City of Calhoun, Georgia

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

Prepared by:

Department of Finance

City of Calhoun, Georgia
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2016

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City of Calhoun, Georgia

Site of New Echota in the Land of the Cherokee

December 31, 2016

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, 2016, 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 unmodified ("clean") opinion of the City of Calhoun's financial statements for the fiscal year ended June 30, 2016. 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.

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. The City of Calhoun occupies a land area of approximately 12 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:

The Water and Waste Water Department secured low interest GEFA fund financing availability for possible accelerating of some long term infrastructure improvements. The borrowing will only be accessed where financial and engineering analysis indicate that it is cost effective. To date, King Street sewer improvements, water and sewer improvements at Red Bud/I-75, 2" galvanized line replacements on water lines and a major renovation to the Mauldin Road Water Plant have utilized this financing.

The Telecommunications department owns and operates a fiber optic network to provide City government network and commercial internet and point-to-point Ethernet services. Research continues on new technologies that will increase efficiency, reduce cost and increase customer satisfaction. As a result, additional services may be offered and service areas expanded.

Started in 2007, the Geographic Information System (GIS) department has developed one of the state's best GIS systems. All utility services have converted from paper and CAD drawings to electronic versions which are available online to operations personnel in the field and the public. Data from many other City departments, such as police and fire, is collected to visually represent services, trends and make information available during emergencies.

The City of Calhoun Electric fund performed work on major projects for fiscal year 2016 of approximately $860,000 that included lighting at the high school baseball and football fields, lighting at the new recreation park expansion and various other 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 2019. An additional five year Inter Participant Transfer (IPT), facilitated through MEAG, was executed in early 2011 to bridge electric generation needs until Plant Vogtle becomes commercially operable. These transactions should accommodate the community's power needs for the next 30 to 35 years.

General Government Division:

Public Safety:

Police:

The City of Calhoun Police Department case load remains average to last year with various types of property crimes, domestic disturbances, false alarms, and traffic related incidents being the highest in numbers. Violent crime statistics are similar to other southeastern municipalities which range in 1% from the past year. 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.

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, vehicle and fuel, equipment, technical, and legal expertise for operations primarily associated with gang activity, drugs, illegal immigration, and forgery. This year we continue to partner with the Federal Alcohol Tobacco and Firearms division, where two of our officers are sworn as Federal Agents and are being provided with vehicles 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 Class 3** rating for property and casualty insurance purposes. The Fire Department has purchased property on Mauldin Road for the proposed 4th fire station as recommended in the last ISO review.

The Fire Department was able to bring its staffing levels back to those prior to the last recession by adding two firefighters in vacant Fire Suppression positions. These positions bring the total of department employees to 41 with 5 being administration and 36 being fire suppression.

The number of structure fires within the City of Calhoun has remained close to the same amount as last year, however, the total number of calls continues to increase due to increased medical call requests and mutual aid requests from Gordon County Fire and other surrounding agencies. While the fire department's primary mission is life safety through fire prevention and suppression, they also

service other emergency areas. The Fire Department hosts GSAR (Georgia Search And Rescue) Task Force 6, which is one of the State of Georgia sponsored Search and Rescue Teams. The department annually receives grant funding from State and Federal sources to maintain Task Force 6 and occasionally receives funding for the Hazardous Materials team in which the County jointly participates. 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.

Public Works:
LMIG funds provided for paving and milling for the Street Department during fiscal year 2016 for River St. from Oothcalooga St. to Pine St., Maplewood Dr., W.C. Bryant Pkwy. and Yellow Jacket Dr. Gordon County paved Ebco Dr., S. Line St., Victor St., Carter St., Pine Ln., Louise Ave., Richardson Rd., Cherokee Dr., Damascus Rd., Derby Ln., Melea Ln., Roberts St. and Jackson St. in a joint agreement with the City of Calhoun.

Relocation of water, sewer, gas and electrical utilities are completed on the first phase of the Peters Street project. AT&T and Comcast are scheduled to start their relocation and Bartow Paving was awarded the bid for the road construction which will start after the first of the year. This is a SPLOST funded project. The first phase starts at Gordon Hills Shopping Center and runs through the proposed roundabout at E. May Street. Two more phases will follow to the end of Peters St. at Curtis Pkwy.

New equipment purchases were made available with SPLOST funds.

Animal Control completed the addition to their building doubling their size, allowing much needed extra space to house dogs and cats.

Recreation:
Construction of the Calhoun Park Expansion – Phase I began in January 2016. Phase I will be completed before April 1, 2017. A major renovation of the swimming pool has been in progress throughout the year and in March and April the pool deck was resurfaced along with the entrance of the Recreation Center. During November and December 2016 the pool was plastered as well. Recreation programming remains strong and Basketball, Softball, Baseball, Soccer and Football tournaments were hosted throughout the year using Calhoun Recreation Department facilities. Additional weeks in Adventure Camp added participants to summer programming and the Tennis Center continues to add programs and events.

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 2016. 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.

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:
Each year the City adopts a five-year Capital Improvement Program. This plan helps identify projects that should be undertaken in the next five years. This long-range planning is essential in addressing the future development and growth of the City. The City of Calhoun has continually funded its capital requirements aggressively and maintains a pay as you go funding for most of its capital needs, which limits its borrowing requests.

***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, 2015. 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 their 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

Larry Vickery
General Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Calhoun

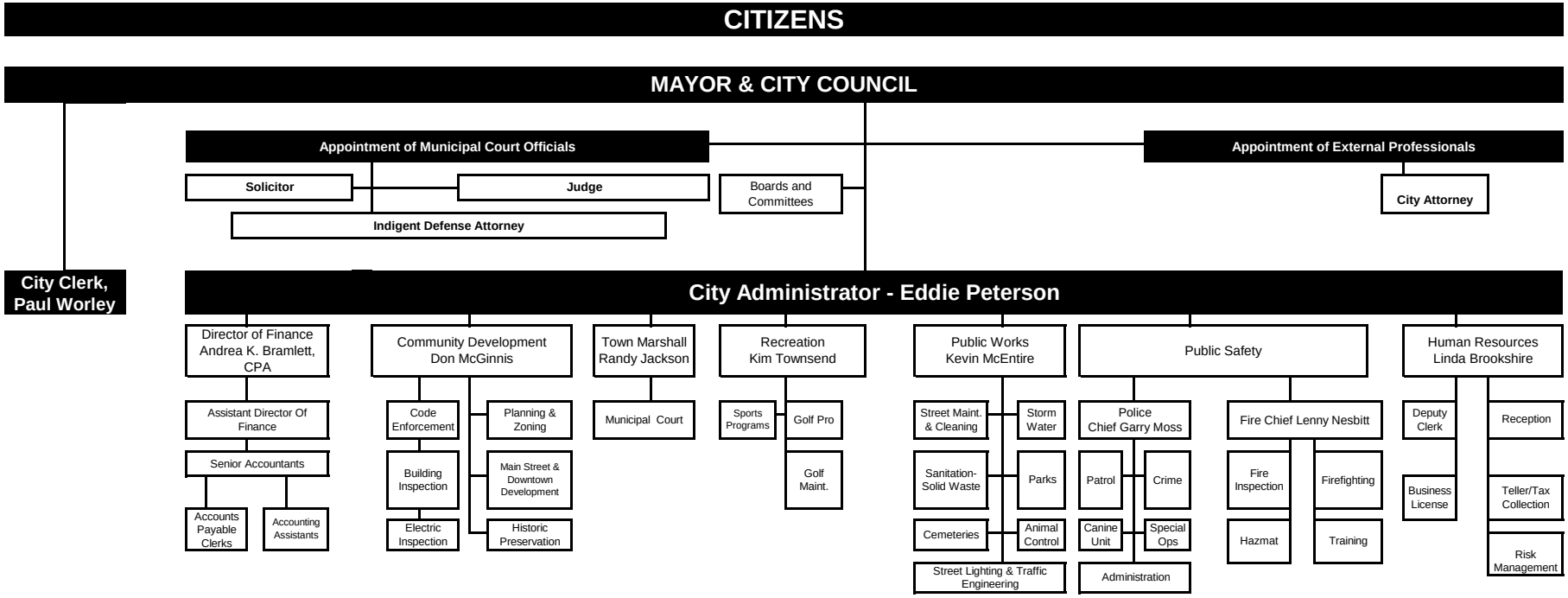
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

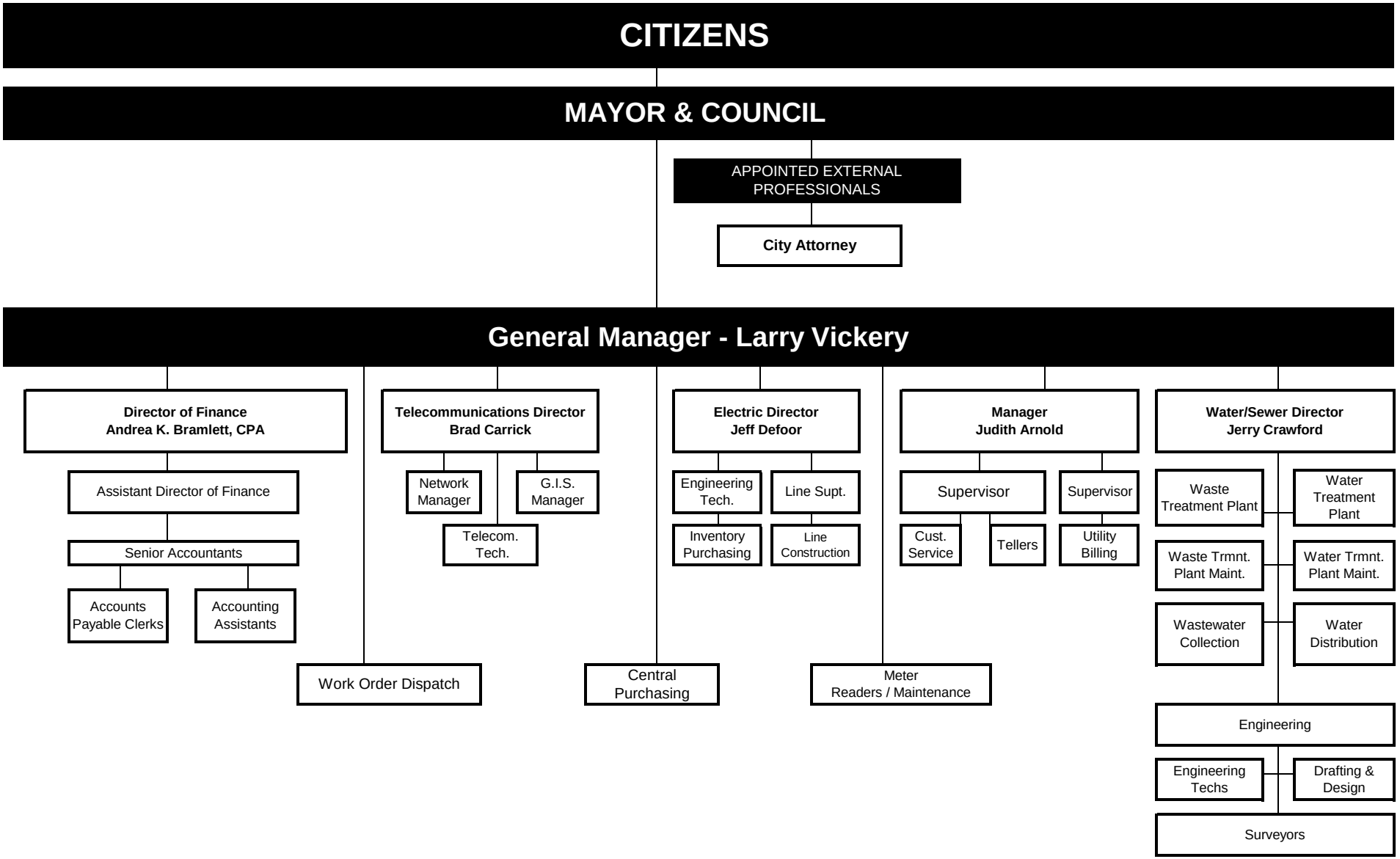
June 30, 2015

Executive Director/CEO

CITY OF CALHOUN, GEORGIA
JUNE 30, 2016 GOVERNMENTAL ORGANIZATIONAL CHART



CALHOUN UTILITIES
JUNE 30, 2016 ORGANIZATIONAL CHART



City of Calhoun, Georgia
Officials, Management and Appointed Professionals
June 30, 2016

Elected Officials:

Mayor ..... James F. Palmer
Mayor Pro Tempore ..... David Hammond
Councilperson ..... Matt Barton
Councilperson ..... Jackie Palazzolo
Councilperson ..... Al Edwards

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
Town Marshal ..... Randy Jackson
Code Enforcement ..... Don McGinnis
Downtown Development ..... Suzanne Roberts
Recreation Director ..... Kim Townsend
Golf Professional ..... Eric Stewart
Superintendent of Golf Maintenance ..... David Locke
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 Defense Attorney ..... Giles Jones
City Attorney ..... George Govignon

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 the City of Calhoun, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Calhoun, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of pension amounts on pages 12-19 and 65-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Calhoun, Georgia's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary comparison schedules, statistical section, and the project cost schedule for projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary comparison schedules, project cost schedule for projects constructed with special sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budgetary comparison schedules, the project cost schedule for projects constructed with special sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2016, 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* in considering the City of Calhoun, Georgia's internal control over financial reporting and compliance.



