10.3%	11.7%	13.2%	15.0%	13.3%	13.3%	9.6%
Subtotal Governmental Activities Net Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Business-type Activities									
Invested in capital assets, net of related debt	81.3%	80.7%	79.0%	79.9%	79.9%	78.9%	79.7%	79.6%	79.4%
Restricted	0.1%	0.1%	0.3%	0.1%	0.0%	2.5%	0.0%	0.0%	0.0%
Unrestricted	18.6%	19.2%	20.7%	20.0%	20.1%	18.6%	20.3%	20.4%	20.6%
Subtotal Business-type Activities Net Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Primary Government									
Invested in capital assets, net of related debt	81.4%	81.3%	81.1%	81.0%	80.1%	78.7%	78.7%	77.4%	75.5%
Restricted	2.5%	2.9%	2.3%	2.4%	2.6%	4.2%	3.9%	4.9%	8.3%
Unrestricted	16.1%	15.8%	16.6%	16.6%	17.3%	17.1%	17.4%	17.7%	16.2%
Total Primary Government Net Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

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

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

City of Calhoun, Georgia
Chart-Government-wide Net Assets by Category
Last Nine Fiscal Years
(accrual basis of accounting)

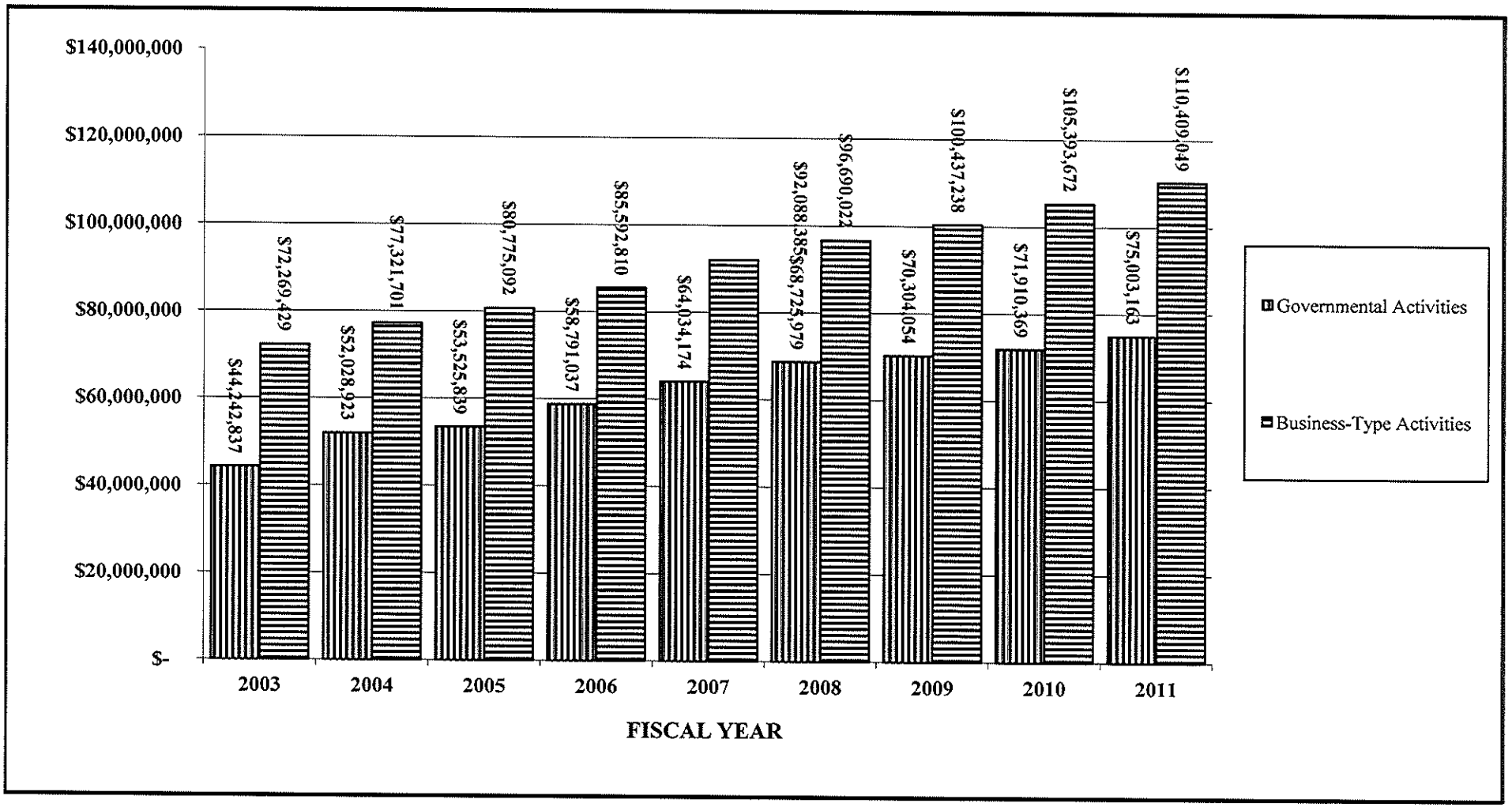


Exhibit II

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

	Fiscal Year Ended June 30,								
Source	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:									
General government	$ 710,210	$ 724,573	$ 832,492	$ 653,112	$ 856,885	$ 740,757	$ 1,027,285	$ 913,704	$ 776,593
Judicial	162,710	205,219	220,446	300,437	333,732	362,286	368,035	369,108	370,600
Public safety	5,036,828	5,194,661	5,409,211	5,577,829	5,813,605	6,520,476	6,660,064	6,535,237	6,613,869
Public works	2,295,497	2,109,709	2,339,889	2,408,558	2,049,161	2,440,432	2,671,335	2,652,196	3,049,832
Health and welfare	47,548	43,819	44,192	53,820	52,705	55,875	57,673	63,526	58,247
Culture and recreation	898,009	930,482	968,147	1,109,401	1,286,790	1,830,845	1,623,602	1,589,819	1,696,938
Housing and economic development	748,300	979,164	716,010	713,760	780,430	1,040,290	1,033,443	953,607	970,940
Education	1,283,162	907,571	2,681,712	1,063,098	909,255	887,135	963,995	937,959	516,728
Interest and fiscal charges	844,856	921,762	889,719	828,672	786,380	708,843	716,362	677,260	523,229
Total Expenses	12,027,120	12,016,960	14,101,818	12,708,687	12,868,943	14,586,939	15,121,794	14,692,416	14,576,976
Program Revenues:									
Charges for services:									
General government	64,258	67,924	65,525	69,117	114,157	124,752	139,888	136,106	134,956
Public safety	791,925	863,975	817,269	1,074,297	1,063,990	1,026,933	794,988	856,148	920,826
Public works	40,983	8,150	21,313	23,520	39,559	23,093	25,710	17,094	16,111
Culture and recreation	123,478	169,613	164,760	167,617	177,231	176,613	160,558	159,990	215,276
Housing and economic development	150,840	129,730	187,595	124,697	201,835	154,646	136,787	98,116	76,305
Operating grants and contributions	3,789,345	2,928,646	2,676,043	3,045,332	3,204,758	1,234,401	3,567,012	3,858,010	3,700,825
Capital grants and contributions	6,031,556	6,548,214	2,857,095	3,896,151	2,296,511	3,670,024	717,406	361,368	2,444,463
Total Program Revenues	10,992,385	10,716,252	6,789,600	8,400,731	7,098,041	6,410,462	5,542,349	5,486,832	7,508,762
Net (Expense) Revenue	(1,034,735)	(1,300,708)	(7,312,218)	(4,307,956)	(5,770,902)	(8,176,477)	(9,579,445)	(9,205,584)	(7,068,214)
General Revenues and Transfers In:									
Taxes:									
Property	1,002,095	955,544	808,419	991,848	1,367,889	1,111,884	1,784,007	1,818,434	1,255,359
Sales	1,600,317	1,713,091	1,825,447	2,154,621	2,207,259	4,075,815	3,940,661	4,100,660	2,057,988
Business license and franchise taxes	2,306,202	2,432,617	2,445,189	2,658,643	2,732,003	2,821,431	2,653,235	2,599,128	2,819,216
Insurance premium	458,202	496,567	534,241	558,949	583,046	606,368	605,645	566,412	718,274
Gas marketers	521,738	499,670	218,759	158,725	116,389	94,575	89,812	88,840	69,149
Other	555,170	553,468	592,116	596,565	661,179	696,941	697,715	673,066	691,253
Unrestricted intergovernmental	65,101	48,162	54,411	63,781	68,679	60,384	62,496	33,636	29,732
Investment earnings	498,250	304,280	151,413	292,899	448,503	462,878	230,986	145,205	95,043
Miscellaneous	87,070	117,052	63,472	37,995	96,724	62,687	127,259	54,037	53,715
Transfers in	1,275,770	1,966,343	2,115,667	1,973,154	2,262,196	1,212,939	965,704	732,481	2,371,279
Total General Revenues and Transfers In	8,369,915	9,086,794	8,809,134	9,487,180	10,543,867	11,205,902	11,157,520	10,811,899	10,161,008
Change in Net Assets	$ 7,335,180	$ 7,786,086	$ 1,496,916	$ 5,179,224	$ 4,772,965	$ 3,029,425	$ 1,578,075	$ 1,606,315	$ 3,092,794

Notes:

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

Exhibit III

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

	Fiscal Year Ended June 30,								
Source	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:									
General government	5.9%	6.0%	5.9%	5.1%	6.7%	5.1%	6.8%	6.2%	5.3%
Judicial	1.4%	1.7%	1.6%	2.4%	2.6%	2.5%	2.4%	2.5%	2.5%
Public safety	41.9%	43.2%	38.4%	43.9%	45.2%	44.7%	44.0%	44.5%	45.4%
Public works	19.1%	17.6%	16.6%	19.0%	15.9%	16.7%	17.7%	18.1%	20.9%
Health and welfare	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Culture and recreation	7.5%	7.7%	6.9%	8.7%	10.0%	12.6%	10.7%	10.8%	11.6%
Housing and economic development	6.2%	8.1%	5.1%	5.6%	6.1%	7.1%	6.8%	6.5%	6.7%
Education	10.7%	7.6%	19.0%	8.4%	7.1%	6.1%	6.4%	6.4%	3.5%
Interest and fiscal charges	7.0%	7.7%	6.3%	6.5%	6.1%	4.9%	4.7%	4.6%	3.6%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Program Revenues:									
Charges for services:									
General government	0.6%	0.6%	1.0%	0.8%	1.6%	1.9%	2.5%	2.5%	1.8%
Public safety	7.2%	8.1%	12.0%	12.8%	15.0%	16.0%	14.3%	15.6%	12.3%
Public works	0.4%	0.1%	0.3%	0.3%	0.6%	0.4%	0.5%	0.3%	0.2%
Culture and recreation	1.1%	1.6%	2.4%	2.0%	2.5%	2.8%	2.9%	2.9%	2.9%
Housing and economic development	1.4%	1.2%	2.8%	1.5%	2.8%	2.4%	2.5%	1.8%	1.0%
Operating grants and contributions	34.5%	27.3%	39.4%	36.3%	45.1%	19.3%	64.4%	70.3%	49.3%
Capital grants and contributions	54.8%	61.1%	42.1%	46.3%	32.4%	57.3%	12.9%	6.6%	32.6%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Revenues and Transfers In:									
Taxes:									
Property	12.0%	10.5%	9.2%	10.5%	13.0%	9.9%	16.0%	16.8%	12.4%
Sales	19.1%	18.9%	20.7%	22.7%	20.9%	36.5%	35.4%	38.0%	20.4%
Business license and franchise taxes	27.6%	26.8%	27.8%	28.0%	25.9%	25.2%	23.8%	24.0%	27.7%
Insurance premium	5.5%	5.5%	6.1%	5.9%	5.5%	5.4%	5.4%	5.2%	7.1%
Gas marketers	6.2%	5.5%	2.5%	1.7%	1.1%	0.8%	0.8%	0.8%	0.7%
Other	6.6%	6.1%	6.7%	6.3%	6.3%	6.2%	6.3%	6.2%	6.8%
Unrestricted intergovernmental	0.8%	0.5%	0.6%	0.7%	0.7%	0.5%	0.6%	0.3%	0.3%
Investment earnings	6.0%	3.3%	1.7%	3.1%	4.3%	4.1%	2.1%	1.3%	0.9%
Miscellaneous	1.0%	1.3%	0.7%	0.4%	0.9%	0.6%	1.1%	0.5%	0.5%
Transfers in	15.2%	21.6%	24.0%	20.7%	21.5%	10.7%	8.6%	6.7%	23.2%
Total General Revenues and Transfers In	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

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

Exhibit IV

City of Calhoun, Georgia
Tax Revenues by Source - Governmental Activities
Last Nine Fiscal Years[1]
(accrual basis of accounting)

Fiscal Year Ended June 30,	Amounts						
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other[2]	Total
2003	$ 1,002,095	$ 1,600,317	$ 2,306,202	$ 458,202	$ 521,738	$ 555,170	$ 6,443,724
2004	955,544	1,713,091	2,432,617	496,567	499,670	553,468	6,650,957
2005	808,419	1,825,447	2,445,189	534,241	218,759	592,116	6,424,171
2006	991,848	2,154,621	2,658,643	558,949	158,725	596,565	7,119,351
2007	1,367,889	2,207,259	2,732,003	583,046	116,389	661,179	7,667,765
2008	1,111,884	4,075,815	2,821,431	606,368	94,575	696,941	9,407,014
2009	1,784,007	3,940,661	2,653,235	605,645	89,812	687,715	9,761,075
2010	1,818,434	4,100,660	2,599,128	566,412	88,840	673,066	9,846,540
2011	1,255,359	2,057,988	2,819,216	718,274	69,149	691,253	7,611,239
% Change From 2003-2011	25.3%	28.6%	22.2%	56.8%	-86.7%	24.5%	18.1%

Fiscal Year Ended June 30,	Percentage of Total						
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other[1]	Total
2003	15.6%	24.8%	35.8%	7.1%	8.1%	8.6%	100.0%
2004	14.4%	25.8%	36.6%	7.5%	7.5%	8.2%	100.0%
2005	12.6%	28.4%	38.1%	8.3%	3.4%	9.2%	100.0%
2006	13.9%	30.3%	37.3%	7.9%	2.2%	8.4%	100.0%
2007	17.8%	28.8%	35.6%	7.6%	1.5%	8.7%	100.0%
2008	11.8%	43.3%	30.0%	6.4%	1.0%	7.5%	100.0%
2009	18.3%	40.4%	27.2%	6.2%	0.9%	7.1%	100.0%
2010	18.5%	41.6%	26.4%	5.8%	0.9%	6.9%	100.0%
2011	16.5%	27.0%	37.0%	9.4%	0.9%	9.1%	100.0%

Notes:

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

[2] Includes financial institution business taxes and hotel/motel taxes.

