City of Calhoun, Georgia

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

Prepared by:

Department of Finance

City of Calhoun, Georgia
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2012

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(Unaudited)

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City of Calhoun, Georgia

Site of New Echota in the Land of the Cherokee

December 17, 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, 2015, 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, 2012. 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 two component units: the Calhoun Board of Education and the Downtown Development Authority both 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 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 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 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 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. 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. The filtration portion of the project was started in fiscal year 2011 with a loan from GEFA that had 30% forgiveness through the federal ARRA funding. The project is estimated to be completed in fiscal year 2013 after an additional GEFA loan is obtained.

The Water and Sewer fund refunded their 2001 Water and Sewerage Bonds and a GEFA note during fiscal 2012 at 1.935%, with a net present value savings of $431,895.

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. The City of Calhoun began to deliver water in December 2004 and continue to do so. 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 City of Calhoun began billing for sales in April 2007 and bills quarterly thereafter.

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 performed work on major projects for fiscal year 2012 of approximately $350,000 that included construction at the new high school, construction on underground primary wiring at local manufacturing facilities and GDOT intersection improvements. The City has 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.

Long-term financial planning: The City advance refunded their 2003 Water Bonds and three GEFA loans in the period subsequent to the audit for a present value savings in excess of $496,000.

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. 2012 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.

In fiscal year 2012, 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. The Police Department received a $600,000 grant through the Department of Justice to "Secure Our Schools." This grant is provided to make sure our City Schools are secure and safe for our young people. 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. Several federal cases worked by our department provided shared funds that were used to furnish and re-model a new office building for the Special Operations Division. 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 and fuel, at no cost to the City. Successful cases through this agency have also provided shared funds to assist the department without using City budget funds.

Fire:
The Calhoun Fire Department has an 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 has hired a Chief of Training to coordinate the department training and use of the site. These two additions will have a direct impact of helping to potentially lower the ISO rating for property and casualty insurance purposes for the City of Calhoun.

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 (and many hours of annual refresher 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 year 2012 included paving on E. Line Street from the red light at N. Wall Street to Fain Cemetery and on Curtis Parkway from the red light at Hwy. 53 to Dogwood Drive. These two streets were paved through a joint agreement with Gordon County. The State LMIG Program Contractor paved on E. Line Street and Dewspond Road from Fain Cemetery to the red light at Curtis Parkway. City funds paved several large sections of the parking lot at the soccer field on Mauldin Road.

West Calhoun, a CDBG grant project, was completed during this fiscal year. Work has been started 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. We anticipate completing this project in fiscal 2013.

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. 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 Recreation Department began construction of a restroom/concession/pavilion facility at the new Recreation Complex. The facility will service the football field and walking trail and the pavilion area will be available for parties, reunions and special events. This facility is scheduled to be completed in fiscal 2013.

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 2012. 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 Golf Course was in the process of having new greens and irrigation installed at year-end and it was completed by mid-August, 2012. Some new golf carts will be purchased in fiscal 2013.

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 department 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 for proprietary funds is modified accrual, with all revenues and expenditures budgeted on an accrual basis except for line items for capital outlay and debt payments. The City's budgetary accounting basis for governmental funds is modified accrual. 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.

Long-term Financial Planning: The Water and Sewer fund plans to refinance three GEFA loans and one of our bond issues in the coming year to maximize savings on the low interest rates available. Capital leases are also being handled between City funds to save on interest costs as well.

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, 2011. 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, 2011

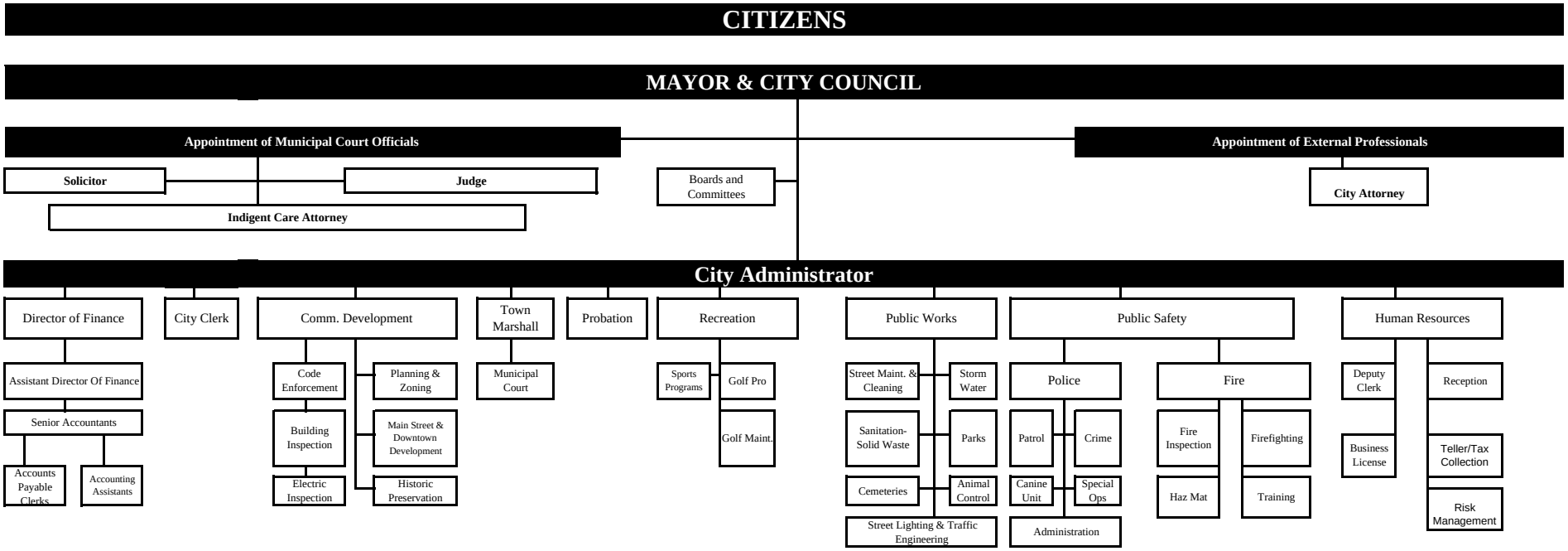
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



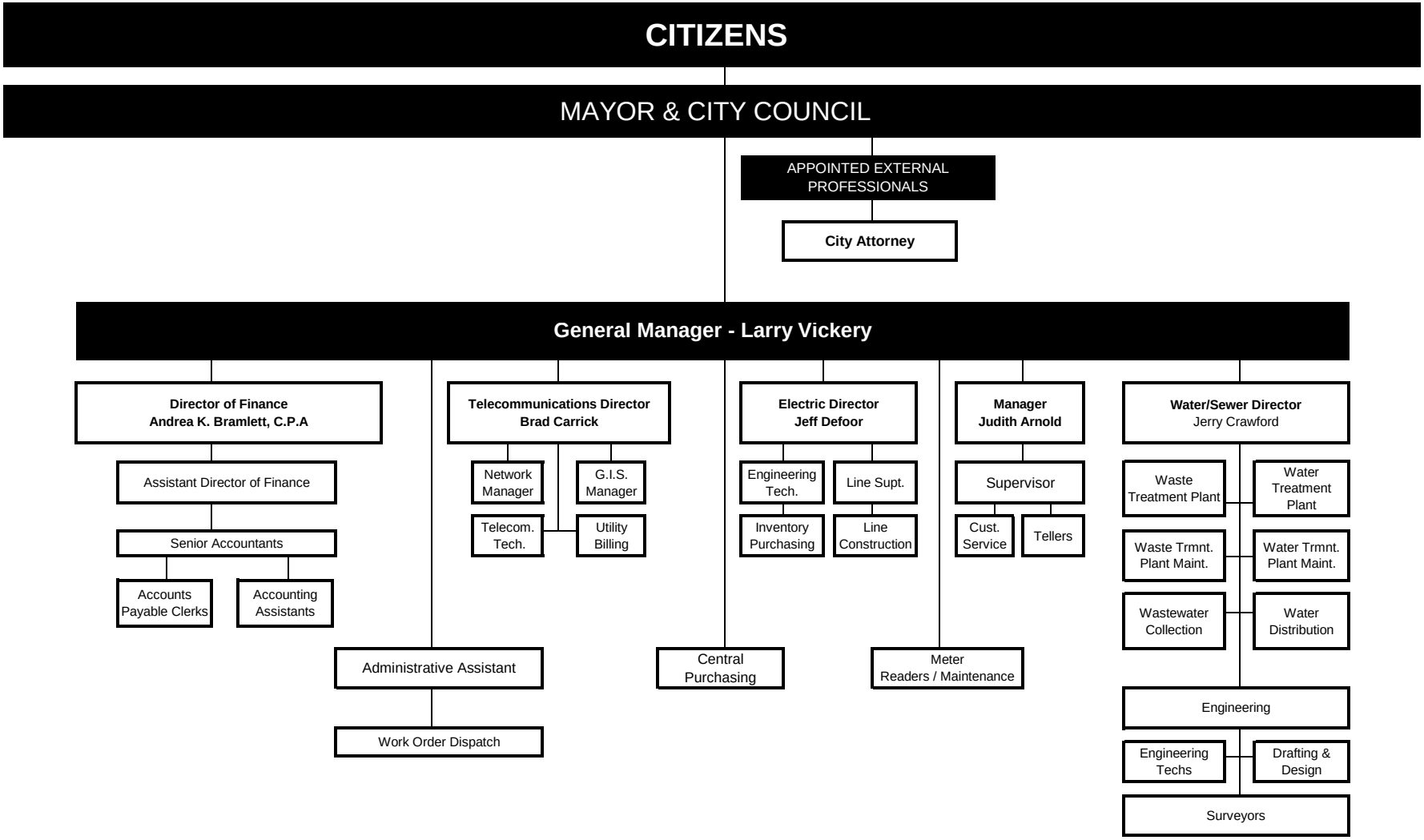
Christopher P Morrill
President

Jeffrey L. Esser
Executive Director

CITY OF CALHOUN, GEORGIA
FISCAL 2012-2013 GOVERNMENTAL ORGANIZATIONAL CHART



CALHOUN UTILITIES
FISCAL 2012 - 2013 ORGANIZATIONAL CHART



City of Calhoun, Georgia
Officials, Management and Appointed Professionals
June 30, 2012

Elected Officials:

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

Appointed Officials and Management Related to General Government:

Administrator ..... F. Eddie Peterson
Director of Finance ..... Andrea K. Bramlett
Human Resource/ Assistant City Administrator ..... Linda Brookshire
Police Chief ..... Garry Moss
Fire Chief ..... Lenny Nesbitt
Superintendent of Street Department ..... Kevin McEntire
Probation Director ..... Neal Russell
Town Marshal ..... Randy Jackson
Code Enforcement ..... Don McGinnis
Downtown Development ..... Suzanne Roland
Recreation Director ..... Kim Townsend
Golf Professional ..... Eric Stewart
Superintendent of Golf Maintenance ..... Harold Franklin
City Clerk ..... Paul Worley

Appointed Officials and Management Related to Calhoun Utilities:

General Manager ..... Larry Vickery
Director of Finance ..... Andrea K. Bramlett
Director of Water & Sewer ..... Jerry Crawford
Water Plant Superintendent ..... Danny Stephens
Sewer Plant Superintendent ..... John Banks
Water & Sewer Construction Superintendent ..... Mark Williamson
Water and Sewer Maintenance Superintendent ..... Bobby Robertson
Superintendent of Electric Department ..... Jeff Defoor
Superintendent of Telecommunications ..... Brad Carrick

Appointed Professionals

Municipal Court Judge ..... Suzanne Hutchinson Smith
Municipal Court Prosecutor ..... George Govignon
Municipal Court Indigent Care Attorney ..... Rebecca B. Parris
City Attorney ..... George Govignon

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

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JAN C. GOBLE, C.P.A.
MITZI B. POWELL, C.P.A.

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Calhoun, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Calhoun, Georgia, as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows 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 December 17, 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 and page 32 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
December 17, 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, 2012. 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 $191,351,211 (net assets) for the fiscal year reported.
- Total net assets are comprised of the following:
  (1) Capital assets, net of related debt, of $141,219,316 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 $19,122,020 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $31,009,875 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 $37,898,851 this year. This compares to the prior year ending fund balance of $41,528,928 showing a decrease of $3,630,077 during the current year. Unreserved fund balance of $7,369,140 for fiscal year 2012 shows a $24,356,873 decrease from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $3,409,176 or 32% 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. In addition, 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 78.

Financial Analysis of the City as a Whole

The City's net assets at fiscal year end are $191,351,211. The following table provides a summary of the City's net assets:

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total		%
	2012	2011	2012	2011	2012	2011	of Total 2011
Assets							
Current assets	$ 36,399,254	$ 40,056,052	$ 31,698,371	$ 29,656,837	$ 68,097,625	$ 69,712,889	26%
Other assets	1,110,607	1,352,590	9,126,176	8,242,665	10,236,783	9,595,255	4%
Capital assets	73,742,313	67,141,228	112,359,054	113,169,371	186,101,367	180,310,599	70%
Total assets	111,252,174	108,549,870	153,183,601	151,068,873	264,435,775	259,618,743	100%
Liabilities							
Current liabilities	(874,746)	(888,501)	12,322,443	11,903,945	11,447,697	11,015,444	16%
Long-term liabilities	33,630,184	34,435,208	28,006,683	28,755,879	61,636,867	63,191,087	84%
Total liabilities	32,755,438	33,546,707	40,329,126	40,659,824	73,084,564	74,206,531	100%
Net assets							
Invested in capital assets, net of debt	51,462,689	52,338,593	89,756,627	87,690,678	141,219,316	140,029,271	74%
Restricted	19,122,020	15,431,931	-	-	19,122,020	15,431,931	10%
Unrestricted	7,912,027	7,232,639	23,097,848	22,718,371	31,009,875	29,951,010	16%
Total net assets	$ 78,496,736	$ 75,003,163	$ 112,854,475	$ 110,409,049	$ 191,351,211	$ 185,412,212	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 17.6 to 1 at June 30, 2012 as compared to 21.2 to 1 at June 30, 2011. The current ratio for business-type activities at June 30, 2012 is 2.6 to 1 compared to 2.5 to 1 in the prior year. For the City overall, the current ratio at June 30, 2012 is 4.9 to 1 as compared to 5.2 to 1 at June 30, 2011.

The City reported positive balances in net assets for both governmental and business-type activities. Net assets increased $3,493,572 for governmental activities and by $2,445,426 for business-type activities.

Approximately 66% of the governmental activities' net assets are invested in capital at June 30, 2012 as compared to 70% at June 30, 2011. The City uses these capital assets to provide services to its citizens. With business-type activities, the City

spent 80% of its net assets on capital in fiscal 2012 and 79% in 2011. 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		
	2012	2011	2012	2011	2012	2011	% of Total 2012
Revenues							
Program							
Charges for services and fines	$ 1,465,955	$ 1,363,474	$ 49,620,808	$ 46,664,263	$ 51,086,763	$ 48,027,737	76%
Operating grants	4,525,283	3,700,825	342,410	123,040	4,867,693	3,823,865	7%
Capital grants	2,628,092	2,444,463	691,825	900,000	3,319,917	3,344,463	5%
General							
Taxes	7,658,728	7,611,239	-	-	7,658,728	7,611,239	11%
Other	124,138	178,490	532,992	719,876	657,130	898,366	1%
Total revenues	16,402,196	15,298,491	51,188,035	48,407,179	67,590,231	63,705,670	100%
Program Expenses							
General government	810,234	776,593	-	-	810,234	776,593	1%
Judicial	373,132	370,600	-	-	373,132	370,600	1%
Public safety	6,536,010	6,613,869	-	-	6,536,010	6,613,869	11%
Public works	2,840,555	3,049,832	-	-	2,840,555	3,049,832	5%
Health and welfare	53,383	58,247	-	-	53,383	58,247	0%
Culture and recreation	1,633,489	1,696,938	-	-	1,633,489	1,696,938	3%
Housing and economic devlopment	941,496	970,940	-	-	941,496	970,940	2%
Education	909,436	516,728	-	-	909,436	516,728	1%
Interest	1,871,332	523,229	-	-	1,871,332	523,229	3%
Electric	-	-	31,075,351	26,478,078	31,075,351	26,478,078	50%
Water and sewer	-	-	12,150,426	11,880,631	12,150,426	11,880,631	20%
Golf course	-	-	939,840	1,004,562	939,840	1,004,562	1%
Telecommunications	-	-	927,374	911,041	927,374	911,041	2%
Solid waste	-	-	589,174	746,211	589,174	746,211	1%
Total expenses	15,969,067	14,576,976	45,682,165	41,020,523	61,651,232	55,597,499	100%
Excess	433,129	721,515	5,505,870	7,386,656	5,938,999	8,108,171	
Transfers	3,060,444	2,371,279	(3,060,444)	(2,371,279)	-	-	
Change in net assets	3,493,573	3,092,794	2,445,426	5,015,377	5,938,999	8,108,171	
Beginning net assets	75,003,163	71,910,369	110,409,049	105,393,672	185,412,212	177,304,041	
Ending net assets	$ 78,496,736	$ 75,003,163	$ 112,854,475	$ 110,409,049	$ 191,351,211	$ 185,412,212	

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, which was comparable to the prior year. Sales taxes provided 14% of total governmental revenues versus 13% in fiscal year 2011. 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 6% and 9% of total revenues, respectively. Total General Fund revenues are

4% higher than the fiscal year 2011 amount. The City earned $52,642 in investment earnings in fiscal year 2012 to support governmental activities. This is down from earnings of $95,043 in fiscal year 2011 because of the continued decline in interest rates. Capital grants relate primarily to SPLOST funds for water and fire projects. 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	
	2012	2011	2012	2011
General government	$ 810,234	$ 776,593	$ 681,565	$ (1,763,186)
Judicial	373,132	370,600	373,132	370,600
Public safety	6,536,010	6,613,869	4,850,290	5,454,221
Public works	2,840,555	3,049,832	697,710	2,929,608
Health and welfare	53,383	58,247	53,383	58,247
Culture and recreation	1,633,489	1,696,938	829,330	976,622
Housing and economic development	941,496	970,940	794,717	748,929
Education	909,436	516,728	(2,801,722)	(2,230,056)
Interest	1,871,332	523,229	1,871,332	523,229
Total	$ 15,969,067	$ 14,576,976	$ 7,349,737	$ 7,068,214

Public safety expenses make up 41% of the governmental activities expenses. This compares to 45% in fiscal year 2011. The public works function is the second largest cost, making up 18% of governmental activities expenses, compared to 21% in fiscal year 2011.

Approximately 26% 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 $2.8 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 $3,059,870 or 6% more than 2011 and total operating expenses were $5,059,709 or 12%, more than fiscal year 2011. Within the total business-type activities of the City, these activities reported $5,131,970 in operating income compared to operating income of $7,131,809 in the prior year, or a decrease of 28%. After transfers in and out between other funds and other non-operating items, these funds reported a net change in net assets of $2,445,426 compared to a net change in net assets of $5,015,377 in 2011.

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

	Amount Change	%
Water and sewerage fund	$ 139,203	4%
Electric system fund	(2,164,605)	(61%)
Field Ferry Golf Course fund	(133,126)	(52%)
Telecommunications fund	13,243	9%
Solid waste fund	173,717	361%

Water and Sewerage Fund – One of the major funds is the water and sewerage fund. The operating revenues increased 4% and operating expenses increased 4% in fiscal year 2012, resulting in an increase in operating income from 2011 of approximately 4%.

Personal services have increased by $105,193 or 4%. This is due to a partial replacement of the personnel that were lost during the hiring freeze that was in place, forcing many departments to operate under-staffed.

Supplies increased from the prior year by $296,777 or 12%. Supplies were drastically cut in fiscal 2011 due to the extreme situation that the economy was in. During this fiscal year, certain items had to be purchased and supplies increased to a more normal amount for the City.

Contractual Services increased $116,542 or 17%. This primarily represents the additional costs we incurred in repair and maintenance in fiscal 2012.

Electric Fund - The other major enterprise fund is the electric system fund. The charges for services for this fund have increased 8% or $2,468,974 over fiscal year 2011. There were 35,330,566 more kilowatts sold in 2012 than in 2011, which reflects a 9% increase. The price per kilowatt is adjusted monthly so this is very close to the percentage increase in revenues.

Contractual services have increased by $494,808 or 42%. We had technical and consulting fees greater than in the prior year. Our repairs and maintenance on the equipment exceeded the prior year and rental equipment was needed. Contract labor was utilized on some projects and tree trimming when it was deemed cost effective over employees and there were education expenses on employees that had been needed. Due to the increased sales volume, franchise fees increased accordingly.

Supplies have increased by $4,074,832 or 18% from the prior year. This is due to the increased amount of power that must be purchased to satisfy demand. The increase is due to industrial sales primarily, and the margin is very slim on those.

Capital contributions have increased by $218,755 over the prior year of $39,546, which was shown in Intergovernmental Revenues. The EECBG grant had just started in fiscal 2011 and the bulk of the work was done in fiscal 2012 when it was finalized.

Transfers out during fiscal year 2012 increased by $576,990, which represents 25%. Approximately $185,000 of this increase comes from work the Electric fund did on the buildings of the City that was funded by the EECBG grant. The balance of the increase is due to the increased sales, thus creating increased transfers to the General fund.

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 $37,898,851. Of this year-end total, $3,409,176 is unassigned indicating availability for continuing City service requirements. There is $3,959,964 committed for working capital and contingencies. Legally restricted fund balances for program purposes are $1,976,361, restricted for capital projects is $18,016,233 and $10,129,701 was restricted for debt service. Amounts equal to prepaid assets of $407,416 are nonspendable for current expenditures.

The total ending fund balances of governmental funds show a decrease of $3,630,077 or 11% from the prior year. This decrease is due to the $8.5 million dollars spent on the new high school and middle school complex this year.

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 $955,500 in fiscal year 2012.

General fund revenue increased $ 387,809 or 4% from the prior year. Sales tax revenue increased 7% or $155,054 because of a small upswing in the economy. Other taxes increased over the prior year by $111,118 since the insurance premium tax collected by the state increased. Intergovernmental revenues increased $135,190 due to additional grants received.

Total general fund expenditures increased $27,878 when compared to the prior year. Public works had an increase of $237,633 or 13%. This was due to work done on the Streetscape III project, additional asphalt purchased for paving projects and the cost of the streetlights going back to normal pricing with the Utilities. General government expenditures decreased $106,467 or 11% from fiscal 2011. There was a land acquisition in the prior year. Principal retirement was $118,704 less than the prior year due to the lease on the police fleet being paid off June 2011.

Transfers into the General fund increased $105,347 or 4% due to the increase in Electric revenues causing a corresponding increase in transfers to the General fund. There was also a decrease in Transfers out of the General fund of $128,128 or 15%. This was due to fewer transfers having to be made to the Solid Waste and Recreation funds.

The general fund's unassigned and committed ending fund balance represents the equivalent of 70% of annual expenditures, as compared to 60% at June 30, 2011.

2011 School Bond Capital Project Fund – This fund issued $21 million in bonds during the prior fiscal year to start the construction of a new high school/middle school complex. An additional $12 million in bonds will be issued in the following fiscal year to assist in finishing the project. Construction on the new school is recorded out of this fund.

2011 School Bond Debt Service Fund – This governmental fund accounts for the issuance of bonds and the construction of a new high school and middle school. Currently, interest only is being paid on the bonds and principal payments will start in year 2022. Citizens have approved an E-SPLOST to fund the payments on these bonds during the term of the SPLOST. Renewals on the E-SPLOST will be voted on as each term expires until all such debt is paid.

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 $91,766 less than the final budget and 99% of final budgeted revenues were met. The primary decrease in revenues was in collection of property taxes. Budget amendments increased General fund revenues by $228,956 and accounted for additional LOST, insurance premium taxes and miscellaneous other items.

The City spent 91% of the final authorized budgeted expenditures. General government expenditures actual was $988,384 less than budget primarily due to projects that were postponed, transfers to other funds that were not required and wage and benefit savings. The budget amendments to increase general government, in the General Fund, $171,869 were primarily to budget for the renovations to the Bailey building and the new fueling station.

2011 School Bond Capital Project Fund –There was one budget amendment done during this fiscal year to establish a project length budget for this project and record planned additional expenditures and financing. Since this is a project length budget, no budget comparison is provided.

2011 School Bond Debt Service Fund – There was a budget amendment to this fund to allow for interest to be paid on the 2011 bonds that were issued for the building of the new high school/middle school complex. Revenues were $1,136,150 more than the final budget and 132% of final budgeted revenues were met. This was due to transfers coming in from another school fund to aid in paying school debt that were not anticipated.

The City spent 53% of the final authorized budgeted expenditures. Expenditures actual was $1,674,269 less than budget due to a $1.6 million addition to fund balance budgeted since revenues were anticipated to be greater than expenses.

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, 2012, was $51,462,689 and $89,756,627 respectively. This was an decrease in net investment of 2% for governmental activities and an increase of 2% for business-type activities. See Note 3-E for additional information about changes in capital assets during the fiscal year and amounts outstanding at the end of the year.