Calhoun, Georgia
December 31, 2016

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, 2016. 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 $247,082,519 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
  (1) Net investment in capital assets of $184,946,123 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $15,927,712 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $46,208,684 represents 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 $24,910,551 this year. This compares to the prior year ending fund balance of $23,864,605 showing an increase of $1,045,946 during the current year. Unassigned and committed fund balance of $9,027,405 for fiscal year 2016 shows a $217,093 increase from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $4,985,208 or 42% of total general fund expenditures.
- Overall, the City continues to maintain a strong financial position, as the economy continues to recover.

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 Position.* 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 position.* Over time, increases or decreases in net position 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 position 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, judicial, 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 22-23 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. The budgetary comparison statement for the general fund is included in the basic financial statements also.

The basic governmental fund financial statements are presented on pages 26-30 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 31-34 of this report.

Fiduciary funds are reported only in the basic financial statements on pages 35-36 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 38 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 position at fiscal year end is $247,082,519. The following table provides a summary of the City's net position:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current assets	$ 21,762,356	$ 21,308,016	$ 34,880,725	$ 38,272,600	$ 56,643,081	$ 59,580,616
Other assets	7,146,681	4,203,929	29,492,019	17,277,527	36,638,700	21,481,456
Capital assets	124,388,600	110,377,485	117,176,482	117,049,084	241,565,082	227,426,569
Total assets	153,297,637	135,889,430	181,549,226	172,599,211	334,846,863	308,488,641
Deferred Outflows of Resources	677,827	273,024	685,379	348,815	1,363,206	621,839
Liabilities						
Current liabilities	2,120,457	1,315,463	15,354,328	12,949,735	17,474,785	14,265,198
Long-term liabilities	35,966,204	35,936,972	33,500,543	32,888,516	69,466,747	68,825,488
Total liabilities	38,086,661	37,252,435	48,854,871	45,838,251	86,941,532	83,090,686
Deferred Inflows of Resources	2,020,749	251,060	165,269	211,104	2,186,018	462,164
Net position						
Net investment in capital assets	90,027,262	75,629,332	94,918,861	94,811,808	184,946,123	170,441,140
Restricted	15,927,712	15,182,825	-	-	15,927,712	15,182,825
Unrestricted	7,913,080	7,846,802	38,295,604	32,086,863	46,208,684	39,933,665
Total net position	$ 113,868,054	$ 98,658,959	$ 133,214,465	$ 126,898,671	$ 247,082,519	$ 225,557,630

The City reported positive balances in net position for both governmental and business-type activities. Net position increased $15,209,095 for governmental activities and by $6,315,794 for business-type activities.

Approximately 79% of the governmental activities' net position are invested in capital assets at June 30, 2016 as compared to 77% at June 30, 2015. The City uses these capital assets to provide services to its citizens. With business-type activities, the City has invested 71% of its net position in capital assets in this fiscal year as compared to 75% in fiscal year 2015. 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 position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program						
Charges for services and fines	$ 926,549	$ 776,387	$ 57,510,006	$ 58,251,754	$ 58,436,555	$ 59,028,141
Operating grants	4,517,400	4,657,363	384,866	359,465	4,902,266	5,016,828
Capital grants	16,503,543	6,171,787	85,224	9,571	16,588,767	6,181,358
General						
Taxes	9,180,040	9,110,683	-	-	9,180,040	9,110,683
Other	292,442	166,860	842,122	536,866	1,134,564	703,726
Total revenues	31,419,974	20,883,080	58,822,218	59,157,656	90,242,192	80,040,736
Program expenses						
General government	1,040,464	1,181,829		-	1,040,464	1,181,829
Judicial	547,397	516,959		-	547,397	516,959
Public safety	7,516,868	7,250,790		-	7,516,868	7,250,790
Public works	2,996,883	3,199,338		-	2,996,883	3,199,338
Health and welfare	67,675	61,348		-	67,675	61,348
Culture and recreation	1,700,294	1,674,895		-	1,700,294	1,674,895
Housing and economic devlopment	1,178,539	1,092,843		-	1,178,539	1,092,843
Education	2,111,724	2,031,197		-	2,111,724	2,031,197
Interest	1,531,029	1,547,478		-	1,531,029	1,547,478
Electric	-	-	33,515,937	34,977,948	33,515,937	34,977,948
Water and sewer	-	-	13,713,662	12,874,952	13,713,662	12,874,952
Golf course	-	-	882,358	893,286	882,358	893,286
Telecommunications	-	-	1,062,052	992,405	1,062,052	992,405
Solid waste	-	-	852,421	732,389	852,421	732,389
Total expenses	18,690,873	18,556,677	50,026,430	50,470,980	68,717,303	69,027,657
Excess	12,729,101	2,326,403	8,795,788	8,686,676	21,524,889	11,013,079
Transfers	2,479,994	2,480,420	(2,479,994)	(2,480,420)	-	-
Change in net position	15,209,095	4,806,823	6,315,794	6,206,256	21,524,889	11,013,079
Net position beginning of year	98,658,959	93,852,136	126,898,671	120,692,415	225,557,630	214,544,551
Ending net position	$ 113,868,054	$ 98,658,959	$ 133,214,465	$ 126,898,671	$ 247,082,519	$ 225,557,630

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 9% of the City's total governmental revenues, as compared to 14% in the prior year. Sales taxes provided 8% of total governmental revenues versus 12% in fiscal year 2015. This includes SPLOST revenues for business-type activities that is included in revenue in the governmental funds and then transferred out to the utility funds for approved projects. Property taxes and charges for services and fines are also important revenue sources (excluding grants and contributions) providing 5% and 3% of total revenues, respectively. Total General Fund revenues remain essentially consistent with the prior year, with only a 2% decrease.

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	
	2016	2015	2016	2015
General government	$ 1,040,464	$ 1,181,829	$ 852,357	$ 1,005,933
Judicial	547,397	516,959	510,654	516,959
Public safety	7,516,868	7,250,790	6,981,519	6,423,400
Public works	2,996,883	3,199,338	1,695,166	1,931,967
Health and welfare	67,675	61,348	67,675	61,348
Culture and recreation	1,700,294	1,674,895	461,874	345,565
Housing and economic development	1,178,539	1,092,843	978,833	901,840
Education	2,111,724	2,031,197	(16,335,726)	(5,783,350)
Interest	1,531,029	1,547,478	1,531,029	1,547,478
Total	$ 18,690,873	$ 18,556,677	$ (3,256,619)	$ 6,951,140

Public safety expenses make up 40% of the governmental activities expenses. This compares to 39% in fiscal year 2015. The public works function is the second largest cost, making up 16% of governmental activities expenses, which compares to 17% in the prior year.

Approximately 7% of gross program costs for public safety functions were recovered from public safety revenues, primarily fines and forfeitures. This compares to 11% 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 position, causing the education function to appear to have a $16.3 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 $1,038,884 or 2% more than 2015 and total operating expenses were $883,187 or 2%, more than fiscal year 2015. Within the total business-type activities of the City, these activities reported $8,519,101 in operating income compared to operating income of $8,674,798 in the prior year, or an increase of 2%. After transfers in and out between other funds and other non-operating items, these funds reported a net change in net position of $6,315,794 compared to a net change in net position of $6,206,256 in 2015.

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

	Amount Change	%
Water and sewerage fund	$ 408,902	11%
Electric system fund	(238,601)	(5%)
Field Ferry Golf Course fund	38,246	(10%)
Telecommunications fund	4,452	2%
Solid waste fund	(14,737)	(34%)

Water and Sewerage Fund – One of the major funds is the water and sewerage fund. The operating revenues increased 6% and operating expenses have increased 4%, resulting in an increase in operating income from 2015 of approximately 11%. The revenues increased primarily due to a rate increase in both water and sewer rates as well as some additional consumption over the prior year.

Electric Fund - The other major enterprise fund is the electric system fund. The charges for services for this fund have decreased approximately 4% from 2015 to the current year due primarily to decreased consumption. Operating expenses have decreased as well, due to the decreased purchased power costs. These changes have resulted in a decreased operating income from 2015 of 5%.

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 $24,910,551. Of this year-end total, $4,979,358 is unassigned indicating availability for continuing City service requirements. There is $4,048,047 committed for working capital and contingencies. Legally restricted fund balances for program purposes, capital projects and debt service are $15,546,159. Amounts equal to prepaid assets of $336,987 are nonspendable for current expenditures.

The total ending fund balances of governmental funds show an increase of $1,045,946 or 4% from the prior 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 $209,521 in fiscal year 2016.

General fund revenue decreased $308,965 or 3% from the prior year and total general fund expenditures decreased $741,443 when compared to the prior year, which represented 6%.

General government decreased $146,355, primarily due to an intergovernmental agreement to provide lighting at Exit 312 through the Electric department was expended in the prior year. Public Works decreased $718,595 due to street projects in the prior year and asphalt purchased early in the prior year, so none was purchased in the current year. A fire department lease was paid off in the prior year as well, limiting the amount of principal paid in the current year.

The general fund's unassigned and committed ending fund balance represents the equivalent of 76% of annual expenditures, as compared to 70% at June 30, 2015.

School Bond Debt Service Fund **–** This governmental fund accounts for the issuance of bonds for various school needs. 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 2002 and the 2003, School Bonds were paid off prematurely during fiscal years 2013 and 2014, which reduced the funds balance substantially.

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 a few budget amendments done during this fiscal year, including amendments within the department and Council approved amendments between departments. Revenues were $522,806 less than the final budget and 95% of final budgeted revenues were met. Budget amendments increased General Fund revenues by $432,628 and accounted for additional investment income, grants, property taxes, insurance premium tax, permits and gains on sale of assets.

The City spent 93% of the final authorized budgeted expenditures. General government expenditures actual was $846,387 less than budget primarily due to projects that were postponed. The budget amendments to increase the General Fund $393,528 were primarily to budget for a transfer to the Golf fund and some additional legal expenses.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2016, the depreciable capital assets for governmental activities were 34% depreciated, while being 32% depreciated at fiscal 2015. For the City's business-type activities, 44% of the asset values were depreciated at June 30, 2016, which is consistent with the prior year. Consistent or decreasing percentages are a positive financial indicator.

The renovation of the Mauldin Rd. Water Treatment plant was completed in this fiscal year with a loan from GEFA. Phase I of the Recreation improvements at the 58 acre Park were started and will be completed in the fall of 2016. A new police complex is planned to be started in the Spring of 2017. 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.