Exhibit V

City of Calhoun, Georgia
Changes in Net Assets - Business-type Activities
Last Nine Fiscal Years [1]
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
Source	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:									
Electric system	$ 20,393,826	$ 21,319,448	$ 22,540,426	$ 25,441,726	$ 24,140,215	$ 24,022,988	$ 21,109,534	$ 22,037,788	$ 26,478,078
Water and sewerage system	11,016,875	10,714,833	11,278,166	12,393,869	13,465,985	14,243,150	13,489,650	12,611,049	11,880,631
Fields Ferry golf course	1,143,372	1,181,059	1,153,574	1,138,067	1,140,348	1,124,018	1,109,778	1,055,421	1,004,562
Telecommunications	588,124	651,075	576,736	645,065	711,990	702,866	796,054	748,676	911,041
Solid waste	963,170	886,979	850,943	1,002,433	992,069	801,965	751,610	783,757	746,211
Total Expenses	34,105,367	34,753,394	36,399,845	40,621,160	40,450,607	40,894,987	37,256,626	37,236,691	41,020,523
Program Revenues:									
Charges for services:									
Electric system	23,542,563	24,545,373	24,182,335	27,607,811	26,460,667	27,249,318	24,485,503	25,043,967	29,853,546
Water and sewerage system	12,184,616	13,647,944	13,790,525	14,931,786	17,151,316	15,595,960	14,080,039	14,807,017	14,440,652
Fields Ferry golf course	882,467	882,605	836,799	841,132	931,627	947,832	815,499	752,590	728,464
Telecommunications	707,711	702,469	717,008	813,975	833,147	901,719	955,306	943,803	949,524
Solid waste	428,689	445,174	487,415	725,930	768,936	450,665	447,411	687,647	692,077
Operating grants and contributions	1,275,360	-	-	-	-	-	-	-	123,040
Capital grants and contributions	761,688	1,226,802	1,495,935	1,747,936	2,662,406	409,519	332,915	64,200	900,000
Total Program Revenues	39,783,094	41,450,367	41,510,017	46,668,570	48,808,099	45,555,013	41,116,673	42,299,224	47,687,303
Net (Expense) Revenue	5,677,727	6,696,973	5,110,172	6,047,410	8,357,492	4,660,026	3,860,047	5,062,533	6,666,780
General Revenues and Net Transfers :									
Investment earnings	202,045	178,202	231,464	407,941	592,810	705,127	550,438	308,070	309,784
Miscellaneous	253,538	143,440	437,527	423,012	320,181	449,423	302,435	318,312	410,092
Net transfers	(1,275,770)	(1,966,343)	(2,115,667)	(1,973,154)	(2,262,196)	(1,212,939)	(965,704)	(732,481)	(2,371,279)
Total General Revenues and Transfers	(820,187)	(1,644,701)	(1,446,676)	(1,142,201)	(1,349,205)	(58,389)	(112,831)	(106,099)	(1,651,403)
Change in Net Assets	$ 4,857,540	$ 5,052,272	$ 3,663,496	$ 4,905,209	$ 7,008,287	$ 4,601,637	$ 3,747,216	$ 4,956,434	$ 5,015,377

Notes:

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

Exhibit VI

City of Calhoun, Georgia
Changes in Net Assets - Business-type Activities - Percentage of Total
Last Nine Fiscal Years [1]
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
Source	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Expenses:									
Electric system	59.8%	61.3%	61.9%	62.6%	59.8%	58.8%	56.8%	59.3%	64.5%
Water and sewerage system	32.3%	30.8%	31.0%	30.5%	33.3%	34.8%	36.2%	33.9%	29.0%
Fields ferry golf course	3.4%	3.4%	3.2%	2.8%	2.8%	2.7%	3.0%	2.8%	2.4%
Telecommunications	1.7%	1.9%	1.6%	1.6%	1.8%	1.7%	2.1%	2.0%	2.2%
Solid waste	2.8%	2.6%	2.3%	2.5%	2.4%	1.9%	1.9%	2.0%	1.8%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Program Revenues:									
Charges for services:									
Electric system	59.2%	59.2%	58.3%	59.2%	54.1%	59.7%	59.5%	59.1%	62.6%
Water and sewerage system	30.6%	32.9%	33.2%	32.0%	35.1%	34.2%	34.2%	35.0%	30.3%
Fields ferry golf course	2.2%	2.1%	2.0%	1.8%	1.9%	2.1%	2.0%	1.8%	1.5%
Telecommunications	1.8%	1.7%	1.7%	1.7%	1.7%	2.0%	2.3%	2.2%	2.0%
Solid waste	1.1%	1.1%	1.2%	1.6%	1.6%	1.0%	1.1%	1.6%	1.5%
Operating grants and contributions	3.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
Capital grants and contributions	1.9%	3.0%	3.6%	3.7%	5.6%	1.0%	0.9%	0.3%	1.9%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

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

Exhibit VII

City of Calhoun, Georgia
Changes in Net Assets - Total
Last Nine Fiscal Years [1]
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
Source	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Expenses:									
Governmental activities[2]	$12,027,120	$12,016,960	$14,101,818	$12,708,687	$12,868,943	$14,586,939	$15,121,794	$14,692,416	$14,576,976
Business-type activities[3]	34,105,367	34,753,394	36,399,845	40,621,160	40,450,607	40,894,987	37,256,626	37,236,691	41,020,523
Total Expenses	46,132,487	46,770,354	50,501,663	53,329,847	53,319,550	55,481,926	52,378,420	51,929,107	55,597,499
Program Revenues									
Governmental activities[2]	10,992,385	10,716,252	6,789,600	8,400,731	7,098,041	6,410,462	5,542,349	5,486,832	7,508,762
Business-type activities[3]	39,783,094	41,450,367	41,510,017	46,668,570	48,808,099	45,555,013	41,116,673	42,299,224	47,687,303
Total Program Revenues	50,775,479	52,166,619	48,299,617	55,069,301	55,906,140	51,965,475	46,659,022	47,786,056	55,196,065
Net (Expense) Revenue	4,642,992	5,396,265	(2,202,046)	1,739,454	2,586,590	(3,516,451)	(5,719,398)	(4,143,051)	(401,434)
General Revenues and Transfers:									
Governmental activities[2]	8,369,915	9,086,794	8,809,134	9,487,180	10,543,867	11,205,902	11,157,520	10,811,899	10,161,008
Business-type activities[3]	(820,187)	(1,644,701)	(1,446,676)	(1,142,201)	(1,349,205)	(58,389)	(112,831)	(106,099)	(1,651,403)
Total General Revenues and Transfers	7,549,728	7,442,093	7,362,458	8,344,979	9,194,662	11,147,513	11,044,689	10,705,800	8,509,605
Change in Net Assets	$12,192,720	$12,838,358	$ 5,160,412	$10,084,433	$11,781,252	$ 7,631,062	$ 5,325,291	$ 6,562,749	$ 8,108,171

Notes:

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

Data Source:

[2] Exhibit II.

[3] Exhibit V.

Exhibit VIII

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	$ 88,816	$ 134,638	$ 151,322	$ 284,676	$ 200,841	$ 172,825	$ 130,383	$ 393,709	$ 509,437	$ -
Unreserved	6,261,243	6,838,895	6,935,822	6,961,232	7,910,115	8,878,944	8,256,074	6,863,088	5,934,113	-
Nonspendable	-	-	-	-	-	-	-	-	-	465,476
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	4,000,757
Unassigned	-	-	-	-	-	-	-	-	-	2,348,480
Subtotal General Fund	6,350,059	6,973,533	7,087,144	7,245,908	8,110,956	9,051,769	8,386,457	7,256,797	6,443,550	6,814,713
General Fund Percentage Change	-17.5%	9.8%	1.6%	2.2%	11.9%	11.6%	-7.4%	-13.5%	-11.2%	5.8%
All Other Governmental Funds										
Reserved [1]	14,872,548	19,443,163	4,018,791	2,638,477	3,184,559	3,745,336	4,235,633	6,032,693	7,664,639	-
Unreserved										
Special Revenue Funds	(17,720)	(31,858)	(20,415)	(27,456)	5,313	28,026	23,051	(20,804)	(1,385)	-
Capital Projects Funds	15,875	(202,717)	(262,403)	(474,744)	(119,531)	(119,589)	2,350,758	2,487,585	3,197,082	-
Nonspendable	-	-	-	-	-	-	-	-	-	55,232
Restricted	-	-	-	-	-	-	-	-	-	34,663,373
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	(4,390)
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Subtotal All Other Governmental Funds	14,870,703	19,208,588	3,735,973	2,136,277	3,070,341	3,653,773	6,609,442	8,499,474	10,860,336	34,714,215
Total Governmental Funds										
Reserved	14,961,364	19,577,801	4,170,113	2,923,153	3,385,400	3,918,161	4,366,016	6,426,402	8,174,076	-
Unreserved	6,259,398	6,604,320	6,653,004	6,459,032	7,795,897	8,787,381	10,629,883	9,329,869	9,129,810	-
Nonspendable	-	-	-	-	-	-	-	-	-	520,708
Restricted	-	-	-	-	-	-	-	-	-	34,663,373
Committed	-	-	-	-	-	-	-	-	-	4,000,757
Unassigned										
General Fund	-	-	-	-	-	-	-	-	-	2,348,480
Special Revenue Funds	-	-	-	-	-	-	-	-	-	(4,390)
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
	$ 21,220,762	$ 26,182,121	$ 10,823,117	$ 9,382,185	$ 11,181,297	$ 12,705,542	$ 14,995,899	$ 15,756,271	$ 17,303,886	$ 41,528,928
All Governmental Funds Percentage Change	148.5%	23.4%	-58.7%	-13.3%	19.2%	13.6%	18.0%	5.1%	9.8%	140.0%

Notes:

[1] In fiscal year 2002, the City issued general obligation bonds totaling $14,995,000 and in fiscal year 2003, the City issued $5,000,000 in general obligation bonds. The large reserved fund balance at June 30, 2002 and 2003 relates to the unspent bond proceeds. The City issued $21,000,000 in general obligation bonds for the school in FY 2011 that primarily was the cause for the large increase in fund balance in that year.

Exhibit IX

City of Calhoun, Georgia

General Governmental Revenues by Source (Unaudited) [1]

Last Ten Fiscal Years

(modified accrual basis of accounting)

Source	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Taxes	$ 3,732,102	$ 6,364,867	$ 6,603,583	$ 6,579,058	$ 7,281,831	$ 7,474,872	$ 7,698,581	$ 7,404,954	$ 7,256,952	$ 7,715,262
Intergovernmental	991,754	4,534,713	4,741,557	4,123,355	5,130,474	4,931,359	6,688,782	6,242,934	6,388,360	6,107,358
Licenses and permits	2,498,142	211,321	185,223	241,404	192,627	298,341	258,454	262,284	219,490	201,293
Charges for services	1,738,732	1,995,470	2,187,676	2,218,450	288,820	383,276	406,544	391,946	375,453	404,449
Fines and forfeitures	989,271	843,318	696,023	780,862	870,448	893,024	767,025	594,969	588,606	556,013
Contributions and donations	-	15,156	5,093	3,622	347,775	44,390	1,929	28,138	1,393	783
Investment earnings	-	498,250	304,280	151,413	292,899	448,503	462,878	230,986	145,205	94,878
Miscellaneous[2]	560,970	101,970	132,202	89,787	62,963	51,839	71,977	38,330	35,097	48,782
Total Revenues	10,510,971	14,565,065	14,855,637	14,187,951	14,467,837	14,525,604	16,356,170	15,194,541	15,010,556	15,128,818
% change from prior year	-3.7%	38.6%	2.0%	-4.5%	2.0%	0.4%	12.6%	-7.1%	-1.2%	0.8%
Taxes	35.5%	43.7%	44.5%	46.4%	50.3%	51.5%	47.1%	48.7%	48.3%	51.0%
Intergovernmental	9.4%	31.1%	31.9%	29.1%	35.5%	33.9%	40.9%	41.1%	42.6%	40.4%
Licenses and permits	23.8%	1.5%	1.2%	1.7%	1.3%	2.1%	1.6%	1.7%	1.5%	1.3%
Fines and forfeitures	16.5%	13.7%	14.7%	15.6%	2.0%	2.6%	2.5%	2.6%	2.5%	2.7%
Charges for services	9.4%	5.8%	4.7%	5.5%	6.0%	6.1%	4.7%	3.9%	3.9%	3.7%
Contributions and donations	0.0%	0.1%	0.0%	0.0%	2.4%	0.3%	0.0%	0.2%	0.0%	0.0%
Investment earnings	0.0%	3.4%	2.0%	1.1%	2.0%	3.1%	2.8%	1.5%	1.0%	0.6%
Miscellaneous	5.4%	0.7%	1.0%	0.6%	0.5%	0.4%	0.4%	0.3%	0.2%	0.3%
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

[1] Includes all governmental fund types.

[2] Investment earnings included in miscellaneous revenues for fiscal years 2001 - 2002.