At June 30, 2012, the depreciable capital assets for governmental activities were 43% depreciated. These assets were 40% depreciated in the prior year. For the City's business-type activities, 41% of the asset values were depreciated at June 30, 2012, which is comparable to the 40%, which was depreciated at June 30, 2011. 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-H 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. 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, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Calhoun School District
Assets				
Current Assets				
Cash and cash equivalents	$ 31,773,922	$ 11,890,502	$ 43,664,424	$ 12,347,557
Restricted assets				
Cash and cash equivalents	-	2,356,256	2,356,256	-
Investments	-	7,875,035	7,875,035	-
Receivables				
Accounts	16,902	1,473,061	1,489,963	-
Accrued revenue	-	3,802,985	3,802,985	-
Other	-	42,810	42,810	-
Property taxes	1,077,961	-	1,077,961	-
Franchise taxes	115,699	-	115,699	-
Other taxes	63,973	-	63,973	-
Fines	1,018,239	-	1,018,239	-
Intergovernmental	1,441,567	725,569	2,167,136	5,151,894
Loans	221,914	-	221,914	-
Deposits	-	45,574	45,574	-
Interest	1,528	-	1,528	-
Due from component unit	260,133	-	260,133	-
Due from primary government	-	-	-	160,180
Inventory	-	3,337,263	3,337,263	47,764
Prepaid items	407,416	149,316	556,732	-
Total Current Assets	36,399,254	31,698,371	68,097,625	17,707,395
Noncurrent Assets				
Restricted assets	-	8,841,678	8,841,678	-
Deferred charges	226,721	284,498	511,219	-
Loans	883,886	-	883,886	-
Capital assets				
Nondepreciable	25,830,019	10,786,467	36,616,486	-
Depreciable, net	47,912,294	101,572,587	149,484,881	4,772,579
Total Noncurrent Assets	74,852,920	121,485,230	196,338,150	4,772,579
Total Assets	111,252,174	153,183,601	264,435,775	22,479,974
Liabilities				
Current Liabilities				
Accounts payable	207,685	3,249,420	3,457,105	4,073,875
Contractor bonds payable	-	38,705	38,705	-
Accrued payroll liabilities	-	81,673	81,673	3,150,766
Accrued expenses	152,123	66,624	218,747	-
Internal balances	(3,113,301)	3,113,301	-	-
Accrued interest payable	474,395	35,870	510,265	-
Due to component unit	160,180	-	160,180	-
Due to primary government	-	-	-	260,133
Post-closure care payable	-	23,096	23,096	-
Unearned revenue	19,606	296,982	316,588	-
Claims payable	5,847	-	5,847	-
Compensated absences payable	69,639	88,149	157,788	3,676
Capital leases payable	161,780	-	161,780	-
General obligation bonds payable	695,000	-	695,000	-
Revenue bonds payable	292,300	2,098,659	2,390,959	-
Notes payable	-	1,661,139	1,661,139	-
Payable from restricted assets	-	1,568,825	1,568,825	-
Total Current Liabilities	(874,746)	12,322,443	11,447,697	7,488,450
Long-Term Liabilities (net of current portion)				
Claims payable	74,259	-	74,259	-
Compensated absences payable	208,912	163,706	372,618	128,913
Pension liability payable	524,836	245,811	770,647	-
Post-closure care payable	-	72,097	72,097	-
Notes payable	-	11,689,612	11,689,612	-
Capital leases payable	305,893	-	305,893	-
General obligation bonds payable	30,856,484	-	30,856,484	-
Revenue bonds payable	1,659,800	7,153,017	8,812,817	-
Payable from restricted noncurrent assets	-	8,682,440	8,682,440	-
Total Long-Term Liabilities	33,630,184	28,006,683	61,636,867	128,913
Total Liabilities	32,755,438	40,329,126	73,084,564	7,617,363
Net Assets				
Invested in capital assets, net of related debt	51,462,689	89,756,627	141,219,316	4,772,579
Restricted for				
Debt service	10,129,701	-	10,129,701	-
Capital projects	6,171,953	-	6,171,953	700,363
Program purposes				
Education	837,662	-	837,662	652,649
Housing and development	1,840,312	-	1,840,312	-
Public safety	103,380	-	103,380	-
Culture and recreation	39,012	-	39,012	
Unrestricted	7,912,027	23,097,848	31,009,875	8,737,020
Total Net Assets	$ 78,496,736	$ 112,854,475	$ 191,351,211	$ 14,862,611

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Activities
For the Fiscal Year Ended June 30, 2012

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	$ 810,234	$ 128,669	$ -	$ -	$ (681,565)	$ -	$ (681,565)	$ -
Judicial	373,132	-	-	-	(373,132)	-	(373,132)	-
Public safety	6,536,010	1,021,023	188,186	476,511	(4,850,290)	-	(4,850,290)	-
Public works	2,840,555	14,955	78,186	2,049,704	(697,710)	-	(697,710)	-
Health and welfare	53,383	-	-	-	(53,383)	-	(53,383)	-
Culture and recreation	1,633,489	223,302	511,697	69,160	(829,330)	-	(829,330)	-
Housing and economic dev.	941,496	78,006	68,773	-	(794,717)	-	(794,717)	-
Education	909,436	-	3,678,441	32,717	2,801,722	-	2,801,722	-
Interest	1,871,332	-	-	-	(1,871,332)	-	(1,871,332)	-
Total Governmental Activities	15,969,067	1,465,955	4,525,283	2,628,092	(7,349,737)	-	(7,349,737)	-
Business-Type Activities								
Electric system	31,075,351	32,322,520	-	258,301	-	1,505,470	1,505,470	-
Water and sewerage system	12,150,426	15,070,678	-	691,825	-	3,612,077	3,612,077	-
Fields ferry golf course	939,840	534,143	-	-	-	(405,697)	(405,697)	-
Telecommunications	927,374	988,103	84,109	-	-	144,838	144,838	-
Solid waste	589,174	705,364	-	-	-	116,190	116,190	-
Total Business-Type Activities	45,682,165	49,620,808	84,109	950,126	-	4,972,878	4,972,878	-
Total - Primary Government	$ 61,651,232	$ 51,086,763	$ 4,609,392	$ 3,578,218	(7,349,737)	4,972,878	(2,376,859)	-
Component Unit								
Calhoun School District	$ 40,781,838	$ 1,806,650	$ 17,881,593	$ 13,434,503	-	-	-	(7,659,092)
		General Revenues						
		Property taxes levied for general government purposes			996,417	-	996,417	11,057,204
		Sales taxes			2,257,286	-	2,257,286	2,892,598
		Franchise taxes			2,879,471	-	2,879,471	-
		Insurance premium taxes			779,685	-	779,685	-
		Gas marketers taxes			54,460	-	54,460	-
		Other taxes			691,409	-	691,409	-
		Unrestricted intergovernmental			28,913	-	28,913	-
		Gain on sale of capital assets			5,960	-	5,960	-
		Investment earnings			52,642	243,757	296,399	14,520
		Miscellaneous			36,623	289,235	325,858	83,736
		Total General Revenues			7,782,866	532,992	8,315,858	14,048,058
		Transfers			3,060,444	(3,060,444)	-	-
		Total General Revenues and Transfers			10,843,310	(2,527,452)	8,315,858	14,048,058
		Change in Net Assets			3,493,573	2,445,426	5,938,999	6,388,966
		Net Assets Beginning of Year			75,003,163	110,409,049	185,412,212	8,473,645
		Net Assets End of Year			$ 78,496,736	$ 112,854,475	$ 191,351,211	$ 14,862,611

See accompanying notes to the basic financial statements

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FUND FINANCIAL STATEMENTS

City of Calhoun, Georgia
Balance Sheet
Governmental Funds
June 30, 2012
(With Comparative Totals at June 30, 2011)

	2012					2011
	General	School Bonds Debt Service Fund	2011 School Bonds Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 2,985,123	$ 9,882,714	$ 11,691,633	$ 7,214,452	$ 31,773,922	$ 28,045,858
Investments	-	-	-	-	-	-
Receivables						
Property taxes	80,119	-	-	997,842	1,077,961	1,198,598
Franchise taxes	115,699	-	-	-	115,699	112,469
Other taxes	36,287	-	-	27,686	63,973	61,961
Accounts	16,902	-	-	-	16,902	16,450
Fines	1,018,239	-	-	-	1,018,239	823,196
Intergovernmental	1,294,578	-	-	146,989	1,441,567	1,704,250
Interest	-	-	-	1,528	1,528	6,165
Interfund	3,491,736	-	-	119,271	3,611,007	3,244,059
Loans	-	-	-	221,914	221,914	247,114
Loans- noncurrent	-	-	-	883,886	883,886	1,104,161
Component unit	-	246,987	-	13,146	260,133	-
Prepaid items	401,073	-	-	6,343	407,416	520,708
Total Assets	$ 9,439,756	$ 10,129,701	$ 11,691,633	$ 9,633,057	$ 40,894,147	$ 37,084,989
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ 113,020	$ -	$ -	$ 94,665	$ 207,685	$ 214,690
Accrued payroll liabilities	-	-	-	-	-	797
Accrued expenditures	115,001	-	-	37,122	152,123	256,633
Due to component unit	-	-	-	160,180	160,180	121,277
Interfund payable	320,996	-	-	176,710	497,706	325,330
Deferred revenue	1,120,526	-	-	857,076	1,977,602	1,956,616
Total Liabilities	1,669,543	-	-	1,325,753	2,995,296	2,875,343
Fund Balances (Deficits)						
Nonspendable						
Prepaid items	401,073	-	-	6,343	407,416	520,708
Restricted						
Debt service	-	10,129,701	-	-	10,129,701	9
Capital Projects	-	-	11,691,633	6,324,600	18,016,233	25,381,166
Program purposes						
Education	-	-	-	-	-	32,667
Housing and development	-	-	-	1,840,312	1,840,312	1,819,780
Public safety	-	-	-	103,380	103,380	110,469
Culture and recreation	-	-	-	32,669	32,669	-
Committed						
Working capital/contingencies	3,959,964	-	-	-	3,959,964	4,000,757
Unassigned (deficits), reported in						
General fund	3,409,176	-	-	-	3,409,176	2,348,480
Special revenue funds	-	-	-	-	-	(4,390)
Total Fund Balances (Deficits)	7,770,213	10,129,701	11,691,633	8,307,304	37,898,851	34,209,646
Total Liabilities and Fund Balances	$ 9,439,756	$ 10,129,701	$ 11,691,633	$ 9,633,057	$ 40,894,147	$ 37,084,989

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, 2012

Total Governmental Fund Balances			$ 37,898,851
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	$ 109,213,042	
	Less accumulated depreciation	(35,470,729)	73,742,313
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
	Property taxes	905,405	
	Intergovernmental	54,768	
	Cemetery lot sales	15,177	
	Fines	982,647	1,957,997
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	(168,916)	
	Interfund payables	168,916	-
Bond issuance costs are reported as expenditures in the governmental fund financial statements but capitalized on the government-wide statement of net assets.			226,720
Liabilities not due and payable in the current period are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net assets.			
	Bonds	(33,503,584)	
	Capital leases	(467,673)	
	Pension	(524,836)	
	Claims	(80,106)	
	Compensated absences	(278,551)	
	Accrued interest	(474,395)	(35,329,145)
Net Assets Of Governmental Activities			$ 78,496,736

City of Calhoun, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012
(With Comparative Totals For the Year Ended June 30, 2011)

	2012					2011
	General	School Bonds Debt Service Fund	2011 School Bonds Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds	Total Governmental Funds
Revenues						
Taxes						
Property	$ 1,179,529	$ -	$ -	$ -	$ 1,179,529	$ 1,315,138
Sales	2,257,286	-	-	-	2,257,286	2,102,232
Other	4,125,464	-	-	279,561	4,405,025	4,297,892
Intergovernmental	625,517	3,678,441	-	2,818,618	7,122,576	3,360,574
Licenses and permits	200,394	-	-	-	200,394	201,293
Charges for services	191,238	-	-	223,302	414,540	404,449
Fines and forfeitures	608,844	-	-	46,625	655,469	556,013
Contributions	-	-	-	-	-	783
Investment earnings	10,663	16,512	31,465	42,361	101,001	62,377
Miscellaneous	6,291	-	-	33,131	39,422	48,782
Total Revenues	9,205,226	3,694,953	31,465	3,443,598	16,375,242	12,349,533
Expenditures						
Current						
General government	821,051	-	-	-	821,051	927,518
Judicial	367,148	-	-	-	367,148	364,090
Public safety	6,216,612	-	-	56,463	6,273,075	6,259,795
Public works	2,001,412	-	-	-	2,001,412	1,763,779
Health and welfare	53,469	-	-	-	53,469	58,678
Culture and recreation	303,664	-	-	909,090	1,212,754	1,315,642
Housing and economic development	594,400	-	-	290,200	884,600	974,467
Education	-	-	-	81,758	81,758	99,103
Capital Outlay	-	-	8,596,032	306,905	8,902,937	410,053
Debt Service						
Principal retirement	181,639	635,000	-	281,800	1,098,439	571,243
Interest and fiscal charges	19,950	1,266,552	-	88,578	1,375,080	129,698
Bond issuance costs	-	-	-	-	-	190,037
Total Expenditures	10,559,345	1,901,552	8,596,032	2,014,794	23,071,723	13,064,103
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,354,119)	1,793,401	(8,564,567)	1,428,804	(6,696,481)	(714,570)
Other Financing Sources (Uses)						
Sale of capital assets	5,960	-	-	-	5,960	15,029
Proceeds of bond issuance	-	-	-	-	-	21,000,000
Discount on bond issuance	-	-	-	-	-	(147,000)
Transfers in	3,038,721	1,017,018	-	756,785	4,812,524	3,721,872
Transfers out	(735,062)	-	-	(1,017,018)	(1,752,080)	(1,350,593)
Total Other Financing Sources (Uses)	2,309,619	1,017,018	-	(260,233)	3,066,404	23,239,308
Net Change in Fund Balances	955,500	2,810,419	(8,564,567)	1,168,571	(3,630,077)	22,524,738
Fund Balances Beginning of Year	6,814,713	7,319,282	20,256,200	7,138,733	41,528,928	11,684,908
Fund Balances End of Year	$ 7,770,213	$ 10,129,701	$ 11,691,633	$ 8,307,304	$ 37,898,851	$ 34,209,646

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, 2012

Net Changes In Fund Balances - Total Governmental Funds			$ (3,630,077)
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	$ (2,443,500)	
	Capital outlay	9,087,136	6,643,636
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.			(42,551)
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 @ 6/30/12	905,403	
	Deferred @ 6/30/11	(1,088,515)	(183,112)
	Intergovernmental:		
	Deferred @ 6/30/12	54,768	
	Deferred @ 6/30/11	(43,415)	11,353
	Cemetery lot sales:		
	Deferred @ 6/30/12	15,177	
	Deferred @ 6/30/11	(15,777)	(600)
	Fines:		
	Deferred @ 6/30/12	982,647	
	Deferred @ 6/30/11	(789,295)	193,352
Elimination of transfers between governmental funds, including net effect of transfers recorded for capital assets moved between governmental and enterprise funds.			
	Transfers in	(1,715,803)	
	Transfers out	1,715,803	-
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.			1,098,439
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.			(32,568)
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 @ 6/30/12	(474,395)	
	Liability @ 6/30/11	10,876	(463,519)
	Compensated absences		
	Liability @ 6/30/12	(278,551)	
	Liability @ 6/30/11	302,402	23,851
	Claims		
	Liability @ 6/30/12	(80,106)	
	Liability @ 6/30/11	85,728	5,622
	Pension liability		
	Liability @ 6/30/12	(524,836)	
	Liability @ 6/30/11	394,583	(130,253)
Change In Net Assets of Governmental Activities			$ 3,493,573

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, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Property taxes	$ 1,199,020	$ 1,199,020	$ 1,179,529	$ (19,491)
Sales taxes	2,150,000	2,191,532	2,257,286	65,754
Other taxes	3,965,281	4,005,781	4,125,464	119,683
Intergovernmental	798,777	842,412	625,517	(216,895)
Licenses and permits	220,800	220,800	200,394	(20,406)
Charges for services	203,400	209,008	191,238	(17,770)
Fines and forfeitures	517,538	615,219	608,844	(6,375)
Contributions	200	200	-	(200)
Investment earnings	10,500	10,500	10,663	163
Miscellaneous	2,520	2,520	6,291	3,771
Total Revenues	9,068,036	9,296,992	9,205,226	(91,766)
Expenditures				
General government	878,299	1,050,168	821,051	229,117
Judicial	379,567	379,567	367,148	12,419
Public safety				
Police	3,765,593	3,791,994	3,490,739	301,255
Fire	3,045,685	3,045,685	2,927,462	118,223
Public works	2,242,536	2,259,936	2,001,412	258,524
Health and welfare	66,318	66,318	53,469	12,849
Culture and recreation	343,336	353,036	303,664	49,372
Housing and economic development	586,889	601,025	594,400	6,625
Total Expenditures	11,308,223	11,547,729	10,559,345	988,384
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,240,187)	(2,250,737)	(1,354,119)	896,618
Other Financing Sources (Uses)				
Sale of capital assets	15,000	15,000	5,960	(9,040)
Transfers in	3,046,918	3,057,918	3,038,721	(19,197)
Transfers out	(821,731)	(822,181)	(735,062)	87,119
Total Other Financing Sources (Uses)	2,240,187	2,250,737	2,309,619	58,882
Net Change in Fund Balances	$ -	$ -	955,500	$ 955,500
Fund Balances Beginning of Year			6,814,713	
Fund Balances End of Year			$ 7,770,213	

See accompanying notes to the basic financial statements.

City of Calhoun, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2012
(With Comparative Totals at June 30, 2011)

	2012 Business-type Activities - Enterprise Funds				2011	2012 Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds	Total	Total	Internal Service Fund
Assets						
Current Assets						
Cash and cash equivalents	$ 6,674,189	$ 1,195,448	$ 897,237	$ 8,766,874	$ 9,173,786	$ 3,123,628
Restricted Assets						
Cash and cash equivalents	872,243	1,484,013	-	2,356,256	2,208,270	-
Investments	7,875,035	-	-	7,875,035	5,510,595	-
Receivables						
Accounts	592,645	803,315	77,101	1,473,061	1,392,700	-
Accrued revenue	2,628,878	1,081,782	92,325	3,802,985	4,061,097	-
Intergovernmental	636,938	88,631	-	725,569	1,137,618	-
Interfund	2,307	15,612	12,859	30,778	247,100	310,446
Other	40,842	-	1,968	42,810	11,613	-
Advances	177,700	-	-	177,700	249,356	-
Deposits	45,574	-	-	45,574	35,013	-
Inventory	2,158,330	946,354	232,579	3,337,263	2,728,553	-
Prepaid items	17,356	58,041	8,106	83,503	82,691	65,813
Total Current Assets	21,722,037	5,673,196	1,322,175	28,717,408	26,838,392	3,499,887
Noncurrent Assets						
Restricted assets						
Cash and cash equivalents	-	596,076	-	596,076	491,812	-
Investments	8,245,602	-	-	8,245,602	7,466,722	-
Advances receivable	2,354,832	-	-	2,354,832	2,532,532	-
Deferred charges	-	284,498	-	284,498	284,131	-
Capital Assets						
Nondepreciable	580,384	8,972,381	1,206,725	10,759,490	9,357,632	26,977
Depreciable, net	14,295,087	83,587,593	2,343,828	100,226,508	102,368,314	1,346,079
Total Noncurrent Assets	25,475,905	93,440,548	3,550,553	122,467,006	122,501,143	1,373,056
Total Assets	47,197,942	99,113,744	4,872,728	151,184,414	149,339,535	4,872,943
Liabilities						
Current Liabilities						
Accounts payable	2,762,081	444,944	33,997	3,241,022	2,872,482	8,397
Contractor bonds payable	-	38,705	-	38,705	38,671	-
Accrued payroll liabilities	97	51,096	66	51,259	87,703	30,414
Accrued expenses	19,930	-	46,694	66,624	91,010	-
Accrued interest payable	-	35,870	-	35,870	53,405	-
Interfund payable	-	-	291,412	291,412	308,582	3,163,113
Post-closure care payable	-	-	23,096	23,096	22,643	-
Compensated absences payable	15,653	39,054	11,246	65,953	59,702	22,196
Unearned revenue	-	-	19,782	19,782	53,437	277,200
Advances payable	-	24,877	100,935	125,812	198,997	51,887
Notes payable	-	1,661,139	-	1,661,139	2,158,916	-
Revenue bonds payable	-	2,098,659	-	2,098,659	1,378,240	-
Payable From Restricted Assets:						
Accrued interest payable	-	19,006	-	19,006	17,850	-
Customer deposits and interest	872,243	677,576	-	1,549,819	1,601,518	-
Total Current Liabilities	3,670,004	5,090,926	527,228	9,288,158	8,943,156	3,553,207
Long-Term Liabilities						
Compensated absences payable	29,071	72,529	20,885	122,484	110,877	41,222
Pension liability	-	245,811	-	245,811	393,624	-
Post-closure care payable (net of current portion)	-	-	72,097	72,097	95,193	-
Notes payable (net of current portion)	-	11,689,612	-	11,689,612	17,057,909	-
Revenue bonds payable (net of current portion)	-	7,153,017	-	7,153,017	4,883,628	-
Advances payable (net of current portion)	-	371,755	1,067,523	1,439,278	1,565,090	915,555
Payable From Restricted Assets:						
Regulatory liability	8,682,440	-	-	8,682,440	6,325,525	-
Total Long-Term Liabilities	8,711,511	19,532,724	1,160,505	29,404,739	30,431,846	956,777
Total Liabilities	12,381,515	24,623,650	1,687,733	38,692,897	39,375,002	4,509,984
Net Assets						
Invested in capital assets, net of related debt	14,875,471	69,957,547	3,550,553	88,383,571	86,247,253	1,373,056
Unrestricted (Deficit)	19,940,956	4,532,547	(365,558)	24,107,945	23,717,280	(1,010,097)
Total Net Assets	$ 34,816,427	$ 74,490,094	$ 3,184,995	$ 112,491,516	$ 109,964,533	$ 362,959
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				362,959		
Net Assets of Business-type Activities				$ 112,854,475		
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		$ (18,347)		$ (310,446)
		Interfund payables		291,412		3,150,682
				$ 273,065		$ 2,840,236
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		$ (2,532,532)		$ -
		Advances payable		1,565,090		967,442
				$ (967,442)		$ 967,442

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, 2012
(With Comparative Totals For the Year Ended June 30, 2011)

	2012				2011	2012
	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	$ 32,322,520	$ 15,070,678	$ 2,227,610	$ 49,620,808	$ 46,664,263	$ 2,447,484
Miscellaneous	157,479	69,019	20,053	246,551	294,942	42,684
Total Operating Revenues	32,479,999	15,139,697	2,247,663	49,867,359	46,959,205	2,490,168
Operating Expenses						
Personal services	1,006,219	3,014,733	804,042	4,824,994	4,812,281	1,904,369
Contractual services	1,668,219	818,430	815,025	3,301,674	2,708,791	354,949
Supplies	27,314,660	2,745,358	316,239	30,376,257	25,982,450	116,675
Interfund allocations	440,032	1,736,692	158,754	2,335,478	2,369,074	25,643
Depreciation	755,639	2,973,956	297,534	4,027,129	3,972,782	70,369
Amortization	-	53,833	-	53,833	74,766	-
Other	(120,428)	1,748	(47,133)	(165,813)	(46,314)	-
Total Operating Expenses	31,064,341	11,344,750	2,344,461	44,753,552	39,873,830	2,472,005
Operating Income (Loss)	1,415,658	3,794,947	(96,798)	5,113,807	7,085,375	18,163
Non-Operating Revenues (Expenses)						
Change in estimated landfill closure costs	-	-	(9,357)	(9,357)	(5,964)	-
Interest expense	(775)	(761,419)	(18,461)	(780,655)	(1,015,829)	(29,971)
Investment earnings	212,531	26,412	3,517	242,460	307,932	1,297
Intergovernmental revenue	-	-	84,109	84,109	1,023,040	-
Intergovernmental expenses	-	-	(84,109)	(84,109)	(83,494)	-
Gain (loss) on disposition of capital assets	-	-	-	-	58,764	-
Total Non-Operating Revenues (Expenses)	211,756	(735,007)	(24,301)	(547,552)	284,449	(28,674)
Income (Loss) Before Contributions and Transfers	1,627,414	3,059,940	(121,099)	4,566,255	7,369,824	(10,511)
Contributions	258,301	691,825	-	950,126	-	-
Transfers in	30,068	1,083,749	961	1,114,778	1,094,885	224
Transfers out	(2,916,889)	(1,186,640)	(647)	(4,104,176)	(3,426,564)	(71,270)
Total Contributions and Transfers	(2,628,520)	588,934	314	(2,039,272)	(2,331,679)	(71,046)
Change in Net Assets	(1,001,106)	3,648,874	(120,785)	2,526,983	5,038,145	(81,557)
Net Assets Beginning of Year	35,817,533	70,841,220	3,305,780	109,964,533	104,926,388	444,516
Net Assets End of Year	$ 34,816,427	$ 74,490,094	$ 3,184,995	$ 112,491,516	$ 109,964,533	$ 362,959

Reconciliation of the fund level operating statements to the government wide statement of activities.	
Change in net assets	$ 2,526,983
Internal service fund charges (credits) to enterprise funds, resulting in changes in operating expenses.	(24,521)
Miscellaneous revenue	42,684
Interest revenue	1,297
Interest expense	(29,971)
Transfers in	224
Transfers out	(71,270)
Change in Net assets of business-type activities	$ 2,445,426

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, 2012
(With Comparative Totals For the Year Ended June 30, 2011)

	2012				2011	2012
	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	$ 30,693,830	$ 15,324,253	$ 2,062,175	$ 48,080,258	$ 43,835,375	$ -
Cash received from other	-	-	-	-	-	26,258
Cash received from interfund services provided	1,630,257	422,499	309,753	2,362,509	2,036,564	2,479,224
Other cash receipts	-	-	242,933	242,933	-	-
Cash payments for personal services	(992,376)	(3,050,374)	(802,428)	(4,845,178)	(4,736,179)	(1,919,221)
Cash payments for goods and services	(29,181,344)	(2,134,747)	(1,144,786)	(32,460,878)	(26,873,556)	(398,610)
Cash payments for interfund services used	(309,742)	(3,283,570)	(268,002)	(3,861,313)	(3,565,725)	(153,082)
Other cash payments	120,785	(1,714)	-	119,071	75,215	-
Net Cash Provided by (Used in) Operating Activities	1,961,410	7,276,347	399,645	9,637,402	10,771,694	34,569
Cash Flows from Noncapital Financing Activities						
Intergovernmental revenues	258,301	-	-	258,301	39,546	-
Transfers in	30,068	1,083,749	961	1,114,778	607,622	224
Transfers out	(2,916,889)	(1,186,640)	(647)	(4,104,176)	(3,426,564)	(71,270)
Advances from other funds	-	-	-	-	-	(50,359)
Payments for (reduction in) pension liability	(150,610)	59,708	(56,911)	(147,813)	(51,449)	-
Payments received on advance	249,356	-	-	249,356	317,763	-
Principal paid on advance	-	-	(99,435)	(99,435)	(97,955)	-
Interest paid on advance	-	-	(18,461)	(18,461)	(19,938)	(29,971)
Net Cash Provided by (Used in) Noncapital Financing Activities	(2,529,774)	(43,183)	(174,493)	(2,747,450)	(2,630,975)	(151,376)
Cash Flows from Capital and Related Financing Activities						
Transfers in- SPLOST and Internal Service funds	-	-	-	-	487,263	-
Capital grant	-	-	-	-	900,000	-
Proceeds from debt	-	381,754	-	381,754	92,598	-
Proceeds from sale of capital assets	-	-	-	-	67,118	-
Proceeds from issuance of bonds	-	6,525,000	-	6,525,000	-	-
Payments on interfund loans	-	(99,562)	-	(99,562)	(170,932)	-
Payments for landfill post-closure costs	-	-	(32,000)	(32,000)	(28,163)	-
Principal paid on revenue bonds	-	(3,465,000)	-	(3,465,000)	(1,730,000)	-
Interest paid on revenue bonds	-	(274,992)	-	(274,992)	(279,888)	-
Principal paid on notes and leases	-	(6,550,653)	-	(6,550,653)	(2,092,967)	-
Interest paid on notes and leases	-	(493,339)	-	(493,339)	(821,000)	-
Payments for capital acquisitions and construction	(505,578)	(1,882,093)	(207,695)	(2,595,366)	(4,274,545)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(505,578)	(5,858,885)	(239,695)	(6,604,158)	(7,850,516)	-
Cash Flows from Investing Activities						
Purchase of investments	(786,405)	-	-	(786,405)	(1,000,494)	-
Investment earnings	212,531	26,412	3,517	242,460	307,932	1,297
Interest rebated to customer accounts	(775)	-	-	(775)	(10,338)	-
Net Cash Provided by (Used in) Investing Activities	(574,649)	26,412	3,517	(544,720)	(702,900)	1,297
Net Increase (Decrease) in Cash and Cash Equivalents	(1,648,591)	1,400,691	(11,026)	(258,926)	(412,697)	(115,510)
Cash and Cash Equivalents Beginning of Year	9,195,023	1,278,770	908,263	11,382,056	11,794,753	3,239,138
Cash and Cash Equivalents End of Year	$ 7,546,432	$ 2,679,461	$ 897,237	$ 11,123,130	$ 11,382,056	$ 3,123,628