Long-term Debt

At the end of the fiscal year, the City had two types of bonds outstanding, notes payable, claims, compensated absences, landfill closure costs, and a pension liability. The capital lease on the fire department's platform truck was retired during this fiscal year. The City is currently planning to fund the new Police complex with a capital lease in the coming year. The City also issued 2016 Water/Sewer Bonds after June 30, 2016 to refinance three GEFA loans at a beneficial interest rate. 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. The City of Calhoun, along with many other local governments, have experienced a significant decrease in sales tax collections. With the downturn in the housing market, the City was given the opportunity to stabilize growth by improving development standards. 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. With a large hotel chain completing construction of one of its premier facilities in the City of Calhoun, along with several other potential hotel projects in the near future, the Hotel/Motel collections have had a definite increase and is positioned extremely well going forward. The City does continue to get industrial prospects who inquire about the possibility of locating here, as close accessibility to Atlanta is attractive. The new I-75 and Union Grove Road interchange was completed and opened in November of 2015; the I-75 and Red Bud Road interchange recently underwent a multi-million dollar expansion; and the South Calhoun Bypass project in now under construction. The City has been able to increase its Freeport exemption up to 80% in an attempt to stay competitive with surrounding communities. There have been several new industrial buildings constructed and several existing industries expanding their facilities. 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. The government-wide financial statements include not only the City itself (known as the primary government), but also the material component unit: Calhoun School District. Financial information for the component unit is reported separately from the financial information presented for the primary government. Complete financial statements for the unit are available from the City's Director of Finance upon request. 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 Position
June 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Calhoun School District
Assets				
Current assets				
Cash	$ 17,938,235	$ 2,842,853	$ 20,781,088	$ 17,868,273
Restricted assets				
Cash	-	2,759,739	2,759,739	-
Investments	-	18,540,518	18,540,518	-
Receivables				
Property taxes	532,294	-	532,294	-
Franchise taxes	136,456	-	136,456	-
Other taxes	160,218	84,190	244,408	-
Accounts	2,033	1,691,698	1,693,731	48,633
Accrued revenue	-	4,412,414	4,412,414	-
Fines	637,959	-	637,959	-
Intergovernmental	1,395,295	1,045,906	2,441,201	3,433,605
Deposits	-	30,083	30,083	-
Interest	2,880	-	2,880	-
Loans	368,944	-	368,944	-
Due from component unit	251,055	-	251,055	-
Due from primary government	-	-	-	225,876
Inventory	-	3,232,623	3,232,623	72,580
Prepaid items	336,987	240,701	577,688	5,112
Total Current Assets	21,762,356	34,880,725	56,643,081	21,654,079
Noncurrent assets				
Investments	5,460,763	15,884,477	21,345,240	-
Restricted assets				
Cash	-	808,073	808,073	-
Investments	-	12,799,469	12,799,469	-
Loans	1,685,918	-	1,685,918	-
Capital assets				
Nondepreciable	33,454,156	8,725,082	42,179,238	-
Depreciable, net	90,934,444	108,451,400	199,385,844	4,276,676
Noncurrent Assets	131,535,281	146,668,501	278,203,782	4,276,676
Total Assets	153,297,637	181,549,226	334,846,863	25,930,755
Deferred Outlfows of Resources				
Deferred bond refunding	-	79,664	79,664	-
Pension related	677,827	605,715	1,283,542	4,468,720
Total Deferred Outflows of Resources	677,827	685,379	1,363,206	4,468,720
Liabilities				
Current liabilities				
Accounts payable	933,691	3,333,734	4,267,425	243,024
Contractor bonds payable	-	38,468	38,468	250,000
Accrued payroll liabilities	865	242,712	243,577	3,578,403
Accrued expenses	477,405	91,481	568,886	-
Compensated absences payable	110,645	97,150	207,795	9,641
Claims payable	6,223	-	6,223	-
Internal balances	(540,911)	540,911	-	-
Intergovernmental payable	39,575	99,427	139,002	-
Due to component unit	225,876	-	225,876	-
Due to primary government	-	-	-	251,055
Accrued interest payable	523,288	29,967	553,255	-
Unearned revenue	-	146,522	146,522	-
Post-closure care payable	-	28,378	28,378	-
Notes payable	-	7,022,888	7,022,888	-
Revenue bonds payable	343,800	1,480,000	1,823,800	-
Payable from restricted assets	-	2,202,690	2,202,690	-
Total Current Liabilities	2,120,457	15,354,328	17,474,785	4,332,123
Long-term liabilities (net of current portion)				
Compensated absences payable	205,485	180,424	385,909	140,459
Claims payable	64,458	-	64,458	-
Post-closure care payable	-	119,301	119,301	-
General obligation bonds payable	33,656,138	-	33,656,138	-
Revenue bonds payable	361,400	5,475,000	5,836,400	-
Notes payable	-	8,359,398	8,359,398	-
Net pension obligation	277,228	173,933	451,161	24,790,469
Net pension liability payable	1,401,495	1,252,392	2,653,887	-
Payable from restricted noncurrent assets	-	17,940,095	17,940,095	-
Total Long-term Liabilities	35,966,204	33,500,543	69,466,747	24,930,928
Total Liabilities	38,086,661	48,854,871	86,941,532	29,263,051
Deferred Inflows of Resources				
Deferred revenues	1,835,806	-	1,835,806	-
Pension related	184,943	165,269	350,212	2,419,790
Total Deferred Inflows of Resources	2,020,749	165,269	2,186,018	2,419,790
Net Position				
Net investment in capital assets	90,027,262	94,918,861	184,946,123	4,026,676
Restricted for				
Debt service	7,790,781	-	7,790,781	-
Capital projects	5,025,975	-	5,025,975	-
Program purposes				
Education	374,715	-	374,715	967,402
Housing and development	2,445,321	-	2,445,321	-
Public safety	130,756	-	130,756	-
Culture and recreation	160,164	-	160,164	-
Unrestricted	7,913,080	38,295,604	46,208,684	(6,277,444)
Total Net Position	$ 113,868,054	$ 133,214,465	$ 247,082,519	$ (1,283,366)

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Activities
For the Fiscal Year Ended June 30, 2016

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 Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit: Calhoun School District
Primary Government								
Governmental Activities								
General government	$ 1,040,464	$ 188,107	$ -	$ -	$ (852,357)	$ -	$ (852,357)	$ -
Judicial	547,397	36,743	-	-	(510,654)	-	(510,654)	-
Public safety	7,516,868	301,023	96,025	138,301	(6,981,519)	-	(6,981,519)	-
Public works	2,996,883	68,219	139,552	1,093,946	(1,695,166)	-	(1,695,166)	-
Health and welfare	67,675	-	-	-	(67,675)	-	(67,675)	-
Culture and recreation	1,700,294	216,241	491,940	530,239	(461,874)	-	(461,874)	-
Housing and economic dev.	1,178,539	116,216	83,490	-	(978,833)	-	(978,833)	-
Education	2,111,724	-	3,706,393	14,741,057	16,335,726	-	16,335,726	-
Interest	1,531,029	-	-	-	(1,531,029)	-	(1,531,029)	-
Total Governmental Activities	18,690,873	926,549	4,517,400	16,503,543	3,256,619	-	3,256,619	-
Business-Type Activities								
Electric system	33,515,937	37,810,552	164,838	-	-	4,459,453	4,459,453	-
Water and sewerage system	13,713,662	17,268,280	-	85,224	-	3,639,842	3,639,842	-
Fields ferry golf course	882,358	538,094	80,769	-	-	(263,495)	(263,495)	-
Telecommunications	1,062,052	1,144,786	139,259	-	-	221,993	221,993	-
Solid waste	852,421	748,294	-	-	-	(104,127)	(104,127)	-
Total Business-Type Activities	50,026,430	57,510,006	384,866	85,224	-	7,953,666	7,953,666	-
Total - Primary Government	$ 68,717,303	$ 58,436,555	$ 4,902,266	$ 16,588,767	3,256,619	7,953,666	11,210,285	-
Component Unit								
Calhoun School District	$ 41,014,063	$ 2,338,257	$ 23,440,256	$ 996,853	-	-	-	(14,238,697)
General Revenues								
Property taxes levied for general government purposes					1,599,632	-	1,599,632	13,286,438
Sales taxes					2,407,943	-	2,407,943	2,757,810
Franchise taxes					2,944,961	-	2,944,961	-
Insurance premium taxes					960,483	-	960,483	-
Gas marketers taxes					78,981	-	78,981	-
Other taxes					1,188,040	-	1,188,040	-
Unrestricted intergovernmental					46,081	-	46,081	-
Gain on disposal of capital assets					31,347	8,015	39,362	-
Investment earnings					188,986	512,783	701,769	4,496
Miscellaneous					26,028	321,324	347,352	-
Total General Revenues					9,472,482	842,122	10,314,604	16,048,744
Transfers					2,479,994	(2,479,994)	-	-
Total General Revenues and Transfers					11,952,476	(1,637,872)	10,314,604	16,048,744
Change in Net Position					15,209,095	6,315,794	21,524,889	1,810,047
Net Position Beginning of Year					98,658,959	126,898,671	225,557,630	(3,093,413)
Net Position End of Year					$ 113,868,054	$ 133,214,465	$ 247,082,519	$ (1,283,366)

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, 2016

	General	School Bonds Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 2,056,889	$ 7,651,256	$ 8,230,090	$ 17,938,235
Investments- noncurrent	5,460,763	-	-	5,460,763
Receivables				
Property taxes	48,548	-	483,746	532,294
Franchise taxes	136,456	-	-	136,456
Other taxes	37,884	-	122,334	160,218
Accounts	2,033	-	-	2,033
Fines	637,959	-	-	637,959
Intergovernmental	1,306,693	-	88,602	1,395,295
Interest	-	-	2,880	2,880
Interfund	1,155,342	-	132,483	1,287,825
Loans	-	-	368,944	368,944
Loans- noncurrent	-	-	1,685,918	1,685,918
Component unit	14,565	236,490	-	251,055
Prepaid items	324,299	-	12,688	336,987
Total Assets	$ 11,181,431	$ 7,887,746	$ 11,127,685	$ 30,196,862
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 159,753	$ -	$ 773,938	$ 933,691
Accrued payroll liabilities	865	-	-	865
Accrued expenditures	359,737	-	117,668	477,405
Intergovernmental payable	38,873		702	39,575
Due to component unit	-	-	225,876	225,876
Interfund payable	289,852	96,965	36,764	423,581
Unearned revenue	-	-	1,816,392	1,816,392
Advances payable	323,333	-	-	323,333
Total Liabilities	1,172,413	96,965	2,971,340	4,240,718
	.			
Deferred Inflows of Resources				
Unavailable revenue	651,464	-	394,129	1,045,593
Total Liabilities and Deferred Inflows of Resources	1,823,877	96,965	3,365,469	5,286,311
Fund Balances				
Nonspendable				
Prepaid items	324,299	-	12,688	336,987
Restricted				
Debt service	-	7,790,781	-	7,790,781
Capital projects	-	-	5,025,975	5,025,975
Program purposes				
Housing and development	-	-	2,445,321	2,445,321
Public safety	-	-	130,756	130,756
Culture and recreation	-	-	153,326	153,326
Committed				
Working capital/contingencies	4,048,047	-	-	4,048,047
Unassigned, reported in				
General fund	4,985,208	-	-	4,985,208
Special revenue funds	-	-	(5,850)	(5,850)
Total Fund Balances	9,357,554	7,790,781	7,762,216	24,910,551
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,181,431	$ 7,887,746	$ 11,127,685	$ 30,196,862

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Reconciliation of the Governmental Funds' Balance Sheet
to the Statement of Net Position
June 30, 2016

Total Governmental Fund Balances			$ 24,910,551
Amounts reported for governmental activities in the statement of net position 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	$ 171,562,440		
Less accumulated depreciation	(47,173,840)		124,388,600
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Property taxes	415,888		
Fines	610,291		
Deferred outflow pension related	677,827		1,704,006
Interfund receivables and payables between governmental funds are reported on the governmental fund's balance sheet but eliminated on the government-wide statement of net position.			
Interfund receivables	(151,960)		
Interfund payables	151,960		-
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 position.			
Bonds	(34,361,338)		
Net pension obligation	(277,228)		
Net pension liability	(1,401,495)		
Claims	(70,681)		
Compensated absences	(316,130)		
Accrued interest	(523,288)		
Deferred inflow pension related	(184,943)		(37,135,103)
Net Position Of Governmental Activities			$ 113,868,054