Exhibit X

City of Calhoun, Georgia
Tax Revenues by Source - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousand dollars)

Fiscal Year Ended June 30,	Amounts[1]						
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other[2]	Total
2002	$ 937	$ 1,555	$ -	$ 425	$ 77	$ 738	$ 3,732
2003	923	1,600	2,306	458	522	556	6,365
2004	908	1,713	2,432	497	500	554	6,604
2005	963	1,825	2,446	534	219	592	6,579
2006	1,154	2,155	2,659	559	159	596	7,282
2007	1,174	2,207	2,726	583	116	668	7,474
2008	1,220	2,259	2,813	606	95	706	7,699
2009	1,342	2,017	2,653	606	90	698	7,406
2010	1,386	1,943	2,600	566	89	673	7,257
2011	1,315	2,102	2,944	718	69	567	7,715
% Change From 2002-2011	40.3%	35.2%	100.0%	68.9%	-10.4%	-23.2%	106.7%

Fiscal Year Ended June 30,	Percentage of Total						
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other[1]	Total
2002	25.1%	41.7%	0.0%	11.4%	2.1%	19.8%	100.0%
2003	14.5%	25.1%	36.2%	7.2%	8.2%	8.7%	100.0%
2004	13.7%	25.9%	36.8%	7.5%	7.6%	8.4%	100.0%
2005	14.6%	27.7%	37.2%	8.1%	3.3%	9.0%	100.0%
2006	15.8%	29.6%	36.5%	7.7%	2.2%	8.2%	100.0%
2007	15.7%	29.5%	36.5%	7.8%	1.6%	8.9%	100.0%
2008	15.8%	29.3%	36.5%	7.9%	1.2%	9.2%	100.0%
2009	18.1%	27.2%	35.8%	8.2%	1.2%	9.4%	100.0%
2010	19.1%	26.8%	35.8%	7.8%	1.2%	9.3%	100.0%
2011	17.0%	27.2%	38.2%	9.3%	0.9%	7.3%	100.0%

Notes:

[1] Amounts presented in $1,000's.

[2] Includes beer, wine, and liquor taxes, financial institution business taxes, and hotel/motel taxes.

City of Calhoun, Georgia

General Governmental Expenditures by Function (Unaudited) [1]

Last Ten Fiscal Years

(modified accrual basis of accounting)

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenditures:										
Current:										
General government [2]	$ 2,341,960	$ 2,397,250	$ 2,558,450	$ 2,719,269	$ 616,511	$ 847,374	$ 1,126,658	$ 1,004,306	$ 897,578	$ 927,518
Judicial	-	162,710	206,840	220,424	299,345	333,892	360,207	400,454	363,530	364,090
Public safety	4,749,253	4,799,964	5,078,134	5,190,075	5,524,642	6,467,129	7,357,039	7,046,335	6,263,391	6,259,795
Public works	1,505,118	1,943,132	1,720,516	1,878,830	1,810,968	1,497,415	1,408,513	1,888,208	1,770,722	1,763,779
Health and welfare	55,547	47,345	43,559	45,037	53,820	52,567	55,905	58,254	63,698	58,678
Culture and recreation	724,655	763,662	762,312	766,077	872,095	1,365,314	2,122,797	1,279,260	1,181,283	1,315,642
Housing and economic development	546,793	758,680	972,734	715,135	729,760	786,511	1,064,702	1,020,584	939,055	974,467
Education	58,760	90,787	112,294	104,360	115,002	140,057	97,775	133,712	112,978	99,103
Total Current	9,982,086	10,963,530	11,454,839	11,639,207	10,022,143	11,490,259	13,593,596	12,831,113	11,592,235	11,763,072
% Change From Prior Year	12.5%	9.8%	4.5%	1.6%	-13.9%	14.6%	18.3%	-5.6%	-9.7%	1.5%
Capital Outlay	2,242,653	4,322,015	18,304,185	3,298,608	2,038,891	1,702,369	1,706,004	1,375,312	897,516	410,053
% Change From Prior Year	8.9%	92.7%	323.5%	-82.0%	-38.2%	-16.5%	0.2%	-19.4%	-34.7%	-54.3%
Debt Service										
Principal	1,109,195	406,562	1,466,990	1,912,233	1,884,403	2,033,809	1,731,681	979,602	1,068,637	1,146,243
Interest and fees	237,613	921,051	957,679	894,502	836,140	795,824	744,110	710,875	676,517	823,716
Total Debt Service	1,346,808	1,327,613	2,424,669	2,806,735	2,720,543	2,829,633	2,475,791	1,690,477	1,745,154	1,969,959
% Change From Prior Year	147.7%	-1.4%	82.6%	15.8%	-3.1%	4.0%	-12.5%	-31.7%	3.2%	12.9%
Total Expenditures	13,571,547	16,613,158	32,183,693	17,744,550	14,781,577	16,022,261	17,775,391	15,896,902	14,234,905	14,143,084
Debt Service as a % of Noncapital Expenditures	11.9%	10.8%	17.5%	19.4%	21.3%	19.8%	15.4%	11.6%	13.1%	14.3%

Notes:

[1] Includes all governmental fund types.

[2] In fiscal year 2006, the City established an utility internal service fund which accounts for all utility billing services which previously were included within the general fund and then charged back to the utilities.

City of Calhoun, Georgia

General Governmental Current Expenditures by Function (Unaudited) [1]

Last Ten Fiscal Years

(modified accrual basis of accounting)

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenditures:										
Current:										
General government [2]	$ 2,341,960	$ 2,397,250	$ 2,558,450	$ 2,719,269	$ 616,511	$ 847,374	$ 1,126,658	$ 1,004,306	$ 897,578	$ 927,518
Judicial	-	162,710	206,840	220,424	299,345	333,892	360,207	400,454	363,530	364,090
Public safety	4,749,253	4,799,964	5,078,134	5,190,075	5,524,642	6,467,129	7,357,039	7,046,335	6,263,391	6,259,795
Public works	1,505,118	1,943,132	1,720,516	1,878,830	1,810,968	1,497,415	1,408,513	1,888,208	1,770,722	1,763,779
Health and welfare	55,547	47,345	43,559	45,037	53,820	52,567	55,905	58,254	63,698	58,678
Culture and recreation	724,655	763,662	762,312	766,077	872,095	1,365,314	2,122,797	1,279,260	1,181,283	1,315,642
Housing and economic development	546,793	758,680	972,734	715,135	729,760	786,511	1,064,702	1,020,584	939,055	974,467
Education	58,760	90,787	112,294	104,360	115,002	140,057	97,775	133,712	112,978	99,103
Total Current	$ 9,982,086	$10,963,530	$11,454,839	$11,639,207	$10,022,143	$11,490,259	$13,593,596	$12,831,113	$11,592,235	$11,763,072
Current:										
General government	23.5%	21.9%	22.3%	23.4%	6.2%	7.4%	8.3%	7.8%	7.7%	7.9%
Judicial	0.0%	1.5%	1.8%	1.9%	3.0%	2.9%	2.6%	3.1%	3.1%	3.1%
Public safety	47.6%	43.8%	44.3%	44.6%	55.1%	56.3%	54.1%	54.9%	54.0%	53.2%
Public works	15.1%	17.7%	15.0%	16.1%	18.1%	13.0%	10.4%	14.7%	15.3%	15.0%
Health and welfare	0.6%	0.4%	0.4%	0.4%	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%
Culture and recreation	7.3%	7.0%	6.7%	6.6%	8.7%	11.9%	15.6%	10.0%	10.2%	11.2%
Housing and economic development	5.5%	6.9%	8.5%	6.1%	7.3%	6.8%	7.8%	8.0%	8.1%	8.3%
Education	0.6%	0.8%	1.0%	0.9%	1.1%	1.2%	0.7%	1.0%	1.0%	0.8%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

[1] Includes all governmental fund types.

[2] In fiscal year 2006, the City established an utility internal service fund which accounts for all utility billing services which previously were included within the general fund and then charged back to the utilities.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Revenues - Exhibit IX	$10,510,971	$14,565,065	$ 14,855,637	$14,187,951	$14,467,837	$14,525,604	$16,356,170	$15,194,541	$15,010,556	$15,128,818
Total Expenditures - Exhibit XI	13,571,547	16,613,158	32,183,693	17,744,550	14,781,577	16,022,261	17,775,391	15,896,902	14,234,905	14,143,084
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,060,576)	(2,048,093)	(17,328,056)	(3,556,599)	(313,740)	(1,496,657)	(1,419,221)	(702,361)	775,651	985,734
Other Financing Sources (Uses)										
Sale of capital assets	-	-	2,709	-	29,421	104,706	15,966	8,561	39,482	15,029
General obligation bonds issued	-	5,000,000	-	-	-	-	-	-	-	21,000,000
Premium on debt issuance	-	537,876	-	-	-	-	-	-	-	(147,000)
Inception of capital lease	-	-	-	-	-	696,540	694,872	392,733	-	-
Insurance reimbursement	-	-	-	-	-	-	-	95,735	-	-
Transfers in	18,248,306	2,419,463	3,029,234	3,215,586	3,173,399	3,744,120	3,991,525	3,446,361	3,351,073	3,721,872
Transfers out	(1,909,313)	(1,143,693)	(1,062,891)	(1,099,919)	(1,043,580)	(1,481,924)	(2,655,165)	(2,480,657)	(2,618,591)	(1,350,593)
Total Other Financing Sources (Uses)	16,338,993	6,813,646	1,969,052	2,115,667	2,159,240	3,063,442	2,047,198	1,462,733	771,964	23,239,308
Net Change in Fund Balances	$13,278,417	$ 4,765,553	$ (15,359,004)	$ (1,440,932)	$ 1,845,500	$ 1,566,785	$ 627,977	$ 760,372	$ 1,547,615	$24,225,042

Exhibit XIV

City of Calhoun, Georgia

Operating Revenue, Expenses and Income (Loss) [2]

Electric Service

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Operating Revenue [1]		Operating Expenses		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2002	$ 22,858,034	3.8%	$ 19,790,193	6.6%	$ 2,687,702	10.3%
2003	23,730,718	3.8%	20,321,225	2.7%	3,067,841	14.1%
2004	24,646,575	3.9%	21,289,397	4.8%	3,409,493	11.1%
2005	24,310,378	-1.4%	22,446,977	5.4%	3,357,178	-1.5%
2006	27,861,141	14.6%	25,440,839	13.3%	1,863,401	-44.5%
2007	26,580,505	-4.6%	24,156,151	-5.0%	2,420,302	29.9%
2008	27,326,985	2.8%	24,002,025	-0.6%	2,424,354	0.2%
2009	24,681,008	-9.7%	21,119,945	-12.0%	3,324,960	37.1%
2010	25,215,582	2.2%	22,076,039	4.5%	3,139,543	-5.6%
2011	30,040,225	19.1%	26,459,962	19.9%	3,580,263	14.0%

Notes:

[1] Includes charges for services and miscellaneous operating revenue.

Data Source:

[2] Exhibit XV.

Exhibit XV

City of Calhoun, Georgia
Detailed Operating Revenues, Expenses and Income (Loss)
Electric Service
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Operating Revenues	$ 22,858,034	$ 23,730,718	$ 24,646,575	$ 24,310,378	$ 27,861,141	$ 26,580,505	$ 27,326,985	$ 24,681,008	$ 25,215,582	$ 30,040,225
Operating Expenses:										
Personal services	897,864	878,686	763,755	943,172	1,038,029	1,105,318	1,146,427	1,096,791	1,006,135	967,652
Contractual services	1,548,147	1,444,399	1,486,416	1,432,173	1,562,421	1,456,984	1,380,497	1,183,674	1,162,688	1,173,411
Supplies [1]	16,386,197	17,005,565	18,007,024	18,975,129	21,593,127	20,324,752	20,182,804	17,590,090	18,648,009	23,239,828
Interfund allocations	322,008	331,322	339,033	356,075	498,617	521,867	570,844	519,203	521,220	438,620
Depreciation	606,970	616,325	643,272	674,416	674,492	684,543	697,996	695,734	688,541	710,700
Other	29,007	44,928	49,897	66,012	74,153	62,687	23,457	34,453	49,446	(70,249)
Total Operating Expenses	19,790,193	20,321,225	21,289,397	22,446,977	25,440,839	24,156,151	24,002,025	21,119,945	22,076,039	26,459,962
Operating Income	$ 3,067,841	$ 3,409,493	$ 3,357,178	$ 1,863,401	$ 2,420,302	$ 2,424,354	$ 3,324,960	$ 3,561,063	$ 3,139,543	$ 3,580,263
Operating Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:										
Personal services	5%	4%	4%	4%	4%	5%	5%	5%	5%	4%
Contractual services	8%	7%	7%	6%	6%	6%	6%	6%	5%	4%
Supplies	83%	84%	85%	85%	85%	84%	84%	83%	84%	88%
Interfund allocation	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Depreciation	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Operating Expenses	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Income as a Percentage of Operating Revenues	13.4%	14.4%	13.6%	7.7%	8.7%	9.1%	12.2%	14.4%	12.5%	11.9%

Notes:

[1] Includes purchase of electric power.

Data Source:

[2] Applicable years' comprehensive annual financial report.

Exhibit XVI

City of Calhoun, Georgia
Operating Expenses - by Object
Electric Service
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Personal Services	Contractual Services	Supplies	Interfund Allocations	Depreciation	Other	Total
	Amounts [3]						
2002	$ 897,864	$ 1,548,147	$ 16,386,197	$ 322,008	$ 606,970	$ 29,007	$ 19,790,193
2003	878,686	1,444,399	17,005,565	331,322	616,325	44,928	20,321,225
2004	763,755	1,486,416	18,007,024	339,033	643,272	49,897	21,289,397
2005	943,172	1,432,173	18,975,129	356,075	674,416	66,012	22,446,977
2006	1,038,029	1,562,421	21,593,127	498,617	674,492	74,153	25,440,839
2007	1,105,318	1,456,984	20,324,752	521,867	684,543	62,687	24,156,151
2008	1,146,427	1,380,497	20,182,804	570,844	697,996	23,457	24,002,025
2009	1,096,791	1,183,674	17,590,090	519,203	695,734	34,453	21,119,945
2010	1,006,135	1,162,688	18,648,009	521,220	688,541	49,446	22,076,039
2011	967,652	1,173,411	23,239,828	438,620	710,700	(70,249)	26,459,962
*[1]	$ 984,383	$ 1,383,081	$ 19,195,253	$ 441,881	$ 669,299	$ 36,379	$ 22,710,275
**[2]	7.8%	-24.2%	41.8%	36.2%	17.1%	-342.2%	33.7%
	Annual Percentage Change						
2002	-2.1%	-6.7%	3.8%	2.9%	1.5%	54.9%	2.7%
2003	-2.1%	-6.7%	3.8%	2.9%	1.5%	54.9%	2.7%
2004	-13.1%	2.9%	5.9%	2.3%	4.4%	11.1%	4.8%
2005	23.5%	-3.6%	5.4%	5.0%	4.8%	32.3%	5.4%
2006	10.1%	9.1%	13.8%	40.0%	0.0%	12.3%	13.3%
2007	6.5%	-6.7%	-5.9%	4.7%	1.5%	-15.5%	-5.0%
2008	3.7%	-5.2%	-0.7%	9.4%	2.0%	-62.6%	-0.6%
2009	-4.3%	-14.3%	-12.8%	-9.0%	-0.3%	46.9%	-12.0%
2010	-8.3%	-1.8%	6.0%	0.4%	-1.0%	43.5%	4.5%
2011	-3.8%	0.9%	24.6%	-15.8%	3.2%	-242.1%	19.9%

Notes:

[1] Dollar average for ten years.