(continued)

City of Calhoun, Georgia
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012
(With Comparative Totals For the Year Ended June 30, 2011)

(continued)

	2012				2011	2012
	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)	$ 1,415,658	$ 3,794,947	$ (96,798)	$ 5,113,807	$ 7,085,375	$ 18,163
Adjustments						
Depreciation	755,639	2,973,956	297,534	4,027,129	3,972,782	70,369
Amortization	-	53,833	-	53,833	74,766	-
(Increase) Decrease in Assets						
Accounts receivable and accrued revenues	124,647	568,342	(5,138)	687,851	(931,914)	430
Inventories	(338,058)	(258,625)	(12,027)	(608,710)	236,035	-
Interfund receivables	186,073	(15,612)	45,861	216,322	(52,252)	14,884
Intergovernmental receivable	(212,742)	-	83,494	(129,248)	(183,518)	-
Deposits	(10,561)	-	-	(10,561)	1,395	-
Prepaid expenses	357	(2,684)	1,515	(812)	37,326	9,520
Increase (Decrease) in Liabilities						
Accounts payable and accrued liabilities	83,811	347,498	(87,119)	344,190	217,754	(44,481)
Accrued payroll liabilities	13,843	(35,641)	1,613	(20,185)	66,725	(14,852)
Deposits payable	(57,257)	5,558	-	(51,699)	32,005	-
Interfund payable	-	(188,380)	171,210	(17,170)	216,662	(19,464)
Unearned revenue	-	33,155	(500)	32,655	(1,447)	-
Net Cash Provided by (Used in) Operating Activities	$ 1,961,410	$ 7,276,347	$ 399,645	$ 9,637,402	$ 10,771,694	$ 34,569
Noncash Investing, Capital and Financing Activities						
Developer contributions - in kind	-	389,000	-	389,000	-	-

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Comparative Statements of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012 and 2011

	Municipal Court Agency Fund		Cemetery Trust Fund	
	2012	**2011**	**2012**	**2011**
Assets				
Cash and cash equivalents	$ 21,200	$ 15,654	$ 125,118	$ 100,870
Investments	-	-	935,940	927,710
Total Assets	$ 21,200	$ 15,654	$ 1,061,058	$ 1,028,580
Liabilities and Net Assets				
Liabilities				
Due to others	$ 21,200	$ 15,654	$ -	$ -
Net Assets				
Assets held in trust for cemetery perpetual care	-	-	1,061,058	1,028,580
Liabilities and Net Assets	$ 21,200	$ 15,654	$ 1,061,058	$ 1,028,580

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, 2012 and 2011

	Pension Trust Fund		Cemetery Trust Fund	
	2012	2011	2012	2011
Additions				
Employer contributions	$ 130,893	$ 149,263	$ -	$ -
Cemetery lot sales- trust portion	-	-	24,500	23,689
Investment income	-	-	11,589	16,305
Total Additions	130,893	149,263	36,089	39,994
Deductions				
Benefits	130,893	149,263		-
Administrative expenses	-	-	3,611	3,765
Total Deductions	130,893	149,263	3,611	3,765
Change in Net Assets	-	-	32,478	36,229
Net Assets Beginning of Year	-	-	1,028,580	992,351
Net Assets End of Year	$ -	$ -	$ 1,061,058	$ 1,028,580

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, 2012

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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.

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 are the City's major governmental funds:

General Fund - The general fund accounts for and reports all financial resources not accounted for and reported in another fund.

School Bond Debt Service Fund – This governmental fund accounts for the debt payments on school bonds and the accumulation of resources from ESPLOST revenue to make debt payments.

2011 School Bond Capital Project Fund – This governmental fund accounts for the issuance of bonds and the construction of a new high school and middle school.

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 departments.

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 is 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, 2012. The delinquent taxes receivable account represents past years of uncollected tax levies. The allowance for estimated uncollectibles is estimated at .76% of the tax digests for fiscal years ended June 30, 2008-2012, 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, 2012, 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. A vote by Council is required to be taken to establish any type of restriction on fund balance, modify the restriction or release it. 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 2012 for some funds.

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, 2012, the carrying amount of the City's deposits, not including cash on hand, was $46,637,956 and the related bank balances totaled $47,060,804. All bank balances were covered by Federal Depository Insurance or by collateral held by the City's agent.

Cash on hand at June 30, 2012 was $6,338.

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, 2012, the City's investments included $16,120,637 held in the First Union MEAG Flexible Operating Trust. 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:

	Cash and Cash Equivalents	Investments
Fund Reporting Level:		
Governmental Funds - Balance Sheet	$ 31,773,922	$ -
Proprietary Fund Type Statement of Net Assets	11,890,502	-
Proprietary Fund Type Statement of Net Assets - Restricted	2,952,332	16,120,637
Fiduciary Fund Type Statement of Net Assets	21,200	-
Total	$ 46,637,956	$ 16,120,637

3-B. Receivables

Receivables at June 30, 2012, 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, 2012, the amount of allowance for uncollectibles was $902,986.

3-C. Property Taxes

Generally, property taxes attach as an enforceable lien on property as of January 1. The City Council levied property taxes September 26, 2011. Property taxes were billed on October 20, 2011 and were payable on December 31, 2011. The lien date was June 15, 2012.

3-D. Restricted Assets

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

Cash	
Constuction bonds	$ 38,705
Utility deposits of customers	1,549,819
Water and sewerage debt service	1,363,808
Total Cash	2,952,332
Investments	
Electric Fund- Flexible Trust account- MEAG	7,875,035
Electric Fund- Generation Trust account- MEAG	8,245,602
Total Investments	16,120,637
Total Restricted Assets	$ 19,072,969

3-E. Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance 6/30/2011	Additions	Deductions	Balance 6/30/2012
Governmental activities				
Capital assets not being depreciated				
Land	$ 16,442,672	$ 150,750	$ -	$ 16,593,422
Construction in progress	774,429	8,753,251	291,083	9,236,597
Total capital assets not being depreciated	17,217,101	8,904,001	291,083	25,830,019
Depreciable capital assets				
Buildings	43,475,034	115,401	-	43,590,435
Improvements other than buildings	8,472,471	-	-	8,472,471
Machinery and equipment	7,235,428	67,733	-	7,303,161
Infrastructure	23,769,840	260,722	13,606	24,016,956
Total depreciable capital assets	82,952,773	443,856	13,606	83,383,023
Total capital assets	100,169,874	9,347,857	304,689	109,213,042
Accumulated depreciation				
Buildings	13,123,620	913,686	-	14,037,306
Improvements other than buildings	3,371,072	350,351	-	3,721,423
Machinery and equipment	5,192,505	513,700	-	5,706,205
Infrastructure	11,341,449	665,763	1,417	12,005,795
Total accumulated depreciation	33,028,646	2,443,500	1,417	35,470,729
Governmental activities capital assets, net	$ 67,141,228	$ 6,904,357	$ 303,272	$ 73,742,313

Governmental activities depreciation expense

General government	$ 18,156
Judicial	5,497
Public safety	341,030
Public works	843,801
Culture and recreation	393,039
Housing and development	14,299
Education	827,678
Total governmental activities depreciation expense	$ 2,443,500

Construction in progress for governmental activities at June 30, 2012 includes the following:

Project Description	Project Authorized	Expended to June 30, 2012	Future Financing
School expansion	$ 49,000,000	$ 9,025,409	$ 39,974,591
Streetscape phase III	200,000	103,646	96,354
Streetscape phase IV	400,000	567	399,433
Library	400,000	900	399,100
Fire training center	1,000,000	36,420	963,580
Recreation complex	160,000	60,255	99,745
Renovation - Fuel farm	97,700	9,400	88,300
Total	$ 51,257,700	$ 9,236,597	$ 42,021,103

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

	Balance 7/1/2011	Adjustments	Additions	Deductions	Balance 6/30/2012
Business-type activities					
Nondepreciable capital assets					
Land	$ 7,389,317	$ -	$ -	$ 10	$ 7,389,307
Intangibles	46,424	-	-	-	46,424
Construction in progress	1,948,868	-	1,969,737	567,869	3,350,736
Total nondepreciable capital assets	9,384,609	-	1,969,737	567,879	10,786,467
Depreciable capital assets					
Buildings, plant and tanks	39,933,017	-	84,456	-	40,017,473
Improvements other than buildings	5,395,526	-	5,421	-	5,400,947
Machinery and equipment	21,854,789	-	301,711	19,610	22,136,890
Utility systems	101,823,166	-	1,493,735	-	103,316,901
Total depreciable assets	169,006,498	-	1,885,323	19,610	170,872,211
Total capital assets	178,391,107	-	3,855,060	587,489	181,658,678
Accumulated depreciation					
Buildings, plant and tanks	17,660,498	-	820,176	-	18,480,674
Improvements other than buildings	3,391,512	7,142	206,067	-	3,604,721
Machinery and equipment	12,306,259	(7,142)	921,545	19,609	13,201,053
Utility systems	31,863,467	-	2,149,709	-	34,013,176
Total accumulated depreciation	65,221,736	-	4,097,497	19,609	69,299,624
Business-type activities capital assets, net	$ 113,169,371	$ -	$ (242,437)	$ 567,880	$ 112,359,054

Construction in progress for business-type activities at June 30, 2012 includes the following:

Project Description	Project Budget	Expended to June 30, 2012	Future Financing
Foster Glen Sewer Project	$ 34,842	$ 16,519	$ 18,323
Camden Court Sewer Extension	20,500	19,958	542
Brittany Drive Water Plant Renovation	3,585,000	1,825,035	1,759,965
Avalon Estates	176,200	767	175,433
Park Place-Phase VIII Sewer Extension	7,000	5,984	1,016
Water/Sewer Relocate @ I 75 & Hwy. 156	1,647,412	6,582	1,640,830
Interconnection - Bartow County	15,086	15,086	-
College Street Intersection Water & Sewer Impr.	285,342	283,042	2,300
I75 @ Union Grove Rd.	406,000	184,327	221,673
Waterline Relocate @ I 75 & Hwy. 136	510,300	939	509,361
Calhoun High Water	252,000	228,735	23,265
Elm Street Water	50,000	43,986	6,014
Galvanized Replacement lines	80,000	42,877	37,123
Pinnacle Switch Replacement	149,000	141,152	7,848
College Street Intersection Electric Improvements	79,526	53,988	25,538
DOT Traffic Signal Upgrade	252,146	242,146	10,000
Engineered Flooring, Phase III	29,000	26,901	2,099
Calhoun High Electric	195,000	157,712	37,288
Installation of new greens & irrigation at golf course	90,000	55,000	35,000
Total	$ 7,864,354	$ 3,350,736	$ 4,513,618

3-F. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2012, 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**.**

	Payable from				
Payable to	General fund	Nonmajor governmental funds	Nonmajor enterprise funds	Internal service fund	Total
General fund	$ -	$ 49,642	$ 291,412	$ 3,150,682	$ 3,491,736
Nonmajor governmental funds	-	119,271	-	-	119,271
Water & sewerage system fund	7,815	7,797	-	-	15,612
Electric fund	2,307	-	-	-	2,307
Nonmajor enterprise funds	428	-	-	12,431	12,859
Internal service fund	310,446	-	-	-	310,446
Total	$ 320,996	$ 176,710	$ 291,412	$ 3,163,113	$ 3,952,231

Long-term Balances - The electric system fund originally advanced the telecommunications fund resources to start this fund. As of June 30, 2012, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
2013	$ 100,936	$ 16,961	$ 117,897
2014	102,457	15,439	117,896
2015	104,003	13,893	117,896
2016	105,571	12,325	117,896
2017	107,166	10,730	117,896
2018-2022	560,562	28,918	589,480
2023-2025	87,764	659	88,423
	$ 1,168,459	$ 98,925	$ 1,267,384

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, 2012, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
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	27,583	7,326	34,909
2018-2022	149,122	25,427	174,549
2023-2026	116,448	5,734	122,182
	$ 396,632	$ 74,644	$ 471,276

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, 2012, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
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	58,476	21,854	80,330
2018-2022	320,094	81,556	401,650
2023-2027	371,686	29,963	401,649
Total	$ 967,441	$ 237,508	$ 1,204,949

Changes in the City's long-term advances from the electric fund consisted of the following for the year ended June 30, 2012:

Advances to:	Outstanding 7/1/2011	Additions	Reductions	Outstanding 6/30/2012	Amounts Due in One Year
Telecommunications fund	$ 1,267,893	$ -	$ 9,435	$ 1,258,458	$ 100,935
Water and sewerage fund	496,194	-	99,562	396,632	24,877
Internal service fund	1,017,801	-	50,360	967,441	51,887
Total Advances	$ 2,781,888	$ -	$ 159,357	$ 2,622,531	$ 177,699

Interfund Transfers – The following interfund transfers were made in fiscal year 2012:
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

	fund	funds	fund	fund	funds	fund	Total
Transfers in							
General fund	$ -	$ -	$ 1,894,827	$ 1,104,294	$ -	$ 39,600	$ 3,038,721
School bonds debt service	-	1,017,018	-	-	-	-	1,017,018
Nonmajor governmental funds	698,785	-	58,000	-	-	-	756,785
Electric system	-	-	-	29,908	-	160	30,068
Water & sewerage	35,413	-	963,931	52,248	647	31,510	1,083,749
Nonmajor enterprise funds	864	-	-	97	-	-	961
Internal service fund	-	-	131	93	-	-	224
Total	$ 735,062	$ 1,017,018	$ 2,916,889	$ 1,186,640	$ 647	$ 71,270	$ 5,927,526

* Capital transfer from electric to telecommunications. I have this reflected on the statements immediately after income before contributions and transfers.

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.

3-G. 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-H. 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, 2012 are as follows:

Fiscal Year	Principal	Interest	Total
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	343,800	22,185	365,985
2018	361,400	7,517	368,917
Total	$ 1,952,100	$ 253,376	$ 2,205,476

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, 2012 are as follows:

Fiscal Year	Principal	Interest	Total
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	1,000,000	1,319,700	2,319,700
2018-2022	6,470,000	5,810,044	12,280,044
2023-2026	21,000,000	2,092,993	23,092,993
Total	$ 31,685,000	$ 14,867,167	$ 46,552,167

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, 2012 are as follows:

Fiscal Year	Principal	Interest	Total
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	$ 467,673	$ 25,074	$ 492,747

The assets acquired through these capital leases are as follows:

Asset	Governmental Activities
Machinery and equipment	$ 1,784,145
Less: accumulated depreciation	(1,074,997)
Total	$ 709,148

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

Bonds –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, 2012 are as follows:

Fiscal Year	Principal	Interest	Total
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	230,000	64,620	294,620
2018-2022	1,280,000	192,780	1,472,780
2023	285,000	10,260	295,260
Total	$ 2,635,000	$ 603,000	$ 3,238,000

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, 2012 are as follows:

Fiscal Year	Principal	Interest	Total
2013	$ 1,000,000	$ 23,960	$ 1,023,960

On September 28, 2011, the City issued Water and Sewerage Revenue Refunding Bonds, Series 2011 in the amount of $6,525,000. Proceeds from this issue prepaid GEFA loans in the amount of $4,955,000 and Series 2001 Bonds in the amount of $1,570,000 and with interest rates ranging from 4.0% to 5.0%. The present value of the savings on the refunding of the bonds was $150,723 and it was $281,172 on the notes for a total of $431,895 which was 6.7% of the refunded debt. The issue is a private placement issue and bears interest at a rate of 1.935%.

Maturities and debt service requirements remaining on the bond issue at June 30, 2012 are as follows:

Fiscal Year	Principal	Interest	Total
2013	$ 925,000	$ 112,423	$ 1,037,423
2014	875,000	94,525	969,525
2015	885,000	77,594	962,594
2016	900,000	60,469	960,469
2017	920,000	43,054	963,054
2018-2022	1,305,000	36,282	1,341,282
Total	$ 5,810,000	$ 424,347	$ 6,234,347

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

Fiscal Year	Principal	Interest	Total
2013	$ 2,125,000	$ 231,243	$ 2,356,243
2014	1,080,000	182,185	1,262,185
2015	1,100,000	157,874	1,257,874
2016	1,120,000	133,009	1,253,009
2017	1,150,000	107,674	1,257,674
2018-2022	2,585,000	229,062	2,814,062
2023	285,000	10,260	295,260
	$ 9,445,000	$ 1,051,307	$ 10,496,307

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:

% Rate	Monthly Payment	Payments Began	Date of Obligation	Original Amount	Maturity Date	Balance 7/1/2011	Additions	Reductions	Balance 6/30/2012
Georgia Environmental Facilities Authority									
3.00%	19,215	1/1/2004	5/28/2002	3,259,841	8/1/2024	$ 2,506,011	$ -	$ 157,467	$ 2,348,544
3.88%	19,235	10/1/2005	9/2/2004	3,207,598	9/1/2025	2,523,361	-	135,144	2,388,217
3.92%	8,909	4/1/2006	2/28/2006	1,480,396	3/1/2026	1,196,020	-	61,095	1,134,925
3.00%	11,835	5/1/2009	2/6/2003	2,133,992	4/1/2029	1,959,601	-	84,387	1,875,214
3.00%	5,792	4/1/2011	3/5/2010	599,848	3/1/2021	586,938	-	52,618	534,320
3.00%	N/A	N/A	N/A	1,120,000	N/A	627,662	381,754	302,825	706,591
State Revolving Loan Fund									
4.00%	19,018	11/1/1993	1/13/1992	3,140,186	8/1/2013	472,812	-	213,150	259,662
4.00%	66,622	12/1/1998	2/12/1996	10,718,570	9/1/2018	5,023,057	-	5,023,057	-
3.00%	86,322	6/1/2007	2/28/2007	5,178,828	3/1/2027	4,321,363	-	218,085	4,103,278
TOTAL						$ 19,216,825	$ 381,754	$ 6,247,828	$ 13,350,751

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

Fiscal Year	Principal	Interest	Total
2013	$ 1,661,139	$ 398,803	$ 2,059,942
2014	794,352	428,578	1,222,930
2015	781,512	343,626	1,125,138
2016	807,097	318,042	1,125,139
2017	834,130	291,008	1,125,138
2018-2022	4,513,404	1,025,409	5,538,813
2023-2027	3,706,085	295,062	4,001,147
2028-2029	253,032	7,339	260,371
	$ 13,350,751	$ 3,107,867	$ 16,458,618

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
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
	$ 95,193	$ 4,807	$ 100,000

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended June 30, 2012:

Governmental Activities	Outstanding 7/1/2011	Additions	Reductions	Outstanding 6/30/2012	Amounts Due in One Year
Revenue bonds	$ 2,233,900	$ -	$ 281,800	$ 1,952,100	$ 292,300
School bonds	32,320,000	-	635,000	31,685,000	695,000
Capital leases	649,312	-	181,639	467,673	161,780
Claims	85,728	-	5,622	80,106	5,847
Compensated absences	302,402	278,551	302,402	278,551	69,638
Pension liability	394,583	130,253	-	524,836	-
Total Governmental Activities	$ 35,985,925	$ 408,804	$ 1,406,463	34,988,266	1,224,565
Less Deferred Bond Related Items				(133,516)	-
Net Governmental Activities				$ 34,854,750	$ 1,224,565
Business-Type Activities					
Revenue bonds	$ 6,385,000	$ 6,525,000	$ 3,465,000	$ 9,445,000	$ 2,125,000
GEFA/SRF loans	19,216,825	381,754	6,247,828	13,350,751	1,661,139
Estimated landfill closure costs	117,836	-	22,643	95,193	23,096
Compensated absences	227,736	251,855	227,736	251,855	88,149
Pension liability	393,624	-	147,813	245,811	-
Total Business-Type Activities	$ 26,341,021	$ 7,158,609	$ 10,111,020	23,388,610	3,897,384
Less Deferred Bond Related Items				(193,324)	(26,341)
Net Business-Type Activities				$ 23,195,286	$ 3,871,043

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. Governmental compensated absences are primarily repaid from the general fund. Enterprise compensated absences are primarily paid out of the water and sewer fund.

3-I. 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 2012, the City's annual pension cost of $731,077 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, 2012, 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
3/1/2007	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%
1/1/2012	5,599,224	6,915,532	80.97%	1,316,308	9,598,700	13.71%

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	Annual Pension Cost	Percentage Contributed
1/1/2009	757,724	100%	735,285	100%
1/1/2010	756,671	100%	744,457	100%
1/1/2011	742,653	100%	731,077	100%

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

Retirees and beneficiaries receiving benefits	37
Terminated plan members entitled to, but not yet receiving benefits	33
Active plan members	258
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, 2012
Retirees Currently Receiving Benefits:		
General government	2	
Culture and recreation	1	
Water and sewerage system	1	
Total Retirees Currently Receiving Benefits		4
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 under the closed method. The unfunded accrued actuarial 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
2012	$ 113,333	$ 130,893	115%	$ 770,647
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

The pension costs for fiscal year ended June 30, 2012 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, 2012 is as follows:

Net pension obligation, beginning of year	$ 788,207
Annual pension cost	
Annual required contribution (ARC)	84,424
Interest on net pension obligation	28,909
Pension costs	113,333
Adjustment to the ARC	-
Employer contributions	(130,893)
Increase (decrease) in net pension obligation	(17,560)
Net pension obligation, end of year	$ 770,647

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
6/30/2007	-	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	-	-
6/30/2012	-	685,111	0.0%	685,111	-	-

The following are the actuarial assumptions used in this plan:

Actuarial valuation date	6/30/2012
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-J. Invested in Capital Assets, Net of Related Debt

Net assets on the government-wide statement of net assets as of June 30, 2012 are as follows:

Investments in capital assets, net of related debt:	Governmental Activities	Business Type Activities
Cost of capital assets	$ 109,213,042	$ 181,658,678
Less accumulated depreciation	35,470,729	69,299,624
Book value	73,742,313	112,359,054
Less capital related debt, net of deferred refunding amounts, bond premiums and discounts	(33,971,257)	(22,602,427)
Add debt proceeds unspent at fiscal year end	11,691,633	-
Investments in capital assets, net of related debt	$ 51,462,689	$ 89,756,627

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 $6,645,000 of bonds to refund $2,585,000 of the remaining Series 2003 Water Bonds and to refund three GEFA loans with a total outstanding balance of $4,023,682. These bonds were issued for a term of fourteen years at 2.08% at a total present value savings to the Utilities in excess of $496,000.

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, 2012. 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 $26,731,878 net of off-system sales which reduced costs. Rebates of $594,584 are reflected in the net power purchases of $26,137,294.

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, 2012, the balance in this account was $4,241,609. The intermediate flexible operating trust account has a balance of $83,602 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. 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, 2012, the balance in this account was $3,549,824 for a total of $7,875,035 to be included in current 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, 2012, was $3,364,829 and $9,607,796, 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, 2012 is $8,245,602. This account has been included in long-term investments on the City's books, but is only available for very restricted purposes.

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 2012, the City paid dues in the amount of $15,650 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, 2012, were $118,061. 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 2012 were $99,609. 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					$ 279,561
Disbursements					
Gordon County Chamber of Commerce	Tourism	2%	40%	$ 111,825	
Gordon County Chamber of Commerce	Economic Development	1%	20%	55,911	
Gordon County Industrial Development Authority	Economic Development	2%	40%	111,825	(279,561)
		5%	100%		
Difference					$ -

GENERAL FUND
INDIVIDUAL FUND STATEMENTS

The general fund is used to account for and report all financial resources not accounted for for and reported in another fund.

City of Calhoun, Georgia
General Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 2,985,123	$ 2,463,575
Receivables (net)		
Property taxes	80,119	122,781
Franchise taxes	115,699	112,469
Other taxes	36,287	36,710
Accounts	16,902	16,425
Fines	1,018,239	823,196
Intergovernmental		
Federal	19,014	10,240
State	1,190,984	963,663
County	38,913	36,884
Authorities	45,667	46,552
Interfund	3,491,736	3,244,059
Prepaid items	401,073	465,476
Total Assets	$ 9,439,756	$ 8,342,030
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 113,020	$ 25,844
Accrued payroll liabilities	-	797
Accrued expenditures	115,001	214,011
Interfund payable	320,996	325,330
Deferred revenue	1,120,526	961,335
Total Liabilities	1,669,543	1,527,317
Fund Balances		
Nonspendable		
Prepaid items	401,073	465,476
Committed		
Working capital/contingencies	3,959,964	4,000,757
Unassigned	3,409,176	2,348,480
Total Fund Balances	7,770,213	6,814,713
Total Liabilities and Fund Balances	$ 9,439,756	$ 8,342,030

City of Calhoun, Georgia
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Revenues		
Property taxes	$ 1,179,529	$ 1,250,797
Sales taxes	2,257,286	2,102,232
Other taxes	4,125,464	4,014,346
Intergovernmental	625,517	490,327
Licenses and permits	200,394	201,293
Charges for services	191,238	189,173
Fines and forfeitures	608,844	537,880
Contributions	-	783
Investment earnings	10,663	13,974
Miscellaneous	6,291	16,612
Total Revenues	9,205,226	8,817,417
Expenditures		
Current		
General government	821,051	927,518
Judicial	367,148	364,090
Public safety	6,216,612	6,193,271
Public works	2,001,412	1,763,779
Health and welfare	53,469	58,678
Culture and recreation	303,664	311,726
Housing and economic development	594,400	582,429
Debt Service		
Principal retirement	181,639	300,343
Interest and fiscal charges	19,950	29,633
Total Expenditures	10,559,345	10,531,467
(Deficiency) of Revenues (Under) Expenditures	(1,354,119)	(1,714,050)
Other Financing Sources (Uses)		
Sale of capital assets	5,960	15,029
Transfers in	3,038,721	2,933,374
Transfers out	(735,062)	(863,190)
Total Other Financing Sources	2,309,619	2,085,213
Net Change in Fund Balances	955,500	371,163
Fund Balances Beginning of Year	6,814,713	6,443,550
Fund Balances End of Year	$ 7,770,213	$ 6,814,713

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MAJOR GOVERNMENTAL FUNDS
INDIVIDUAL FUND STATEMENTS

Government funds are accounted for using a flow of current financial resources measurement focus.