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General	School Bonds Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Property	$ 1,701,138	$ -	$ -	$ 1,701,138
Sales	2,246,370	-	-	2,246,370
Other	4,617,388	-	716,650	5,334,038
Intergovernmental	534,013	3,690,261	2,075,812	6,300,086
Licenses and permits	291,207	-	-	291,207
Charges for services	214,720	-	216,241	430,961
Fines and forfeitures	342,515	-	5,921	348,436
Contributions	898	-	-	898
Investment earnings	105,346	16,132	46,279	167,757
Miscellaneous	3,161	-	22,867	26,028
Total Revenues	10,056,756	3,706,393	3,083,770	16,846,919
Expenditures				
Current				
General government	1,022,902	-	-	1,022,902
Judicial	547,567	-	-	547,567
Public safety	7,192,812	-	33,234	7,226,046
Public works	2,058,190	-	-	2,058,190
Health and welfare	67,547	-	-	67,547
Culture and recreation	353,857	-	1,024,289	1,378,146
Housing and economic development	635,839	-	539,987	1,175,826
Capital Outlay	-	-	2,962,166	2,962,166
Debt Service				
Principal retirement	21,028	-	330,600	351,628
Interest and fiscal charges	158	1,484,275	37,863	1,522,296
Total Expenditures	11,899,900	1,484,275	4,928,139	18,312,314
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,843,144)	2,222,118	(1,844,369)	(1,465,395)
Other Financing Sources (Uses)				
Sale of capital assets	14,200	-	4,023	18,223
Insurance reimbursement	13,124	-	-	13,124
Transfers in	3,233,485	-	1,883,761	5,117,246
Transfers out	(1,208,144)	(877,204)	(551,904)	(2,637,252)
Total Other Financing Sources (Uses)	2,052,665	(877,204)	1,335,880	2,511,341
Net Change in Fund Balances	209,521	1,344,914	(508,489)	1,045,946
Fund Balances Beginning of Year	9,148,033	6,445,867	8,270,705	23,864,605
Fund Balances End of Year	$ 9,357,554	$ 7,790,781	$ 7,762,216	$ 24,910,551

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, 2016

Net Changes In Fund Balances - Total Governmental Funds		$ 1,045,946
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	$ (3,811,551)	
Capital outlay	3,162,554	(648,997)
Contributions of capital assets are reported on the government-wide statement of activities but not at the fund financial reporting level.		14,741,057
The cost of capital assets that were disposed of are reported in the government-wide statement of activities but not reported at the fund financial reporting level.		(80,945)
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 @ 6/30/16	415,888	
Deferred @ 6/30/15	(517,394)	(101,506)
Fines:		
Deferred @ 6/30/16	610,291	
Deferred @ 6/30/15	(754,346)	(144,055)
Elimination of transfers between governmental funds, including net effect of transfers recorded for capital assets moved between governmental and enterprise funds.		
Transfers in	(2,035,957)	
Transfers out	2,035,957	-
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.		351,628
Amortization of bond premiums/discounts are reported on the government-wide statement of activities but not reported on the fund financial reporting level.		35,187
Pension expense represents the change in net pension obligation and liability from the beginning of the year to the end of the year on the statement of activities, but is measured by the amount actually paid in the governmental funds. This is the amount by which pension contributions paid in the current period exceeded the change in net pension obligation and liability and pension related deferrals.		17,481
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 @ 6/30/16	(523,288)	
Liability @ 6/30/15	525,580	2,292
Compensated absences		
Liability @ 6/30/16	(316,130)	
Liability @ 6/30/15	303,897	(12,233)
Claims		
Liability @ 6/30/16	(70,681)	
Liability @ 6/30/15	73,921	3,240
Change In Net Position of Governmental Activities		$ 15,209,095

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Property taxes	$ 1,617,400	$ 1,688,071	$ 1,701,138	$ 13,067
Sales taxes	2,415,000	2,415,000	2,246,370	(168,630)
Other taxes	4,557,851	4,710,464	4,617,388	(93,076)
Intergovernmental	557,440	603,902	534,013	(69,889)
Licenses and permits	229,600	263,708	291,207	27,499
Charges for services	279,418	302,622	214,720	(87,902)
Fines and forfeitures	458,600	458,600	342,515	(116,085)
Contributions	-	-	898	898
Investment earnings	28,125	133,695	105,346	(28,349)
Miscellaneous	3,500	3,500	3,161	(339)
Total Revenues	10,146,934	10,579,562	10,056,756	(522,806)
Expenditures				
General administration				
Mayor and council	277,427	101,590	70,954	30,636
Elections	4,200	4,200	1,809	2,391
City administrator	670,086	961,274	744,389	216,885
Tax administration	74,998	74,998	68,306	6,692
General teller	63,683	63,683	56,463	7,220
Human resources	76,625	77,300	77,300	-
Risk management	4,750	4,750	3,681	1,069
Judicial				
Municipal court	301,802	386,242	386,242	-
Probation	138,565	119,111	112,138	6,973
Custody of prisoners	98,500	98,500	49,187	49,313
Public safety				
Police	4,040,589	4,149,217	4,027,807	121,410
Fire	3,145,440	3,186,191	3,186,191	-
Public works				
Animal control	87,606	87,606	80,269	7,337
Highways and streets	1,778,188	1,774,038	1,466,419	307,619
Cemetery	175,358	203,673	203,673	-
Parks beautification	354,095	348,417	307,829	40,588
Health and welfare related	67,693	68,693	67,547	1,146
Culture and recreation				
Auditorium	304	304	105	199
Depot	20,454	48,182	48,182	-
Community center	7,965	7,965	6,613	1,352
Library	344,514	344,514	298,957	45,557
Housing and economic development				
Regularatory inspections and enforcement	289,783	299,424	299,424	-
Downtown development	97,628	101,102	101,102	-
Airport	232,506	235,313	235,313	-
Total Expenditures	12,352,759	12,746,287	11,899,900	846,387
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,205,825)	(2,166,725)	(1,843,144)	323,581
Other Financing Sources (Uses)				
Sale of capital assets	7,500	7,500	14,200	6,700
Insurance reimbursement	-	-	13,124	13,124
Transfers in	3,150,484	3,150,484	3,233,485	83,001
Transfers out	(952,159)	(991,259)	(1,208,144)	(216,885)
Total Other Financing Sources (Uses)	2,205,825	2,166,725	2,052,665	(114,060)
Net Change in Fund Balance	$ -	$ -	209,521	$ 209,521
Fund Balance Beginning of Year			9,148,033	
Fund Balance End of Year			$ 9,357,554	

See accompanying notes to the basic financial statements.

City of Calhoun, Georgia
Statement of Net Position
Proprietary Funds
June 30, 3016

	Business-type Activities - Enterprise Funds				Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds	Total	Internal Service Fund
Assets					
Current assets					
Cash	$ 60,444	$ 1,660,997	$ 637,007	$ 2,358,448	$ 484,405
Restricted Assets					
Cash	1,172,888	1,586,851	-	2,759,739	-
Investments	18,540,518	-	-	18,540,518	-
Receivables					
Accounts	728,097	879,931	83,670	1,691,698	-
Accrued revenue	3,143,386	1,159,993	109,035	4,412,414	-
Intergovernmental	874,287	171,619	-	1,045,906	-
Interfund	88,558	689	76,844	166,091	182,305
Other	81,993	-	2,197	84,190	-
Advances	295,842	-	-	295,842	-
Deposits	30,083	-	-	30,083	-
Inventory	1,939,060	994,638	298,925	3,232,623	-
Prepaid items	57,664	81,496	11,171	150,331	90,370
Total Current Assets	27,012,820	6,536,214	1,218,849	34,767,883	757,080
Noncurrent assets					
Investments	10,470,497	4,604,785	809,195	15,884,477	-
Restricted assets					
Cash	-	808,073	-	808,073	-
Investments	12,799,469	-	-	12,799,469	-
Advances receivable	2,069,601	-	-	2,069,601	-
Capital Assets					
Nondepreciable	521,026	7,166,506	1,010,573	8,698,105	26,977
Depreciable, net	14,929,749	89,741,570	2,412,765	107,084,084	1,367,316
Total Noncurrent Assets	40,790,342	102,320,934	4,232,533	147,343,809	1,394,293
Total Assets	67,803,162	108,857,148	5,451,382	182,111,692	2,151,373
Deferred Outflows of Resources					
Deferred bond refunding	-	79,664	-	79,664	-
Pension related	120,949	267,619	59,920	448,488	157,227
Total Deferred Outflows of Resources	120,949	347,283	59,920	528,152	157,227
Liabilities					
Current liabilities					
Accounts payable	2,815,530	302,005	165,747	3,283,282	50,452
Contractor bonds payable	-	38,468	-	38,468	-
Accrued payroll liabilities	234	131,889	21,146	153,269	89,443
Accrued expenses	50,903	-	35,722	86,625	4,856
Accrued interest payable	-	26,428	-	26,428	-
Intergovernmental payable	85,012	8,368	6,047	99,427	-
Interfund payable	-	-	695,729	695,729	516,911
Post-closure care payable	-	-	28,378	28,378	-
Compensated absences payable	13,349	45,503	9,201	68,053	29,097
Unearned revenue	17,168	-	10,554	27,722	118,800
Advances payable	-	69,308	110,955	180,263	73,812
Notes payable	-	7,022,888	-	7,022,888	-
Revenue bonds payable	-	1,480,000	-	1,480,000	-
Payable From Restricted Assets:					
Accrued interest payable	-	3,539	-	3,539	-
Customer deposits and interest	1,172,888	1,029,802	-	2,202,690	-
Total Current Liabilities	4,155,084	10,158,198	1,083,479	15,396,761	883,371
Long-term liabilities					
Compensated absences payable	24,792	84,506	17,089	126,387	54,037
Net pension obligation	-	173,933	-	173,933	-
Net pension liability	250,078	553,334	123,892	927,304	325,088
Post-closure care payable (net of current portion)	-	-	119,301	119,301	-
Notes payable (net of current portion)	-	8,359,398	-	8,359,398	-
Revenue bonds payable (net of current portion)	-	5,475,000	-	5,475,000	-
Advances payable (net of current portion)	-	557,806	624,589	1,182,395	605,640
Payable From Restricted Assets:					
Regulatory liability	17,940,095	-	-	17,940,095	-
Total Long-Term Liabilities	18,214,965	15,203,977	884,871	34,303,813	984,765
Total Liabilities	22,370,049	25,362,175	1,968,350	49,700,574	1,868,136
Deferred Inflows of Resources					
Pension related	33,001	73,019	16,349	122,369	42,900
Net Position					
Net investment in capital assets	15,450,775	74,650,454	3,423,338	93,524,567	1,394,293
Unrestricted (deficit)	30,070,286	9,118,783	103,265	39,292,334	(996,729)
Total Net Position	$ 45,521,061	$ 83,769,237	$ 3,526,603	$ 132,816,901	$ 397,564
Reconciliation of the fund level statement of net position to the government wide statement of net position.					
Internal service fund net position reported as business-type activities on the government wide statement				397,564	
Net Position of Business-type Activities				$ 133,214,465	
Interfund receivables and payables between proprietary funds are reported on the fund level statement of net position but eliminated on the government-wide statement of net position		Interfund receivables		$ (76,775)	$ -
		Interfund payables		-	76,775
				$ (76,775)	$ 76,775
Interfund advances between proprietary funds are reported on the fund level statement of net position but eliminated on the government-wide statement of net position		Advances receivable		$ (2,042,110)	$ -
		Advances payable		1,362,658	679,452
				$ (679,452)	$ 679,452