[2] Percentage change in dollars over ten years.

Data Source:

[3] Exhibit XV

Exhibit XVII

City of Calhoun, Georgia

Operating Revenue, Expenses and Income (Loss) [2]

Water and Sewerage Service

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Operating Revenue [1]		Operating Expenses		Operating Income (Loss)	
	Amount	% Change	Amount	% Change	Amount	% Change
2002	$ 12,247,435	10.5%	$ 9,515,587	6.1%	$ 2,731,848	38.0%
2003	12,220,073	-0.2%	10,093,954	6.1%	2,126,119	-22.2%
2004	13,670,149	11.9%	9,720,374	-3.7%	3,949,775	85.8%
2005	14,079,939	3.0%	10,294,353	5.9%	3,785,586	-4.2%
2006	15,083,280	7.1%	11,225,297	9.0%	3,857,983	1.9%
2007	17,194,748	14.0%	12,386,026	10.3%	4,808,722	24.6%
2008	15,696,326	-8.7%	13,371,537	8.0%	2,324,789	-51.7%
2009	14,116,193	-10.1%	12,421,140	-7.1%	1,695,053	-27.1%
2010	14,861,077	5.3%	11,754,594	-5.4%	3,106,483	83.3%
2011	14,517,194	-2.3%	10,861,450	-7.6%	3,655,744	17.7%

Notes:

[1] Includes charges for services and miscellaneous operating revenue.

Data Source:

[2] Exhibit XVIII

Exhibit XVIII

City of Calhoun, Georgia
Detailed Operating Revenues, Expenses and Income (Loss)
Water and Sewerage Service
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Operating Revenues	$ 12,247,435	$ 12,220,073	$ 13,670,149	$ 14,079,939	$ 15,083,280	$ 17,194,748	$ 15,696,326	$ 14,116,193	$ 14,861,077	$ 14,517,194
Operating Expenses:										
Personal services	2,149,655	2,194,003	2,342,125	2,552,855	2,450,265	2,785,028	3,378,521	3,447,022	3,148,766	2,909,540
Contractual services	1,389,963	1,302,043	1,099,696	939,863	904,876	1,035,051	1,161,630	862,234	731,109	701,888
Supplies	2,511,605	2,980,659	2,521,971	2,765,109	3,905,414	3,994,499	3,202,920	3,110,982	2,900,582	2,448,581
Interfund allocation	1,108,119	1,343,327	1,359,436	1,494,691	1,393,487	1,928,868	2,162,340	2,157,579	2,046,007	1,778,690
Depreciation	2,205,948	2,107,891	2,230,813	2,339,466	2,355,636	2,540,759	3,368,301	2,750,835	2,838,336	2,942,074
Amortization	127,641	118,921	112,459	108,477	104,106	92,845	93,163	89,651	82,457	74,766
Other	22,656	47,110	53,874	93,892	111,513	8,976	4,662	2,837	7,337	5,911
Total Operating Expenses	9,515,587	10,093,954	9,720,374	10,294,353	11,225,297	12,386,026	13,371,537	12,421,140	11,754,594	10,861,450
Operating Income	$ 2,731,848	$ 2,126,119	$ 3,949,775	$ 3,785,586	$ 3,857,983	$ 4,808,722	$ 2,324,789	$ 1,695,053	$ 3,106,483	$ 3,655,744
Operating Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:										
Personal services	23%	22%	24%	25%	22%	22%	25%	28%	27%	27%
Contractual services	15%	13%	11%	9%	8%	8%	9%	7%	6%	6%
Supplies	26%	30%	26%	27%	35%	32%	24%	25%	25%	23%
Interfund allocation	12%	13%	14%	15%	12%	16%	16%	17%	17%	16%
Depreciation	23%	21%	23%	23%	21%	21%	25%	22%	24%	27%
Amortization	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Other	0%	0%	1%	1%	1%	0%	0%	0%	0%	0%
Total Operating Expenses	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Income as a Percentage of Operating Revenues	22.3%	17.4%	28.9%	26.9%	25.6%	28.0%	14.8%	12.0%	20.9%	25.2%

Data Source:

[1] Applicable years' comprehensive annual financial report.

Exhibit XIX

City of Calhoun, Georgia
Operating Expenses - by Object
Water and Sewerage Service
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Personal Services	Contractual Services	Supplies	Interfund Allocation	Depreciation	Amortization	Other	Total
	Amounts [1,2]							
2002	$ 2,149,655	$ 1,389,963	$ 2,511,605	$ 1,108,119	$ 2,205,948	$ 127,641	$ 22,656	$ 9,515,587
2003	2,194,003	1,302,043	2,980,659	1,343,327	2,107,891	118,921	47,110	10,093,954
2004	2,342,125	1,099,696	2,521,971	1,359,436	2,230,813	112,459	53,874	9,720,374
2005	2,552,855	939,863	2,765,109	1,494,691	2,339,466	108,477	93,892	10,294,353
2006	2,450,265	904,876	3,905,414	1,393,487	2,355,636	104,106	111,513	11,225,297
2007	2,785,028	1,035,051	3,994,499	1,928,868	2,540,759	92,845	8,976	12,386,026
2008	3,378,521	1,161,630	3,202,920	2,162,340	3,368,301	93,163	4,662	13,371,537
2009	3,447,022	862,234	3,110,982	2,157,579	2,750,835	89,651	2,837	12,421,140
2010	3,148,766	731,109	2,900,582	2,046,007	2,838,336	82,457	7,337	11,754,594
2011	2,909,540	701,888	2,448,581	1,778,690	2,942,074	74,766	5,911	10,861,450
*[1]	$ 2,735,778	$ 1,012,835	$ 3,034,232	$ 1,677,254	$ 2,568,006	$ 100,449	$ 35,877	$ 11,164,431
**[2]	35.3%	-49.5%	-2.5%	60.5%	33.4%	-41.4%	-73.9%	14.1%
	Annual Percentage Change							
2002	14.9%	19.2%	4.3%	18.4%	-1.2%	33.8%	-50.4%	8.7%
2003	2.1%	-6.3%	18.7%	21.2%	-4.4%	-6.8%	107.9%	6.1%
2004	6.8%	-15.5%	-15.4%	1.2%	5.8%	-5.4%	14.4%	-3.7%
2005	9.0%	-14.5%	9.6%	9.9%	4.9%	-3.5%	74.3%	5.9%
2006	-4.0%	-3.7%	41.2%	-6.8%	0.7%	-4.0%	18.8%	9.0%
2007	13.7%	14.4%	2.3%	38.4%	7.9%	-10.8%	-92.0%	10.3%
2008	21.3%	12.2%	-19.8%	12.1%	32.6%	0.3%	-48.1%	8.0%
2009	2.0%	-25.8%	-2.9%	-0.2%	-18.3%	-3.8%	-39.1%	-7.1%
2010	-8.7%	-15.2%	-6.8%	-5.2%	3.2%	-8.0%	158.6%	-5.4%
2011	-7.6%	-4.0%	-15.6%	-13.1%	3.7%	-9.3%	-19.4%	-7.6%

Notes:

[1] Dollar average for ten years.

[2] Percentage change in dollars over ten years.

Data Source:

[3] Exhibit XVIII

City of Calhoun, Georgia
Taxable Assessed Value and Estimated Actual Value of Property
Last Ten Fiscal Years

Fiscal Year[1]	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Conservation Use Property	Utility Property	Motor Vehicles and Mobile Homes	Less: Tax Exempt Property[2]	Total Taxable Assessed Value[3]	Total Direct Tax Rate[4]	Estimated Actual Value	Annual Percentage Change
	Amounts[5] *(in thousands of dollars)*											
2002	$ 101,391	$ 150,131	$ 237,522	$ 690	$ 267	$ 5,093	$ 28,222	$ 29,653	$ 493,663	16.030	$ 1,222,610	6.0%
2003	107,942	149,944	224,467	699	484	5,327	29,383	31,269	486,977	16.140	1,205,883	-1.4%
2004	117,037	163,294	209,475	961	410	5,306	26,789	30,641	492,631	16.250	1,224,515	1.5%
2005	131,108	169,410	208,683	946	528	5,080	26,695	32,567	509,883	16.450	1,273,003	4.0%
2006	147,636	184,827	220,012	1,988	571	4,881	26,812	35,214	551,513	15.410	1,381,188	8.5%
2007	159,760	203,388	233,582	3,146	699	5,135	27,910	30,791	602,829	16.250	1,491,825	8.0%
2008	175,725	263,465	253,689	3,326	845	4,250	30,465	55,945	675,820	15.695	1,732,198	16.1%
2009	181,712	283,681	336,873	2,800	709	4,220	29,822	30,054	809,763	15.695	2,024,408	16.9%
2010	212,661	302,044	295,462	3,417	1,353	4,007	31,740	22,115	828,569	15.456	2,071,422	2.3%
2011	206,865	329,964	234,597	4,545	1,444	4,007	35,220	20,936	795,706	15.456	1,989,265	-4.0%
% Change From 2002-2011	104.03%	119.78%	-1.23%	558.70%	440.82%	-21.32%	24.80%	-29.40%	61.18%	-3.58%	62.71%	
	Percentage of Total Assessed Valuation											
2002	19.4%	28.7%	45.4%	0.1%	0.1%	1.0%	5.4%	5.7%	94.3%			
2003	20.8%	28.9%	43.3%	0.1%	0.1%	1.0%	5.7%	6.0%	94.0%			
2004	22.4%	31.2%	40.0%	0.2%	0.1%	1.0%	5.1%	5.9%	94.1%			
2005	24.2%	31.2%	38.5%	0.2%	0.1%	0.9%	4.9%	6.0%	94.0%			
2006	25.2%	31.5%	37.5%	0.3%	0.1%	0.8%	4.6%	6.0%	94.0%			
2007	25.2%	32.1%	36.9%	0.5%	0.1%	0.8%	4.4%	4.9%	95.1%			
2008	24.0%	36.0%	34.7%	0.5%	0.1%	0.6%	4.2%	7.6%	92.4%			
2009	21.6%	33.8%	40.1%	0.3%	0.1%	0.5%	3.6%	3.6%	96.4%			
2010	25.0%	35.5%	34.7%	0.4%	0.2%	0.5%	3.7%	2.6%	97.4%			
2011	25.3%	40.4%	28.7%	0.6%	0.2%	0.5%	4.3%	2.6%	97.4%			

Notes:

[1] Taxes recognized for the year presented are reported in the subsequent fiscal year.

[2] Excludes homestead property exemptions. All prior years restated.

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

[4] Tax rates expressed in rate per $1,000 of annual taxes values (i.e., mills). Includes the school tax levied on behalf of the Calhoun City Schools, a discretely presented component unit.

Data Source:

[5] Georgia Department of Revenue, Tax Digest Consolidation Summary, http://www.dor.ga.gov/DigestConsolidation/Default.aspx.

Exhibit XXI

City of Calhoun, Georgia

Direct and Overlapping Property Tax Rates [1]

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Direct			Overlapping Rates [2,3]					Total City Rate
	City of Calhoun	City of Calhoun Schools[5]	Total Direct Rate	State of Georgia[4]	Gordon County				
					Operating	Roads	Recreation	Total	
2002	1.580	14.450	16.030	0.250	5.030	-	-	5.030	21.310
2003	1.570	14.570	16.140	0.250	4.830	-	-	4.830	21.220
2004	1.540	14.710	16.250	0.250	5.540	-	-	5.540	22.040
2005	1.500	14.950	16.450	0.250	7.570	-	-	7.570	24.270
2006	1.750	13.660	15.410	0.250	7.570	-	-	7.570	23.230
2007	1.670	14.580	16.250	0.250	10.671	-	-	10.671	27.171
2008	1.615	14.080	15.695	0.250	10.174	-	-	10.174	26.119
2009	1.615	14.080	15.695	0.250	9.528	-	-	9.528	25.473
2010	1.591	13.865	15.456	0.250	8.815	-	-	8.815	24.521
2011	1.591	13.865	15.456	0.250	8.910	-	-	8.910	24.616
% Change From 2002-2011	0.7%	-4.0%	-3.6%	0.0%	77.1%			77.1%	15.5%

Notes:

[1] Tax rates expressed in rate per $1,000 of annual taxes values (i.e., mills).

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

[3] Since City property owners do not pay Gordon County school tax, this government's tax rates are not presented.