School Bond Debt Service Fund- accounts for the debt service of the City School Board of Education by issuing bonds as needed for special projects.

2011 School Bond Capital Project Fund - records the construction of the new high school and middle school complex.

City of Calhoun, Georgia
School Bond Debt Service Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 9,882,714	$ 4,691,047
Investments	-	2,397,075
Due from component unit	246,987	231,160
Total Assets	$ 10,129,701	$ 7,319,282
Fund Balances		
Restricted for debt service	$ 10,129,701	$ 7,319,282

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, 2012 and 2011

	2012	2011
Revenues		
Intergovernmental	$ 3,678,441	$ 2,746,784
Investment earnings	16,512	32,501
Total Revenues	3,694,953	2,779,285
Expenditures		
Debt Service		
Principal retirement	635,000	575,000
Interest and fiscal charges	1,266,552	503,981
Total Expenditures	1,901,552	1,078,981
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,793,401	1,700,304
Other Financing Sources		
Transfers in	1,017,018	-
Net Change in Fund Balances	2,810,419	1,700,304
Fund Balances Beginning of Year	7,319,282	5,618,978
Fund Balances End of Year	$ 10,129,701	$ 7,319,282

School Bonds Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 2,780,000	$ 3,565,821	$ 3,678,441	$ 112,620	$ 2,746,784
Investment earnings	10,000	10,000	16,512	6,512	32,501
Total Revenues	2,790,000	3,575,821	3,694,953	119,132	2,779,285
Expenditures					
Debt Service					
Principal	635,000	635,000	635,000	-	575,000
Interest	480,732	1,266,553	1,266,552	1	503,981
Total Expenditures	1,115,732	1,901,553	1,901,552	1	1,078,981
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,674,268	1,674,268	1,793,401	119,133	1,700,304
Other Financing Sources (Uses)					
Transfers in	-	-	1,017,018	1,017,018	-
Addition to fund balance	(1,674,268)	(1,674,268)	-	1,674,268	-
Total Other Financing Sources (Uses)	(1,674,268)	(1,674,268)	1,017,018	2,691,286	-
Net Change in Fund Balances	$ -	$ -	2,810,419	$ 2,810,419	1,700,304
Fund Balances Beginning of Year			7,319,282		5,618,978
Fund Balances End of Year			$10,129,701		$7,319,282

City of Calhoun, Georgia
2011 School Bonds Capital Project Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 11,691,633	$ 20,344,259
Liabilities and Fund Balances (Deficits)		
Liabilities		
Accounts payable	$ -	$ 88,059
Fund Balances		
Restricted for capital projects	11,691,633	20,256,200
Total Liabilities and Fund Balances (Deficits)	$ 11,691,633	$ 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, 2012 and 2011

	2012	2011
Revenues		
Investment earnings	$ 31,465	$ 3,290
Expenditures		
Capital Outlay		
Education	8,596,032	410,053
Debt Service		
Bond issuance costs	-	190,037
Total Expenditures	8,596,032	600,090
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,564,567)	(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	(8,564,567)	20,256,200
Fund Balances Beginning of Year	20,256,200	-
Fund Balances End of Year	$ 11,691,633	$ 20,256,200

NONMAJOR GOVERNMENTAL FUNDS
COMBINING AND INDIVIDUAL FUND STATEMENTS

Special revenue funds are used to account for the proceeds of specific revenue sources, that are legally restricted to expenditures for specified 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 obligation debt. and the payment of principal and interest on long term general

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

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

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

2011 SPLOST Fund - to account for SPLOST revenues and capital outlay for various utility, recreation and other projects as well as 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, 2012
(With Comparative Totals at June 30, 2011)

	2012				2011
	Nonmajor Special Revenue Funds	Nonmajor Revenue Bonds Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	$ 938,686	$ -	$ 6,275,766	$ 7,214,452	$ 5,238,024
Investments	-	-	-	-	-
Receivables					
Property taxes	997,842	-	-	997,842	1,075,817
Other taxes	27,686	-	-	27,686	25,251
Accounts receivable	-	-	-	-	25
Intergovernmental	-	-	146,989	146,989	646,911
Interest	1,528	-	-	1,528	6,165
Loans	221,914	-	-	221,914	247,114
Loans- noncurrent	883,886	-	-	883,886	1,104,161
Interfund	52,458	-	66,813	119,271	-
Due from component unit	13,146	-	-	13,146	-
Prepaid items	6,343	-	-	6,343	55,232
Total Assets	$ 3,143,489	$ -	$ 6,489,568	$ 9,633,057	$ 8,398,700
Liabilities and Fund Balances (Deficits)					
Liabilities					
Accounts payable	$ 94,665	$ -	$ -	$ 94,665	$ 100,787
Accrued expenditures	37,122	-	-	37,122	42,622
Due to component unit	160,180	-	-	160,180	121,277
Interfund payable	11,742	-	164,968	176,710	-
Deferred revenue	857,076	-	-	857,076	995,281
Total Liabilities	1,160,785	-	164,968	1,325,753	1,259,967
Fund Balances (Deficits)					
Nonspendable					
Prepaid items	6,343	-	-	6,343	55,232
Restricted					
Debt service	-	-	-	-	9
Capital projects	-	-	6,324,600	6,324,600	5,124,966
Program purposes					
Education	-	-	-	-	32,667
Housing and development	1,840,312	-	-	1,840,312	1,819,780
Public safety	103,380	-	-	103,380	110,469
Culture and recreation	32,669	-	-	32,669	-
Unassigned (deficits), reported in					
Special revenue funds	-	-	-	-	(4,390)
Total Fund Balances (Deficits)	1,982,704	-	6,324,600	8,307,304	7,138,733
Total Liabilities and Fund Balances (Deficits)	$ 3,143,489	$ -	$ 6,489,568	$ 9,633,057	$ 8,398,700

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, 2012 and 2011

	2012				2011
	Nonmajor Special Revenue Funds	Nonmajor Revenue Bonds Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds	Total Nonmajor Governmental Funds
Revenues					
Property taxes	$ -	$ -	$ -	$ -	$ 64,341
Hotel/motel taxes	279,561	-	-	279,561	283,546
Intergovernmental	369,955	-	2,448,663	2,818,618	2,870,247
Charges for services	223,302	-	-	223,302	215,276
Fines and forfeitures	46,625	-	-	46,625	18,133
Investment earnings	25,467	-	16,894	42,361	45,113
Miscellaneous	33,131	-	-	33,131	32,170
Total Revenues	978,041	-	2,465,557	3,443,598	3,528,826
Expenditures					
Current					
Public safety	56,463	-	-	56,463	66,524
Culture and recreation	909,090	-	-	909,090	1,003,916
Housing and economic development	290,200	-	-	290,200	392,038
Education	81,758	-	-	81,758	99,103
Capital Outlay	-	-	306,905	306,905	-
Debt Service					
Principal retirement	-	281,800	-	281,800	270,900
Interest and fiscal charges	-	88,578	-	88,578	100,065
Bond issuance costs	-	-	-	-	-
Total Expenditures	1,337,511	370,378	306,905	2,014,794	1,932,546
Excess (Deficiency) of Revenues Over (Under) Expenditures	(359,470)	(370,378)	2,158,652	1,428,804	1,596,280
Other Financing Sources (Uses)					
Proceeds of bond issuance	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-
Transfers in	328,416	370,369	58,000	756,785	788,498
Transfers out	-	-	(1,017,018)	(1,017,018)	(487,403)
Total Other Financing Sources (Uses)	328,416	370,369	(959,018)	(260,233)	301,095
Net Change in Fund Balances	(31,054)	(9)	1,199,634	1,168,571	1,897,375
Fund Balances (Deficits) Beginning of Year	2,013,758	9	5,124,966	7,138,733	5,241,358
Fund Balances (Deficits) End of Year	$ 1,982,704	$ -	$ 6,324,600	$ 8,307,304	$ 7,138,733

City of Calhoun, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(With Comparative Totals at June 30, 2011)

	2012								2011
	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	$ 752,398	$ -	$ 185,304	$ -	$ -	$ -	$ 984	$ 938,686	$ 759,960
Receivables									
Property taxes	-	-	-	-	-	997,842	-	997,842	1,075,817
Other taxes	-	-	-	-	27,686	-	-	27,686	25,251
Accounts receivable	-	-	-	-	-	-	-	-	25
Interest	1,528	-	-	-	-	-	-	1,528	6,165
Loans	202,500	19,414	-	-	-	-	-	221,914	247,114
Loans- noncurrent	883,886	-	-	-	-	-	-	883,886	1,104,161
Interfund	-	-	-	-	-	-	52,458	52,458	-
Due from component unit	-	-	-	-	-	13,146	-	13,146	-
Prepaid items	-	-	-	-	-	-	6,343	6,343	55,232
Total Assets	$ 1,840,312	$ 19,414	$ 185,304	$ -	$ 27,686	$ 1,010,988	$ 59,785	$ 3,143,489	$ 3,273,725
Liabilities and Fund Balances (Deficits)									
Liabilities									
Accounts payable	$ -	$ -	$ 81,924	$ -	$ -	$ 1,404	$ 11,337	$ 94,665	$ 100,787
Accrued expenditures	-	-	-	-	27,686	-	9,436	37,122	42,622
Due to component unit	-	-	-	-	-	160,180	-	160,180	121,277
Interfund payable	-	-	-	-	-	11,742	-	11,742	-
Deferred revenue	-	19,414	-	-	-	837,662	-	857,076	995,281
Total Liabilities	-	19,414	81,924	-	27,686	1,010,988	20,773	1,160,785	1,259,967
Fund Balances (Deficits)									
Nonspendable									
Prepaid items	-	-	-	-	-	-	6,343	6,343	55,232
Restricted									
Program purposes									
Education	-	-	-	-	-	-	-	-	32,667
Housing and development	1,840,312	-	-	-	-	-	-	1,840,312	1,819,780
Public safety	-	-	103,380	-	-	-	-	103,380	110,469
Culture and recreation	-	-	-	-	-	-	32,669	32,669	-
Unassigned (deficits)	-	-	-	-	-	-	-	-	(4,390)
Total Fund Balances (Deficits)	1,840,312	-	103,380	-	-	-	39,012	1,982,704	2,013,758
Total Liabilities and Fund Balances (Deficits)	$ 1,840,312	$ 19,414	$ 185,304	$ -	$ 27,686	$ 1,010,988	$ 59,785	$ 3,143,489	$ 3,273,725

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, 2012
(With Comparative Totals For the Year Ended June 30, 2011)

	2012								2011
	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
Hotel/motel taxes	-	-	-	-	279,561	-	-	279,561	283,546
Intergovernmental	-	-	2,665	5,346	-	-	361,944	369,955	430,388
Charges for services	-	-	-	-	-	-	223,302	223,302	215,276
Fines and forfeitures	-	-	46,625	-	-	-	-	46,625	18,133
Investment earnings	25,383	-	84	-	-	-	-	25,467	30,184
Miscellaneous	-	-	-	-	-	-	33,131	33,131	32,170
Total Revenues	25,383	-	49,374	5,346	279,561	-	618,377	978,041	1,074,038
Expenditures									
Current									
Public safety	-	-	56,463	-	-	-	-	56,463	27,024
Culture and recreation	-	-	-	-	-	-	909,090	909,090	1,003,916
Housing and economic development	2,500	-	-	8,139	279,561	-	-	290,200	392,038
Education	-	-	-	-	-	81,758	-	81,758	99,103
Total Expenditures	2,500	-	56,463	8,139	279,561	81,758	909,090	1,337,511	1,522,081
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,883	-	(7,089)	(2,793)	-	(81,758)	(290,713)	(359,470)	(448,043)
Other Financing Sources (Uses)									
Transfers in	-	-	-	442	-	-	327,974	328,416	417,533
Transfers out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	442	-	-	327,974	328,416	417,533
Net Change in Fund Balances	22,883	-	(7,089)	(2,351)	-	(81,758)	37,261	(31,054)	(30,510)
Fund Balances (Deficits) Beginning of Year	1,817,429	-	110,469	2,351	-	81,758	1,751	2,013,758	2,044,268
Fund Balances End of Year	$ 1,840,312	$ -	$ 103,380	$ -	$ -	$ -	$ 39,012	$ 1,982,704	$ 2,013,758

City of Calhoun, Georgia
Urban Development Action Grant Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 752,398	$ 479,603
Receivables (net)		
Loans	202,500	227,500
Interest	1,528	6,165
Loans - noncurrent	883,886	1,104,161
Total Assets	$ 1,840,312	$ 1,817,429
Fund Balances		
Restricted for housing	$ 1,840,312	$ 1,817,429

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, 2012 and 2011

	2012	2011
Revenues		
Investment earnings	$ 25,383	$ 30,036
Expenditures		
Current		
Housing and economic development	2,500	2,500
Excess of Revenues Over Expenditures	22,883	27,536
Fund Balances Beginning of Year	1,817,429	1,789,893
Fund Balances End of Year	$ 1,840,312	$ 1,817,429

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, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Investment earnings	$ 25,000	$ 25,000	$ 25,383	$ 383	$ 30,036
Expenditures					
Current					
Housing and economic development	2,500	2,500	2,500	-	2,500
Excess of Revenues Over Expenditures	22,500	22,500	22,883	383	27,536
Other Financing Sources (Uses)					
Transfer to fund balance	(22,500)	(22,500)	-	22,500	-
Net Change in Fund Balances	$ -	$ -	22,883	$ 22,883	27,536
Fund Balances Beginning of Year			1,817,429		1,789,893
Fund Balances End of Year			$ 1,840,312		$ 1,817,429

City of Calhoun, Georgia
Home Investment Partnership Act Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Loans receivable	$ 19,414	$ 19,614
Liabilities and Fund Balances		
Liabilities		
Deferred revenue	$ 19,414	$ 19,614

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, 2012 and 2011

	2012	2011
Revenues		
Investment earnings	$ -	$ -
Grant revenue	-	2,462
Total Revenues	-	2,462
Expenditures		
Current		
Housing and economic development	-	15,323
(Deficiency) of Revenues (Under) Expenditures	-	(12,861)
Fund Balances Beginning of Year	-	12,861
Fund Balances End of Year	$ -	$ -

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, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Investment earnings	$ -	$ -	$ -	$ -	$ -
Grant revenue	-	-	-	-	2,462
Total Revenues	-	-	-	-	2,462
Expenditures					
Current					
Housing and economic development	-	-	-	-	15,323
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(12,861)
Other Financing Sources					
Appropriation of fund balance	-	-	-	-	-
Net Change in Fund Balances	$ -	$ -	-	$ -	(12,861)
Fund Balances Beginning of Year			-		12,861
Fund Balances End of Year			$ -		$ -

City of Calhoun, Georgia
Confiscated Assets Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 185,304	$ 189,438
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 81,924	$ 78,969
Total Liabilities	81,924	78,969
Fund Balances		
Restricted for public safety - police	103,380	110,469
Total Liabilities and Fund Balances	$ 185,304	$ 189,438

City of Calhoun, Georgia
Confiscated Assets Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Revenues		
Fines and forfeitures	$ 46,625	$ 18,133
Intergovernmental grants	2,665	-
Investment earnings	84	148
Total Revenues	49,374	18,281
Expenditures		
Current		
Public safety	56,463	27,024
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,089)	(8,743)
Fund Balances Beginning of Year	110,469	119,212
Fund Balances End of Year	$ 103,380	$ 110,469

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, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 13,790	$ 57,955	$ 46,625	$ (11,330)	$ 18,133
Intergovernmental grants	-	-	2,665	2,665	-
Investment earnings	100	100	84	(16)	148
Total Revenues	13,890	58,055	49,374	(8,681)	18,281
Expenditures					
Current					
Public safety	13,890	58,055	56,463	1,592	27,024
Net Change in Fund Balances	$ -	$ -	(7,089)	$ (7,089)	(8,743)
Fund Balances Beginning of Year			110,469		119,212
Fund Balances End of Year			$ 103,380		$ 110,469

City of Calhoun, Georgia
West Calhoun Grant Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ -	$ 2,351
Fund Balances		
Restricted for housing and development	$ -	$ 2,351

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, 2012 and 2011

	2012	2011
Revenues		
Intergovernmental	$ 5,346	$ 82,027
Expenditures		
Current		
Housing and development	8,139	90,669
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,793)	(8,642)
Other Financing Sources (Uses)		
Transfers in	442	10,993
Net Change in Fund Balances	(2,351)	2,351
Fund Balances Beginning of Year	2,351	-
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, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ -	$ 5,500	$ 5,346	$ (154)	$ 82,027
Expenditures					
Current					
Housing and development	-	8,250	8,139	111	90,669
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,750)	(2,793)	(5,543)	(8,642)
Other Financing Sources (Uses)					
Transfers in	-	500	442	(58)	10,993
Transfers out	-	-	-	-	-
Appropriation of fund balance	-	2,250	-	2,250	-
Total Other Financing Sources (Uses)	-	2,750	442	2,192	10,993
Net Change in Fund Balances	$ -	$ -	(2,351)	$ (3,351)	2,351
Fund Balances Beginning of Year			2,351		-
Fund Balances End of Year			$ -		$ 2,351

City of Calhoun, Georgia
Hotel/Motel Tax Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Hotel/motel taxes receivable	$ 27,686	$ 25,251
Liabilities		
Accrued expenditures	$ 27,686	$ 25,251

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, 2012 and 2011

	2012	2011
Revenues		
Hotel/motel taxes	$ 279,561	$ 283,546
Expenditures		
Current		
Housing and economic development	279,561	283,546
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, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Hotel/motel taxes	$ 270,000	$ 279,600	$ 279,561	$ (39)	$ 283,546
Expenditures					
Current					
Housing and economic development	270,000	279,600	279,561	39	283,546
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, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ -	$ 61,004
Property taxes receivable	997,842	1,075,817
Due from component unit	13,146	-
Prepaid items	-	49,091
Total Assets	$ 1,010,988	$ 1,185,912
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 1,404	$ 7,210
Due to component unit	160,180	121,277
Interfund payable	11,742	-
Deferred revenues	837,662	975,667
Total Liabilities	1,010,988	1,104,154
Fund Balances		
Nonspendable		
Prepaid items	-	49,091
Restricted		
Education	-	32,667
Total Fund Balances	-	81,758
Total Liabilities and Fund Balances	$ 1,010,988	$ 1,185,912

City of Calhoun, Georgia
School Tax Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Revenues		
Property taxes	$ -	$ 64,341
Expenditures		
Current		
Education	81,758	99,103
Excess of Revenues Over Expenditures	(81,758)	(34,762)
Fund Balances Beginning of Year	81,758	116,520
Fund Balances End of Year	$ -	$ 81,758

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, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Property taxes	$ 103,078	$ 103,078	$ -	$ (103,078)	$ 64,341
Expenditures					
Current					
Education	103,078	103,078	81,758	21,320	99,103
Excess of Revenues Over Expenditures	$ -	$ -	(81,758)	$ (81,758)	(34,762)
Fund Balances Beginning of Year			81,758		116,520
Fund Balances End of Year			$ -		$ 81,758

City of Calhoun, Georgia
Recreation Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 984	$ 27,564
Accounts receivable	-	25
Interfund	52,458	-
Prepaid items	6,343	6,141
Total Assets	$ 59,785	$ 33,730
Liabilities and Fund Balances (Deficits)		
Liabilities		
Accounts payable	$ 11,337	$ 14,608
Accrued expenditures	9,436	17,371
Total Liabilities	20,773	31,979
Fund Balances (Deficits)		
Nonspendable		
Prepaid items	6,343	6,141
Restricted		
Culture and recreation	32,669	-
Unassigned (deficits)	-	(4,390)
Total Fund Balances (Deficits)	39,012	1,751
Total Liabilities and Fund Balances (Deficits)	$ 59,785	$ 33,730

City of Calhoun, Georgia
Recreation Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Revenues		
Intergovernmental	$ 361,944	$ 348,361
Charges for services	223,302	215,276
Miscellaneous	33,131	29,708
Total Revenues	618,377	593,345
Expenditures		
Current		
Culture and recreation	909,090	1,003,916
(Deficiency) of Revenues (Under) Expenditures	(290,713)	(410,571)
Other Financing Sources		
Transfers in	327,974	406,540
Net Change in Fund Balances	37,261	(4,031)
Fund Balances (Deficits) Beginning of Year	1,751	5,782
Fund Balances (Deficits) End of Year	$ 39,012	$ 1,751

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, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 358,812	$ 358,812	$ 361,944	$ 3,132	$ 348,361
Charges for services	186,257	187,700	223,302	35,602	215,276
Miscellaneous	19,350	24,350	33,131	8,781	29,708
Total Revenues	564,419	570,862	618,377	47,515	593,345
Expenditures					
Current					
Culture and recreation	941,589	948,032	909,090	38,942	1,003,916
Excess (Deficiency) of Revenues Over (Under) Expenditures	(377,170)	(377,170)	(290,713)	86,457	(410,571)
Other Financing Sources					
Transfers in	377,170	377,170	327,974	(49,196)	406,540
Net Change in Fund Balances	$ -	$ -	37,261	$ 37,261	(4,031)
Fund Balances (Deficits) Beginning of Year			1,751		5,782
Fund Balances (Deficits) End of Year			$ 39,012		$ 1,751

City of Calhoun, Georgia
Revenue Bonds Debt Service Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ -	$ 9
Fund Balances		
Restricted for debt service	$ -	$ 9

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, 2012 and 2011

	2012	2011
Revenues		
Investment earnings	$ -	$ 1
Expenditures		
Debt Service		
Principal retirement	281,800	270,900
Interest and fiscal charges	88,578	100,065
Total Expenditures	370,378	370,965
Excess (Deficiency) of Revenues Over (Under) Expenditures	(370,378)	(370,964)
Other Financing Sources		
Transfers in	370,369	370,965
Net Change in Fund Balances	(9)	1
Fund Balances Beginning of Year	9	8
Fund Balances End of Year	$ -	$ 9

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, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Investment earnings	$ -	$ -	$ -	$ -	$ 1
Expenditures					
Debt Service					
Principal	281,800	281,800	281,800	-	270,900
Interest and fiscal charges	88,569	88,578	88,578	-	100,065
Total Expenditures	370,369	370,378	370,378	-	370,965
Excess (Deficiency) of Revenues Over (Under) Expenditures	(370,369)	(370,378)	(370,378)	-	(370,964)
Other Financing Sources					
Transfers in	370,369	370,378	370,369	-	370,965
Net Change in Fund Balances	$ -	$ -	(9)	$ -	1
Fund Balances Beginning of Year			9		8
Fund Balances End of Year			$ -		$ 9

City of Calhoun, Georgia
Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2012
(With Comparative Totals at June 30, 2011)

	2012				2011
	2005 SPLOST	School SPLOST	2011 SPLOST	Total Nonmajor Capital Projects Funds	Total Nonmajor Capital Projects Funds
Assets					
Cash and cash equivalents	$ 6,257,351	$ 18,415	$ -	$ 6,275,766	$ 4,478,055
Receivables:					
Intergovernmental	-	-	146,989	146,989	646,911
Interfund	-	-	66,813	66,813	-
Total Assets	$ 6,257,351	$ 18,415	$ 213,802	$ 6,489,568	$ 5,124,966
Liabilities and Fund Balances					
Liabilities					
Interfund payable	103,813	$ -	61,155	164,968	$ -
Fund Balances					
Restricted for capital projects	6,153,538	18,415	152,647	6,324,600	5,124,966
Total Liabilities and Fund Balances	$ 6,257,351	$ 18,415	$ 213,802	$ 6,489,568	$ 5,124,966

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, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	2005 SPLOST	School SPLOST	2011 SPLOST	Total Nonmajor Capital Projects Funds	Total Nonmajor Capital Projects Funds
Revenues					
Intergovernmental	$ 2,234,861	$ -	$ 213,802	$ 2,448,663	$ 2,439,859
Investment earnings	15,642	1,252	-	16,894	14,928
Total Revenues	2,250,503	1,252	213,802	2,465,557	2,454,787
Expenditures					
Capital Outlay					
Public safety	187,750	-	-	187,750	39,500
Public works	-	-	-	-	-
Culture and recreation	-	-	61,155	61,155	-
Education	-	58,000	-	58,000	-
Total Expenditures	187,750	58,000	61,155	306,905	39,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,062,753	(56,748)	152,647	2,158,652	2,415,287
Other Financing Sources (Uses)					
Transfers in	-	58,000	-	58,000	-
Transfers out	-	(1,017,018)	-	(1,017,018)	(487,403)
Total Other Financing Sources (Uses)	-	(959,018)	-	(959,018)	(487,403)
Net Change in Fund Balances	2,062,753	(1,015,766)	152,647	1,199,634	1,927,884
Fund Balances (Deficits) Beginning of Year	4,090,785	1,034,181	-	5,124,966	3,197,082
Fund Balances (Deficits) End of Year	$ 6,153,538	$ 18,415	$ 152,647	$ 6,324,600	$ 5,124,966

City of Calhoun, Georgia
2005 SPLOST Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 6,257,351	$ 3,443,874
Receivables:		
Intergovernmental	-	646,911
Total Assets	$ 6,257,351	$ 4,090,785
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 103,813	$ -
Fund Balances		
Restricted for capital projects	6,153,538	4,090,785
Total Liabilities and Fund Balances	$ 6,257,351	$ 4,090,785