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds				Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds	Total	Internal Service Fund
Operating Revenues					
Charges for services	$ 37,810,552	$ 17,268,280	$ 2,431,174	$ 57,510,006	$ 2,839,642
Miscellaneous	195,999	58,475	26,493	280,967	40,357
Total Operating Revenues	38,006,551	17,326,755	2,457,667	57,790,973	2,879,999
Operating Expenses					
Personal services	1,233,219	3,444,572	878,286	5,556,077	2,156,903
Contractual services	1,718,601	987,603	873,431	3,579,635	419,451
Supplies	29,041,566	3,387,843	263,796	32,693,205	127,438
Interfund allocations	551,304	1,868,178	183,150	2,602,632	62,253
Depreciation	965,371	3,540,037	309,210	4,814,618	98,326
Amortization	-	27,365	725	28,090	-
Other	181	968	12,094	13,243	-
Total Operating Expenses	33,510,242	13,256,566	2,520,692	49,287,500	2,864,371
Operating Income (Loss)	4,496,309	4,070,189	(63,025)	8,503,473	15,628
Non-Operating Revenues (Expenses)					
Change in estimated landfill closure costs	-	-	(128,837)	(128,837)	-
Interest and fiscal charges	-	(430,810)	(8,043)	(438,853)	(7,252)
Investment earnings	437,822	66,813	8,148	512,783	-
Intergovernmental revenue	164,838	-	220,028	384,866	-
Intergovernmental expenses	-	-	(139,259)	(139,259)	-
Gain on disposition of capital assets	4,726	1,031	2,258	8,015	-
Total Non-Operating Revenues (Expenses)	607,386	(362,966)	(45,705)	198,715	(7,252)
Income (Loss) Before Contributions and Transfers	5,103,695	3,707,223	(108,730)	8,702,188	8,376
Capital contributions	-	85,224	-	85,224	-
Transfers in	78,436	246,940	308,168	633,544	1,183
Transfers out	(1,874,228)	(1,200,893)	-	(3,075,121)	(39,600)
Total Contributions and Transfers	(1,795,792)	(868,729)	308,168	(2,356,353)	(38,417)
Change in Net Position	3,307,903	2,838,494	199,438	6,345,835	(30,041)
Net Position Beginning of Year	42,213,158	80,930,743	3,327,165	126,471,066	427,605
Net Position End of Year	$ 45,521,061	$ 83,769,237	$ 3,526,603	$ 132,816,901	$ 397,564

Reconciliation of the fund level operating statements to the government wide statement of activities.	
Change in net position	$ 6,345,835
Internal service fund charges (credits) to enterprise funds, resulting in changes in operating expenses.	(24,729)
Miscellaneous revenue	40,357
Interest expense	(7,252)
Transfers in	1,183
Transfers out	(39,600)
Change in Net position of business-type activities	$ 6,315,794

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, 2016

	Business-type Activities - Enterprise Funds				Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds	Total	Internal Service Fund
Cash Flows from Operating Activities					
Cash received from customers	$ 36,568,308	$ 17,280,347	$ 2,161,069	$ 56,009,724	$ -
Cash received from other	-	-	-	-	40,357
Cash received from interfund services provided	1,605,136	338,232	310,200	2,253,568	2,821,221
Other cash receipts	-	-	(113,417)	(113,417)	-
Cash payments for personal services	(1,211,320)	(3,453,694)	(886,079)	(5,551,093)	(2,155,431)
Cash payments for goods and services	(30,681,042)	(2,910,831)	(989,810)	(34,581,683)	(430,322)
Cash payments for interfund services used	(258,154)	(3,331,152)	(220,250)	(3,809,556)	(122,582)
Other cash payments	11,852	(1,867)	-	9,985	-
Net Cash Provided by (Used in) Operating Activities	6,034,780	7,921,035	261,713	14,217,528	153,243
Cash Flows from Noncapital Financing Activities					
Intergovernmental revenues	-	-	220,028	220,028	-
Intergovernmental expense	-	-	(134,962)	(134,962)	-
Transfers in	10,007	31,877	281,912	323,796	1,183
Transfers out	(1,874,228)	(1,200,893)	-	(3,075,121)	(39,600)
Advances to other funds	(407,378)	-	-	(407,378)	-
Payments received on advances	389,456	-	-	389,456	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(1,882,143)	(1,169,016)	366,978	(2,684,181)	(38,417)
Cash Flows from Capital and Related Financing Activities					
Transfers in- SPLOST	68,429	215,063	26,256	309,748	-
Proceeds from debt	-	2,082,594	-	2,082,594	-
Proceeds from sale of capital assets	4,726	-	-	4,726	-
Payments for landfill post-closure costs	-	-	(30,668)	(30,668)	-
Principal paid on revenue bonds	-	(1,450,000)	-	(1,450,000)	-
Interest paid on revenue bonds	-	(170,293)	-	(170,293)	-
Principal paid on notes and leases	-	(622,151)	-	(622,151)	(10,437)
Interest paid on notes and leases	-	(255,749)	-	(255,749)	-
Payments for capital acquisitions and construction	(962,852)	(3,815,332)	(187,017)	(4,965,201)	(76,072)
Intergovernmental revenues	164,838	85,224	-	250,062	-
Principal paid on advance	-	(59,500)	(109,853)	(169,353)	(73,078)
Interest paid on advance	-	(5,717)	(8,043)	(13,760)	(7,252)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(724,859)	(3,995,861)	(309,325)	(5,030,045)	(166,839)
Cash Flows from Investing Activities					
Purchase of investments	(8,474,573)	(3,480,205)	(698,826)	(12,653,604)	-
Investment earnings	437,822	66,813	8,148	512,783	-
Net Cash Provided by (Used in) Investing Activities	(8,036,751)	(3,413,392)	(690,678)	(12,140,821)	-
Net Increase (Decrease) in Cash	(4,608,973)	(657,234)	(371,312)	(5,637,519)	(52,013)
Cash Beginning of Year	5,842,305	4,713,155	1,008,319	11,563,779	536,418
Cash End of Year	$ 1,233,332	$ 4,055,921	$ 637,007	$ 5,926,260	$ 484,405

See accompanying notes to the basic financial statements

(continued)

City of Calhoun, Georgia
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

(continued)

	Business-type Activities - Enterprise Funds				Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	$ 4,496,309	$ 4,070,189	$ (63,025)	$ 8,503,473	$ 15,628
Adjustments					
Depreciation	965,371	3,540,037	309,210	4,814,618	98,326
Amortization	-	27,365	725	28,090	-
(Increase) Decrease in Assets					
Accounts receivable and accrued revenues	130,608	128,133	18,572	277,313	-
Inventories	97,506	68,070	7,372	172,948	-
Interfund receivables	341,864	(689)	(14,154)	327,021	(18,421)
Intergovernmental receivable	(70,347)	-	-	(70,347)	-
Deposits	9,273	-	-	9,273	-
Prepaid expenses	12,033	3,206	347	15,586	(5,977)
Deferred outflows pension related	(78,054)	(160,904)	(32,785)	(271,743)	(85,161)
Increase (Decrease) in Liabilities					
Accounts payable and accrued liabilities	(72,719)	(68,464)	116,687	(24,496)	10,379
Net pension obligation	-	173,933	-	173,933	-
Net pension liability	106,384	(13,053)	32,991	126,322	83,676
Accrued payroll liabilities	(3,038)	8,425	(1,325)	4,062	21,202
Intergovernmental payable	4,720	-	-	4,720	(102)
Deposits payable	98,724	163,691	-	262,415	-
Interfund payable	(461)	(1,381)	(113,472)	(115,314)	51,938
Unearned revenue	-	-	7,244	7,244	-
Deferred inflows pension related	(3,393)	(17,523)	(6,674)	(27,590)	(18,245)
Net Cash Provided by (Used in) Operating Activities	$ 6,034,780	$ 7,921,035	$ 261,713	$ 14,217,528	$ 153,243
Noncash Investing, Capital and Financing Activities					
The net appreciation in the value of investments that are not cash equivalents and are reported at fair value.	$ 48,623	$ 21,364	$ 3,684	$ 73,671	$ -

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Municipal Court Agency Fund	Cemetery Trust Fund
Assets		
Cash	$ 10,820	$ 1,177,374
Investments	-	7,500
Total Assets	$ 10,820	$ 1,184,874
Liabilities and Net Position		
Liabilities		
Intergovernmental Payable	$ 10,820	$ -
Net Position		
Assets held in trust for cemetery perpetual care	-	1,184,874
Liabilities and Net Position	$ 10,820	$ 1,184,874

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	Pension Trust Fund	Cemetery Trust Fund
Additions		
Employer contributions	$ 77,410	$ -
Cemetery lot sales- trust portion	-	38,000
Investment income	-	1,344
Total Additions	77,410	39,344
Deductions		
Benefits	77,410	-
Administrative expenses	-	3,690
Total Deductions	77,410	3,690
Change in Net Position	-	35,654
Net Position Beginning of Year	-	1,149,220
Net Position End of Year	$ -	$ 1,184,874

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, 2016

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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 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 and a financial benefit or burden relationship exists. 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. The financial burden criterion is further met since the land and buildings of the school system are owned by the City. 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 position 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 position 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.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, 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. This includes administration, engineering, work order dispatch and meter reading for Utility departments. Finance and purchasing are handled for all City funds through the Internal Service Fund. Utility billing, customer service and tellers are also recorded for all enterprise funds of the City.

Fiduciary Funds - Fiduciary fund reporting focuses on net position. 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. All amounts belonging to the City have been eliminated prior to financial reporting purposes and are reflected in the appropriate fund. 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 position. 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 position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. 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 assets and liabilities includes additions and deletions to the pension trust fund's net position. 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.

Unearned Revenue and Deferred Outflows/Inflows of Resources - Unearned 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 unearned revenue (i.e., they are measurable but not available) rather than as revenue.

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports the deferred charge on refunding, resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

In addition to liabilities, the statement of financial position also reports a separate section for deferred inflows of resources. This separate element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. 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.

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 and Investments

Cash includes 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, 2016. The delinquent taxes receivable account represents past years of uncollected tax levies. The allowance for estimated uncollectibles is estimated at .84% of the tax digests for fiscal years ended June 30, 2012-2016, in addition to 100% of the receivable for all fiscal years prior to 2012.

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 position, 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 position, 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, 2016, 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 reported as nonspendable 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 position 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 position and in the enterprise funds' statement of net position. 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 acquisition value 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. See Note 3-E for further information on capitalized infrastructure. 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
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. The expense resulting from the amortization of these assets is included with depreciation expense.

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 and Debt Refunding Gains and Losses

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

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (old debt).

Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred.

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 position."

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

- ***Nonspendable –*** Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- ***Restricted –*** Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- ***Committed –*** Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by resolution of the City Council. A resolution is adopted by Council to establish any type of restriction on fund balance, modify the restriction or release it.
- ***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 Director of Finance to assign fund balances.
- ***Unassigned –*** Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above 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 Position - Net position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation and debt, plus any outstanding balances of borrowings not yet expended, but restricted for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its 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 position balances are reported as unrestricted.

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

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 have been 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 a 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 requires City Council approval. The City Council amended the original appropriations for fiscal year 2016 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 (other than federal or state government instruments) 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, 2016, the City did not have debt or equity investment in any one organization, other than those issued by the U.S. Government, which represented more than 5 percent of investments.

As of June 30, 2016, the City's credit and interest rate risk related to the City's cash equivalents and investments was as follows:

Investment	(Market Value) Fair Value	Segmented Time Distrib.	Credit Quality
Federal agency securities	$ 1,005,020	within 6 months	AAA
Negotiable certificates of deposit	1,961,470	within 6 months	n/a
Federal agency securities	3,530,498	1-3 yrs.	AAA
Negotiable certificates of deposit	5,153,847	1-3 yrs.	n/a
Federal agency securities	9,004,405	> 3 yrs.	AAA
Negotiable certificates of deposit	690,000	>3 yrs.	n/a
	$ 21,345,240		

The City's investments were all valued at fair value measurements using significant other observable inputs (Level 2). Of the City's investments, $7,805,317 were in negotiable certificates of deposit and $13,622,667 were in federal agency securities.

At June 30, 2016, the carrying amount of the City's deposits, not including cash on hand, was $25,530,604 and the related bank balances totaled $24,898,231. All bank balances were covered by Federal Depository Insurance or by collateral held by the City's agent. Cash on hand at June 30, 2016 was $6,490.