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

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

Data Source:

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

Exhibit XXII

City of Calhoun, Georgia
Principal Property Taxpayers [1]
Current Year and Nine Years Ago
(amounts expressed in thousands)

	Fiscal Year Ended June 30, 2011				Fiscal Year Ended June 30, 2002			
Principal Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Principal Taxpayer**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Mohawk Industries	$ 60,698	1	7.6%	Aladdin (Mohawk) Industries	$ 54,080	1	11.0%
Shaw Industries Group, Inc.	31,474	2	4.0%	The Dixie Group	53,289	2	10.8%
Kobelco Construction	32,823	5	4.1%	Mannington Carpets	19,803	3	4.0%
Faus	20,875	3	2.6%	Kobelco	19,278	4	3.9%
Mannington Carpets	12,989	4	1.6%	Prime Calhoun Outlets	9,993	5	2.0%
Calhoun Outlets	12,077	6	1.5%	Springs Industries	9,325	6	1.9%
Kerry Inc.	6,908	7	0.9%	Shaw Industries	8,503	7	1.7%
Stanton Carpet	5,511	8	0.7%	Wal-Mart	5,540	8	1.1%
Brumlow Mills	5,020	9	0.6%	Beaulieu	3,909	9	0.8%
DMK Holdings LLC	4,885	10	0.6%	Georgia Corp	3,385	10	0.7%
Total Principal Taxpayers	193,260		24.3%	**Total Principal Taxpayers**	187,105		37.9%
All Other Taxpayers	602,446		75.7%	**All Other Taxpayers**	306,558		62.1%
Total	$ 795,706		100.00%	**Total**	$ 493,663		100.00%

Data Source:
[1] City Tax Records

City of Calhoun, Georgia
Property Tax Levies and Collections [1, 3]
Last Ten Fiscal Years
(amounts expressed in thousand dollars)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Uncollected Taxes	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2002	$ 7,745	$ 7,098	91.65%	$ 566	$ 7,664	98.95%	$ 81	1.05%
2003	7,707	7,219	93.67%	406	7,625	98.94%	82	1.06%
2004	7,940	7,550	95.09%	373	7,923	99.79%	17	0.21%
2005	8,353	8,059	96.48%	267	8,326	99.68%	27	0.32%
2006	8,548	8,320	97.33%	215	8,535	99.85%	13	0.15%
2007	9,484	9,246	97.49%	214	9,460	99.75%	24	0.25%
2008	10,323	9,940	96.29%	262	10,202	98.83%	121	1.17%
2009	11,670	10,430	89.37%	939	11,369	97.42%	301	2.58%
2010	11,911	10,939	91.84%	489	11,428	95.94%	483	4.06%
2011	11,377	10,631	93.44%	-	10,631	93.44%	746	6.56%

Notes:

[1] Includes property taxes levied for Calhoun Public Schools, a component unit of the City.

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

Data Source:

[3] City tax collection records.

Exhibit XXIV

City of Calhoun, Georgia
Overlapping Sales Tax Rates [1]
Last Ten Fiscal Years

Fiscal Year Ended	Overlapping				
	Gordon County				
June 30,	LOST [2]	SPLOST [3]	Schools [4] EDSPLOST	State of [1] Georgia	Totol
2002	1.00%	1.00%	1.00%	4.00%	7.00%
2003	1.00%	1.00%	1.00%	4.00%	7.00%
2004	1.00%	1.00%	1.00%	4.00%	7.00%
2005	1.00%	1.00%	1.00%	4.00%	7.00%
2006	1.00%	1.00%	1.00%	4.00%	7.00%
2007	1.00%	1.00%	1.00%	4.00%	7.00%
2008	1.00%	1.00%	1.00%	4.00%	7.00%
2009	1.00%	1.00%	1.00%	4.00%	7.00%
2010	1.00%	1.00%	1.00%	4.00%	7.00%
2011	1.00%	1.00%	1.00%	4.00%	7.00%

Notes:

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

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

[4] Effective January 1, 2004 the Gordon County Board of Education began levying a 1% education special purpose local option sales tax, that is allocated between the City and County Schools. The current tax was approved effective July 1, 2007 and expires June 30, 2012.

Data Source:

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

Exhibit XXV

City of Calhoun, Georgia
Consumption Billed [1]
By Service
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Electric		Water		Sewer	
	kWh	% Change	Gallons [2]	% Change	Gallons	% Change
2002	346,840,122	4.6%	3,729,416	-3.8%	2,570,982	-3.3%
2003	361,156,159	4.1%	3,622,604	-2.9%	2,457,621	-4.4%
2004	367,613,781	1.8%	3,480,032	-3.9%	2,365,450	-3.8%
2005	376,358,315	2.4%	3,486,044	0.2%	2,284,207	-3.4%
2006	380,039,465	1.0%	3,487,338	0.0%	2,192,067	-4.0%
2007	351,987,898	-7.4%	3,632,643	4.2%	1,921,788	-12.3%
2008	334,648,148	-4.9%	3,311,812	-8.8%	1,771,938	-7.8%
2009	308,844,230	-7.7%	3,021,126	-8.8%	1,502,199	-15.2%
2010	301,476,976	-2.4%	3,087,921	2.2%	1,582,014	5.3%
2011	375,614,834	24.6%	2,969,329	-3.8%	1,361,467	-13.9%

Notes:

[2] Amounts expressed in thousands of gallons.

Data Source:

[1] City's utility billing department.

Exhibit XXVI

City of Calhoun, Georgia
Electric Service Rates [1]
Last Ten Fiscal Years

	2002	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
Residential:										
Summer Rates:										
Base Charge	$ 7.8800	$ 7.8800	$ 7.8800	$ 7.8800	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000
First 650 kWh	0.0718	0.0718	0.0718	0.0718	-	-	-	-	-	-
Next 350 kWh	0.0718	0.0718	0.0718	0.0718	-	-	-	-	-	-
Over 1000 kWh	0.0718	0.0718	0.0718	0.0718	-	-	-	-	-	-
Transmission/kWh	-	-	-	-	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Generation/kWh	-	-	-	-	0.0640	0.0640	0.0640	0.0640	0.0640	0.0640
Energy Charge	-	-	-	-	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Winter Rates:										
Base Charge	-	-	-	-	-	-	-	-	-	-
First 650 kWh	0.0718	0.0718	0.0718	0.0718						
Next 350 kWh	0.0718	0.0718	0.0718	0.0718	-	-	-	-	-	-
Over 1000 kWh	0.0718	0.0718	0.0718	0.0718	-	-	-	-	-	-
Small Power Non-demand										
Base Charge	16.520	16.520	16.520	16.520	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000
First 25 kWh	-	-	-	-	-	-	-	-	-	-
Next 2975 kWh	0.1198	0.1198	0.1198	0.1198	-	-	-	-	-	-
Next 7000 kWh	0.1155	0.1155	0.1155	0.1155	-	-	-	-	-	-
All over 10000 kWh	0.10234	0.10234	0.10234	0.10234	-	-	-	-	-	-
Transmission/kWh	-	-	-	-	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Generation/kWh										
First 3,000/kWh	-	-	-	-	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100
Over 3,000/kWh	-	-	-	-	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Energy Charge	-	-	-	-	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
Small Power										
Base charge	16.5200	16.5200	16.5200	16.5200	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
First 25 kWh:										
Next 2975 kWh	0.1179	0.1179	0.1179	0.1179	-	-	-	-	-	-
Next 7000 kWh	0.1136	0.1136	0.1136	0.1136	-	-	-	-	-	-
Over 10000 kWh	0.1005	0.1005	0.1005	0.1005	-	-	-	-	-	-
Next 200 X kWh	0.0305	0.0305	0.0305	0.0305	-	-	-	-	-	-
Next 200 X kWh	0.0290	0.0290	0.0290	0.0290	-	-	-	-	-	-
Over 600 X kWh	0.0278	0.0278	0.0278	0.0278	-	-	-	-	-	-
Transmission&Demand/kWh					2.25000	2.25000	2.25000	2.25000	2.25000	2.25000
Generation/kWhH										
First 200HUD	-	-	-	-	0.1060	0.1060	0.1060	0.1060	0.1060	0.1060
Next 200 HUD	-	-	-	-	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440
Over400 HUD	-	-	-	-	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Medium Power										
Base charge	18.10000	18.10000	18.10000	18.10000	60.00000	60.00000	60.00000	60.00000	60.00000	60.00000
First 200 HUD										
first 3,000 kWh	0.1169	0.1169	0.1169	0.1169	-	-	-	-	-	-
next 7,000	0.1085	0.1085	0.1085	0.1085	-	-	-	-	-	-
next 190,000	0.1009	0.1009	0.1009	0.1009	-	-	-	-	-	-

City of Calhoun, Georgia
Electric Service Rates [1]
Last Ten Fiscal Years

	2002	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
Over 200,000	0.0821	0.0821	0.0821	0.0821	-	-	-	-	-	-
Next 200 HUD	0.0309	0.0309	0.0309	0.0309	-	-	-	-	-	-
Next 200 HUD	0.0279	0.0279	0.0279	0.0279	-	-	-	-	-	-
Over 600 HUD	0.0268	0.0268	0.0268	0.0268	-	-	-	-	-	-
Transmission&Demand/kWh					2.50000	2.50000	2.50000	2.50000	2.50000	2.50000
Generation/KWH										
Over 200,000	-	-	-	-	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Next 200 HUD	-	-	-	-	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Next 200 HUD	-	-	-	-	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440
Over 600 HUD	-	-	-	-	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Large Power:										
Base Charge	18.10000	18.10000	18.10000	18.10000	100.00000	100.00000	100.0000	100.0000	100.0000	100.0000
First 200 X kWh:										
First 3000 kWh	0.11990	0.11990	0.11990	0.11990	-	-	-	-	-	-
Next 7000 kWh	0.11050	0.11050	0.11050	0.11050	-	-	-	-	-	-
Next 190000 kWh	0.09690	0.09690	0.09690	0.09690	-	-	-	-	-	-
Over 200000 kWh	0.08120	0.08120	0.08120	0.08120	-	-	-	-	-	-
Next 200 X kWh	0.03020	0.03020	0.03020	0.03020	-	-	-	-	-	-
Next 200 X kWh	0.02960	0.02960	0.02960	0.02960	-	-	-	-	-	-
Over 600 X kWh	0.01620	0.01620	0.01620	0.01620	-	-	-	-	-	-
Transmission&Demand/kWh							3.0000	3.0000	3.0000	3.0000
Generation Charges										
First 200 HUD	-	-	-	-	0.08800	0.08800	0.0880	0.0880	0.0880	0.0880
First 100,000 kWh					0.07800	0.07800	0.0780	0.0780	0.0780	0.0780
Over 100,000	-	-	-	-	0.04400	0.04400	0.0440	0.0440	0.0440	0.0440
Next 200 HUD	-	-	-	-	0.04000	0.04000	0.0400	0.0400	0.0400	0.0400
Over 600 HUD	-	-	-	-	0.03750	0.03750	0.0375	0.0375	0.0375	0.0375
Extra Large Power	-	-	-	-	-	-	-	-	-	-
Base Charge	148.37000	148.37000	148.37000	148.37000	148.37000	-	-	-	-	-
First 200 HUD	0.07950	0.07950	0.07950	0.07950	0.07950	-	-	-	-	-
Next 200 HUD	0.02860	0.02860	0.02860	0.02860	0.02860	-	-	-	-	-
Next 200 HUD	0.02720	0.02720	0.02720	0.02720	0.02720	-	-	-	-	-
Over 600 HUD	0.02490	0.02490	0.02490	0.02490	0.02490	-	-	-	-	-
Large Industrial IND										
Customer Charge	155.00000	155.00000	155.00000	155.00000	500.00000	500.00000	500.0000	500.0000	500.0000	500.0000
Transmission Demand/kWh	1.50000	1.50000	1.50000	1.50000	1.50000	1.50000	1.5000	1.5000	1.5000	1.5000
First 200 HUD										
First 160,000 kWh	0.09820	0.09820	0.09820	0.09820	0.09000	0.09000	0.0900	0.0900	0.0900	0.0900
Over 160,000	0.06370	0.06370	0.06370	0.06370	0.07000	0.07000	0.0700	0.0700	0.0700	0.0700
Next 300 HUD	0.02550	0.02550	0.02550	0.02550	0.04200	0.04200	0.0420	0.0420	0.0420	0.0420
Over 500 HUD	0.02060	0.02060	0.02060	0.02060	0.03750	0.03750	0.0375	0.0375	0.0375	0.0375

Data Source:

[1] City's utility billing

Exhibit XXVII

City of Calhoun, Georgia
Water Service Rates [1]
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Inside city limits:										
Minimum charges:										
1st 2,000 gallons:										
3/4" x 1"	$ 8.50	$ 8.50	$ 8.50	$ 9.00	$ 9.00	$ 9.00	-	-	-	-
2" residential	15.00	15.00	15.00	n/a	n/a	n/a	-	-	-	-
2" residential/commercial	n/a	n/a	n/a	86.50	86.50	86.50	-	-	-	-
2" commercial/industrial	45.00	45.00	45.00	n/a	n/a	n/a	-	-	-	-
2" irrigation	n/a	n/a	n/a	20.00	20.00	20.00	-	-	-	-
4" commercial/industrial	346.00	346.00	346.00	346.00	346.00	346.00	-	-	-	-
6" commercial/industrial	691.00	691.00	691.00	691.00	691.00	691.00	-	-	-	-
8" commercial/industrial	1,211.00	1,211.00	1,211.00	1,211.00	1,211.00	1,211.00	-	-	-	-
Per 1,000 gallons thereafter:										
3/4" x 1"	0.86	0.93	1.03	1.22	1.41	1.60	-	-	-	-
2" residential	0.86	0.93	1.03	n/a	n/a	n/a	-	-	-	-
2" residential/commercial	n/a	n/a	n/a	1.22	1.41	1.60	-	-	-	-
2" commercial/industrial	0.86	0.93	1.03	n/a	n/a	n/a	-	-	-	-
2" irrigation	n/a	n/a	n/a	1.22	1.41	1.60	-	-	-	-
4" commercial/industrial	0.86	0.93	1.03	1.16	1.29	1.42	-	-	-	-
6" commercial/industrial	0.86	0.93	1.03	1.16	1.29	1.42	-	-	-	-
8" commercial/industrial	0.86	0.93	1.03	1.16	1.29	1.42	-	-	-	-
Minimum Charges:										
0 Gallons										
3/4" x 1" (residential)	-	-	-	-	-	-	$ 9.00	$ 5.91	$ 7.00	$ 7.21
2" commercial/residential	-	-	-	-	-	-	86.50	86.50	99.02	102.00
2" irrigation	-	-	-	-	-	-	20.00	20.00	22.89	23.58
4" industrial	-	-	-	-	-	-	346.00	346.00	363.30	374.20
6" industrial	-	-	-	-	-	-	691.00	691.00	725.55	747.32
8" industrial	-	-	-	-	-	-	1,211.00	1,211.00	1,271.55	1,309.70
Per 1,000 gallons thereafter:										
3/4" x 1" (residential)	-	-	-	-	-	-	1.64	1.70	1.78	1.83
2" commercial/residential	-	-	-	-	-	-	1.64	1.70	1.78	1.83
2" irrigation	-	-	-	-	-	-	1.64	1.70	1.78	1.83
4" industrial	-	-	-	-	-	-	1.46	1.51	1.58	1.63
6" industrial	-	-	-	-	-	-	1.46	1.51	1.58	1.63
8" industrial	-	-	-	-	-	-	1.46	1.51	1.58	1.63
10,001 - 30,000										
3/4" x 1" (residential)	-	-	-	-	-	-	2.64	2.70	2.83	2.91
2" residential	-	-	-	-	-	-	n/a	n/a	2.83	2.91
2" commercial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	-	2.64	2.70	2.83	2.91
4" commercial/industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
6" commercial/industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
8" commercial/industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a