City of Calhoun, Georgia
2005 SPLOST Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Revenues		
Intergovernmental	$ 2,234,861	$ 2,400,219
Investment earnings	15,642	4,604
Total Revenues	2,250,503	2,404,823
Capital Outlay		
Public safety	187,750	-
Excess of Revenues Over Expenditures	2,062,753	2,404,823
Other Financing Sources (Uses)		
Transfers out	-	(487,263)
Net Change in Fund Balances	2,062,753	1,917,560
Fund Balances Beginning of Year	4,090,785	2,173,225
Fund Balances End of Year	$ 6,153,538	$ 4,090,785

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, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 2,587,644	$ 2,587,644	$ 2,234,861	$ (352,783)	$ 2,400,219
Investment earnings	1,800	15,800	15,642	(158)	4,604
Total Revenues	2,589,444	2,603,444	2,250,503	(352,941)	2,404,823
Capital Outlay					
Public safety	-	188,100	187,750	350	-
Total Expenditures	-	188,100	187,750	350	-
Excess of Revenues Over Expenditures	2,589,444	2,415,344	2,062,753	(353,291)	2,404,823
Other Financing Sources and Uses					
Transfers in	-	-	-	-	-
Transfers out	1,047,000	1,047,000	-	(1,047,000)	(487,263)
Additions to fund balance	1,542,444	1,368,344	-	(1,368,344)	-
Total Other Financing Sources and Uses	2,589,444	2,415,344	-	(2,415,344)	(487,263)
Net Change in Fund Balances	$ -	$ -	4,652,197	$(2,768,635)	1,917,560
Fund Balances Beginning of Year			4,090,785		2,173,225
Fund Balances End of Year			$ 8,742,982		$ 4,090,785

City of Calhoun, Georgia
School SPLOST Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 18,415	$ 1,034,181
Fund Balances		
Restricted for capital projects	$ 18,415	$ 1,034,181

City of Calhoun, Georgia
School SPLOST Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Revenues		
Investment earnings	$ 1,252	$ 10,324
Capital Outlay		
Education	58,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,748)	10,324
Other Financing Sources(Uses)		
Transfer in	58,000	
Transfer out	(1,017,018)	-
Total Other Financing Sources (Uses)	(959,018)	-
Net Change in Fund Balances	(1,015,766)	10,324
Fund Balances Beginning of Year	1,034,181	1,023,857
Fund Balances End of Year	$ 18,415	$ 1,034,181

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, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Investment earnings	$ 2,500	$ 2,500	$ 1,252	$ (1,248)	$ 10,324
Total Revenues	2,500	2,500	1,252	(1,248)	10,324
Capital Outlay					
Education	-	58,000	58,000	-	-
Total Expenditures	-	58,000	58,000	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,500	(55,500)	(56,748)	(1,248)	10,324
Other Financing Sources (Uses)					
Transfer in	-	58,000	58,000	-	-
Transfer out	-	(1,020,000)	(1,017,018)	(2,982)	-
Addition to fund balance	(2,500)	1,017,500	-	(1,017,500)	-
Total Other Financing Sources (Uses)	(2,500)	55,500	(1,017,018)	(1,020,482)	-
Net Change in Fund Balances	$ -	$ -	(1,015,766)	$(1,021,730)	10,324
Fund Balances Beginning of Year			1,034,181		1,023,857
Fund Balances End of Year			$ 18,415		$ 1,034,181

City of Calhoun, Georgia
2011 SPLOST Fund
Comparative Balance Sheets
June 30, 2012 and 2011

	2012	2011
Assets		
Receivables:		
Intergovernmental	$ 146,989	$ -
Interfund	66,813	-
Total Assets	$ 213,802	$ -
Liabilities and Fund Balances (Deficits)		
Liabilities		
Interfund payable	$ 61,155	$ -
Fund Balances (Deficits)		
Restricted for capital projects	152,647	-
Total Liabilities and Fund Balances	$ 213,802	$ -

City of Calhoun, Georgia
2011 SPLOST Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Revenues		
Intergovernmental	$ 213,802	$ -
Expenditures		
Capital Outlay		
Culture and recreation	61,155	-
Net Change in Fund Balances	152,647	-
Fund Balances (Deficits) Beginning of Year	-	-
Fund Balances (Deficits) End of Year	$ 152,647	$ -

City of Calhoun, Georgia
2011 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012
(With Comparative Actual Amounts For the Year Ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ -	$ 213,802	$ 213,802	$ -	$ -
Expenditures					
Capital Outlay					
Culture and recreation	-	213,802	61,155	152,647	-
Net Change in Fund Balances	$ -	$ -	152,647	$ (152,647)	-
Fund Balances (Deficits) Beginning of Year			-		-
Fund Balances (Deficits) End of Year			$ 152,647		$ -

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, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	$ 6,674,189	$ 8,265,523
Restricted assets		
Cash and cash equivalents	872,243	929,500
Investments	7,875,035	5,510,595
Receivables		
Accounts	592,645	507,976
Accrued revenue	2,628,878	2,870,282
Intergovernmental	636,938	424,196
Interfund	2,307	188,380
Other	40,842	8,754
Advances	177,700	249,356
Deposits	45,574	35,013
Inventories	2,158,330	1,820,272
Prepaid items	17,356	17,713
Total Current Assets	21,722,037	20,827,560
Noncurrent Assets		
Restricted assets		
Investments	8,245,602	7,466,722
Advances receivable	2,354,832	2,532,532
Capital assets		
Nondepreciable	580,384	352,283
Depreciable, net	14,295,087	14,773,250
Total Noncurrent Assets	25,475,905	25,124,787
Total Assets	47,197,942	45,952,347
Liabilities		
Current Liabilities		
Accounts payable	2,762,081	2,665,867
Accrued payroll liabilities	97	52
Accrued expenses	19,930	32,334
Compensated absences payable	15,653	10,824
Payable From Restricted Assets:		
Customer deposits	872,243	929,500
Total Current Liabilities	3,670,004	3,638,577
Long-term Liabilities		
Compensated absences payable	29,071	20,102
Pension liability	-	150,610
Payable From Restricted Assets:		
Regulatory liability	8,682,440	6,325,525
Total Long-term Liabilities	8,711,511	6,496,237
Total Liabilities	12,381,515	10,134,814
Net Assets		
Invested in capital assets, net of related debt	14,875,471	15,125,533
Unrestricted	19,940,956	20,692,000
Total Net Assets	$ 34,816,427	$ 35,817,533

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, 2012 and 2011

	2012	2011
Operating Revenues		
Charges for services	$ 32,322,520	$ 29,853,546
Miscellaneous	157,479	186,679
Total Operating Revenues	32,479,999	30,040,225
Operating Expenses		
Personal services	1,006,219	967,652
Contractual services	1,668,219	1,173,411
Supplies	27,314,660	23,239,828
Interfund allocations	440,032	438,620
Depreciation	755,639	710,700
Other	(120,428)	(70,249)
Total Operating Expenses	31,064,341	26,459,962
Operating Income	1,415,658	3,580,263
Non-Operating Revenues (Expenses)		
Investment earnings	212,531	253,713
Intergovernmental revenue	-	39,546
Interest expense	(775)	(10,338)
Total Non-Operating Revenues	211,756	282,921
Income Before Transfers	1,627,414	3,863,184
Capital contributions	258,301	-
Transfers in	30,068	200
Transfers out	(2,916,889)	(2,339,899)
Total Contributions and Transfers	(2,628,520)	(2,339,699)
Change in Net Assets	(1,001,106)	1,523,485
Net Assets Beginning of Year	35,817,533	34,294,048
Net Assets End of Year	$ 34,816,427	$ 35,817,533

City of Calhoun, Georgia
Electric System Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Cash received from customers	$ 30,693,830	$ 27,817,576
Cash received from interfund services provided	1,630,257	1,493,831
Cash payments for personal services	(992,376)	(970,065)
Cash payments for goods and services	(29,181,344)	(23,532,777)
Cash payments for interfund services used	(309,742)	(692,135)
Other cash (payments) receipts	120,785	81,009
Net Cash Provided by (Used in) Operating Activities	1,961,410	4,197,439
Cash Flows From Noncapital Financing Activities		
Payments received on advances	249,356	317,763
Intergovernmental revenues received	258,301	39,546
Payments for (reduction in) pension liability	(150,610)	(64,296)
Transfers in	30,068	200
Transfers out	(2,916,889)	(2,339,899)
Net Cash Provided by (Used in) Noncapital Financing Activities	(2,529,774)	(2,046,686)
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisitions	(505,578)	(1,840,583)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(505,578)	(1,840,583)
Cash Flows from Investing Activities		
Investment earnings	212,531	253,713
(Purchase) Disposal of investments, net of regulatory liability	(786,405)	(1,000,494)
Interest rebated to customer accounts	(775)	(10,338)
Net Cash Provided by (Used in) Investing Activities	(574,649)	(757,119)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,648,591)	(446,949)
Cash and Cash Equivalents Beginning of Year	9,195,023	9,641,972
Cash and Cash Equivalents End of Year	$ 7,546,432	$ 9,195,023
Reconciliation of total cash and cash equivalents:		
Cash and cash equivalents	$ 6,674,189	$ 8,265,523
Restricted assets-cash and cash equivalents	872,243	929,500
Total cash and cash equivalents	$ 7,546,432	$ 9,195,023

(continued)

City of Calhoun, Georgia
Electric System Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2012 and 2011

(continued)

	2012	2011
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 1,415,658	$ 3,580,263
Adjustments		
Depreciation	755,639	710,700
(Increase) Decrease in Assets		
Accounts receivable and accrued revenues	124,647	(660,910)
Intergovernmental receivable	(212,742)	(100,024)
Inventories	(338,058)	310,985
Interfund receivables	186,073	(188,380)
Deposits	(10,561)	1,395
Prepaid expenses	357	10,760
Increase (Decrease) in Liabilities		
Accounts payable and accrued liabilities	83,811	504,343
Accrued payroll liabilities	13,843	(2,413)
Deposits payable	(57,257)	30,720
Net Cash Provided by (Used in) Operating Activities	$ 1,961,410	$ 4,197,439

City of Calhoun, Georgia
Water & Sewerage System Fund
Comparative Statements of Net Assets
June 30, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	$ 1,195,448	$ -
Restricted assets		
Cash and cash equivalents	1,484,013	1,278,770
Receivables		
Accounts	803,315	804,557
Accrued revenue	1,081,782	1,107,585
Interfund	15,612	-
Intergovernmental	88,631	629,928
Inventory	946,354	687,729
Prepaid items	58,041	55,357
Total Current Assets	5,673,196	4,563,926
Noncurrent Assets		
Restricted assets		
Cash and cash equivalents	596,076	491,812
Deferred charges	284,498	284,131
Capital assets		
Nondepreciable	8,972,381	7,994,776
Depreciable, net	83,587,593	84,965,246
Total Noncurrent Assets	93,440,548	93,735,965
Total Assets	99,113,744	98,299,891
Liabilities		
Current Liabilities		
Accounts payable	444,944	97,480
Contractor bonds payable	38,705	38,671
Accrued payroll liabilities	51,096	87,598
Accrued interest	35,870	53,405
Interfund payable	-	188,380
Compensated absences payable	39,054	38,193
Unearned revenue	-	33,155
Advances payable	24,877	99,562
Notes payable	1,661,139	2,158,916
Revenue bonds payable	2,098,659	1,378,240
Payable from Restricted Assets:		
Accrued interest payable	19,006	17,850
Customer deposits and interest	677,576	672,018
Total Current Liabilities	5,090,926	4,863,468
Long-Term Liabilities		
Compensated absences payable	72,529	70,931
Pension liability	245,811	186,103
Notes payable (net of current portion)	11,689,612	17,057,909
Revenue bonds payable (net of current portion)	7,153,017	4,883,628
Advances payable (net of current portion)	371,755	396,632
Total Long-Term Liabilities	19,532,724	22,595,203
Total Liabilities	24,623,650	27,458,671
Net Assets		
Invested in capital assets, net of related debt	69,957,547	67,481,329
Unrestricted	4,532,547	3,359,891
Total Net Assets	$ 74,490,094	$ 70,841,220

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, 2012 and 2011

	2012	2011
Operating Revenues		
Charges for services	$ 15,070,678	$ 14,440,652
Miscellaneous	69,019	76,542
Total Operating Revenues	15,139,697	14,517,194
Operating Expenses		
Personal services	3,014,733	2,909,540
Contractual services	818,430	701,888
Supplies	2,745,358	2,448,581
Interfund allocations	1,736,692	1,778,690
Depreciation	2,973,956	2,942,074
Amortization	53,833	74,766
Other	1,748	5,911
Total Operating Expenses	11,344,750	10,861,450
Operating Income	3,794,947	3,655,744
Non-Operating Revenues (Expenses)		
Interest and fiscal charges	(761,419)	(985,553)
Gain (loss) on disposition of capital assets	-	58,764
Intergovernmental revenue	-	900,000
Investment earnings	26,412	47,214
Total Non-Operating (Expenses)	(735,007)	20,425
Income Before Contributions and Transfers	3,059,940	3,676,169
Capital contributions	691,825	-
Transfers in	1,083,749	1,020,193
Transfers out	(1,186,640)	(1,086,665)
Total Contributions and Transfers	588,934	(66,472)
Change in Net Assets	3,648,874	3,609,697
Net Assets Beginning of Year	70,841,220	67,231,523
Net Assets End of Year	$ 74,490,094	$ 70,841,220

City of Calhoun, Georgia
Water & Sewerage System Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Cash received from customers	$ 15,324,253	$ 14,010,097
Cash received from interfund services provided	422,499	234,506
Cash payments for personal services	(3,050,374)	(2,837,962)
Cash payments for goods and services	(2,134,747)	(2,304,749)
Cash payments for interfund services used	(3,283,570)	(2,720,089)
Other cash payments	(1,714)	(5,794)
Net Cash Provided by (Used in) Operating Activities	7,276,347	6,376,009
Cash Flows from Noncapital Financing Activities		
Payments for (reductions in) pension liability	59,708	10,016
Transfers in	1,083,749	532,930
Transfers out	(1,186,640)	(1,086,665)
Net Cash Provided by (Used in) Noncapital Financing Activities	(43,183)	(543,719)
Cash Flows from Capital and Related Financing Activities		
Transfers in - SPLOST	-	487,263
Capital grant	-	900,000
Proceeds from debt	381,754	92,598
Payments on interfund loans	(99,562)	(170,932)
Proceeds from issuance of bonds	6,525,000	-
Principal paid on revenue bonds	(3,465,000)	(1,730,000)
Interest paid on revenue bonds	(274,992)	(279,888)
Principal paid on notes and capital leases	(6,550,653)	(2,092,967)
Interest paid on notes and capital leases	(493,339)	(821,000)
Proceeds from the sale of capital assets	-	67,118
Payments for capital acquisitions and construction	(1,882,093)	(2,433,962)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(5,858,885)	(5,981,770)
Cash Flows from Investing Activities		
Investments earnings	26,412	47,214
Net Cash Provided by (Used in) Investing Activities	26,412	47,214
Net Increase (Decrease) in Cash and Cash Equivalents	1,400,691	(102,266)
Cash and Cash Equivalents Beginning of Year	1,278,770	1,381,036
Cash and Cash Equivalents End of Year	$ 2,679,461	$ 1,278,770
Reconciliation of total cash and cash equivalents:		
Cash and cash equivalents	$ 1,195,448	$ -
Current restricted assets-cash and cash equivalents	1,484,013	1,278,770
Total cash and cash equivalents	$ 2,679,461	$ 1,278,770

(continued)

City of Calhoun, Georgia
Water and Sewerage System Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2012 and 2011

(continued)

	2012	2011
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 3,794,947	$ 3,655,744
Adjustments		
Depreciation	2,973,956	2,942,074
Amortization	53,833	74,766
(Increase) Decrease in Assets		
Accounts receivable and accrued revenues	568,342	(273,876)
Inventories	(258,625)	(97,101)
Interfund receivables	(15,612)	137,480
Prepaid expenses	(2,684)	23,067
Increase (Decrease) in Liabilities		
Accounts payable and accrued liabilities	347,498	(347,388)
Pension liability		
Accrued payroll liabilities	(35,641)	71,578
Pension liability	-	-
Deposits payable	5,558	1,285
Interfund payable	(188,380)	188,380
Unearned revenue	33,155	-
Net Cash Provided by (Used in) Operating Activities	$ 7,276,347	$ 6,376,009
Noncash Investing, Capital and Financing Activities		
Developer contributions - in kind	$ 389,000	$ 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, 2012
(With Comparative Totals at June 30, 2011)

	2012				2011
	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds	Total Nonmajor Enterprise Funds
Assets					
Current Assets					
Cash and cash equivalents	$ 421	$ 888,707	$ 8,109	$ 897,237	$ 908,263
Receivables					
Accounts	1,624	28,401	47,076	77,101	80,167
Accrued revenue	-	49,167	43,158	92,325	83,230
Interfund	-	428	12,431	12,859	58,720
Intergovernmental	-	-	-	-	83,494
Other	-	1,968	-	1,968	2,859
Inventory	-	232,579	-	232,579	220,552
Prepaid items	3,721	2,208	2,177	8,106	9,621
Total Current Assets	5,766	1,203,458	112,951	1,322,175	1,446,906
Noncurrent Assets					
Capital Assets					
Nondepreciable capital assets	751,138	141,152	314,435	1,206,725	1,010,573
Depreciable capital assets, net	1,228,040	1,104,898	10,890	2,343,828	2,629,818
Total Noncurrent Assets	1,979,178	1,246,050	325,325	3,550,553	3,640,391
Total Assets	1,984,944	2,449,508	438,276	4,872,728	5,087,297
Liabilities					
Current Liabilities					
Accounts payable	16,700	5,031	12,267	33,998	109,135
Accrued payroll liabilities	22	44	-	66	53
Accrued expenses	6,657	4,226	35,811	46,694	58,676
Interfund payable	280,574	-	10,838	291,412	120,202
Post-closure care payable	-	-	23,096	23,096	22,643
Compensated absences payable	8,007	3,239	-	11,246	10,685
Unearned revenue	19,782	-	-	19,782	20,282
Advances payable	-	100,935	-	100,935	99,435
Total Current Liabilities	331,742	113,475	82,012	527,228	441,111
Long-Term Liabilities					
Compensated absences payable	14,869	6,015	-	20,885	19,844
Pension liability	-	-	-	-	56,911
Post-closure care payable (net of current portion)	-	-	72,097	72,097	95,193
Advances payable (net of current portion)	-	1,067,523	-	1,067,523	1,168,458
Total Long-Term Liabilities	14,869	1,073,538	72,097	1,160,505	1,340,406
Total Liabilities	346,611	1,187,013	154,109	1,687,733	1,781,517
Net Assets					
Invested in capital assets	1,979,178	1,246,050	325,325	3,550,553	3,640,391
Unrestricted	(340,845)	16,445	(41,158)	(365,558)	(334,611)
Total Net Assets	$ 1,638,333	$ 1,262,495	$ 284,167	$ 3,184,995	$ 3,305,780

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, 2012
(With Comparative Totals For the Year Ended June 30, 2011)

	2012				2011
	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds	Total Nonmajor Enterprise Funds
Operating Revenues					
Charges for services	$ 534,143	$ 988,103	$ 705,364	$ 2,227,610	$ 2,370,065
Miscellaneous	18,214	1,839	-	20,053	31,721
Total Operating Revenues	552,357	989,942	705,364	2,247,663	2,401,786
Operating Expenses					
Personal services	475,483	264,044	64,515	804,042	935,089
Contractual services	37,382	312,313	465,330	815,025	833,492
Supplies	191,749	102,354	22,136	316,239	294,041
Interfund allocations	28,869	55,749	74,136	158,754	151,764
Depreciation	206,357	90,344	833	297,534	320,008
Other	-	-	(47,133)	(47,133)	18,024
Total Operating Expenses	939,840	824,804	579,817	2,344,461	2,552,418
Operating Income (Loss)	(387,483)	165,138	125,547	(96,798)	(150,632)
Non-Operating Revenues (Expenses)					
Change in estimated landfill closure costs	-	-	(9,357)	(9,357)	(5,964)
Investment earnings	-	3,517	-	3,517	7,005
Intergovernmental revenue	-	84,109	-	84,109	83,494
Interest and fiscal charges	-	(18,461)	-	(18,461)	(19,938)
Intergovernmental expenses	-	(84,109)	-	(84,109)	(83,494)
Total Non-Operating Revenues (Expenses)	-	(14,944)	(9,357)	(24,301)	(18,897)
Income (Loss) Before Transfers	(387,483)	150,194	116,190	(121,099)	(169,529)
Transfers in	97	864	-	961	74,492
Transfers out	-	(647)	-	(647)	-
Change in Net Assets	(387,386)	150,411	116,190	(120,785)	(95,037)
Net Assets Beginning of Year	2,025,719	1,112,084	167,977	3,305,780	3,400,817
Net Assets End of Year	$ 1,638,333	$ 1,262,495	$ 284,167	$ 3,184,995	$ 3,305,780

City of Calhoun, Georgia
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2012
(With Comparative Totals For the Year Ended June 30, 2011)

	2012				2011
	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities					
Cash received from customers	$ 551,378	$ 760,621	$ 750,176	$ 2,062,175	$ 2,007,702
Cash received from interfund services provided	-	308,383	1,370	309,753	308,227
Other cash receipts	242,933	-	-	242,933	-
Cash payments for personal services	(473,089)	(264,824)	(64,515)	(802,428)	(928,152)
Cash payments for goods and services	(229,087)	(483,089)	(432,610)	(1,144,786)	(1,036,030)
Cash payments for interfund services used	(37,211)	(84,932)	(145,859)	(268,002)	(153,501)
Net Cash Provided by (Used in) Operating Activities	54,924	236,159	108,562	399,645	198,246
Cash Flows from Noncapital Financing Activities					
Payments for (reductions in) pension liability	-	-	(56,911)	(56,911)	2,831
Transfers in	97	864	-	961	74,492
Transfers out	-	(647)	-	(647)	-
Principal paid on advance	-	(99,435)	-	(99,435)	(97,955)
Interest paid on advance	-	(18,461)	-	(18,461)	(19,938)
Net Cash Provided by (Used in) Noncapital Financing Activities	97	(117,679)	(56,911)	(174,493)	(40,570)
Cash Flows from Capital and Related Financing Activities					
Payments for capital acquisition and construction	(55,000)	(141,153)	(11,542)	(207,695)	-
Payments for landfill postclosure care	-	-	(32,000)	(32,000)	(28,163)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(55,000)	(141,153)	(43,542)	(239,695)	(28,163)
Cash Flows from Investing Activities					
Investment earnings	-	3,517	-	3,517	7,005
Net Increase (Decrease) in Cash and Cash Equivalents	21	(19,156)	8,109	(11,026)	136,518
Cash and Cash Equivalents Beginning of Year	400	907,863	-	908,263	771,745
Cash and Cash Equivalents End of Year	$ 421	$ 888,707	$ 8,109	$ 897,237	$ 908,263

(continued)

City of Calhoun, Georgia
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2012
(With Comparative Totals For the Year Ended June 30, 2011)

(continued)

	2012				2011
	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)	$ (387,483)	$ 165,138	$ 125,547	$ (96,798)	$ (150,632)
Adjustments					
Depreciation	206,357	90,344	833	297,534	320,008
(Increase) Decrease in Assets					
Accounts receivable and accrued revenue	(478)	(4,553)	(107)	(5,138)	2,872
Inventory	-	(12,027)	-	(12,027)	22,151
Interfund receivable	-	(428)	46,289	45,861	(1,352)
Intergovernmental receivable	-	83,494	-	83,494	(83,494)
Prepaid expenses	704	121	690	1,515	3,499
Increase (Decrease) in Liabilities					
Accounts payable and accrued expenses	(9,002)	(85,150)	7,033	(87,119)	60,799
Accrued payroll liabilities	2,393	(780)	-	1,613	(2,440)
Interfund payable	242,933	-	(71,723)	171,210	28,282
Unearned revenue	(500)	-	-	(500)	(1,447)
Net Cash Provided by (Used in) Operating Activities	$ 54,924	$ 236,159	$ 108,562	$ 399,645	$ 198,246

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Comparative Statements of Net Assets
June 30, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	$ 421	$ 400
Accounts receivable	1,624	1,146
Prepaid items	3,721	4,425
Total Current Assets	5,766	5,971
Noncurrent Assets		
Capital assets		
Nondepreciable	751,138	696,138
Depreciable, net	1,228,040	1,434,396
Total Noncurrent Assets	1,979,178	2,130,534
Total Assets	1,984,944	2,136,505
Liabilities		
Current Liabilities		
Accounts payable	16,700	17,673
Accrued payroll liabilities	22	9
Accrued expenses	6,657	14,686
Interfund payable	280,574	37,641
Compensated absences payable	8,007	7,173
Unearned revenue	19,782	20,282
Total Current Liabilities	331,742	97,464
Long-term Liabilities		
Compensated absences payable	14,869	13,322
Total Liabilities	346,611	110,786
Net Assets		
Invested in capital assets	1,979,178	2,130,534
Unrestricted	(340,845)	(104,815)
Total Net Assets	$ 1,638,333	$ 2,025,719

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, 2012 and 2011

	2012	2011
Operating Revenues		
Charges for services		
Green fees	$ 329,235	$ 456,419
Cart fees	189,050	253,135
Range fees	15,858	18,910
Miscellaneous	18,214	21,741
Total Operating Revenues	552,357	750,205
Operating Expenses		
Maintenance		
Personal services	303,229	343,820
Contractual services	17,398	19,311
Supplies	150,826	150,292
Interfund allocations	13,797	12,753
Depreciation	19,598	24,505
Total Maintenance	504,848	550,681
Pro Shop		
Personal services	172,254	181,087
Contractual services	19,984	24,811
Supplies	40,923	34,710
Interfund allocations	15,072	13,253
Depreciation	186,759	200,020
Total Pro Shop	434,992	453,881
Total Operating Expenses	939,840	1,004,562
Operating (Loss)	(387,483)	(254,357)
Loss Before Transfers	(387,483)	(254,357)
Other Financing Sources and Uses		
Transfers in	97	-
Change in Net Assets	(387,386)	(254,357)
Net Assets Beginning of Year	2,025,719	2,280,076
Net Assets End of Year	$ 1,638,333	$ 2,025,719