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. It is currently the City's policy to not invest in instruments with a variable interest rate, with the exception of the MCT and the pension trust fund. The investment portfolio will be invested in permitted investments with a stated maturity of no more than 5 years from the date of purchase.

At June 30, 2016, the City's investments also included $31,339,987 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. There is negligible credit risk associated with the City's investments primarily since it is the City's policy to invest in certificates of deposit, money market accounts that are covered by FDIC insurance or pledged collateral and securities of the U.S. government and its agencies. 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	Investments
Fund Reporting Level:		
Governmental Funds - Balance Sheet	$ 17,938,235	$ 5,460,763
Proprietary Fund Type Statement of Net Position	2,842,853	15,884,477
Proprietary Fund Type Statement of Net Position - Restricted	3,567,812	31,339,987
Fiduciary Fund Type Statement of Net Position	1,188,194	7,500
Total	$ 25,537,094	$ 52,692,727

3-B. Receivables

Receivables at June 30, 2016, 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, collectability.

At June 30, 2016, the amount of allowance for uncollectables was $1,247,238.

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 23, 2015. Property taxes were billed on September 23, 2015 and were payable on December 20, 2015. Liens have not been issued as of the report date.

3-D. Restricted Assets

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

Cash	
Construction bonds	$ 38,468
Utility deposits of customers	2,202,690
Water and sewerage debt service	1,326,654
Total Cash	3,567,812
Investments	
Electric Fund- Flexible Trust account- MEAG	13,524,618
Electric Fund- Generation Trust account- MEAG	17,815,369
Total Investments	31,339,987
Total Restricted Assets	$ 34,907,799

3-E. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
Governmental activities				
Capital assets not being depreciated				
Land	$ 16,672,497	$ 14,804,237	$ -	$ 31,476,734
Construction in progress	257,588	1,801,178	81,344	1,977,422
Total capital assets not being depreciated	16,930,085	16,605,415	81,344	33,454,156
Depreciable capital assets				
Buildings	91,771,139	-	-	91,771,139
Improvements other than buildings	11,921,281	849,187	-	12,770,468
Machinery and equipment	7,939,578	385,629	50,665	8,274,542
Infrastructure	25,228,356	63,779	-	25,292,135
Total depreciable capital assets	136,860,354	1,298,595	50,665	138,108,284
Total capital assets	153,790,439	17,904,010	132,009	171,562,440
Accumulated depreciation				
Buildings	18,521,470	1,969,834	-	20,491,304
Improvements other than buildings	5,115,381	650,921	-	5,766,302
Machinery and equipment	5,703,079	484,681	50,665	6,137,095
Infrastructure	14,073,024	706,115	-	14,779,139
Total accumulated depreciation	43,412,954	3,811,551	50,665	47,173,840
Governmental activities capital assets, net	$ 110,377,485	$ 14,092,459	$ 81,344	$ 124,388,600

Governmental activities depreciation expense

General government	$ 16,516
Judicial	1,163
Public safety	376,650
Public works	885,390
Culture and recreation	419,627
Housing and development	481
Education	2,111,724
Total governmental activities depreciation expense	$ 3,811,551

Construction in progress for governmental activities at June 30, 2016 includes the following:

Project Description	Project Authorized	Expended to June 30, 2016	Future Financing
Peters Street	$ 2,000,000	$ 352,483	$ 1,647,517
Recreation complex	1,958,666	1,573,299	385,367
CMS/ CHS project	245,000	30,000	215,000
Caboose rennovation	25,000	21,640	3,360
Total	$ 4,228,666	$ 1,977,422	$ 2,251,244

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

	Balance 6/30/2015	Adjustments	Additions	Deductions	Balance 6/30/2016
Business-type activities					
Nondepreciable capital assets					
Land	$ 7,389,307	$ -	$ -	$ -	$ 7,389,307
Intangibles	46,424	-	-	-	46,424
Construction in progress	3,388,236	-	9,772	2,108,657	1,289,351
Total nondepreciable capital assets	10,823,967	-	9,772	2,108,657	8,725,082
Depreciable capital assets					
Buildings, plant and tanks	40,090,792	-	71,988	-	40,162,780
Improvements other than buildings	5,561,848	-	-	-	5,561,848
Machinery and equipment	24,793,742	-	994,764	301,221	25,487,285
Utility systems	117,595,096	-	6,073,011	409,945	123,258,162
Total depreciable assets	188,041,478	-	7,139,763	711,166	194,470,075
Total capital assets	198,865,445	-	7,149,535	2,819,823	203,195,157
Accumulated depreciation					
Buildings, plant and tanks	20,882,916	-	798,785	-	21,681,701
Improvements other than buildings	3,986,926	-	126,428	-	4,113,354
Machinery and equipment	16,003,882	-	1,258,336	301,221	16,960,997
Utility systems	40,942,637	-	2,729,396	409,409	43,262,624
Total accumulated depreciation	81,816,361	-	4,912,945	710,630	86,018,676
Business-type activities capital assets, net	$ 117,049,084	$ -	$ 2,236,590	$ 2,109,193	$ 117,176,481

Construction in progress for business-type activities at June 30, 2016 includes the following:

Project Description	Project Budget	Expended to June 30, 2016	Future Financing
Foster Glen Sewer Project	$ 34,842	$ 16,519	$ 18,323
Camden Court Sewer Extension	20,500	19,958	542
Park Place-Phase VIII Sewer Extension	7,000	5,984	1,016
Peters street Sewer Relocation	12,000	1,180	10,820
Lighting projects	564,616	421,388	143,228
Two Inch Galvanized Pipe- GEFA	1,440,000	808,470	631,530
Other	125,191	15,852	109,339
Total	$ 2,204,149	$ 1,289,351	$ 914,798

3-F. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2016 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	School bonds debt service fund	Nonmajor governmental funds	Nonmajor enterprise funds	Internal service fund	Total
General fund	$ -	$ -	$ 21,416	$ 695,729	$ 438,197	$ 1,155,342
Nonmajor governmental funds	18,231	96,965	15,348	-	1,939	132,483
Water & sewerage system fund	689	-	-	-	-	689
Electric fund	88,558	-	-	-	-	88,558
Nonmajor enterprise funds	69	-	-	-	76,775	76,844
Internal service fund	182,305	-	-	-	-	182,305
Total	$ 289,852	$ 96,965	$ 36,764	$ 695,729	$ 516,911	$ 1,636,221

Long-term Balances - The electric system fund originally advanced the telecommunications fund resources to start this fund. As of June 30, 2016, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 110,955	$ 6,940	$ 117,895
2018	112,069	5,827	117,896
2019	113,194	4,702	117,896
2020	114,330	3,565	117,895
2021	115,478	2,418	117,896
2022-2023	169,518	1,391	170,909
	$ 735,544	$ 24,843	$ 760,387

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, 2016, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 32,325	$ 2,584	$ 34,909
2018	32,650	2,259	34,909
2019	32,977	1,932	34,909
2020	33,308	1,601	34,909
2021	33,643	1,266	34,909
2022-2024	105,606	1,760	107,366
	$ 270,509	$ 11,402	$ 281,911

During fiscal year 2016, the electric system advanced the water & sewerage fund monies to construct a transmission main on Highway 53. As of June 30, 2016, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 36,983	$ 3,428	$ 40,411
2018	37,354	3,056	40,410
2019	37,729	2,681	40,410
2020	38,108	2,303	40,411
2021	38,490	1,920	40,410
2022-2026	167,941	3,804	171,745
	$ 356,605	$ 17,192	$ 373,797

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, 2016, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 73,812	$ 6,518	$ 80,330
2018	74,553	5,777	80,330
2019	75,301	5,029	80,330
2020	76,057	4,273	80,330
2021	76,820	3,510	80,330
2022-2025	302,909	6,231	309,140
Total	$ 679,452	$ 31,338	$ 710,790

During fiscal year 2016, the electric system fund advanced the general fund resources for lighting construction at Exit 312. As of June 30, 2016, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 41,767	$ 3,233	$ 45,000
2018	42,184	2,816	45,000
2019	42,606	2,394	45,000
2020	43,032	1,968	45,000
2021	43,463	1,537	45,000
2022-2023	110,281	1,767	112,048
Total	$ 323,333	$ 13,715	$ 337,048

Changes to the City's long-term advances from the electric fund consisted of the following for the year ended June 30, 2016:

Advances to:	Outstanding 6/30/2015	Additions	Reductions	Outstanding 6/30/2016	Amounts Due in One Year
Telecommunications fund	$ 845,397	$ -	$ 109,853	$ 735,544	$ 110,955
Water and sewerage fund	686,614	-	59,500	627,114	69,308
Internal service fund	752,530	-	73,078	679,452	73,812
General fund	62,980	407,378	147,025	323,333	41,767
Total Advances	$ 2,347,521	$ 407,378	$ 389,456	$ 2,365,443	$ 295,842

Interfund Transfers – The following interfund transfers were made in fiscal year 2016:

	Transfers out						
	General fund	School bonds debt service fund	Nonmajor governmental funds	Electric system fund	Water & sewerage fund	Internal service fund	Total
Transfers in							
General fund	$ -	$ -	$ 152,560	$ 1,853,176	$ 1,188,149	$ 39,600	$ 3,233,485
Nonmajor governmental funds	916,612	877,204	89,581	364	-	-	1,883,761
Electric system	10,007	-	68,429	-	-	-	78,436
Water & sewerage	360	-	215,065	19,381	12,134	-	246,940
Nonmajor enterprise funds	280,717	-	26,269	572	610	-	308,168
Internal service fund	448	-	-	735	-	-	1,183
Total	$ 1,208,144	$ 877,204	$ 551,904	$ 1,874,228	$ 1,200,893	$ 39,600	$ 5,751,973

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

Historically, the Mayor and City Council appropriate transfers from City Utilities to the General Fund. 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 $30,000 each year for at least five more years to meet required monitoring and maintain a clear status for at least three years after the clearance is issued. 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, 2016 are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 343,800	$ 22,185	$ 365,985
2018	361,400	7,517	368,917
Total	$ 705,200	$ 29,702	$ 734,902

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. In fiscal 2012, the City issued $12,000,000 in school general obligation bonds. These bonds bear interest at a rate of 4.0% and mature in September 2032. 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, 2016 are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ -	$ 1,482,675	$ 1,482,675
2018	-	1,482,675	1,482,675
2019	-	1,482,675	1,482,675
2020	-	1,482,675	1,482,675
2021	-	1,482,675	1,482,675
2022-2026	21,000,000	5,493,668	26,493,668
2027-2031	7,900,000	1,735,150	9,635,150
2032-2033	4,100,000	166,000	4,266,000
Total	$ 33,000,000	$ 14,808,193	$ 47,808,193

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

Bonds –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, 2016 are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 920,000	$ 43,054	$ 963,054
2018	875,000	25,252	900,252
2019	290,000	8,321	298,321
2020	140,000	2,709	142,709
Total	$ 2,225,000	$ 79,336	$ 2,304,336

During 2012 the City issued Water and Sewerage Revenue Refunding Bonds, Series 2012 in the amount of $6,645,000. Proceeds from this issue prepaid GEFA loans in the amount of $4,023,682 and Series 2003 Bonds in the amount of $2,585,000 with interest rates ranging from 3.0% to 3.92%. The cash flows required for the debt that was refunded totaled $8,099,423. Cash flows for the Refunding Bonds, Series 2012 are $7,577,741. The present value of the savings was $496,118. The issue is a private placement issue and bears interest at a rate of 2.08%.