City of Calhoun, Georgia
Water Service Rates [1]
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
30,001 - 50,000 gallons										
3/4" x 1" (residential)	-	-	-	-	-	-	3.64	3.70	3.88	4.00
2" residential	-	-	-	-	-	-	n/a	n/a	3.88	4.88
2" commercial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	-	3.64	3.70	3.88	4.00
4" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
6" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
8" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
above 50,000 gallons										
3/4" x 1" (residential)	-	-	-	-	-	-	10.00	10.35	4.88	5.03
2" residential	-	-	-	-	-	-	n/a	n/a	4.88	5.03
2" commercial							n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	-	10.00	10.35	4.88	5.03
4" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
6" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
8" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
Outside city limits:										
Minimum charge										
3/4" x 1"	11.50	11.50	11.50	12.00	12.00	12.00	-	-	-	-
2" residential	21.00	21.00	21.00	n/a	n/a	n/a	-	-	-	-
2" residential/commercial	n/a	n/a	n/a	173.00	132.50	132.50	-	-	-	-
2" commercial/industrial	69.00	69.00	69.00	n/a	n/a	n/a	-	-	-	-
2" irrigation	n/a	n/a	n/a	30.00	30.00	30.00	-	-	-	-
4" commercial/industrial	531.00	531.00	531.00	531.00	531.00	531.00	-	-	-	-
6" commercial/industrial	1,051.00	1,051.00	1,051.00	1,051.00	1,051.00	1,051.00	-	-	-	-
8" commercial/industrial	1,871.00	1,871.00	1,871.00	1,871.00	1,871.00	1,871.00	-	-	-	-
Per 1,000 gallons thereafter:										
3/4" x 1"	1.44	1.56	1.66	1.91	2.04	2.17	-	-	-	-
2" irrigation	n/a	n/a	n/a	1.91	2.04	2.17	-	-	-	-
4" industrial	1.44	1.56	1.66	1.82	1.82	1.95	-	-	-	-
6" industrial	1.44	1.56	1.66	1.82	1.82	1.95	-	-	-	-
8"industrial	1.44	1.56	1.66	1.82	1.82	1.95	-	-	-	-
Minimum Charges:										
0 Gallons										
3/4" x 1" (residential)	-	-	-	-	-	-	12.00	7.80	9.00	9.27
2" residentail	-	-	-	-	-	-	132.50	132.50	151.67	156.22
2" commercial/industrial			-	-	-	-	132.50	132.50	151.67	156.22
2" irrigation	-	-	-	-	-	-	30.00	30.00	34.34	37.37
4" industrial	-	-	-	-	-	-	531.00	531.00	557.55	574.28
6" industrial	-	-	-	-	-	-	1,051.00	1,051.00	1,103.55	1,136.66
8" industrial	-	-	-	-	-	-	1,871.00	1,871.00	1,964.55	2,023.49

City of Calhoun, Georgia
Water Service Rates [1]
Last Ten Fiscal Years

	2002	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
Per 1,000 gallons thereafter:										
3/4" x 1" (residential)	-	-	-	-	-	-	2.23	2.31	2.42	2.49
2" residential	-	-	-	-	-	-	2.23	2.31	2.42	2.49
2" commercial/industrial			-	-	-	-	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	-	2.23	2.31	2.42	2.49
4" industrial	-	-	-	-	-	-	2.00	2.07	2.17	2.24
6" industrial	-	-	-	-	-	-	2.00	2.07	2.17	2.24
8" industrial	-	-	-	-	-	-	2.00	2.07	2.17	2.24
10,001 - 30,000										
3/4" x 1" (residential)	-	-	-	-	-	-	3.23	3.31	3.47	3.57
2" residential	-	-	-	-	-	-	n/a	n/a	3.47	3.57
2" commercial/industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	-	3.23	3.31	3.47	3.57
4" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
6" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
8" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
30,001 - 50,000 gallons										
3/4" x 1" (residential)	-	-	-	-	-	-	4.23	4.31	4.52	4.66
2" residential	-	-	-	-	-	-	n/a	n/a	4.52	4.66
2" commercial/industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	-	4.23	4.31	4.52	4.66
4" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
6" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
8" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
above 50,000 gallons										
3/4" x 1" (residential)	-	-	-	-	-	-	12.00	12.42	5.52	5.69
2" residential	-	-	-	-	-	-	n/a	n/a	5.52	5.69
2" commercail/industrial			-	-	-	-	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	-	12.00	12.42	5.52	5.69
4" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
6" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a
8" industrial	-	-	-	-	-	-	n/a	n/a	n/a	n/a

Data Source:

[1] City's utility billing

Exhibit XXVIII

City of Calhoun, Georgia

Sewer Service Rates [1]

Last Ten Fiscal Years

	2002	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
Inside city limits:										
Minimum charges:										
1st 2,000 gallons:										
3/4" x 1"	$ 2.80	$ 2.80	$ 7.00	$ 7.00	$ 7.00	$ 7.00	-	-	-	-
2"	5.00	5.00	12.00	65.00	65.00	65.00	-	-	-	-
4"	18.00	18.00	277.00	260.00	260.00	260.00	-	-	-	-
6"	30.00	30.00	553.00	518.00	518.00	518.00	-	-	-	-
8"	50.00	50.00	969.00	908.00	908.00	908.00	-	-	-	-
Per 1,000 gallons thereafter:										
3/4" x 1"	1.60	1.60	1.75	2.07	2.39	2.71	-	-	-	-
2"	1.60	1.60	1.75	2.07	2.39	2.71	-	-	-	-
4"	1.60	1.60	1.75	1.87	1.99	2.11	-	-	-	-
6"	1.60	1.60	1.75	1.87	1.99	2.11	-	-	-	-
8"	1.60	1.60	1.75	1.87	1.99	2.11	-	-	-	-
Existing county customers										
Minimum charge										
3/4" x 1"	2.80	2.80	7.00	7.00	7.00	7.00	-	-	-	-
2"	5.00	5.00	12.00	65.00	65.00	65.00	-	-	-	-
4"	18.00	18.00	277.00	260.00	260.00	260.00	-	-	-	-
6"	30.00	30.00	553.00	518.00	518.00	518.00	-	-	-	-
8"	50.00	50.00	969.00	908.00	908.00	908.00	-	-	-	-
Per 1,000 gallons thereafter:										
3/4" x 1"	1.60	1.60	3.50	3.50	4.00	4.00	-	-	-	-
2"	1.60	1.60	3.50	3.50	4.00	4.00	-	-	-	-
4"	1.60	1.60	3.50	3.50	4.00	4.00	-	-	-	-
6"	1.60	1.60	3.50	3.50	4.00	4.00	-	-	-	-
8"	1.60	1.60	3.50	3.50	4.00	4.00	-	-	-	-

City of Calhoun, Georgia

Sewer Service Rates [1]

Last Ten Fiscal Years

	2002	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
Minimum charge:										
3/4" x 1"	-	-	-	-	-	-	$ 7.00	$ 1.30	$ 2.30	$ 2.41
2"	-	-	-	-	-	-	65.00	65.00	74.40	78.12
4"	-	-	-	-	-	-	260.00	260.00	286.00	300.30
6"	-	-	-	-	-	-	518.00	518.00	569.80	598.29
8"	-	-	-	-	-	-	908.00	908.00	998.80	1,048.74
Per 1,000 gallons thereafter:										
3/4" x 1"	-	-	-	-	-	-	2.87	2.97	3.27	3.43
2"	-	-	-	-	-	-	2.87	2.97	3.27	3.43
4"	-	-	-	-	-	-	2.23	2.31	2.54	2.67
6"	-	-	-	-	-	-	2.23	2.31	2.54	2.67
8"	-	-	-	-	-	-	2.23	2.31	2.54	2.67
Outside city limits:										
Minimum charge										
3/4" x 1"	2.80	2.80	9.00	9.00	7.00	7.00	-	-	-	-
2" residentail/commercial	5.00	5.00	16.50	130.00	65.00	65.00	-	-	-	-
4" industrial	18.00	18.00	425.00	398.00	260.00	260.00	-	-	-	-
6" industrial	30.00	30.00	840.00	788.00	518.00	518.00	-	-	-	-
8" industrial	50.00	50.00	1,497.00	1,403.00	908.00	908.00	-	-	-	-
Per 1,000 gallons thereafter:										
3/4" x 1"	1.60	1.60	4.60	4.60	4.00	4.00	-	-	-	-
2" residentail/commercial	1.60	1.60	4.60	4.60	4.00	4.00	-	-	-	-
4" industrial	1.60	1.60	4.60	4.60	4.00	4.00	-	-	-	-
6" industrial	1.60	1.60	4.60	4.60	4.00	4.00	-	-	-	-
8" industrial	1.60	1.60	4.60	4.60	4.00	4.00	-	-	-	-

City of Calhoun, Georgia

Sewer Service Rates[1]

Last Ten Fiscal Years

	2002	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
Minimum charge:										
3/4" x 1"	-	-	-	-	-	-	$ 7.00	$ 1.30	$ 2.30	$ 2.41
2" residentail/commercial	-	-	-	-	-	-	65.00	65.00	139.12	146.08
4" industrial	-	-	-	-	-	-	260.00	260.00	557.55	585.43
6" industrial	-	-	-	-	-	-	518.00	518.00	1,103.55	1,158.73
8" industrial	-	-	-	-	-	-	908.00	908.00	1,964.55	2,062.78
Per 1,000 gallons thereafter:										
3/4" x 1"	-	-	-	-	-	-	4.24	3.92	4.31	4.53
2" residentail/commercial	-	-	-	-	-	-	4.24	3.92	4.31	4.53
4" industrial	-	-	-	-	-	-	4.24	3.92	4.31	4.53
6" industrial	-	-	-	-	-	-	4.24	3.92	4.31	4.53
8" industrial	-	-	-	-	-	-	4.24	3.92	4.31	4.53

Data Source:

[1] City's utility billing department.

Exhibit XXIX

City of Calhoun, Georgia
Customer Accounts at Year-end [1]
By Service
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Electric		Water		Sewer		Total	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change
2002	4,470	6.3%	16,436	2.8%	4,870	-1.7%	25,776	2.5%
2003	4,623	3.4%	17,077	3.9%	5,234	7.5%	26,934	4.5%
2004	5,055	9.3%	17,460	2.2%	5,254	0.4%	27,769	3.1%
2005	5,234	3.5%	17,970	2.9%	5,744	9.3%	28,948	4.2%
2006	5,325	1.7%	18,427	2.5%	5,920	3.1%	29,672	2.5%
2007	5,035	-5.4%	18,579	0.8%	6,116	3.3%	29,730	0.2%
2008	5,013	-0.4%	18,904	1.7%	6,153	0.6%	30,070	1.1%
2009	4,972	-0.8%	18,869	-0.2%	6,113	-0.7%	29,954	-0.4%
2010	4,966	-0.1%	18,911	0.2%	6,163	0.8%	30,040	0.3%
2011	5,036	1.4%	18,796	-0.6%	6,530	6.0%	30,362	1.1%

Data Source:

[1] City's utility billing department.

Exhibit XXX

City of Calhoun, Georgia
Ten Largest Customers - Electric Service [2]
Fiscal Years 2002 and 2011

	Fiscal Year 2011				Fiscal Year 2002				
Rank	Customer	Consumption kWh	Amount	%	Rank	Customer [1]	Consumption kWh	Amount	%
1	Shaw Industries	83,783,120	$ 5,438,413	19.9%	1	Mohawk Ind. (Aladdin)	80,236,000	$ 3,823,798	18.0%
2	Engineered Flooring	77,412,958	4,761,072	17.5%	2	Shaw Industries	52,714,000	2,505,882	11.8%
3	Mohawk	33,684,699	2,359,663	8.7%	3	Dixie Yarn	48,805,000	2,421,536	11.4%
4	Calhoun Utilities	14,997,777	1,138,581	4.2%	4	Super Wal-Mart	6,404,000	350,457	1.7%
5	Apache Mills	9,488,500	772,785	2.8%	5	Ga. Tufters/Textile	5,236,000	313,860	1.5%
6	Calhoun City Schools	6,107,039	664,911	2.4%	6	Marglen/Beaulieu	5,220,000	281,212	1.3%
7	Gordon Hospital	8,977,097	632,012	2.3%	7	Kobelco	4,471,000	339,807	1.6%
8	Colormaster	6,558,000	522,511	1.9%	8	Colormaster	400,000	151,704	0.7%
9	Liberty Tire Recycling	5,895,840	499,678	1.8%	9	Gordon Hospital	3,524,000	229,670	1.1%
10	Caltex (Beaulieu)	5,161,040	428,231	1.6%	10	Apache Mills	3,186,000	194,545	0.9%
	Total Ten Largest Customers	252,066,070	17,217,857	63.2%		**Total Ten Largest Customers**	210,196,000	10,612,471	50.1%
	All Other Customers	123,557,398	10,046,899	36.8%		**All Other Customers**	123,550,528	10,574,050	49.9%
	Total	375,623,468	$ 27,264,756	100.0%		**Total**	333,746,528	$ 21,186,521	100.0%

Notes:

[1] The City of Calhoun and the Calhoun City Schools would have been principal customers but that information is not available.

Data Source:

[2] City's utility billing department.