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Cash received from customers	$ 551,378	$ 748,913
Cash received from other	242,933	-
Cash payments for personal services	(473,089)	(516,272)
Cash payments for goods and services	(229,087)	(230,688)
Cash payments for interfund services used	(37,211)	(2,316)
Net Cash Provided by (Used in) Operating Activities	54,924	(363)
Cash Flows from Noncapital Financing Activities		
Transfers in	97	-
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisitions	(55,000)	-
Net Increase (Decrease) in Cash and Cash Equivalents	21	(363)
Cash and Cash Equivalents Beginning of Year	400	763
Cash and Cash Equivalents End of Year	$ 421	$ 400
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ (387,483)	$ (254,357)
Adjustments		
Depreciation	206,357	224,525
(Increase) Decrease in Assets		
Accounts receivable	(478)	155
Deposits	-	-
Prepaid expenses	704	1,961
Increase (Decrease) in Liabilities		
Accounts payable	(973)	(3,525)
Accrued expenses	(8,029)	9,377
Accrued payroll liabilities	2,393	(742)
Interfund payable	242,933	23,690
Unearned revenue	(500)	(1,447)
Net Cash Provided by (Used in) Operating Activities	$ 54,924	$ (363)

City of Calhoun, Georgia
Telecommunications Fund
Comparative Statements of Net Assets
June 30, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	$ 888,707	$ 907,863
Receivables		
Accounts	28,401	30,036
Accrued revenue	49,167	42,088
Interfund	428	-
Intergovernmental	-	83,494
Other	1,968	2,859
Inventory	232,579	220,552
Prepaid items	2,208	2,329
Total Current Assets	1,203,458	1,289,221
Noncurrent Assets		
Capital assets		
Nondepreciable	141,152	-
Depreciable, net	1,104,898	1,195,241
Total Noncurrent Assets	1,246,050	1,195,241
Total Assets	2,449,508	2,484,462
Liabilities		
Current Liabilities		
Accounts payable	5,031	86,729
Accrued payroll liabilities	44	44
Accrued expenses	4,226	7,678
Compensated absences payable	3,239	3,512
Advances payable	100,935	99,435
Total Current Liabilities	113,475	197,398
Long-Term Liabilities		
Compensated absences payable	6,015	6,522
Advances payable (net of current portion)	1,067,523	1,168,458
Total Long-Term Liabilities	1,073,538	1,174,980
Total Liabilities	1,187,013	1,372,378
Net Assets (Deficit)		
Invested in capital assets	1,246,050	1,195,241
Unrestricted (deficit)	16,445	(83,157)
Total Net Assets (Deficit)	$ 1,262,495	$ 1,112,084

City of Calhoun, Georgia
Telecommunications Fund
Comparative Statements of Revenues,
Expenses and Changes in Fund Net Assets
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Operating Revenues		
Charges for services	$ 988,103	$ 949,524
Miscellaneous	1,839	9,980
Total Operating Revenues	989,942	959,504
Operating Expenses		
Personal services	264,044	272,750
Contractual services	312,313	302,170
Supplies	102,354	82,760
Interfund allocations	55,749	54,454
Depreciation	90,344	95,475
Total Operating Expenses	824,804	807,609
Operating Income	165,138	151,895
Non-Operating Income (Expenses)		
Investment earnings	3,517	7,005
Intergovernmental revenue	84,109	83,494
Intergovernmental expenditure	(84,109)	(83,494)
Interest and fiscal charges	(18,461)	(19,938)
Total Non-operating Income (Expenses)	(14,944)	(12,933)
Income Before Transfers (Out)	150,194	138,962
Transfers in	864	304
Transfers out	(647)	-
Total Transfers	217	304
Change in Net Assets	150,411	139,266
Net Assets Beginning of Year	1,112,084	972,818
Net Assets End of Year	$ 1,262,495	$ 1,112,084

City of Calhoun, Georgia
Telecommunications Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Cash received from customers	$ 760,621	$ 573,497
Cash received from interfund services provided	308,383	306,893
Cash payments for personal services	(264,824)	(271,478)
Cash payments for goods and services	(483,089)	(276,974)
Cash payments for interfund services used	(84,932)	(84,473)
Net Cash Provided by (Used in) Operating Activities	236,159	247,465
Cash Flows from Noncapital Financing Activities		
Principal paid on advance	(99,435)	(97,955)
Interest paid on advance	(18,461)	(19,938)
Transfers in	864	304
Transfers out	(647)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(117,679)	(117,589)
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisition and construction	(141,153)	-
Net Cash Flows Provided by (Used in) Capital and Related Financing Activitie	(141,153)	-
Cash Flows from Investing Activities		
Investment earnings	3,517	7,005
Net Increase (Decrease) in Cash and Cash Equivalents	(19,156)	136,881
Cash and Cash Equivalents Beginning of Year	907,863	770,982
Cash and Cash Equivalents End of Year	$ 888,707	$ 907,863

(continued)

City of Calhoun, Georgia
Telecommunications Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2012 and 2011

(continued)

	2012	2011
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 165,138	$ 151,895
Adjustments		
Depreciation	90,344	95,475
(Increase) Decrease in Assets		
Accounts receivable and accrued revenue	(4,553)	6,816
Inventory	(12,027)	22,151
Interfund receivable	(428)	-
Intergovernmental receivable	83,494	(83,494)
Prepaid expenses	121	423
Increase (Decrease) in Liabilities		
Accounts payable and accrued expenses	(85,150)	52,927
Accrued payroll liabilities	(780)	1,272
Net Cash Provided by (Used in) Operating Activities	$ 236,159	$ 247,465

City of Calhoun, Georgia
Solid Waste Fund
Comparative Statements of Net Assets
June 30, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash	$ 8,109	$ -
Receivables		
Accounts	47,076	48,985
Accrued revenue	43,158	41,142
Interfund	12,431	58,720
Prepaid items	2,177	2,867
Total Current Assets	112,951	151,714
Noncurrent Assets		
Capital assets		
Nondepreciable	314,435	314,435
Depreciable capital assets, net	10,890	181
Total Noncurrent Assets	325,325	314,616
Total Assets	438,276	466,330
Liabilities		
Current Liabilities		
Accounts payable	12,267	4,733
Accrued expenses	35,811	36,312
Interfund payable	10,838	82,561
Post-closure care payable	23,096	22,643
Total Current Liabilities	82,012	146,249
Long-Term Liabilities		
Pension liability	-	56,911
Post-closure care payable	72,097	95,193
Total Long-Term Liabilities	72,097	152,104
Total Liabilities	154,109	298,353
Net Assets (Deficit)		
Invested in capital assets	325,325	314,616
Unrestricted (deficit)	(41,158)	(146,639)
Total Net Assets (Deficit)	$ 284,167	$ 167,977

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, 2012 and 2011

	2012	2011
Operating Revenues		
Charges for services	$ 705,364	$ 692,077
Total Revenues	705,364	692,077
Operating Expenses		
Personal services	64,515	137,432
Contractual services	465,330	487,200
Supplies	22,136	26,279
Interfund allocations	74,136	71,304
Depreciation	833	8
Other	(47,133)	18,024
Total Operating Expenses	579,817	740,247
Operating Income (Loss)	125,547	(48,170)
Non-Operating Revenues (Expenses)		
Change in estimated landfill closure costs	(9,357)	(5,964)
Total Non-Operating Revenues	(9,357)	(5,964)
Income (Loss) Before Transfers	116,190	(54,134)
Transfers in	-	74,188
Change in Net Assets	116,190	20,054
Net Assets Beginning of Year	167,977	147,923
Net Assets End of Year	$ 284,167	$ 167,977

City of Calhoun, Georgia
Solid Waste Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Cash received from customers	$ 750,176	$ 685,292
Cash received from interfund services provided	1,370	1,334
Cash payments for personal services	(64,515)	(140,402)
Cash payments for goods and services	(432,610)	(528,368)
Cash payments for interfund services used	(145,859)	(66,712)
Net Cash Provided by (Used in) Operating Activities	108,562	(48,856)
Cash Flows from Noncapital Financing Activities		
Payments for (reductions in) pension liability	(56,911)	2,831
Transfers in	-	74,188
Net Cash Flows from Noncapital Financing Activities	(56,911)	77,019
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisitions	(11,542)	-
Payments for landfill postclosure care	(32,000)	(28,163)
Net Cash Flows Provided by (Used in) Capital and Related Financing Activitie	(43,542)	(28,163)
Net Increase (Decrease) in Cash and Cash Equivalents	8,109	-
Cash and Cash Equivalents Beginning of Year	-	-
Cash and Cash Equivalents End of Year	$ 8,109	$ -
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities		
Operating Income (Loss)	$ 125,547	$ (48,170)
Adjustments		
Depreciation	833	8
(Increase) Decrease in Assets		
Accounts receivable and accrued revenue	(107)	(4,099)
Interfund receivable	46,289	(1,352)
Prepaid expenses	690	1,115
Increase (Decrease) in Liabilities		
Accounts payables and accrued expenses	7,033	2,020
Accrued payroll liabilities	-	(2,970)
Interfund payable	(71,723)	4,592
Net Cash Provided by (Used in) Operating Activities	$ 108,562	$ (48,856)

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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, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash	$ 3,123,628	$ 3,239,138
Receivables		
Interfund	310,446	325,330
Other	-	430
Prepaid items	65,813	75,333
Total Current Assets	3,499,887	3,640,231
Noncurrent Assets		
Capital assets		
Nondepreciable	26,977	26,977
Depreciable, net	1,346,079	1,416,448
Total Noncurrent Assets	1,373,056	1,443,425
Total Assets	4,872,943	5,083,656
Liabilities		
Current Liabilities		
Accounts payable	8,397	13,278
Accrued payroll liabilities	30,414	51,527
Deferred revenue	277,200	316,800
Interfund payable	3,163,113	3,182,577
Advances payable	51,887	50,359
Compensated absences payable	22,196	20,005
Total Current Liabilities	3,553,207	3,634,546
Long-term Liabilities		
Compensated absences payable	41,222	37,152
Advances payable (net of current portion)	915,555	967,442
Total Liabilities	4,509,984	4,639,140
Net Assets (Deficit)		
Invested in capital assets	1,373,056	1,443,425
Unrestricted (deficit)	(1,010,097)	(998,909)
Total Net Assets (Deficit)	$ 362,959	$ 444,516

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, 2012 and 2011

	2012	2011
Operating Revenues		
Charges for services	$ 2,447,484	$ 2,282,066
Miscellaneous	42,684	56,386
Total Operating Revenues	2,490,168	2,338,452
Operating Expenses		
Personal services	1,904,369	1,714,497
Contractual services	354,949	381,546
Supplies	116,675	107,397
Interfund allocations	25,643	9,244
Depreciation	70,369	79,334
Total Operating Expenses	2,472,005	2,292,018
Operating Income	18,163	46,434
Non-Operating Expenses		
Investment earnings	1,297	1,852
Interest expense	(29,971)	(31,454)
Total Non-Operating (Expenses)	(28,674)	(29,602)
Income Before Transfers	(10,511)	16,832
Transfers in	224	-
Transfers out	(71,270)	(39,600)
Total Transfers	(71,046)	(39,600)
Change in Net Assets	(81,557)	(22,768)
Net Assets Beginning of Year	444,516	467,284
Net Assets End of Year	$ 362,959	$ 444,516

City of Calhoun, Georgia
Utilities Administration Fund
Comparative Statements of Cash Flows
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Cash received from interfund services provided	$ 2,479,224	$ 1,999,822
Cash received from other	26,258	43,699
Cash payments for personal services	(1,919,221)	(1,753,460)
Cash payments for goods and services	(398,610)	2,784,251
Cash payments for interfund services used	(153,082)	(118,109)
Net Cash Provided by (Used in) Operating Activities	34,569	2,956,203
Cash Flows from Noncapital Financing Activities		
Transfers in	224	-
Transfers out	(71,270)	(39,600)
Advance (payments) from other funds	(50,359)	(48,876)
Interest paid on advance	(29,971)	(31,454)
Total Cash Flows Provided by (Used in) Noncapital Financing Activities	(151,376)	(119,930)
Cash Flows from Investing Activities		
Investment earnings	1,297	1,852
Net Increase (Decrease) in Cash and Cash Equivalents	(115,510)	2,838,125
Cash and Cash Equivalents Beginning of Year	3,239,138	401,013
Cash and Cash Equivalents End of Year	$ 3,123,628	$ 3,239,138
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 18,163	$ 46,434
Adjustments		
Depreciation	70,369	79,334
(Increase) Decrease in Assets		
Accounts receivable - other	430	(430)
Interfund receivables	14,884	(294,187)
Prepaid expenses	9,520	(2,438)
Increase (Decrease) in Liabilities		
Accounts payables and accrued expenses	(44,481)	(36,682)
Accrued payroll liabilities	(14,852)	38,963
Interfund payable	(19,464)	3,125,209
Net Cash Provided by (Used in) Operating Activities	$ 34,569	$ 2,956,203

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, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Assets				
Cash and cash equivalents	$ 15,654	$ 995,192	$ 989,646	$ 21,200
Liabilities				
Intergovernmental payable	$ 15,654	$ 995,192	$ 989,646	$ 21,200

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 [1]
Last Ten Fiscal Years
(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**	**June 30, 2012**
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	51,462,689
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	19,122,020
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	7,912,027
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	78,496,736
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	89,756,627
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	23,097,848
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	112,854,475
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	141,219,316
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	19,122,020
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	31,009,875
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	$ 191,351,211

	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**	**June 30, 2012**
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%	65.6%
Restricted	6.4%	7.0%	5.5%	5.7%	6.3%	6.5%	9.5%	12.1%	20.6%	24.4%
Unrestricted	12.0%	10.7%	10.3%	11.7%	13.2%	15.0%	13.3%	13.3%	9.6%	10.1%
Subtotal Governmental Activities Net Assets	100.0%	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%	79.5%
Restricted	0.1%	0.1%	0.3%	0.1%	0.0%	2.5%	0.0%	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%	20.5%
Subtotal Business-type Activities Net Assets	100.0%	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%	73.8%
Restricted	2.5%	2.9%	2.3%	2.4%	2.6%	4.2%	3.9%	4.9%	8.3%	10.0%
Unrestricted	16.1%	15.8%	16.6%	16.6%	17.3%	17.1%	17.4%	17.7%	16.2%	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%	100.0%

Notes:

[1] 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 Ten Fiscal Years
(accrual basis of accounting)

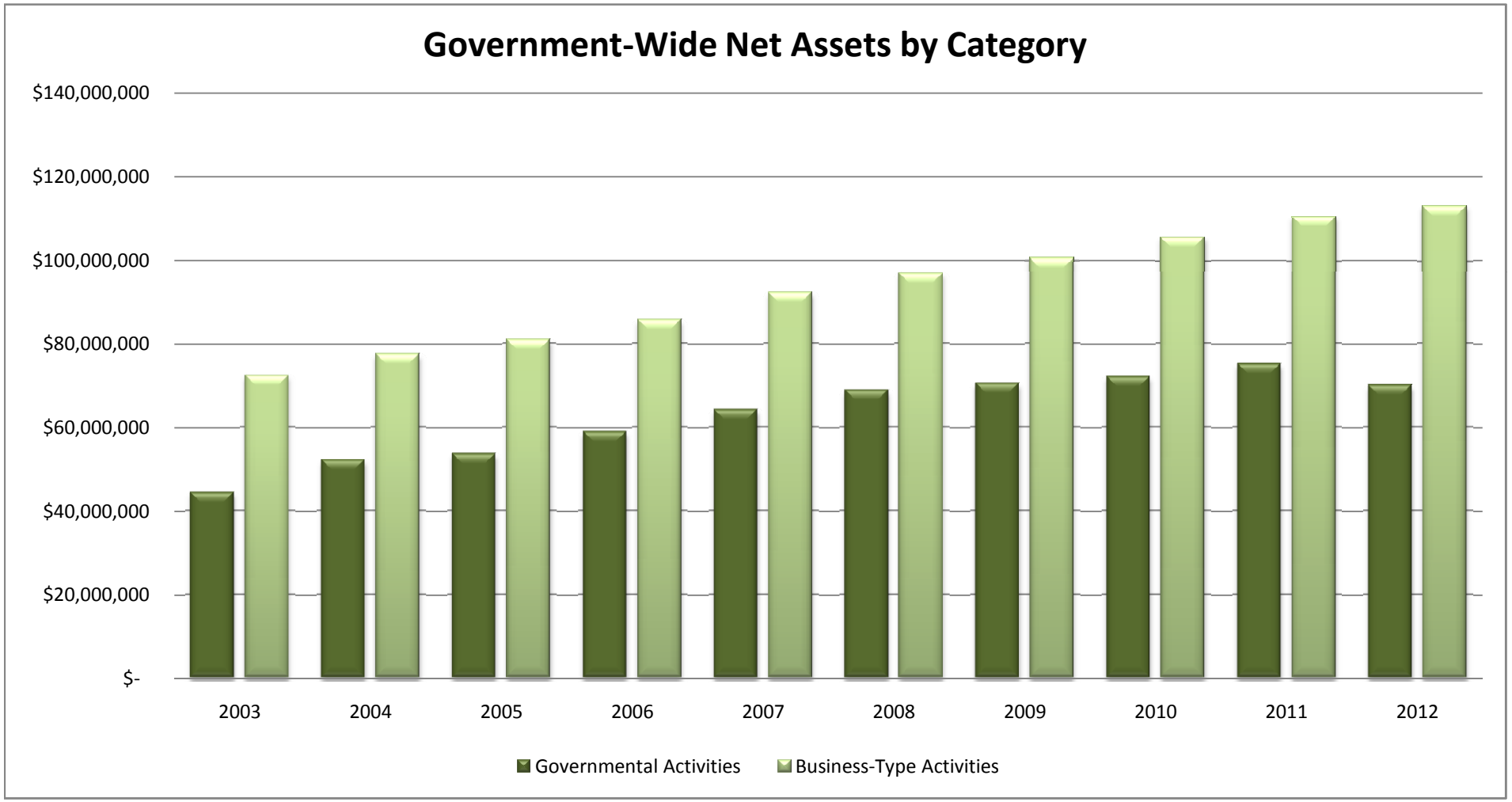


Exhibit II

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

	Fiscal Year Ended June 30,									
Source	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Expenses:										
General government	$ 710,210	$ 724,573	$ 832,492	$ 653,112	$ 856,885	$ 740,757	$ 1,027,285	$ 913,704	$ 776,593	$ 810,234
Judicial	162,710	205,219	220,446	300,437	333,732	362,286	368,035	369,108	370,600	373,132
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	6,536,010
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	2,840,555
Health and welfare	47,548	43,819	44,192	53,820	52,705	55,875	57,673	63,526	58,247	53,383
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	1,633,489
Housing and economic development	748,300	979,164	716,010	713,760	780,430	1,040,290	1,033,443	953,607	970,940	941,496
Education	1,283,162	907,571	2,681,712	1,063,098	909,255	887,135	963,995	937,959	516,728	909,436
Interest and fiscal charges	844,856	921,762	889,719	828,672	786,380	708,843	716,362	677,260	523,229	1,871,332
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	15,969,067
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	128,669
Public safety	791,925	863,975	817,269	1,074,297	1,063,990	1,026,933	794,988	856,148	920,826	1,021,023
Public works	40,983	8,150	21,313	23,520	39,559	23,093	25,710	17,094	16,111	14,955
Culture and recreation	123,478	169,613	164,760	167,617	177,231	176,613	160,558	159,990	215,276	223,302
Housing and economic development	150,840	129,730	187,595	124,697	201,835	154,646	136,787	98,116	76,305	78,006
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	4,525,283
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	2,628,092
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	8,619,330
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)	(7,349,737)
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	996,417
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	2,257,286
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	2,879,471
Insurance premium	458,202	496,567	534,241	558,949	583,046	606,368	605,645	566,412	718,274	779,685
Gas marketers	521,738	499,670	218,759	158,725	116,389	94,575	89,812	88,840	69,149	54,460
Other	555,170	553,468	592,116	596,565	661,179	696,941	697,715	673,066	691,253	691,409
Unrestricted intergovernmental	65,101	48,162	54,411	63,781	68,679	60,384	62,496	33,636	29,732	28,913
Investment earnings	498,250	304,280	151,413	292,899	448,503	462,878	230,986	145,205	95,043	52,642
Miscellaneous	87,070	117,052	63,472	37,995	96,724	62,687	127,259	54,037	53,715	42,583
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	3,060,444
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	10,843,310
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	$ 3,493,573

Exhibit III

City of Calhoun, Georgia
Changes in Net Assets - Governmental Activities - Percentage of Total
Last TenFiscal Years

(accrual basis of accounting)

	Fiscal Year Ended June 30,									
Source	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Expenses:										
General government	5.9%	6.0%	5.9%	5.1%	6.7%	5.1%	6.8%	6.2%	5.3%	5.1%
Judicial	1.4%	1.7%	1.6%	2.4%	2.6%	2.5%	2.4%	2.5%	2.5%	2.3%
Public safety	41.9%	43.2%	38.4%	43.9%	45.2%	44.7%	44.0%	44.5%	45.4%	40.9%
Public works	19.1%	17.6%	16.6%	19.0%	15.9%	16.7%	17.7%	18.1%	20.9%	17.8%
Health and welfare	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%
Culture and recreation	7.5%	7.7%	6.9%	8.7%	10.0%	12.6%	10.7%	10.8%	11.6%	10.2%
Housing and economic development	6.2%	8.1%	5.1%	5.6%	6.1%	7.1%	6.8%	6.5%	6.7%	5.9%
Education	10.7%	7.6%	19.0%	8.4%	7.1%	6.1%	6.4%	6.4%	3.5%	5.7%
Interest and fiscal charges	7.0%	7.7%	6.3%	6.5%	6.1%	4.9%	4.7%	4.6%	3.6%	11.7%
Total Expenses	100.0%	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%	1.5%
Public safety	7.2%	8.1%	12.0%	12.8%	15.0%	16.0%	14.3%	15.6%	12.3%	11.8%
Public works	0.4%	0.1%	0.3%	0.3%	0.6%	0.4%	0.5%	0.3%	0.2%	0.2%
Culture and recreation	1.1%	1.6%	2.4%	2.0%	2.5%	2.8%	2.9%	2.9%	2.9%	2.6%
Housing and economic development	1.4%	1.2%	2.8%	1.5%	2.8%	2.4%	2.5%	1.8%	1.0%	0.9%
Operating grants and contributions	34.5%	27.3%	39.4%	36.3%	45.1%	19.3%	64.4%	70.3%	49.3%	52.5%
Capital grants and contributions	54.8%	61.1%	42.1%	46.3%	32.4%	57.3%	12.9%	6.6%	32.6%	30.5%
Total Program Revenues	100.0%	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%	9.2%
Sales	19.1%	18.9%	20.7%	22.7%	20.9%	36.5%	35.4%	38.0%	20.4%	20.9%
Business license and franchise taxes	27.6%	26.8%	27.8%	28.0%	25.9%	25.2%	23.8%	24.0%	27.7%	26.6%
Insurance premium	5.5%	5.5%	6.1%	5.9%	5.5%	5.4%	5.4%	5.2%	7.1%	7.2%
Gas marketers	6.2%	5.5%	2.5%	1.7%	1.1%	0.8%	0.8%	0.8%	0.7%	0.5%
Other	6.6%	6.1%	6.7%	6.3%	6.3%	6.2%	6.3%	6.2%	6.8%	6.4%
Unrestricted intergovernmental	0.8%	0.5%	0.6%	0.7%	0.7%	0.5%	0.6%	0.3%	0.3%	0.3%
Investment earnings	6.0%	3.3%	1.7%	3.1%	4.3%	4.1%	2.1%	1.3%	0.9%	0.5%
Miscellaneous	1.0%	1.3%	0.7%	0.4%	0.9%	0.6%	1.1%	0.5%	0.5%	0.4%
Transfers in	15.2%	21.6%	24.0%	20.7%	21.5%	10.7%	8.6%	6.7%	23.2%	28.1%
Total General Revenues and Transfers In	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

The percentages are calculated from the information at Exhibit II.

Exhibit IV

City of Calhoun, Georgia
Tax Revenues by Source - Governmental Activities
Last Ten Fiscal Years
(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
2012	996,417	2,257,286	2,879,471	779,685	54,460	691,409	7,658,728
% Change From 2003-2012	-0.6%	41.1%	24.9%	70.2%	-89.6%	24.5%	18.9%

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%
2012	13.0%	29.5%	37.6%	10.2%	0.7%	9.0%	100.0%

Notes:

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

Exhibit V

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

	Fiscal Year Ended June 30,									
Source	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
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	$ 31,075,351
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	12,150,426
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	939,840
Telecommunications	588,124	651,075	576,736	645,065	711,990	702,866	796,054	748,676	911,041	927,374
Solid waste	963,170	886,979	850,943	1,002,433	992,069	801,965	751,610	783,757	746,211	589,174
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	45,682,165
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	32,322,520
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	15,070,678
Fields Ferry golf course	882,467	882,605	836,799	841,132	931,627	947,832	815,499	752,590	728,464	534,143
Telecommunications	707,711	702,469	717,008	813,975	833,147	901,719	955,306	943,803	949,524	988,103
Solid waste	428,689	445,174	487,415	725,930	768,936	450,665	447,411	687,647	692,077	705,364
Operating grants and contributions	1,275,360	-	-	-	-	-	-	-	123,040	342,410
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	691,825
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	50,655,043
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	4,972,878
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	243,757
Miscellaneous	253,538	143,440	437,527	423,012	320,181	449,423	302,435	318,312	410,092	289,235
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)	(3,060,444)
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)	(2,527,452)
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	$ 2,445,426

Exhibit VI

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

	Fiscal Year Ended June 30,									
Source	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Expenses:										
Electric system	59.8%	61.3%	61.9%	62.6%	59.8%	58.8%	56.8%	59.3%	64.5%	68.0%
Water and sewerage system	32.3%	30.8%	31.0%	30.5%	33.3%	34.8%	36.2%	33.9%	29.0%	26.6%
Fields ferry golf course	3.4%	3.4%	3.2%	2.8%	2.8%	2.7%	3.0%	2.8%	2.4%	2.1%
Telecommunications	1.7%	1.9%	1.6%	1.6%	1.8%	1.7%	2.1%	2.0%	2.2%	2.0%
Solid waste	2.8%	2.6%	2.3%	2.5%	2.4%	1.9%	1.9%	2.0%	1.8%	1.3%
Total Expenses	100.0%	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%	63.8%
Water and sewerage system	30.6%	32.9%	33.2%	32.0%	35.1%	34.2%	34.2%	35.0%	30.3%	29.8%
Fields ferry golf course	2.2%	2.1%	2.0%	1.8%	1.9%	2.1%	2.0%	1.8%	1.5%	1.1%
Telecommunications	1.8%	1.7%	1.7%	1.7%	1.7%	2.0%	2.3%	2.2%	2.0%	2.0%
Solid waste	1.1%	1.1%	1.2%	1.6%	1.6%	1.0%	1.1%	1.6%	1.5%	1.4%
Operating grants and contributions	3.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.7%
Capital grants and contributions	1.9%	3.0%	3.6%	3.7%	5.6%	1.0%	0.9%	0.3%	1.9%	1.4%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

The percentages are calculated from the information at Exhibit V.