Maturities and debt service requirements remaining on the bond issue at June 30, 2016 are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 560,000	$ 98,384	$ 658,384
2018	575,000	86,736	661,736
2019	580,000	37,388	617,388
2020	595,000	62,712	657,712
2021	595,000	50,336	645,336
2022-2026	1,825,000	89,336	1,914,336
Total	$ 4,730,000	$ 424,892	$ 5,154,892

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

Fiscal Year	Principal	Interest	Total
2017	$ 1,480,000	$ 141,438	$ 1,621,438
2018	1,450,000	111,988	1,561,988
2019	870,000	45,709	915,709
2020	735,000	65,421	800,421
2021	595,000	50,336	645,336
2021-2025	1,825,000	89,336	1,914,336
	$ 6,955,000	$ 504,228	$ 7,459,228

Notes Payable-The City has obtained loans from the State Revolving Loan Fund for various water and sewer improvements, renovations and expansion and a note payable for a software upgrade. The total amount of interest incurred during this period of $63,652 has been capitalized. Details of the various loans and note are as follows:

% Rate	Monthly Payment	Payments Began	Date of Obligation	Original Amount	Maturity Date	Balance 6/30/2015	Additions	Reductions	Balance 6/30/2016
State Revolving Loan Fund									
3.00%	19,215	1/1/2004	5/28/2002	3,259,841	8/1/2024	$ 1,846,403	$ -	$ 177,546	$ 1,668,857
3.00%	11,835	5/1/2009	2/6/2003	2,133,992	4/1/2029	1,606,363	-	95,131	1,511,232
3.00%	14,079	8/1/2015	7/1/2015	2,770,000	N/A	2,770,000	-	103,694	2,666,306
3.00%	86,322	6/1/2007	2/28/2007	5,178,828	3/1/2027	3,408,519	-	245,780	3,162,739
1.40%	N/A	N/A	N/A	N/A	N/A	911,310	-	-	911,310
1.21%	N/A	N/A	N/A	N/A	N/A	3,379,248	2,082,594	-	5,461,842
Note Payable									
0.00%	3,479	10/31/2013	9/30/2013	83,500	8/31/2015	10,437	-	10,437	-
TOTAL						$ 13,932,280	$ 2,082,594	$ 632,588	$ 15,382,286

The following shows the required debt service for future years for notes payable:

Fiscal Year	Principal	Interest	Total
2017	$ 7,022,887	$ 237,114	$ 7,260,001
2018	668,277	218,573	886,850
2019	687,439	199,411	886,850
2020	707,112	179,739	886,851
2021	727,494	159,355	886,849
2022-2026	3,529,538	482,469	4,012,007
2027-2031	1,378,308	127,792	1,506,100
2032-2036	661,231	28,627	689,858
	$ 15,382,286	$ 1,633,080	$ 17,015,366

Landfill Post-closure Care

As described in detail in note 3-G, 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
2017	$ 28,378	$ 2,954	$ 31,332
2018	28,945	2,386	31,331
2019	29,524	1,807	31,331
2020	30,115	1,217	31,332
2021	30,717	614	31,331
	$ 147,679	$ 8,978	$ 156,657

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended June 30, 2016:

Governmental Activities	Outstanding 6/30/2015	Additions	Reductions	Outstanding 6/30/2016	Amounts Due in One Year
Revenue bonds	$ 1,035,800	$ -	$ 330,600	$ 705,200	$ 343,800
General obligation school bonds	33,000,000	-	-	33,000,000	-
Capital leases	21,028	-	21,028	-	-
Claims	73,921	2,854	6,094	70,681	6,223
Compensated absences	303,897	316,130	303,897	316,130	110,645
Net pension obligation	330,092	-	52,864	277,228	-
Net pension liability	914,605	486,890	-	1,401,495	-
Total Governmental Activities	$ 35,679,343	$ 805,874	$ 714,483	35,770,734	460,668
Plus Deferred Bond Related Items				656,138	-
Net Governmental Activities				$ 36,426,872	$ 460,668

	Outstanding 6/30/2015	Additions	Reductions	Outstanding 6/30/2016	Amounts Due in One Year
Business-Type Activities					
Revenue bonds	$ 8,405,000	$ -	$ 1,450,000	$ 6,955,000	$ 1,480,000
Notes payable	13,932,280	2,082,594	632,588	15,382,286	7,022,887
Estimated landfill closure costs	49,510	122,179	24,010	147,679	28,378
Compensated absences	267,900	277,574	267,900	277,574	97,150
Net pension obligation	208,901	-	34,968	173,933	-
Net pension liability	833,493	418,899	-	1,252,392	-
Total Business-Type Activities	$ 23,697,084	$ 2,901,246	$ 2,409,466	$ 24,188,864	$ 8,628,415

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. The General Fund is typically used to liquidate the net pension obligation of the governmental funds. The City has no other postemployment benefit obligation.

Plans Administered through the Georgia Municipal Association

Defined Benefit Plan- 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 administered through the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association 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. GMEBS 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). For fiscal year 2016, the City's annual pension contributions to the Plan were $657,550, equal to the City's required contributions.

Plan Membership **-** Participation in this plan is comprised of the following as of the valuation date of January 1, 2016:

Retirees and beneficiaries receiving benefits	61
Terminated plan members entitled to, but not yet receiving benefits	52
Active plan members	271
Total	384

Actuarial Assumptions **–**The City's pension liability was measured as of September 30, 2015. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions: (a) 7.75% investment rate of return and (b) projected salary increases of 3.25% per year plus service based merit increases (c) inflation at 3.25% and (d) cost of living adjustments at 0.00%. Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Nominal Real Rate of Return
Domestic equity	50%	5.95%	9.20%
International equity	15%	6.45%	9.70%
Fixed income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	100%		

Discount rate- The discount rate used to measure total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from the employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Net Pension Liability – The changes in the components of the net pension liability of the City of Calhoun for the year ended June 30, 2016 were as follows:

Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balance at September 30, 2014	$ 10,887,683	$ 9,139,585	$ 1,748,098
Changes for the year:			
Service cost	488,383	-	488,383
Interest	833,277	-	833,277
Difference between expected and actual experience	350,580	-	350,580
Contributions- employer	-	705,986	(705,986)
Contributions- employee	-	-	-
Net investment income	-	86,669	(86,669)
Benefit payments, including refunds of employer contributions	(271,445)	(271,445)	-
Administrative expense	-	(26,204)	26,204
Other	-	-	-
Net changes	1,400,795	495,006	905,789
Balance at September 30, 2015	$ 12,288,478	$ 9,634,591	$ 2,653,887

The required schedule of changes in the net pension liability immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to the discount rate – The following presents the net pension liability of the City, calculated using the discount rate of 7.75%, as what as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	$ 4,338,510	$ 2,653,887	$ 1,248,046

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions- For the year ended June 30, 2016, the City recognized pension expense of $709,094. At June 30, 2016 the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Demographic changes	$ 300,498	$ (34,145)
Changes of assumptions	-	(147,350)
Net difference between projected and actual earnings on pension plan investments	509,976	(168,717)
City contributions subsequent to the measurement date	473,068	-
	$ 1,283,542	$ (350,212)

City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized against pension expense as follows:

Year ending June 30	
2017	$ 177,577
2018	177,577
2019	177,577
2020	177,577
2021	50,083
2022 and thereafter	50,083
Total	$ 810,474

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	
2017	$ (92,538)
2018	(92,538)
2019	(92,538)
2020	(36,299)
2021	(36,299)
Total	$ (350,212)

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, 2016
Retirees Currently Receiving Benefits:		
General government	2	
Water and sewerage system	1	
Total Retirees Currently Receiving Benefits		3
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
2016	$ (10,422)	$ 77,410	-743%	$ 451,161
2015	9,159	89,361	976%	538,993
2014	18,118	97,456	538%	619,195
2013	25,342	97,456	385%	698,533
2012	113,333	130,893	115%	770,647
2011	121,521	149,263	123%	788,207

The pension costs for fiscal year ended June 30, 2016 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, 2016 is as follows:

Net pension obligation, beginning of year	$ 538,993
Annual pension cost	
Annual required contribution (ARC)	(30,434)
Interest on net pension obligation	20,012
Pension costs	(10,422)
Adjustment to the ARC	-
Employer contributions	(77,410)
Increase (decrease) in net pension obligation	(87,832)
Net pension obligation, end of year	$ 451,161

The following are the actuarial assumptions used in this plan:

Actuarial valuation date	6/30/2016
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

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

3-J. Net Investment in Capital Assets

The "*net investment in capital assets*" on the government-wide statement of net position as of June 30, 2016 is as follows:

Net Investment in Capital Assets:	Governmental Activities	Business Type Activities
Cost of capital assets	$ 171,562,440	$ 203,458,295
Less accumulated depreciation	(47,173,840)	(86,281,813)
Book value	124,388,600	117,176,482
Less capital related debt, net of deferred refunding amounts, bond premiums and discounts	(34,361,338)	(22,257,621)
Net investment in capital assets	$ 90,027,262	$ 94,918,861

3-K. Deficit Fund Balances

The deficit fund balance of the hotel/motel fund of $5,850 was the result of the requirement to classify fund balance as nonspendable for prepaid items. The deficit fund balance will be eliminated during the subsequent fiscal year as prepaid items are recognized.

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. 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, 2016. 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 $29,046,855 net of off-system sales which reduced costs. Rebates of $1,215,727 are reflected in the net power purchases of $27,831,128.

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, 2016, the balance in this account was $7,498,277. The intermediate flexible operating trust account has a balance of $6,026,341 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, 2016, the balance in this account was $5,015,900 for a total of $18,540,518 to be included in current restricted investments in the electric fund.

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, 2016, was 3,262,902. 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, 2016 is $12,799,469. 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 $8,674 in the year 2019 while the cost per kW has risen, this should generally be offset by the reduction in financing costs due to lower interest rates. 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 2019 which should accommodate the community's power needs for the next 30 to 35 years.

4-C. 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-D. 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 2016, the City paid dues in the amount of $16,052 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, 2016, were $130,613. 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 paid by the City for the Airport Authority for fiscal 2016 were $151,824. Separate financial statements may be obtained from the Calhoun-Gordon County Airport Authority, 1957 Hwy. 41 South, Calhoun, GA 30701.

4-E. Hotel-Motel Lodging Tax

The City of Calhoun levies an 8% Hotel/Motel tax in accordance with OCGA 48-13-51. Amounts levied in excess of 3% (62.5% of the taxes levied) are expended for the purpose of promoting tourism in accordance with OCGA 48-13-50 (b).

		Tax Rate	% of Receipts		Total
Lodging Tax Receipts					$ 716,650
Disbursements					
Gordon County Chamber of Commerce	Tourism	3.5%	43.8%	$ 313,535	
Gordon County Industrial Development Authority	Economic Development	2%	25.0%	179,163	
Downtown Development Authority	Economic Development	0.5%	6.3%	44,791	
Calhoun Recreation Department	Tourism	1%	12.5%	89,581	
City of Calhoun	Tourism	0.5%	6.2%	44,790	
City of Calhoun	Economic Development	0.5%	6.3%	44,890	(716,750)
		8%	100%		$ -

City of Calhoun, Georgia
Required Supplementary Information
Georgia Municipal Association Defined Benefit Plan
Schedule of Changes in the Net Pension Liability and Related Ratios

	2016	2015
Total pension liability		
Service cost	$ 488,383	$ 494,335
Interest	833,277	774,792
Difference between expected and actual experience	350,580	(47,806)
Changes of assumptions	-	(206,292)
Changes of benefit terms	-	-
Benefit payments, including refunds of employee contributions	(271,445)	(249,327)
Net change in total pension liability	1,400,795	765,702
Total pension liability- beginning	10,887,683	10,121,981
Total pension liability- ending (a)	$ 12,288,478	$ 10,887,683
Plan fiduciary net position		
Contributions- employer	$ 705,986	$ 715,308
Contributions- employee	-	-
Net investment income	86,669	902,314
Benefit payments- including refund of employee contributions	(271,445)	(249,327)
Administrative expense	(26,204)	(20,343)
Other	-	-
Net change in fiduciary net position	495,006	1,347,952
Plan fiduciary net position- beginning	9,139,585	7,791,633
Plan fiduciary net position- ending (b)	$ 9,634,591	$ 9,139,585
Net pension liability- ending (a-b)	$ 2,653,887	$ 1,748,098
Plans fiduciary net position as a percentage of the total pension liability	78.40%	83.94%
Covered employee payroll	$ 10,810,244	$ 10,313,836
Net pension liability as a percentage of covered employee payroll	24.55%	16.95%

Notes to the Schedule:
Historical information prior to implementation of GASB 67/68 is not required, but this schedule will present 10 years of information once accumulated.