City of Calhoun, Georgia

Ratios of Total Debt Oustanding by Type [1, 3]

Last Ten Fiscal Years

	Governmental Activities			Business-type Activities						
June 30,	Recreation Authority Revenue Bonds	School General Obligation Bonds [2]	Capital Leases	Revenue Bonds	GEFA/SRF and MEAG Loans	Capital Leases	Total	Percentage of Personal Income [4]	Estimated Population [4]	Per Capita
2002	4,310,800	14,995,000	743,425	7,860,000	17,746,138	-	45,655,363	16.89%	11,161	4,091
2003	4,115,800	19,995,000	531,863	6,810,000	18,039,768	-	49,492,431	16.36%	12,184	4,062
2004	3,911,000	18,955,000	309,673	9,725,000	19,536,403	-	52,437,076	16.70%	12,342	4,249
2005	3,701,800	17,485,000	76,640	8,680,000	24,463,189	143,033	54,549,662	15.30%	13,666	3,992
2006	3,483,600	15,885,000	10,437	8,020,000	26,432,006	113,077	53,944,120	14.02%	14,015	3,849
2007	3,251,800	14,200,000	589,968	7,335,000	25,464,310	79,477	50,920,555	13.24%	14,379	3,541
2008	3,011,900	12,885,000	1,108,059	11,154,084	22,841,749	47,365	51,048,157	13.27%	14,753	3,460
2009	2,764,300	12,415,000	1,238,791	9,590,189	21,558,909	14,164	47,581,353	12.37%	14,807	3,213
2010	2,504,800	11,895,000	949,655	7,956,239	21,217,194	-	44,522,888	11.57%	14,955	2,977
2011	2,233,900	32,320,000	649,312	6,385,000	19,216,825	-	60,805,037	15.81%	15,650	3,885

Notes:

[1] Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

[2] In fiscal year 2002, the City issued general obligation bonds totaling $14,995,000 and in fiscal year 2003, the City issued $5,000,000 in general obligation bonds. The bond proceeds were used to construct school buildings.

Data Source:

[3] Applicable years' comprehensive annual financial report.

[4] Exhibit XXXVII

Exhibit XXXII

City of Calhoun, Georgia

Ratios of Net General Bonded Debt Outstanding [2]

Last Ten Fiscal Years

June 30,	General Obligation Bonds [1]	Less Amounts Available in Debt Service Funds	Net General Obligation Bonds	Percentage of Estimated Actual Value of Taxable Property [2]	Estimated Population [3]	Total General Bonded Debt Per Capita [3]
2002	14,995,000	365,922	14,629,078	1.197%	11,161	1,311
2003	19,995,000	1,822,661	18,172,339	1.507%	12,184	1,491
2004	18,955,000	2,231,725	16,723,275	1.366%	12,342	1,355
2005	17,485,000	2,396,344	15,088,656	1.185%	13,666	1,104
2006	15,885,000	2,843,669	13,041,331	0.944%	14,015	931
2007	14,200,000	3,373,124	10,826,876	0.726%	14,379	753
2008	12,885,000	2,187,747	10,697,253	0.618%	14,753	725
2009	12,415,000	3,970,068	8,444,932	0.417%	14,807	570
2010	11,895,000	5,618,978	6,276,022	0.303%	14,955	420
2011	32,320,000	7,319,269	25,000,731	1.257%	15,650	1,597

Notes:

[1] Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

Data Source:

[2] Applicable years' comprehensive annual financial report.

[3] Exhibit XXXVII

City of Calhoun, Georgia
Direct and Overlapping Debt
June 30, 2011

Governmental Unit:	Debt Outstanding[4]	Estimated Percentage Applicable [2]	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Overlapping Governments' Debt[1]			
City Recreation Authority[3]	$ 2,233,900	100.0%	$ 2,233,900
City Direct Debt	32,320,000	100.0%	32,320,000
Total Direct and Overlapping Debt			$ 34,553,900

Notes:

[1] Overlapping governments are those that coincide, at least in part, within the geographic boundaries of the City. Direct debt is that of the City.

[2] Applicable percentages were estimated by determining the portion of another government's taxable assessed value that is within the City's boundaries and dividing it by the City's total taxable assessed value.

[3] A blended component unit.

Data Source:

[4] Exhibit XXXI

City of Calhoun, Georgia
Legal Debt Margin
Last Ten Fiscal Years
(Amounts presented in $1,000)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Value [1]	$ 493,663	$ 486,977	$ 492,631	$ 509,883	$ 551,513	$ 602,829	$ 675,820	$ 809,763	$ 828,569	$ 795,706
Legal Debt Margin										
Debt limit (10% of assessed value) [2]	$ 49,366	$ 48,698	$ 49,263	$ 50,988	$ 55,151	$ 60,283	$ 67,582	$ 80,976	$ 82,857	$ 79,571
Debt applicable to limit:										
General obligation bonds	14,995	19,995	18,955	17,485	15,885	14,200	12,885	12,415	11,895	32,320
Less: Amount reserved for repayment of general obligation debt	387	1,844	2,232	2,396	2,844	3,373	2,188	3,970	5,619	7,319
Total debt applicable to limit	14,608	18,151	16,723	15,089	13,041	10,827	10,697	8,445	6,276	25,001
Legal debt margin	$ 34,758	$ 30,547	$ 32,540	$ 35,899	$ 42,110	$ 49,456	$ 56,885	$ 72,531	$ 76,581	$ 54,570
As a percentage of debt limit	70.41%	62.73%	66.05%	70.41%	76.35%	82.04%	84.17%	89.57%	92.43%	68.58%

Notes:

[1] Exhibit XX

[2] Under Article 9, Section 5, Paragraph 1 of the State of Georgia Constitution, the City's outstanding general obligation debt should not exceed 10% of the assessed valuation of taxable property within the City.

Exhibit XXXV

City of Calhoun, Georgia
Pledged Revenue Coverage
Water And Sewerage Senior Lien Revenue Bonds
Last Ten Fiscal Years
(Amounts Presented in $1,000)

Fiscal Year Ended June 30,	Revenues [1]	Less Operating Expenses [2]	Net Available Revenues	Principal[3]	Interest[3]	Total[3]	Times Coverage
2002	$ 11,700	$ 7,247	$ 4,453	$ 1,045	$ 339	$ 1,384	3.22
2003	12,303	7,867	4,436	1,050	310	1,360	3.26
2004	13,060	7,377	5,683	1,080	276	1,356	4.19
2005	14,139	7,846	6,293	1,045	384	1,429	4.40
2006	15,177	8,766	6,411	660	346	1,006	6.37
2007	18,109	9,752	8,357	685	322	1,007	8.30
2008	15,696	9,930	5,766	690	295	985	5.85
2009	14,116	9,581	4,535	1,610	397	2,007	2.26
2010	14,861	8,834	6,027	1,675	332	2,007	3.00
2011	14,564	7,845	6,719	1,730	280	2,010	3.34

Notes:

[1] Includes the operating revenues plus investment earnings.

[2] Water and sewer direct operating expenses exclusive of depreciation and amortization plus any loss on disposition of capital assets.

[3] Includes the 2001, 2004 and 2008 water and sewerage revenue bonds.

City of Calhoun, Georgia
Pledged Revenue Coverage
Water And Sewerage GEFA Loans
Last Ten Fiscal Years
(Amounts Presented in $1,000)

Fiscal Year Ended June 30,	Revenues [1]	Less Operating Expenses [2]	Net Available Revenues	Principal[3]	Interest	Total	Times Coverage
2002	11,700	7,247	4,453	1,987	961	2,948	1.51
2003	12,303	7,867	4,436	2,026	898	2,924	1.52
2004	13,060	7,377	5,683	2,089	832	2,921	1.95
2005	14,139	7,846	6,293	2,098	991	3,089	2.04
2006	15,177	8,766	6,411	1,953	1,018	2,971	2.16
2007	18,109	9,752	8,357	2,148	1,075	3,223	2.59
2008	15,696	9,930	5,766	1,123	668	1,791	3.22
2009	14,116	9,581	4,535	1,984	657	2,641	1.72
2010	14,861	8,834	6,027	1,749	630	2,379	2.53
2011	14,623	7,845	6,778	1,821	666	2,487	2.73

Notes:

[1] Water and sewer revenues inclusive of interest and other nonoperating revenues. (In Fiscal 2002, customer additions were added to revenues; these are now contributions and have been removed from revenues for this presentation.)

[2] Water and sewer direct operating expenses exclusive of depreciation and amortization plus any loss on disposition of capital assets.

[3] Only the amount of regular principal payments have been included. Payments to retire the debt through proceeds from bonds were not included as they would skew the coverage calculation.

Exhibit XXXVII

City of Calhoun, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population[1]	*(in thousands of dollars)* Personal Income[2]	Per Capita Income[2] Gordon County	Per Capita Income[2] United States	County as a % of U.S.	Median Age[3]	City School Enrollment[4]	Unemployment Rates[5] City	Unemployment Rates[5] State of Georgia	Unemployment Rates[5] United States
2002	11,161	$ 1,054,055	$ 22,567	$ 30,795	73%	33.9	2,594	4.9%	4.8%	5.8%
2003	12,184	1,099,284	22,987	31,466	73%	33.9	2,658	5.4%	4.7%	6.0%
2004	12,342	1,183,533	24,156	33,090	73%	33.9	2,777	4.5%	4.6%	5.5%
2005	13,666	1,256,016	25,007	34,471	73%	33.9	3,096	4.9%	5.6%	5.1%
2006	14,015	1,291,961	25,192	34,510	73%	34.0	3,234	4.4%	4.7%	4.6%
2007	14,379	1,340,846	25,740	35,260	73%	34.0	3,247	4.6%	4.6%	4.7%
2008	14,753	1,402,764	25,828	35,204	73%	34.0	3,288	6.5%	5.6%	5.5%
2009	14,807	1,346,161	25,978	38,615	67%	34.4	3,361	13.5%	10.1%	9.5%
2010	14,955	1,373,084	26,393	40,148	66%	34.4	3,423	12.6%	9.6%	9.3%
2011	15,650	1,441,738	27,185	41,353	66%	37.5	3,531	12.4%	10.2%	9.6%

Data Sources:

[1] 2010 U.S. Bureau of Economic Analysis- http:usgovinfo.about.com/gi/dynamic/offsite.htm?site=http://factfinder.census.gov/.

[2] 2010 U.S. Bureau of Economic Analysis, http://www.bea.gov/regional/reis/drill.cfmm.

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

[4] City of Calhoun School System 2010 obtained from Georgia Department of Education.

[5] Georgia Department of Labor, "Georgia Area Labor Profile" 2010 Averages.

Exhibit XXXVIII

City of Calhoun, Georgia
Principal Employers
Current Year and Nine Years Ago

	2011				2002		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Employer**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Mohawk Industries, Inc.	2,500	1	11.3%	Mohawk Industries, Inc. (Aladdin)	4,000	1	17.3%
Shaw Industries	1,482	2	6.7%	Dixie Yarn (Carriage)	1,700	2	7.4%
Gordon County Schools	950	3	4.3%	Gordon County Schools	970	3	4.2%
Gordon Hospital	600	4	2.7%	Mannington Carpets	660	4	2.9%
Mannington Carpets	520	5	2.3%	Gordon Hospital	588	5	2.5%
Engineer Flooring	510	6	2.3%	Shaw Industries	585	6	2.5%
Calhoun City Schools	400	7	1.8%	Georgia Corporation	430	7	1.9%
Gordon County Government	341	8	1.5%	Springs Industries	422	8	1.8%
Apache Mills	301	9	1.4%	Apache Mills	400	9	1.7%
City of Calhoun Government	265	10	1.2%	Calhoun City Schools	350	10	1.5%
Total Principal Employers	7,869		35.5%	**Total Principal Employers**	10,105		43.8%
Other Employers	14,282		64.5%	**Other Employers**[2]	12,975		56.2%
Total Employers [1]	22,151		100.0%	**Total Employers**	23,080		100.00%

Data Source:
Gordon County Chamber of Commerce and MEAG Annual Report.

[1] Estimated by Gordon County Chamber of Commerce.

[2] Estimated by management.

City of Calhoun, Georgia
Full-time Equivalent Employees by Function [1]
Last Ten Fiscal Years

Function/program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Mayor and City Council	5	5	5	5	5	5	5	5	5	5
Administration	3	3	3	3	5	3	2	2	1	2
Tax Administration	1	1	1	1	1	1	1	1	1	1
Business License	-	-	-	-	-	-	-	-	2	1
Human Resources	1	1	1	1	1	1	1	2	2	2
Finance	6	6	7	7	8	8	5	6	4	4
	16	16	17	17	20	18	14	16	15	15
Judicial										
Court Services	4	4	4	4	4	4	3	3	3	3
Probation	-	-	-	1	1	2	2	2	2	2
	4	4	4	5	5	6	5	5	5	5
Public Safety										
Police	54	53	50	51	52	52	52	49	49	49
Fire	39	39	39	39	38	40	40	38	38	39
Animal Control	1	1	1	1	1	1	1	1	1	1
	94	93	90	91	91	93	93	88	88	89
Public Works										
Administration	-	-	-	-	1	1	1	1	1	1
Streets and highways	18	18	18	18	16	18	18	16	16	16
City Maintenance	6	6	7	7	7	7	6	6	6	6
Cemetery	4	4	4	4	4	4	2	4	3	3
	28	28	29	29	28	30	27	27	26	26
Health and Welfare										
Senior Citizens Activities	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation Department	20	22	20	19	17	14	8	14	14	15
Library	7	7	8	8	9	8	4	9	9	9
	27	29	28	27	26	22	12	23	23	24
Housing and Economic Development										
Mainstreet Program	1	1	1	1	1	1	1	1	1	1
Airport	3	3	3	3	3	4	2	4	4	4
Inspections/ Community Dev.	3	3	3	3	3	3	6	5	4	4
	7	7	7	7	7	8	9	10	9	9
Utilities Administration										
Administration	3	3	3	3	4	4	5	5	5	4
Utilities Finance	-	-	-	-	-	-	-	5	5	4
GIS	-	-	-	-	-	-	-	2	2	2
Billing	2	2	2	2	2	2	2	3	3	2
Customer Service	3	3	3	3	3	3	4	4	2	4
Tellers	2	2	2	2	2	3	3	3	2	4
Meter Reading	6	6	6	6	6	6	7	6	5	4
Engineering	2	2	4	4	5	6	6	6	6	6
Purchasing	2	2	2	2	2	2	2	2	2	2
	20	20	22	22	24	26	29	36	32	32
Electric System	18	18	19	19	19	19	18	17	17	15
Water and Sewer System										
Wastewater Treament	13	13	12	10	11	11	10	9	9	9
Sewer Construction	14	12	12	18	12	13	13	12	12	11
Maintenance Crew	4	6	6	7	10	9	11	10	10	10
Water Treatment	10	8	8	8	8	8	8	8	7	7
Water Construction	16	18	19	25	24	27	27	24	22	22
	57	57	57	68	65	68	69	63	60	59
Fields Ferry Golf Course										
Pro Shop	13	11	14	13	10	9	3	9	9	9
Maintenance	10	10	10	10	10	10	9	8	8	8
	23	21	24	23	20	19	12	17	17	17
Telecommunciations	4	4	4	4	4	4	5	4	4	4
Solid Waste	5	6	6	6	6	5	3	3	3	3
Total	304	304	308	319	316	319	297	310	300	299
Percentage Change From Prior Year	8.2%	0.0%	1.3%	3.6%	-0.8%	0.9%	-6.9%	4.4%	-3.2%	-0.3%

Data Source:
[1] City of Calhoun, Human Resource Department

Exhibit XXXX

City of Calhoun, Georgia
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Physical arrests	N/A	N/A	N/A	N/A	N/A	N/A	1,743	535	1,572	1,439
Parking violations	N/A	N/A	N/A	N/A	N/A	N/A	456	N/A	882	966
Traffic violations	977	5,976	10,831	7,709	7,732	7,007	7,557	5,055	6,042	7,093
Fire										
Emergency responses [1]	715	730	800	630	697	707	792	740	894	1,492
Inspections	342	553	530	327	438	669	797	674	1,013	2,215
Library										
Volumes in collection	59,677	61,783	66,766	72,667	72,000	80,483	86,623	87,500	90,839	98,167
Total volumes borrowed	56,997	69,188	76,366	78,003	103,704	124,000	128,199	131,185	141,757	129,169
Computer usage	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	24,137

Notes:
N/A Not available in some categories

Data Sources:
Various City departments.