Exhibit VII

City of Calhoun, Georgia
Changes in Net Assets - Total
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
Source	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Expenses:										
Governmental activities[1]	$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	$ 15,969,067
Business-type activities[2]	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	45,682,165
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	61,651,232
Program Revenues										
Governmental activities[1]	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	8,619,330
Business-type activities[2]	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	50,655,043
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	59,274,373
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)	(2,376,859)
General Revenues and Transfers:										
Governmental activities[1]	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	10,843,310
Business-type activities[2]	(820,187)	(1,644,701)	(1,446,676)	(1,142,201)	(1,349,205)	(58,389)	(112,831)	(106,099)	(1,651,403)	(2,527,452)
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	8,315,858
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	$ 5,938,999

Data Source:

[1] Exhibit II.

[2] Exhibit V.

Exhibit VIII

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	$ 134,638	$ 151,322	$ 284,676	$ 200,841	$ 172,825	$ 130,383	$ 393,709	$ 509,437	$ -	$ -
Unreserved	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	401,073
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	4,000,757	3,959,964
Unassigned	-	-	-	-	-	-	-	-	2,348,480	3,409,176
Subtotal General Fund	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	7,770,213
General Fund Percentage Change	9.8%	1.6%	2.2%	11.9%	11.6%	-7.4%	-13.5%	-11.2%	5.8%	14.0%
All Other Governmental Funds										
Reserved [1]	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	(31,858)	(20,415)	(27,456)	5,313	28,026	23,051	(20,804)	(1,385)	-	-
Capital Projects Funds	(202,717)	(262,403)	(474,744)	(119,531)	(119,589)	2,350,758	2,487,585	3,197,082	-	-
Nonspendable	-	-	-	-	-	-	-	-	55,232	6,343
Restricted	-	-	-	-	-	-	-	-	34,663,373	30,122,295
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned										
Special Revenue Funds	-	-	-	-	-	-	-	-	(4,390)	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Subtotal All Other Governmental Funds	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	30,128,638
Total Governmental Funds										
Reserved	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	6,604,320	6,653,004	6,459,032	7,795,897	8,787,381	10,629,883	9,329,869	9,129,810	-	-
Nonspendable	-	-	-	-	-	-	-	-	520,708	407,416
Restricted	-	-	-	-	-	-	-	-	34,663,373	30,122,295
Committed	-	-	-	-	-	-	-	-	4,000,757	3,959,964
Unassigned										
General Fund	-	-	-	-	-	-	-	-	2,348,480	3,409,176
Special Revenue Funds	-	-	-	-	-	-	-	-	(4,390)	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
	$ 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	$ 37,898,851
All Governmental Funds Percentage Change	23.4%	-58.7%	-13.3%	19.2%	13.6%	18.0%	5.1%	9.8%	140.0%	-8.7%

Notes:

[1] In fiscal year 2003, the City issued $5,000,000 in general obligation bonds. The large reserved fund balance at June 30, 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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	$ 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	$ 7,841,840
Intergovernmental	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	7,122,576
Licenses and permits	211,321	185,223	241,404	192,627	298,341	258,454	262,284	219,490	201,293	200,394
Charges for services	1,995,470	2,187,676	2,218,450	288,820	383,276	406,544	391,946	375,453	404,449	414,540
Fines and forfeitures	843,318	696,023	780,862	870,448	893,024	767,025	594,969	588,606	556,013	655,469
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	101,001
Miscellaneous	101,970	132,202	89,787	62,963	51,839	71,977	38,330	35,097	48,782	39,422
Total Revenues	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	16,375,242
% change from prior year	38.6%	2.0%	-4.5%	2.0%	0.4%	12.6%	-7.1%	-1.2%	0.8%	8.2%
Taxes	43.7%	44.5%	46.4%	50.3%	51.5%	47.1%	48.7%	48.3%	51.0%	47.9%
Intergovernmental	31.1%	31.9%	29.1%	35.5%	33.9%	40.9%	41.1%	42.6%	40.4%	43.5%
Licenses and permits	1.5%	1.2%	1.7%	1.3%	2.1%	1.6%	1.7%	1.5%	1.3%	1.2%
Fines and forfeitures	13.7%	14.7%	15.6%	2.0%	2.6%	2.5%	2.6%	2.5%	2.7%	2.5%
Charges for services	5.8%	4.7%	5.5%	6.0%	6.1%	4.7%	3.9%	3.9%	3.7%	4.0%
Contributions and donations	0.1%	0.0%	0.0%	2.4%	0.3%	0.0%	0.2%	0.0%	0.0%	0.0%
Investment earnings	3.4%	2.0%	1.1%	2.0%	3.1%	2.8%	1.5%	1.0%	0.6%	0.6%
Miscellaneous	0.7%	1.0%	0.6%	0.5%	0.4%	0.4%	0.3%	0.2%	0.3%	0.2%
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.

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
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
2012	1,180	2,257	2,880	780	54	691	7,842
% Change From 2003-2012	27.8%	41.1%	24.9%	70.3%	-89.7%	24.3%	23.2%

Fiscal Year Ended June 30,	Percentage of Total Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other[1]	Total
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%
2012	15.0%	28.8%	36.7%	9.9%	0.7%	8.8%	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.

Exhibit XI

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

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenditures:										
Current:										
General government [2]	$ 2,397,250	$ 2,558,450	$ 2,719,269	$ 616,511	$ 847,374	$ 1,126,658	$ 1,004,306	$ 897,578	$ 927,518	$ 821,051
Judicial	162,710	206,840	220,424	299,345	333,892	360,207	400,454	363,530	364,090	367,148
Public safety	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	6,273,075
Public works	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	2,001,412
Health and welfare	47,345	43,559	45,037	53,820	52,567	55,905	58,254	63,698	58,678	53,469
Culture and recreation	763,662	762,312	766,077	872,095	1,365,314	2,122,797	1,279,260	1,181,283	1,315,642	1,212,754
Housing and economic development	758,680	972,734	715,135	729,760	786,511	1,064,702	1,020,584	939,055	974,467	884,600
Education	90,787	112,294	104,360	115,002	140,057	97,775	133,712	112,978	99,103	81,758
Total Current	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	11,695,267
% Change From Prior Year	9.8%	4.5%	1.6%	-13.9%	14.6%	18.3%	-5.6%	-9.7%	1.5%	-0.6%
Capital Outlay	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	8,902,937
% Change From Prior Year	92.7%	323.5%	-82.0%	-38.2%	-16.5%	0.2%	-19.4%	-34.7%	-54.3%	2071.2%
Debt Service										
Principal	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	1,098,439
Interest and fees	921,051	957,679	894,502	836,140	795,824	744,110	710,875	676,517	823,716	1,375,080
Total Debt Service	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	2,473,519
% Change From Prior Year	-1.4%	82.6%	15.8%	-3.1%	4.0%	-12.5%	-31.7%	3.2%	12.9%	25.6%
Total Expenditures	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	23,071,723
Debt Service as a % of Noncapital Expenditures	10.8%	17.5%	19.4%	21.3%	19.8%	15.4%	11.6%	13.1%	14.3%	17.5%

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.

Exhibit XII

City of Calhoun, Georgia

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

Last Ten Fiscal Years

(modified accrual basis of accounting)

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenditures:										
Current:										
General government [2]	$ 2,397,250	$ 2,558,450	$ 2,719,269	$ 616,511	$ 847,374	$ 1,126,658	$ 1,004,306	$ 897,578	$ 927,518	$ 821,051
Judicial	162,710	206,840	220,424	299,345	333,892	360,207	400,454	363,530	364,090	367,148
Public safety	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	6,273,075
Public works	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	2,001,412
Health and welfare	47,345	43,559	45,037	53,820	52,567	55,905	58,254	63,698	58,678	53,469
Culture and recreation	763,662	762,312	766,077	872,095	1,365,314	2,122,797	1,279,260	1,181,283	1,315,642	1,212,754
Housing and economic development	758,680	972,734	715,135	729,760	786,511	1,064,702	1,020,584	939,055	974,467	884,600
Education	90,787	112,294	104,360	115,002	140,057	97,775	133,712	112,978	99,103	81,758
Total Current	$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	$ 11,695,267
Current:										
General government	21.9%	22.3%	23.4%	6.2%	7.4%	8.3%	7.8%	7.7%	7.9%	7.0%
Judicial	1.5%	1.8%	1.9%	3.0%	2.9%	2.6%	3.1%	3.1%	3.1%	3.1%
Public safety	43.8%	44.3%	44.6%	55.1%	56.3%	54.1%	54.9%	54.0%	53.2%	53.6%
Public works	17.7%	15.0%	16.1%	18.1%	13.0%	10.4%	14.7%	15.3%	15.0%	17.1%
Health and welfare	0.4%	0.4%	0.4%	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%	0.5%
Culture and recreation	7.0%	6.7%	6.6%	8.7%	11.9%	15.6%	10.0%	10.2%	11.2%	10.4%
Housing and economic development	6.9%	8.5%	6.1%	7.3%	6.8%	7.8%	8.0%	8.1%	8.3%	7.6%
Education	0.8%	1.0%	0.9%	1.1%	1.2%	0.7%	1.0%	1.0%	0.8%	0.7%
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

Exhibit XIII

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Revenues - Exhibit IX	$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	$ 16,375,242
Total Expenditures - Exhibit XI	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	23,071,723
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,048,093)	(17,328,056)	(3,556,599)	(313,740)	(1,496,657)	(1,419,221)	(702,361)	775,651	985,734	(6,696,481)
Other Financing Sources (Uses)										
Sale of capital assets	-	2,709	-	29,421	104,706	15,966	8,561	39,482	15,029	5,960
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	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	4,812,524
Transfers out	(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)	(1,752,080)
Total Other Financing Sources (Uses)	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	3,066,404
Net Change in Fund Balances	$ 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	$ (3,630,077)

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
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%
2012	32,479,999	8.1%	31,064,341	17.4%	1,415,658	-60.5%

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Operating Revenues	$ 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	$ 32,479,999
Operating Expenses:										
Personal services	878,686	763,755	943,172	1,038,029	1,105,318	1,146,427	1,096,791	1,006,135	967,652	1,006,219
Contractual services	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	1,668,219
Supplies [1]	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	27,314,660
Interfund allocations	331,322	339,033	356,075	498,617	521,867	570,844	519,203	521,220	438,620	440,032
Depreciation	616,325	643,272	674,416	674,492	684,543	697,996	695,734	688,541	710,700	755,639
Other	44,928	49,897	66,012	74,153	62,687	23,457	34,453	49,446	(70,249)	(120,428)
Total Operating Expenses	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	31,064,341
Operating Income	$ 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	$ 1,415,658
Operating Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:										
Personal services	4%	4%	4%	4%	5%	5%	5%	5%	4%	3%
Contractual services	7%	7%	6%	6%	6%	6%	6%	5%	4%	6%
Supplies	84%	85%	85%	85%	84%	84%	83%	84%	88%	88%
Interfund allocation	2%	2%	2%	2%	2%	2%	2%	2%	2%	1%
Depreciation	3%	3%	3%	3%	3%	3%	3%	3%	3%	2%
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	14.4%	13.6%	7.7%	8.7%	9.1%	12.2%	14.4%	12.5%	11.9%	4.4%

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]						
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
2012	1,006,219	1,668,219	27,314,660	440,032	755,639	(120,428)	31,064,341
*[1]	$ 995,218	$ 1,395,088	$ 20,288,099	$ 453,683	$ 684,166	$ 21,436	$ 23,837,690
**[2]	14.5%	15.5%	60.6%	32.8%	22.6%	-368.0%	52.9%
	Annual Percentage Change						
2003	-13.1%	2.9%	5.9%	2.3%	4.4%	11.1%	4.8%
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%
2012	4.0%	42.2%	17.5%	0.3%	6.3%	71.4%	17.4%

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
2003	12,220,073	-20.0%	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%
2012	15,139,697	4.3%	11,344,750	4.4%	3,794,947	3.8%

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Operating Revenues	$ 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	$ 15,139,697
Operating Expenses:										
Personal services	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	3,014,733
Contractual services	1,302,043	1,099,696	939,863	904,876	1,035,051	1,161,630	862,234	731,109	701,888	818,430
Supplies	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	2,745,358
Interfund allocation	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	1,736,692
Depreciation	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	2,973,956
Amortization	118,921	112,459	108,477	104,106	92,845	93,163	89,651	82,457	74,766	53,833
Other	47,110	53,874	93,892	111,513	8,976	4,662	2,837	7,337	5,911	1,748
Total Operating Expenses	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	11,344,750
Operating Income	$ 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	$ 3,794,947
Operating Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating Expenses:										
Personal services	22%	24%	25%	22%	22%	25%	28%	27%	27%	27%
Contractual services	13%	11%	9%	8%	8%	9%	7%	6%	6%	7%
Supplies	30%	26%	27%	35%	32%	24%	25%	25%	23%	24%
Interfund allocation	13%	14%	15%	12%	16%	16%	17%	17%	16%	15%
Depreciation	21%	23%	23%	21%	21%	25%	22%	24%	27%	26%
Amortization	1%	1%	1%	1%	1%	1%	1%	1%	1%	0%
Other	0%	1%	1%	1%	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	17.4%	28.9%	26.9%	25.6%	28.0%	14.8%	12.0%	20.9%	25.2%	25.1%

Data Source:

[1] Applicable years' comprehensive annual

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]							
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
2012	3,014,733	818,430	2,745,358	1,736,692	2,973,956	53,833	1,748	11,344,750
*[1]	$ 2,822,286	$ 955,682	$ 3,057,608	$ 1,740,112	$ 2,644,807	$ 93,068	$ 33,786	$ 11,347,348
**[2]	37.4%	-37.1%	-7.9%	29.3%	41.1%	-54.7%	-96.3%	12.4%
	Annual Percentage Change							
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%
2012	3.6%	16.6%	12.1%	-2.4%	1.1%	-28.0%	-70.4%	4.4%

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

	Amounts [5] *(in thousands of dollars)*											
Fiscal [1] Year	**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**
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%
2012	173,589	324,327	204,160	3,377	1,006	4,468	27,677	24,069	714,536	17.603	1,786,340	-10.2%
% Change From 2003-2012	91.64%	120.06%	4.51%	550.21%	198.35%	-24.78%	19.87%	-33.05%	63.40%	-4.24%	64.96%	
	Percentage of Total Assessed Valuation											
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%			
2012	23.5%	43.9%	27.6%	0.5%	0.1%	0.6%	3.7%	3.3%	96.7%			

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	
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
2012	1.591	16.012	17.603	0.250	9.800	-	-	9.800	27.653
% Change From 2003-2012	1.3%	-4.8%	-4.2%	0.0%	84.5%	0.0%	0.0%	84.5%	16.0%

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, 2012				Fiscal Year Ended June 30, 2003			
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	$ 78,870	1	11.0%	Aladdin (Mohawk) Industries	$ 57,963	1	11.9%
Shaw Industries Group, Inc.	32,459	2	4.5%	The Dixie Group	45,565	2	9.4%
Engineered Floors, LLC	24,903	5	3.5%	Mannington Carpets	15,170	3	3.1%
Kobelco	24,288	3	3.4%	Kobelco	14,887	4	3.1%
Faus	14,742	4	2.1%	Prime Calhoun Outlets	9,993	5	2.1%
Mannington	16,909	6	2.4%	Springs Industries	9,162	6	1.9%
Fieldturf USA	13,171	7	1.8%	Wal-Mart	6,051	7	1.2%
Apache Mills, Inc.	7,329	8	1.0%	Shaw Industries	4,106	8	0.8%
Brumlow Mills	4,985	9	0.7%	Georgia Corp	3,389	9	0.7%
CAF Extrusions, LLC	4,937	10	0.7%	Beaulieu	2,628	10	0.5%
Total Principal Taxpayers	222,593		31.2%	**Total Principal Taxpayers**	168,914		34.7%
All Other Taxpayers	491,943		68.8%	**All Other Taxpayers**	318,063		65.3%
Total	$ 714,536		100.00%	**Total**	$ 486,977		100.00%

Data Source:
[1] City Tax Records

Exhibit XXIII

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
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%	216	8,536	99.86%	12	0.14%
2007	9,484	9,246	97.49%	223	9,469	99.84%	15	0.16%
2008	10,323	9,940	96.29%	274	10,214	98.94%	109	1.06%
2009	11,670	10,430	89.37%	1,016	11,446	98.08%	224	1.92%
2010	11,911	10,939	91.84%	654	11,593	97.33%	318	2.67%
2011	11,377	10,631	93.44%	302	10,933	96.10%	444	3.90%
2012	12,012	11,341	94.41%	-	11,341	94.41%	671	5.59%

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
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%
2012	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 expired March 31, 2012. Another special purpose local option sales tax was approved effective April 1, 2012 and expires March 31, 2018.

[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 expired 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 [2]	% Change
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%
2012	410,945,400	9.4%	2,851,906	-4.0%	1,302,302	-4.3%

Notes:

[2] Amounts expressed in thousands of gallons.

Data Source:

[1] City's utility billing department.

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

	2003	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*
Residential:										
Summer Rates:										
Base Charge	$ 7.8800	$ 7.8800	$ 7.8800	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000
First 650 kWh	0.0718	0.0718	0.0718	-	-	-	-	-	-	-
Next 350 kWh	0.0718	0.0718	0.0718	-	-	-	-	-	-	-
Over 1000 kWh	0.0718	0.0718	0.0718	-	-	-	-	-	-	-
Transmission/kWh	-	-	-	0.0050	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	0.0640
Energy Charge	-	-	-	0.0150	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							
Next 350 kWh	0.0718	0.0718	0.0718	-	-	-	-	-	-	-
Over 1000 kWh	0.0718	0.0718	0.0718	-	-	-	-	-	-	-
Small Power Non-demand										
Base Charge	16.520	16.520	16.520	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000
First 25 kWh	-	-	-	-	-	-	-	-	-	-
Next 2975 kWh	0.1198	0.1198	0.1198	-	-	-	-	-	-	-
Next 7000 kWh	0.1155	0.1155	0.1155	-	-	-	-	-	-	-
All over 10000 kWh	0.10234	0.10234	0.10234	-	-	-	-	-	-	-
Transmission/kWh	-	-	-	0.0050	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	0.1100
Over 3,000/kWh	-	-	-	0.1000	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	0.0100
Small Power										
Base charge	16.5200	16.5200	16.5200	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
First 25 kWh:										
Next 2975 kWh	0.1179	0.1179	0.1179	-	-	-	-	-	-	-
Next 7000 kWh	0.1136	0.1136	0.1136	-	-	-	-	-	-	-
Over 10000 kWh	0.1005	0.1005	0.1005	-	-	-	-	-	-	-
Next 200 X kWh	0.0305	0.0305	0.0305	-	-	-	-	-	-	-
Next 200 X kWh	0.0290	0.0290	0.0290	-	-	-	-	-	-	-
Over 600 X kWh	0.0278	0.0278	0.0278	-	-	-	-	-	-	-
Transmission&Demand/kWh				2.25000	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	0.1060
Next 200 HUD	-	-	-	0.0440	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	0.0400
Medium Power										
Base charge	18.10000	18.10000	18.10000	60.00000	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	-	-	-	-	-	-	-
next 7,000	0.1085	0.1085	0.1085	-	-	-	-	-	-	-
next 190,000	0.1009	0.1009	0.1009	-	-	-	-	-	-	-

City of Calhoun, Georgia

Electric Service Rates [1]

Last Ten Fiscal Years

	2003	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*
Over 200,000	0.0821	0.0821	0.0821	-	-	-	-	-	-	-
Next 200 HUD	0.0309	0.0309	0.0309	-	-	-	-	-	-	-
Next 200 HUD	0.0279	0.0279	0.0279	-	-	-	-	-	-	-
Over 600 HUD	0.0268	0.0268	0.0268	-	-	-	-	-	-	-
Transmission&Demand/kWh				2.50000	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	0.1000
Next 200 HUD	-	-	-	0.0900	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	0.0440
Over 600 HUD	-	-	-	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Large Power:										
Base Charge	18.10000	18.10000	18.10000	100.00000	100.00000	100.0000	100.0000	100.0000	100.0000	100.0000
First 200 X kWh:										
First 3000 kWh	0.11990	0.11990	0.11990	-	-	-	-	-	-	-
Next 7000 kWh	0.11050	0.11050	0.11050	-	-	-	-	-	-	-
Next 190000 kWh	0.09690	0.09690	0.09690	-	-	-	-	-	-	-
Over 200000 kWh	0.08120	0.08120	0.08120	-	-	-	-	-	-	-
Next 200 X kWh	0.03020	0.03020	0.03020	-	-	-	-	-	-	-
Next 200 X kWh	0.02960	0.02960	0.02960	-	-	-	-	-	-	-
Over 600 X kWh	0.01620	0.01620	0.01620	-	-	-	-	-	-	-
Transmission&Demand/kWh						3.0000	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	0.0880
First 100,000 kWh				0.07800	0.07800	0.0780	0.0780	0.0780	0.0780	0.0780
Over 100,000	-	-	-	0.04400	0.04400	0.0440	0.0440	0.0440	0.0440	0.0440
Next 200 HUD	-	-	-	0.04000	0.04000	0.0400	0.0400	0.0400	0.0400	0.0400
Over 600 HUD	-	-	-	0.03750	0.03750	0.0375	0.0375	0.0375	0.0375	0.0375
Extra Large Power	-	-	-	-	-	-	-	-	-	-
Base Charge	148.37000	148.37000	148.37000	148.37000	-	-	-	-	-	-
First 200 HUD	0.07950	0.07950	0.07950	0.07950	-	-	-	-	-	-
Next 200 HUD	0.02860	0.02860	0.02860	0.02860	-	-	-	-	-	-
Next 200 HUD	0.02720	0.02720	0.02720	0.02720	-	-	-	-	-	-
Over 600 HUD	0.02490	0.02490	0.02490	0.02490	-	-	-	-	-	-
Large Industrial IND										
Customer Charge	155.00000	155.00000	155.00000	500.00000	500.00000	500.0000	500.0000	500.0000	500.0000	500.0000
Transmission Demand/kWh	1.50000	1.50000	1.50000	1.50000	1.50000	1.5000	1.5000	1.5000	1.5000	1.5000
First 200 HUD										
First 160,000 kWh	0.09820	0.09820	0.09820	0.09000	0.09000	0.0900	0.0900	0.0900	0.0900	0.0900
Over 160,000	0.06370	0.06370	0.06370	0.07000	0.07000	0.0700	0.0700	0.0700	0.0700	0.0700
Next 300 HUD	0.02550	0.02550	0.02550	0.04200	0.04200	0.0420	0.0420	0.0420	0.0420	0.0420
Over 500 HUD	0.02060	0.02060	0.02060	0.03750	0.03750	0.0375	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

	2003	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*
Inside city limits:										
Minimum charges:										
1st 2,000 gallons:										
3/4" x 1"	$ 8.50	$ 8.50	$ 9.00	$ 9.00	$ 9.00	-	-	-	-	-
2" residential	15.00	15.00	n/a	n/a	n/a	-	-	-	-	-
2" residential/commercial	n/a	n/a	86.50	86.50	86.50	-	-	-	-	-
2" commercial/industrial	45.00	45.00	n/a	n/a	n/a	-	-	-	-	-
2" irrigation	n/a	n/a	20.00	20.00	20.00	-	-	-	-	-
4" commercial/industrial	346.00	346.00	346.00	346.00	346.00	-	-	-	-	-
6" commercial/industrial	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	-	-	-	-	-
Per 1,000 gallons thereafter:										
3/4" x 1"	0.93	1.03	1.22	1.41	1.60	-	-	-	-	-
2" residential	0.93	1.03	n/a	n/a	n/a	-	-	-	-	-
2" residential/commercial	n/a	n/a	1.22	1.41	1.60	-	-	-	-	-
2" commercial/industrial	0.93	1.03	n/a	n/a	n/a	-	-	-	-	-
2" irrigation	n/a	n/a	1.22	1.41	1.60	-	-	-	-	-
4" commercial/industrial	0.93	1.03	1.16	1.29	1.42	-	-	-	-	-
6" commercial/industrial	0.93	1.03	1.16	1.29	1.42	-	-	-	-	-
8" commercial/industrial	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	$ 7.72
2" commercial/residential	-	-	-	-	-	86.50	86.50	99.02	102.00	109.14
2" irrigation	-	-	-	-	-	20.00	20.00	22.89	23.58	25.23
4" industrial	-	-	-	-	-	346.00	346.00	363.30	374.20	400.39
6" industrial	-	-	-	-	-	691.00	691.00	725.55	747.32	799.63
8" industrial	-	-	-	-	-	1,211.00	1,211.00	1,271.55	1,309.70	1,401.38
Per 1,000 gallons thereafter:										
3/4" x 1" (residential)	-	-	-	-	-	1.64	1.70	1.78	1.83	1.96
2" commercial/residential	-	-	-	-	-	1.64	1.70	1.78	1.83	1.96
2" irrigation	-	-	-	-	-	1.64	1.70	1.78	1.83	1.96
4" industrial	-	-	-	-	-	1.46	1.51	1.58	1.63	1.74
6" industrial	-	-	-	-	-	1.46	1.51	1.58	1.63	1.74
8" industrial	-	-	-	-	-	1.46	1.51	1.58	1.63	1.74
10,001 - 30,000										
3/4" x 1" (residential)	-	-	-	-	-	2.64	2.70	2.83	2.91	3.11
2" residential	-	-	-	-	-	n/a	n/a	2.83	2.91	3.11
2" commercial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	2.64	2.70	2.83	2.91	3.11
4" commercial/industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
6" commercial/industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
8" commercial/industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a

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

	2003	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*
30,001 - 50,000 gallons										
3/4" x 1" (residential)	-	-	-	-	-	3.64	3.70	3.88	4.00	4.28
2" residential	-	-	-	-	-	n/a	n/a	3.88	4.88	4.28
2" commercial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	3.64	3.70	3.88	4.00	4.28
4" industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
6" industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
8" industrial	-	-	-	-	-	n/a	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	5.38
2" residential	-	-	-	-	-	n/a	n/a	4.88	5.03	5.38
2" commercial						n/a	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	10.00	10.35	4.88	5.03	5.38
4" industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
6" industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
8" industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
Outside city limits:										
Minimum charge										
3/4" x 1"	11.50	11.50	12.00	12.00	12.00	-	-	-	-	-
2" residential	21.00	21.00	n/a	n/a	n/a	-	-	-	-	-
2" residential/commercial	n/a	n/a	173.00	132.50	132.50	-	-	-	-	-
2" commercial/industrial	69.00	69.00	n/a	n/a	n/a	-	-	-	-	-
2" irrigation	n/a	n/a	30.00	30.00	30.00	-	-	-	-	-
4" commercial/industrial	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	-	-	-	-	-
8" commercial/industrial	1,871.00	1,871.00	1,871.00	1,871.00	1,871.00	-	-	-	-	-
Per 1,000 gallons thereafter:										
3/4" x 1"	1.56	1.66	1.91	2.04	2.17	-	-	-	-	-
2" irrigation	n/a	n/a	1.91	2.04	2.17	-	-	-	-	-
4" industrial	1.56	1.66	1.82	1.82	1.95	-	-	-	-	-
6" industrial	1.56	1.66	1.82	1.82	1.95	-	-	-	-	-
8"industrial	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	9.92
2" residentail	-	-	-	-	-	132.50	132.50	151.67	156.22	167.15
2" commercial/industrial		-	-	-	-	132.50	132.50	151.67	156.22	167.15
2" irrigation	-	-	-	-	-	30.00	30.00	34.34	37.37	39.98
4" industrial	-	-	-	-	-	531.00	531.00	557.55	574.28	614.48

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

	2003	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*
6" industrial	-	-	-	-	-	1,051.00	1,051.00	1,103.55	1,136.66	1,216.23
8" industrial	-	-	-	-	-	1,871.00	1,871.00	1,964.55	2,023.49	2,165.13
Per 1,000 gallons thereafter:										
3/4" x 1" (residential)	-	-	-	-	-	2.23	2.31	2.42	2.49	2.66
2" residential	-	-	-	-	-	2.23	2.31	2.42	2.49	2.66
2" commercial/industrial		-	-	-	-	n/a	n/a	n/a	n/a	2.66
2" irrigation	-	-	-	-	-	2.23	2.31	2.42	2.49	2.66
4" industrial	-	-	-	-	-	2.00	2.07	2.17	2.24	2.40
6" industrial	-	-	-	-	-	2.00	2.07	2.17	2.24	2.40
8" industrial	-	-	-	-	-	2.00	2.07	2.17	2.24	2.40
10,001 - 30,000										
3/4" x 1" (residential)	-	-	-	-	-	3.23	3.31	3.47	3.57	3.82
2" residential	-	-	-	-	-	n/a	n/a	3.47	3.57	3.82
2" commercial/industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	3.23	3.31	3.47	3.57	3.82
4" industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
6" industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
8" industrial	-	-	-	-	-	n/a	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	4.99
2" residential	-	-	-	-	-	n/a	n/a	4.52	4.66	4.99
2" commercial/industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	4.23	4.31	4.52	4.66	4.99
4" industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
6" industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
8" industrial	-	-	-	-	-	n/a	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	6.09
2" residential	-	-	-	-	-	n/a	n/a	5.52	5.69	6.09
2" commercail/industrial		-	-	-	-	n/a	n/a	n/a	n/a	n/a
2" irrigation	-	-	-	-	-	12.00	12.42	5.52	5.69	6.09
4" industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
6" industrial	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a
8" industrial	-	-	-	-	-	n/a	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

	2003	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*
Inside city limits:										
Minimum charges:										
1st 2,000 gallons:										
3/4" x 1"	$ 2.80	$ 7.00	$ 7.00	$ 7.00	$ 7.00	-	-	-	-	-
2"	5.00	12.00	65.00	65.00	65.00	-	-	-	-	-
4"	18.00	277.00	260.00	260.00	260.00	-	-	-	-	-
6"	30.00	553.00	518.00	518.00	518.00	-	-	-	-	-
8"	50.00	969.00	908.00	908.00	908.00	-	-	-	-	-
Per 1,000 gallons thereafter:										
3/4" x 1"	1.60	1.75	2.07	2.39	2.71	-	-	-	-	-
2"	1.60	1.75	2.07	2.39	2.71	-	-	-	-	-
4"	1.60	1.75	1.87	1.99	2.11	-	-	-	-	-
6"	1.60	1.75	1.87	1.99	2.11	-	-	-	-	-
8"	1.60	1.75	1.87	1.99	2.11	-	-	-	-	-
Existing county customers										
Minimum charge										
3/4" x 1"	2.80	7.00	7.00	7.00	7.00	-	-	-	-	-
2"	5.00	12.00	65.00	65.00	65.00	-	-	-	-	-
4"	18.00	277.00	260.00	260.00	260.00	-	-	-	-	-
6"	30.00	553.00	518.00	518.00	518.00	-	-	-	-	-
8"	50.00	969.00	908.00	908.00	908.00	-	-	-	-	-
Per 1,000 gallons thereafter:										
3/4" x 1"	1.60	3.50	3.50	4.00	4.00	-	-	-	-	-
2"	1.60	3.50	3.50	4.00	4.00	-	-	-	-	-
4"	1.60	3.50	3.50	4.00	4.00	-	-	-	-	-
6"	1.60	3.50	3.50	4.00	4.00	-	-	-	-	-
8"	1.60	3.50	3.50	4.00	4.00	-	-	-	-	-

City of Calhoun, Georgia

Sewer Service Rates [1]

Last Ten Fiscal Years

	2003	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*
Minimum charge:										
3/4" x 1"	-	-	-	-	-	$ 7.00	$ 1.30	$ 2.30	$ 2.41	$ 2.53
2"	-	-	-	-	-	65.00	65.00	74.40	78.12	82.03
4"	-	-	-	-	-	260.00	260.00	286.00	300.30	315.32
6"	-	-	-	-	-	518.00	518.00	569.80	598.29	628.20
8"	-	-	-	-	-	908.00	908.00	998.80	1,048.74	1,101.18
Per 1,000 gallons thereafter:										
3/4" x 1"	-	-	-	-	-	2.87	2.97	3.27	3.43	3.60
2"	-	-	-	-	-	2.87	2.97	3.27	3.43	3.60
4"	-	-	-	-	-	2.23	2.31	2.54	2.67	2.80
6"	-	-	-	-	-	2.23	2.31	2.54	2.67	2.80
8"	-	-	-	-	-	2.23	2.31	2.54	2.67	2.80
Outside city limits:										
Minimum charge										
3/4" x 1"	2.80	9.00	9.00	7.00	7.00	-	-	-	-	-
2" residentail/commercial	5.00	16.50	130.00	65.00	65.00	-	-	-	-	-
4" industrial	18.00	425.00	398.00	260.00	260.00	-	-	-	-	-
6" industrial	30.00	840.00	788.00	518.00	518.00	-	-	-	-	-
8" industrial	50.00	1,497.00	1,403.00	908.00	908.00	-	-	-	-	-
Per 1,000 gallons thereafter:										
3/4" x 1"	1.60	4.60	4.60	4.00	4.00	-	-	-	-	-
2" residentail/commercial	1.60	4.60	4.60	4.00	4.00	-	-	-	-	-
4" industrial	1.60	4.60	4.60	4.00	4.00	-	-	-	-	-
6" industrial	1.60	4.60	4.60	4.00	4.00	-	-	-	-	-
8" industrial	1.60	4.60	4.60	4.00	4.00	-	-	-	-	-

City of Calhoun, Georgia

Sewer Service Rates [1]

Last Ten Fiscal Years

	2003	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*
Minimum charge:										
3/4" x 1"	-	-	-	-	-	$ 7.00	$ 1.30	$ 2.30	$ 2.41	$ 2.53
2" residentail/commercial	-	-	-	-	-	65.00	65.00	139.12	146.08	153.38
4" industrial	-	-	-	-	-	260.00	260.00	557.55	585.43	614.70
6" industrial	-	-	-	-	-	518.00	518.00	1,103.55	1,158.73	1,216.67
8" industrial	-	-	-	-	-	908.00	908.00	1,964.55	2,062.78	2,165.92
Per 1,000 gallons thereafter:										
3/4" x 1"	-	-	-	-	-	4.24	3.92	4.31	4.53	4.76
2" residentail/commercial	-	-	-	-	-	4.24	3.92	4.31	4.53	4.76
4" industrial	-	-	-	-	-	4.24	3.92	4.31	4.53	4.76
6" industrial	-	-	-	-	-	4.24	3.92	4.31	4.53	4.76
8" industrial	-	-	-	-	-	4.24	3.92	4.31	4.53	4.76

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
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%
2012	5,014	-0.4%	18,870	0.4%	6,547	0.3%	30,431	0.2%

Data Source:

[1] City's utility billing department.

Exhibit XXX

City of Calhoun, Georgia

Ten Largest Customers - Electric Service [2]

Fiscal Years 2003 and 2012

	Fiscal Year 2012					Fiscal Year 2003			
Rank	Customer	Consumption kWh	Amount	%	Rank	Customer [1]	Consumption kWh	Amount	%
1	Engineered Floors, LLC	108,440,018	$ 6,957,610	24.0%	1	Mohawk	72,058,961	$ 3,870,969	18.3%
2	Shaw Industries	88,596,260	6,224,382	21.5%	2	Shaw Industries	63,011,710	3,096,288	14.7%
3	Mohawk	33,648,899	2,404,832	8.3%	3	Dixie Group Logistics, Inc.	49,276,197	2,728,905	12.9%
4	Calhoun Utilities	15,076,505	1,165,823	4.0%	4	Calhoun Utilities	20,171,072	1,168,802	5.5%
5	Gordon Hospital	9,479,715	701,293	2.4%	5	Walmart Stores, Inc.	7,060,905	414,317	2.0%
6	Apache Mills, Inc.	9,433,860	840,732	2.9%	6	Caltex (Beaulieu)	6,453,760	441,105	2.1%
7	Liberty Tire Recycling	7,522,560	619,935	2.1%	7	Kerry Group	6,009,276	308,561	1.5%
8	Milliken & Company	6,304,800	537,262	1.9%	8	Milliken & Company	5,108,400	314,547	1.5%
9	Kobelco Const.	5,613,157	528,054	1.8%	9	Gordon Hospital	5,080,197	358,425	1.7%
10	Calhoun City Schools	5,038,857	606,087	2.1%	10	Kobelco Const.	4,916,877	417,649	2.0%
	Total Ten Largest Customers	289,154,631	20,586,010	71.1%		**Total Ten Largest Customers**	239,147,355	13,119,568	62.2%
	All Other Customers	121,790,769	8,379,978	28.9%		**All Other Customers**	67,545,734	7,986,463	37.8%
	Total	410,945,400	$ 28,965,988	100.0%		**Total**	306,693,089	$ 21,106,031	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, 2]

Last Ten Fiscal Years

	Governmental Activities			Business-type Activities						
June 30,	**Recreation Authority Revenue Bonds**	**School General Obligation Bonds**	**Capital Leases**	**Revenue Bonds**	**GEFA/SRF and MEAG Loans**	**Capital Leases**	**Total**	**Percentage of Personal Income** [3]	**Estimated Population** [3]	**Per Capita**
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
2012	1,952,100	31,685,000	467,673	9,445,000	13,350,751	-	56,900,524	14.79%	15,773	3,607

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

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]
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
2012	31,685,000	10,129,701	21,555,299	1.207%	15,773	1,367

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

Exhibit XXXIII

City of Calhoun, Georgia
Direct and Overlapping Debt
June 30, 2012

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]	$ 1,952,100	100.0%	$ 1,952,100
City Direct Debt	32,152,673	100.0%	32,152,673
Total Direct and Overlapping Debt			$ 34,104,773

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

Exhibit XXXIV

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed Value [1]	$486,977	$492,631	$509,883	$551,513	$602,829	$675,820	$809,763	$828,569	$795,706	$714,536
Legal Debt Margin										
Debt limit (10% of assessed value) [2]	$ 48,698	$ 49,263	$ 50,988	$ 55,151	$ 60,283	$ 67,582	$ 80,976	$ 82,857	$ 79,571	$ 71,454
Debt applicable to limit:										
General obligation bonds	19,995	18,955	17,485	15,885	14,200	12,885	12,415	11,895	32,320	31,685
Less: Amount reserved for repayment of general obligation debt	1,844	2,232	2,396	2,844	3,373	2,188	3,970	5,619	7,319	10,130
Total debt applicable to limit	18,151	16,723	15,089	13,041	10,827	10,697	8,445	6,276	25,001	21,555
Legal debt margin	$ 30,547	$ 32,540	$ 35,899	$ 42,110	$ 49,456	$ 56,885	$ 72,531	$ 76,581	$ 54,570	$ 49,899
As a percentage of debt limit	62.73%	66.05%	70.41%	76.35%	82.04%	84.17%	89.57%	92.43%	68.58%	69.83%

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
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
2012	15,166	8,317	6,849	1,880	259	2,139	3.20

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 2003, 2008 and 2011 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
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
2012	15,166	8,317	6,849	922	480	1,402	4.89

Notes:

[1] Water and sewer revenues inclusive of interest and other nonoperating revenues.

[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]			Median Age[3]	City School Enrollment[4]	Unemployment Rates[5]		
			Gordon County	United States	County as a % of U.S.			City	State of Georgia	United States
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%
2012	15,773	1,467,371	31,050	41,560	75%	36.8	3,342	11.8%	9.6%	8.5%

Data Sources:

[1] 2011 U.S. Bureau of Economic Analysis- http:usgovinfo.about.com/gi/dynamic/offsite.htm?site=http://factfinder.census.gov/.

[2] 2011 U.S. Bureau of Economic Analysis, http://www.bea.gov/iTable.cfm

[3] 2011 U.S. Census Bureau - http://usgovinfo.about.com/gi/dynamic/offsite.htm?site=http://factfinder.census.gov/.

[4] City of Calhoun School System 2011 obtained from Georgia Department of Education.

[5] Georgia Department of Labor, "Georgia Area Labor Profile" 2011 Averages.

Exhibit XXXVIII

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

	2012				2003		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Employer**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Mohawk Industries, Inc.	2,100	1	9.4%	Mohawk Industries, Inc. (Aladdin)	4,000	1	18.0%
Shaw Industries	1,286	2	5.7%	Shaw Industries	2,000	2	8.9%
Gordon County Schools	950	3	4.2%	Gordon County Schools	970	3	4.3%
Gordon Hospital	720	4	3.2%	Gordon Hospital	600	4	2.7%
Mannington Carpets	520	5	2.3%	Mannington Carpets	592	5	2.6%
Engineer Flooring	500	6	2.2%	Springs Industries	398	6	1.8%
Calhoun City Schools	400	7	1.8%	Calhoun City Schools	384	7	1.7%
Gordon County Government	341	8	1.5%	City of Calhoun Gov't	341	8	1.5%
Beaulieu Group	310	9	1.4%	Beaulieu Group	336	9	1.5%
Apache Mills	300	10	1.3%	Apache Mills	320	10	1.4%
Total Principal Employers	7,427		33.0%	**Total Principal Employers**	9,941		44.4%
Other Employers	15,074		67.0%	**Other Employers**[2]	12,434		55.6%
Total Employers [1]	22,501		100.0%	**Total Employers**	22,375		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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Mayor and City Council	5	5	5	5	5	5	5	5	5	5
Administration	3	3	3	5	3	2	2	1	2	2
Tax Administration	1	1	1	1	1	1	1	1	1	1
Business License	-	-	-	-	-	-	-	2	1	1
Human Resources	1	1	1	1	1	1	2	2	2	2
Finance	6	7	7	8	8	5	6	4	4	-
Purchasing	-	-	-	-	-	-	-	-	-	-
	16	17	17	20	18	14	16	15	15	11
Judicial										
Court Services	4	4	4	4	4	3	3	3	3	3
Probation	-	-	1	1	2	2	2	2	2	2
	4	4	5	5	6	5	5	5	5	5
Public Safety										
Police	53	50	51	52	52	52	49	49	49	49
Fire	39	39	39	38	40	40	38	38	39	39
Animal Control	1	1	1	1	1	1	1	1	1	1
	93	90	91	91	93	93	88	88	89	89
Public Works										
Administration	-	-	-	1	1	1	1	1	1	1
Streets and highways	18	18	18	16	18	18	16	16	16	17
City Maintenance	6	7	7	7	7	6	6	6	6	6
Cemetery	4	4	4	4	4	2	4	3	3	3
	28	29	29	28	30	27	27	26	26	27
Health and Welfare										
Senior Citizens Activities	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation Department	22	20	19	17	14	8	14	14	15	15
Library	7	8	8	9	8	4	9	9	9	9
	29	28	27	26	22	12	23	23	24	24
Housing and Economic Development										
Mainstreet Program	1	1	1	1	1	1	1	1	1	1
Airport	3	3	3	3	4	2	4	4	4	2
Inspections/ Community Dev.	3	3	3	3	3	6	5	4	4	4
	7	7	7	7	8	9	10	9	9	7
Utilities Administration										
Administration	3	3	3	4	4	5	5	5	4	2
Utilities Finance	-	-	-	-	-	-	5	5	4	8
GIS	-	-	-	-	-	-	2	2	2	2
Billing	2	2	2	2	2	2	3	3	2	2
Customer Service	3	3	3	3	3	4	4	2	4	4
Tellers	2	2	2	2	3	3	3	2	4	3
Meter Reading	6	6	6	6	6	7	6	5	4	4
Engineering	2	4	4	5	6	6	6	6	6	6
Purchasing	2	2	2	2	2	2	2	2	2	2
Work Order	-	-	-	-	-	-	-	-	-	1
	20	22	22	24	26	29	36	32	32	34
Electric System	18	19	19	19	19	18	17	17	15	15
Water and Sewer System										
Wastewater Treament	13	12	10	11	11	10	9	9	9	10
Sewer Construction	12	12	18	12	13	13	12	12	11	11
Maintenance Crew	6	6	7	10	9	11	10	10	10	10
Water Treatment	8	8	8	8	8	8	8	7	7	8
Water Construction	18	19	25	24	27	27	24	22	22	22
	57	57	68	65	68	69	63	60	59	61
Fields Ferry Golf Course										
Pro Shop	11	14	13	10	9	3	9	9	9	9
Maintenance	10	10	10	10	10	9	8	8	8	7
	21	24	23	20	19	12	17	17	17	16
Telecommunciations	4	4	4	4	4	5	4	4	4	4
Solid Waste	6	6	6	6	5	3	3	3	3	2
Total	304	308	319	316	319	297	310	300	299	296
Percentage Change From Prior Year	0.0%	1.3%	3.6%	-0.8%	0.9%	-6.9%	4.4%	-3.2%	-0.3%	-1.2%

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Physical arrests	N/A	N/A	N/A	N/A	N/A	1,743	535	1,572	1,439	1,456
Parking violations	N/A	N/A	N/A	N/A	N/A	456	N/A	882	966	490
Traffic violations	5,976	10,831	7,709	7,732	7,007	7,557	5,055	6,042	7,093	7,714
Fire										
Emergency responses [1]	730	800	630	697	707	792	740	894	1,492	1,920
Inspections	553	530	327	438	669	797	674	1,013	2,215	1,827
Library										
Volumes in collection	61,783	66,766	72,667	72,000	80,483	86,623	87,500	90,839	98,167	91,129
Total volumes borrowed	69,188	76,366	78,003	103,704	124,000	128,199	131,185	141,757	129,169	127,178
Computer usage	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	24,137	21,127

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Electric Service:										
Coincident peak (kW)	66,497	68,570	66,929	66,082	65,462	66,536	56,758	60,838	74,830	74,252
Reserves (kW)	9,975	10,286	10,039	9,912	9,819	8,867	6,418	9,126	11,125	10,022
Total requirements (kW)	76,472	78,856	76,968	75,994	75,281	75,403	63,176	69,964	85,955	84,274
Southeastern Power Administration (kW)	7,660	7,660	7,660	7,660	7,660	7,660	7,660	7,660	7,437	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	45,453	45,453
MEAG combined cycle (kW)	-	15,630	15,630	15,630	15,630	15,630	15,630	15,630	15,497	15,497
Calhoun Simple Cycle	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Inter-particpant Transfer(IPT) College Park	-	-	-	-	-	-	-	-	4,855	4,855
Total resources (kW)	74,860	90,490	90,490	90,490	90,490	90,490	70,490	70,490	93,242	93,242
Excess capacity (deficit) (kW)	(1,612)	11,634	13,522	14,496	15,209	15,087	7,314	526	7,287	8,968
Per cent reserve of capacity [1]	-2.2%	12.9%	14.9%	16.0%	16.8%	16.7%	10.4%	0.7%	7.8%	9.6%
Water Service:										
Daily average consumption	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	10,560,000
Maximum daily capacity of wells (in gallons)	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	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	23,800,000	23,800,000	23,800,000
Elevated storage capacity (gallons)	-	-	-	-	-	-	-			
Reservoir storage capacity (gallons)	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	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)	8,798,000	7,468,000	7,418,000	6,901,000	5,431,000	5,277,000	6,525,833	5,688,000	6,062,000	5,613,000
Unused capacity	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	10,387,000
Percentage of capacity used	0.549875	0.466750	0.463625	0.431313	0.339438	0.329813	0.407865	0.355500	0.378875	0.350813

Data Source:
Applicable Department

[1] Our reserve is not purchased, but provided by a 20 mw generator that the City owns. Reporting of this resource is now shown in statistical data for 2012 & reflects a 5 mw sale of excess to the City of Acworth.

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

Function/program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Electric Service:										
Miles of line	165	179	180	182	185	222	227	234	242	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	599	622	624	628	640	640	720	770	819	819
Number of wells	4	4	4	4	4	4	4	4	4	4
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of elevated tanks	-	-	-	-	-	-	-	-	-	-
Number of reservoirs	12	12	12	12	12	15	15	15	15	15
Sewer Service:										
Miles of sanitary sewers	103	110	111	113	118	120	137	134	136	136
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	5	5	6	6	6	9	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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	2	2	2	2	2	2	2	2	2	3
Patrol units	24	24	24	24	24	27	32	33	33	33
Fire stations	3	3	3	3	3	3	3	3	3	3
Streets and highways										
Streets (miles)	94	94	95	97	98	99	99	99	99	99
Street Lights	861	868	878	882	918	973	973	979	979	1451
Parks and recreation										
Acreage	342	342	342	342	342	342	342	342	342	342
Water										
Water mains (miles)	599	622	624	628	640	640	720	770	819	819
Fire hydrants	695	700	733	743	742	741	900	775	771	771
Storage capacity (thousands of gallons)	21,550	21,550	23,500	23,500	24,600	24,600	24,600	24600	24600	24600
Wastewater										
Sanitary sewers (miles)	103	110	111	113	118	119	137	134	136	136
Treatment capacity (thousands of gallons)	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16000	16000	16000
Storm sewers (miles)	30	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 discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Calhoun, Georgia as of and for the year ended June 30, 2012, which collectively comprise the City of Calhoun, Georgia's basic financial statements and have issued our report thereon dated December 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of City of Calhoun, Georgia, is responsible for establishing and maintaining effective 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
December 17, 2012

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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, 2012. 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, 2012.

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
December 17, 2012

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

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	$ 8,139
Georgia Department of Community Affairs				
Urban Development Action Grant	14.221	10-64-586000530		1,840,312
Calhoun Housing Authority	15.226	Ga. Projects		
Payment in Lieu of Taxes		11900199M		
		Contract A-3103		29,544
Total U. S. Department of Housing and Urban Development				1,877,995
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 10-007	$ 1,600,000	381,754
U.S. Department of Justice				
Bureau of Justice Assistance				
Bulletproof Vest Partnership Program	16.607	1121-0235	$ 10,910	10,905
Office of Community Oriented Policing Services				
ARRA COPS Hiring Recovery Program	16.710	2009RKWX0281	$ 299,478	102,948
Total U. S. Department of Justice				113,853
U.S. Department of Homeland Security				
Georgia Emergency Management Agency				
Domestic Preparedness State Homeland Grant Program	97.067	2008-GE-T8-0017	$ 90,000	47,370
U.S. Department of Energy				
Georgia Environmental Protection Division/				
Georgia Environmental Facilities Authority				
ARRA - Local Government Competitive Grants	81.128	EECBG-GOV-2010-110	$ 297,846	258,300
				$ 2,679,272

CITY OF CALHOUN, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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 loans		
From prior years outstanding:		
CW SRF #91-006	$	259,662
CW SRF #93-007	$	-
CW SRF #99-001	$	2,348,561
DW SRF #00-026	$	4,103,278
CW SRF #02-002	$	1,875,214
DW SRF#09-022	$	534,320
DW SRF#10-007	$	706,591

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, 2012

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, 2012

	RLF Reports	Adjustments	Financial
Total Assets	$ 1,840,312	$ -	$ 1,840,312
Total Liabilities and Fund Balance	$ 1,840,312	$ -	$ 1,840,312
Net Revenues (Expenditures)	$ 22,883	$ -	$ 22,883

CITY OF CALHOUN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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 the 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, 2012. 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, 2012, 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
December 17, 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, 2012 (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
2011 SPLOST								
Peters Street	$ 2,000,000	$ 2,000,000	$ -	$ 2,000,000	$ -	$ -	$ -	0.0%
Public Safety - Police vehicle fleet	650,000	650,000	-	650,000	-	-	-	0.0%
Public Safety - Police & Fire communications upgrades	100,000	100,000	-	100,000	-	-	-	0.0%
Library upgrades	400,000	400,000	-	400,000	-	900	900	0.2%
Recreation Improvements	2,500,000	2,500,000	-	2,500,000	-	60,255	60,255	2.4%
Public Works	850,000	850,000	-	850,000	-	-	-	0.0%
Utility fleet and service equipment	700,000	700,000	-	700,000	-	-	-	0.0%
Utility system upgrades	2,421,049	2,421,049	-	2,421,049	-	-	-	0.0%
	$ 9,621,049	$ 9,621,049	$ -	$ 9,621,049	$ -	$ -	$ 61,155	

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	$ 4,200,622	$ -	$ 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	-	187,750	187,750	12.5%
	$ 10,234,297	$ 10,234,297	$ 4,216,676	$ 187,750	$ 4,404,426	

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, 2012

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.