[1] The emergency responses have increased due to a change in the 911 response protocol. Instead of only running fire calls or an eminent threat of death they must now respond to all emergency calls regardless of type of danger.

Exhibit XXXXI

City of Calhoun, Georgia
Utilities - Operating Indicators by Service
Last Ten Fiscal Years

Utility Service	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electric Service:										
Coincident peak (kW)	66,286	66,497	68,570	66,929	66,082	65,462	66,536	56,758	60,838	74,830
Reserves (kW)	9,943	9,975	10,286	10,039	9,912	9,819	8,867	6,418	9,126	11,125
Total requirements (kW)	76,229	76,472	78,856	76,968	75,994	75,281	75,403	63,176	69,964	85,955
Southeastern Power Administration (kW)	6,972	7,660	7,660	7,660	7,660	7,660	7,660	7,660	7,660	7,437
MEAG projects 1, 2, 3 & 4 (kW)	47,200	47,200	47,200	47,200	47,200	47,200	47,200	47,200	47,200	45,453
MEAG combined cycle (kW)	-	-	15,630	15,630	15,630	15,630	15,630	15,630	15,630	15,497
Total resources (kW)	54,172	54,860	70,490	70,490	70,490	70,490	70,490	70,490	70,490	68,387
Excess capacity (deficit) (kW)	(22,057)	(21,612)	(8,366)	(6,478)	(5,504)	(4,791)	(4,913)	7,314	526	(17,668)
Per cent reserve of capacity [1]	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water Service:										
Daily average consumption	10,218,000	9,925,000	9,534,000	9,551,000	9,554,000	9,952,000	9,176,000	10,661,191	10,236,000	9,842,082
Maximum daily capacity of wells (in gallons)	1,400,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000
Maximum daily capacity of plant (in gallons)	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	23,800,000	23,800,000
Elevated storage capacity (gallons)	-	-	-	-	-	-	-	-		
Reservoir storage capacity (gallons)	20,600,000	20,600,000	20,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000
Sewer Service:										
Maximum daily capacity of treatment plant (gallons)	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Daily average treatment (gallons)	8,566,000	8,798,000	7,468,000	7,418,000	6,901,000	5,431,000	5,277,000	6,525,833	5,688,000	6,062,000
Unused capacity	7,434,000	7,202,000	8,532,000	8,582,000	9,099,000	10,569,000	10,723,000	9,474,167	10,312,000	10,312,000
Percentage of capacity used	0.535375	0.549875	0.466750	0.463625	0.431313	0.339438	0.329813	0.407865	0.355500	0.378875

Data Source:
Applicable Department

[1] Our reserve is not purchased, but provided by a 20 watt generator that the City owns.

Exhibit XXXXII

City of Calhoun, Georgia
Utilities - Capital Asset Indicators - by Service
Last Ten Fiscal Years

Function/program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electric Service:										
Miles of line	155	165	179	180	182	185	222	227	234	242
Service area (square miles)	13	13	13	13	13	13	13	13	13	13
Number of sub-stations	3	3	3	3	3	3	3	3	3	3
20 megawatt generator	1	1	1	1	1	1	1	1	1	1
Water Service:										
Miles of water mains	592	599	622	624	628	640	640	720	770	819
Number of wells	1	4	4	4	4	4	4	4	4	4
Number of treatment plants	1	2	2	2	2	2	2	2	2	2
Number of elevated tanks	-	-	-	-	-	-	-	-	-	-
Number of reservoirs	12	12	12	12	12	12	15	15	15	15
Sewer Service:										
Miles of sanitary sewers	102	103	110	111	113	118	120	137	134	136
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	5	5	5	6	6	6	9	9	9	9

Data Source:
Various Departments

Exhibit XXXXIII

City of Calhoun, Georgia
Capital Asset and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years

Function/program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	12	24	24	24	24	24	27	32	33	33
Fire stations	3	3	3	3	3	3	3	3	3	3
Streets and highways										
Streets (miles)	86	94	94	95	97	98	99	99	99	99
Street Lights	834	861	868	878	882	918	973	973	979	979
Parks and recreation										
Acreage	337	342	342	342	342	342	342	342	342	342
Water										
Water mains (miles)	592	599	622	624	628	640	640	720	770	819
Fire hydrants	695	695	700	733	743	742	741	900	775	771
Storage capacity (thousands of gallons)	21,550	21,550	21,550	23,500	23,500	24,600	24,600	24,600	24600	24600
Wastewater										
Sanitary sewers (miles)	102	103	110	111	113	118	119	137	134	136
Treatment capacity (thousands of gallons)	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16000	16000
Storm sewers (miles)	29	30	30	30	30	30	30	30	30	30

Data Source:
Various City Departments.

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

To the Honorable James F. Palmer, Mayor

And Members of the City Council

City of Calhoun, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Calhoun, Georgia, as of and for the year ended June 30, 2011, which collectively comprise the City of Calhoun, State's basic financial statements and have issued our report thereon dated February 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

R. M. Dobbs & Company

Calhoun, Georgia
February 27, 2012

R.M. DOBBS & COMPANY

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

To the Honorable James F. Palmer, Mayor
And Members of the City Council

City of Calhoun, Georgia

Compliance

We have audited City of Calhoun, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Calhoun, Georgia's major federal programs for the year ended June 30, 2011. City of Calhoun, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Calhoun, Georgia's management. Our responsibility is to express an opinion on City of Calhoun, Georgia's compliance based on our audit.

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

In our opinion, City of Calhoun, Georgia, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

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

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

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

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

R. M. Dobbs & Company

Calhoun, Georgia
February 27, 2012

CITY OF CALHOUN, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Grant/Loan Identification Number	Program or Award Amount	Federal Expenditures
U.S. Department of Housing and Urban Development				
Georgia Department of Community Affairs				
Community Development Block Grant	14.218	08q-x-064-2-5030	$ 800,000	$ 79,676
Georgia Department of Community Affairs				
Urban Development Action Grant	14.221	10-64-586000530		1,813,764
Georgia Housing and Finance Authority				
HOME Investment Partnerships Program	14.239	34531000	(Note C)	15,323
Calhoun Housing Authority	15.226	Ga. Projects		
Payment in Lieu of Taxes		11900199M		
		Contract A-3103		29,732
Total U. S. Department of Housing and Urban Development				1,938,495
U.S. Environmental Protection Agency				
Georgia Environmental Protection Division/				
Georgia Environmental Facilities Authority				
Capitalized Grant for Drinking Water State Revolving Loan Fund				
ARRA Federal Money Loan	66.468	DW 09-022	$ 1,500,000	519,521
ARRA Federal Money Loan	66.468	DW 10-007	1,600,000	627,662
				1,147,183
U.S. Department of Justice				
Bureau of Justice Assistance				
Bulletproof Vest Partnership Program	16.607	04023455	$ 3,647	3,647
Office of Community Oriented Policing Services				
ARRA COPS Hiring Recovery Program	16.710	2009RKWX0281	$ 299,478	102,524
Total U. S. Department of Justice				106,171
				106,171
U.S. Department of Homeland Security				
Georgia Emergency Management Agency				
Domestic Preparedness State Homeland Grant Program	97.067	2007-GE-T7-0054	$ 50,000	40,562
Georgia Emergency Management Agency				
Domestic Preparedness State Homeland Grant Program	97.067	2008-GE-T8-0017	$ 90,000	31,373
Georgia Emergency Management Agency				
Domestic Preparedness State Homeland Grant Program	97.036	1973-DR-GA	$ 28,936	28,936
Total U. S. Department of Homeland Security				100,871
U.S. Department of Energy				
Georgia Environmental Protection Division/				
Georgia Environmental Facilities Authority				
ARRA - Local Government Competitive Grants	81.128	EECBG-GOV-2010-11	$ 297,846	39,546
National Highway Traffice Safety Administration				
Governor's Office of Highway Safety	20.600	GA-2011-000-00521	$ 10,000	9,964
Georgia Highway Safety Grant				
				$ 3,342,230

CITY OF CALHOUN, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Calhoun, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basis financial statements.

NOTE B - LOANS OUTSTANDING

Balance of Federal Money Loans		
From prior years outstanding		
CW SRF #91-006	$	472,813
CW SRF #13088701	$	-
CW SRF #93-007	$	5,023,058
CW SRF #99-001	$	2,506,008
DW SRF #00-026	$	4,321,363
CW SRF #02-002	$	1,959,602
DW SRF#09-022	$	586,938
DW SRF#10-007	$	627,662

NOTE C - HOME PROGRAM

HOME loans receivable assigned by the Department of Community Affairs to the City include various loans made to qualified applicants, most of which may be forgiven over applicable loan periods.

CITY OF CALHOUN, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

The prior audit's schedule of findings and questioned costs included no findings relative to federal awards.

CITY OF CALHOUN, GEORGIA
URBAN DEVELOPMENT ACTION GRANT SPECIAL REVENUE FUND
SCHEDULE OF RECONCILIATION - RLF REPORTS TO FINANCIAL STATEMENTS
JUNE 30, 2011

	RLF Reports	Accrual Items	Financial
Total Assets	$ 1,811,265	$ 6,164	$ 1,817,429
Total Liabilities and Fund Balance	$ 1,811,265	$ 6,164	$ 1,817,429
Net Revenues (Expenditures)	$ 30,562	$ (3,026)	$ 27,536

CITY OF CALHOUN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SUMMARY OF AUDITOR'S RESULTS

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

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

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

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

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

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

7. The programs tested as major programs include: Urban Development Action Grant (CFDA #14.221), and ARRA Federal Money Loan (CFDA #66.468).

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

9. The City of Calhoun, Georgia was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

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INDEPENDENT AUDITOR'S REPORT

To the Honorable James F. Palmer, Mayor
And Members of the City Council
City of Calhoun, Georgia

We have audited the accompanying Project Cost Schedules for projects constructed with Special Sales Tax Proceeds for the City of Calhoun, Georgia as of June 30, 2011. These Project Cost Schedules are the responsibility of the City of Calhoun, Georgia's management. Our responsibility is to express an opinion on the Project Cost Schedules based on our audit.

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

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

In our opinion, the accompanying Project Cost Schedules present fairly, in all material respects, the original estimated cost of each project, expenditures incurred and the estimated percentage of completion of each project as of June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

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

R. M. Dobbs & Company

Calhoun, Georgia
February 27, 2012

CITY OF CALHOUN, GEORGIA
PROJECT COST SCHEDULE FOR PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
FROM INCEPTION THROUGH JUNE 30, 2011 (CUMULATIVE TOTAL)

		Board Approved Projects						
Project	Referendum Authorized Amounts	Original Estimated Cost	Prior Years' Additional Projects, Additions & Revisions	Revised Estimated Cost	Prior Years' Expenditures	Current Year	Cumulative Total	Estimated Percentage of Completion Referendum Authorized Amounts
2001 SPLOST								
Recreation Capital Projects	$ 4,025,000	$ 1,199,500	$ 1,072,932	$ 2,272,432	$ 4,027,008	$ -	$ 4,027,008	100.0%
Transportation Capital Projects	4,025,000	420,000	2,869,716	3,289,716	3,980,542	-	3,980,542	100.0%
	$ 8,050,000	$ 1,619,500	$ 3,942,648	$ 5,562,148	$ 8,007,550	-	$ 8,007,550	
Department of Transportation Expenditures						39,500		
County SPLOST Fund Expenditures						$ 39,500		

Project	Referendum Authorized Amounts	Original Estimated Cost	Prior Years' Expenditures	Current Year	Cumulative Total	Estimated Percentage of Completion Referendum Authorized Amounts
2005 SPLOST						
Water/Sewer System Improvements	$ 4,734,297	$ 4,734,297	$ 3,729,413	$ 471,209	$ 4,200,622	88.7%
Waste Treatment Plant Improvement	4,000,000	4,000,000	-	16,054	16,054	0.4%
4th Fire Station & Equipment	1,500,000	1,500,000	-	-	-	0.0%
	$ 10,234,297	$ 10,234,297	$ 3,729,413	$ 487,263	$ 4,216,676	

CITY OF CALHOUN, GEORGIA
NOTES TO PROJECT COST SCHEDULES
FOR PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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