City of Calhoun, Georgia
Required Supplementary Information
Georgia Municipal Association Defined Benefit Plan
Schedule of Contributions

	2015
Actuarially determined contribution	$ 722,131
Contributions in relation to the actuarially determined contribution	722,131
Contribution deficiency (excess)	$ -
Covered employee payroll	$ 10,313,836
Contributions as a percentage of covered employee payroll	7.00%

Notes to the Schedule:
The 2016 information will be determined after fiscal year end and included in the 2017 valuation report.

Historical information prior to implementation of GASB 67/68 is not required, but this schedule will present 10 years of information once accumulated.

Valuation date	The actuarial determined contribution rate was determined as of January 1, 2016, with an interest adjustment to the fiscal year. Contributions in relation to the actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2017.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Asset valuation method	Sum of actuarial value at beginning of 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 the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial assumptions:	
Net investment rate of return	7.75%
Projected salary increase	3.25% plus service based merit increases
Cost of living adjustments	0.00%
Retirement age	Where normal retirement is only available on or after age 65 retirement age is assumed to be 60% at ages 65 to 69 and 100% at age 70
Mortality	Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

City of Calhoun, Georgia
Required Supplementary Information
City Charter Unfunded Retirement Plan
Schedule of Funding Progress

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
6/30/2011	-	$ 970,093	0.0%	$ 970,093	-	-
6/30/2012	-	685,111	0.0%	685,111	-	-
6/30/2013	-	656,015	0.0%	656,015	-	-
6/30/2014	-	627,413	0.0%	627,413	-	-
6/30/2015	-	486,329	0.0%	486,329	-	-
6/30/2016	-	464,446	0.0%	464,446	-	-

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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
Balance Sheet
June 30, 2016

Assets	
Cash	$ 2,056,889
Investments	5,460,763
Receivables (net)	
Property taxes	48,548
Franchise taxes	136,456
Other taxes	37,884
Accounts	2,033
Fines	637,959
Intergovernmental	
Federal	645
State	1,136,527
County	90,568
Authorities	78,953
Interfund	1,155,342
Component unit	14,565
Prepaid items	324,299
Total Assets	$ 11,181,431
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	$ 159,753
Accrued payroll liabilities	865
Accrued expenditures	359,737
Intergovernmental payable	38,873
Interfund payable	289,852
Advances payable	323,333
Total Liabilities	1,172,413
Deferred Inflows of Resources	
Unavailable revenue	651,464
Total Liabilities and Deferred Inflows of Resources	1,823,877
Fund Balance	
Nonspendable	
Prepaid items	324,299
Committed	
Working capital/contingencies	4,048,047
Unassigned	4,985,208
Total Fund Balance	9,357,554
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 11,181,431

City of Calhoun, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues	
Property taxes	$ 1,701,138
Sales taxes	2,246,370
Other taxes	4,617,388
Intergovernmental	534,013
Licenses and permits	291,207
Charges for services	214,720
Fines and forfeitures	342,515
Contributions	898
Investment earnings	105,346
Miscellaneous	3,161
Total Revenues	10,056,756
Expenditures	
Current	
General government	1,022,902
Judicial	547,567
Public safety	7,192,812
Public works	2,058,190
Health and welfare	67,547
Culture and recreation	353,857
Housing and economic development	635,839
Debt Service	
Principal retirement	21,028
Interest and fiscal charges	158
Total Expenditures	11,899,900
(Deficiency) of Revenues (Under) Expenditures	(1,843,144)
Other Financing Sources (Uses)	
Sale of capital assets	14,200
Insurance reimbursement	13,124
Transfers in	3,233,485
Transfers out	(1,208,144)
Total Other Financing Sources	2,052,665
Net Change in Fund Balance	209,521
Fund Balance Beginning of Year	9,148,033
Fund Balance End of Year	$ 9,357,554

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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.

City of Calhoun, Georgia
School Bond Debt Service Fund
Balance Sheet
June 30, 2016

Assets		
Cash	$	7,651,256
Due from component unit		236,490
Total Assets	$	7,887,746
Liabilities and Fund Balance		
Liablities		
Interfund payable	$	96,965
Fund Balance		
Restricted for debt service		7,790,781
Total Liabilities and Fund Balance	$	7,887,746

City of Calhoun, Georgia
School Bonds Debt Service Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues	
Intergovernmental	$ 3,690,261
Investment earnings	16,132
Total Revenues	3,706,393
Expenditures	
Debt Service	
Interest and fiscal charges	1,484,275
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,222,118
Other Financing Sources	
Transfers out	(877,204)
Net Change in Fund Balance	1,344,914
Fund Balance Beginning of Year	6,445,867
Fund Balance End of Year	$ 7,790,781

City of Calhoun, Georgia
School Bonds Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 3,914,245	$ 3,915,845	$ 3,690,261	$ (225,584)
Investment earnings	3,110	3,110	16,132	13,022
Total Revenues	3,917,355	3,918,955	3,706,393	(212,562)
Expenditures				
Debt Service				
Interest	1,482,675	1,484,275	1,484,275	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,434,680	2,434,680	2,222,118	(212,562)
Other Financing Sources (Uses)				
Transfer to School Splost	(2,434,680)	(2,434,680)	(877,204)	1,557,476
Net Change in Fund Balance	$ -	$ -	1,344,914	$ 1,344,914
Fund Balance Beginning of Year			6,445,867	
Fund Balance End of Year			$ 7,790,781	

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.

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.

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

2011 SPLOST Fund - to account for SPLOST revenues and capital outlay for various utility, recreation and other projects as well as public safety improvements.

City of Calhoun, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Revenue Bonds Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash	$ 852,013	$ -	$ 7,378,077	$ 8,230,090
Receivables				
Property taxes	483,746	-	-	483,746
Other taxes	122,334	-	-	122,334
Intergovernmental	670	-	87,932	88,602
Interest	2,880	-	-	2,880
Loans	368,944	-	-	368,944
Loans- noncurrent	1,685,918	-	-	1,685,918
Interfund	17,287	-	115,196	132,483
Prepaid items	12,688	-	-	12,688
Total Assets	$ 3,546,480	$ -	$ 7,581,205	$ 11,127,685
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)				
Liabilities				
Accounts payable	$ 132,065	$ -	$ 641,873	$ 773,938
Accrued expenditures	117,668	-	-	117,668
Intergovernmental payable	702	-	-	702
Due to component unit	128,911	-	96,965	225,876
Interfund payable	36,764	-	-	36,764
Unearned revenue	-	-	1,816,392	1,816,392
Total Liabilities	416,110	-	2,555,230	2,971,340
Deferred Inflows of Resources				
Unavailable revenue	394,129	-	-	394,129
Total Liabilities and Deferred Inflows of Resources	810,239	-	2,555,230	3,365,469
Fund Balances				
Nonspendable				
Prepaid items	12,688	-	-	12,688
Restricted				
Capital projects	-	-	5,025,975	5,025,975
Program purposes				
Housing and development	2,445,321	-	-	2,445,321
Public safety	130,756	-	-	130,756
Culture and recreation	153,326	-	-	153,326
Unassigned (deficits), reported in				
Special revenue funds	(5,850)	-	-	(5,850)
Total Fund Balances	2,736,241	-	5,025,975	7,762,216
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,546,480	$ -	$ 7,581,205	$ 11,127,685

City of Calhoun, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Fiscal Year Ended June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Revenue Bonds Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Hotel/motel taxes	$ 716,650	$ -	$ -	$ 716,650
Intergovernmental	323,075	-	1,752,737	2,075,812
Charges for services	216,241	-	-	216,241
Fines and forfeitures	5,921	-	-	5,921
Investment earnings	37,428	-	8,851	46,279
Miscellaneous	22,867	-	-	22,867
Total Revenues	1,322,182	-	1,761,588	3,083,770
Expenditures				
Current				
Public safety	33,234	-	-	33,234
Culture and recreation	1,024,289	-	-	1,024,289
Housing and economic development	539,987	-	-	539,987
Capital Outlay	-	-	2,962,166	2,962,166
Debt Service				
Principal retirement	-	330,600	-	330,600
Interest and fiscal charges	-	37,863	-	37,863
Total Expenditures	1,597,510	368,463	2,962,166	4,928,139
Excess (Deficiency) of Revenues Over (Under) Expenditures	(275,328)	(368,463)	(1,200,578)	(1,844,369)
Other Financing Sources (Uses)				
Sale of capital assets	4,023	-	-	4,023
Transfers in	538,326	368,463	976,972	1,883,761
Transfers out	(179,176)	-	(372,728)	(551,904)
Total Other Financing Sources (Uses)	363,173	368,463	604,244	1,335,880
Net Change in Fund Balances	87,845	-	(596,334)	(508,489)
Fund Balances Beginning of Year	2,648,396	-	5,622,309	8,270,705
Fund Balances End of Year	$ 2,736,241	$ -	$ 5,025,975	$ 7,762,216

City of Calhoun, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Urban Development Action Grant	Home Investment Partnership	Confiscated Assets	Hotel/Motel Tax	School Tax	Recreation	Total Nonmajor Special Revenue Funds
Assets							
Cash	$ 406,993	$ -	$ 224,205	$ -	$ 19,880	$ 200,935	$ 852,013
Receivables							
Property taxes	-	-	-	-	483,746	-	483,746
Other taxes	-	-	-	122,334	-	-	122,334
Intergovernmental	-	-	-	670	-	-	670
Interest	2,880	-	-	-	-	-	2,880
Loans	349,530	19,414	-	-	-	-	368,944
Loans- noncurrent	1,685,918	-	-	-	-	-	1,685,918
Interfund	-	-	-	-	-	17,287	17,287
Prepaid items	-	-	-	5,850	-	6,838	12,688
Total Assets	$ 2,445,321	$ 19,414	$ 224,205	$ 128,854	$ 503,626	$ 225,060	$ 3,546,480
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	$ -	$ -	$ 93,449	$ -	$ -	$ 38,616	$ 132,065
Accrued expenditures	-	-	-	92,090	-	25,578	117,668
Intergovernmental payable	-	-	-	-	-	702	702
Due to component unit	-	-	-	-	128,911	-	128,911
Interfund payable	-	-	-	36,764	-	-	36,764
Total Liabilities	-	-	93,449	128,854	128,911	64,896	416,110
Deferred Inflows of Resources							
Unavailable revenue	-	19,414	-	-	374,715	-	394,129
Total Liabilities and Deferred Inflows of Resources	-	19,414	93,449	128,854	503,626	64,896	810,239
Fund Balances							
Nonspendable							
Prepaid items	-	-	-	5,850	-	6,838	12,688
Restricted for program purposes							
Program purposes							
Housing and development	2,445,321	-	-	-	-	-	2,445,321
Public safety	-	-	130,756	-	-	-	130,756
Culture and recreation	-	-	-	-	-	153,326	153,326
Unassigned (deficits)	-	-	-	(5,850)	-	-	(5,850)
Total Fund Balances	2,445,321	-	130,756	-	-	160,164	2,736,241
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,445,321	$ 19,414	$ 224,205	$ 128,854	$ 503,626	$ 225,060	$ 3,546,480

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, 2016

	Urban Development Action Grant	Home Investment Partnership	Confiscated Assets	Hotel/Motel Tax	School Tax	Recreation	Total Nonmajor Special Revenue Funds
Revenues							
Hotel/motel taxes	$ -	$ -	$ -	$ 716,650	$ -	$ -	$ 716,650
Intergovernmental	-	-	-	-	-	323,075	323,075
Charges for services	-	-	-	-	-	216,241	216,241
Fines and forfeitures	-	-	5,921	-	-	-	5,921
Investment earnings	37,426	-	2	-	-	-	37,428
Miscellaneous	-	-	-	-	-	22,867	22,867
Total Revenues	37,426	-	5,923	716,650	-	562,183	1,322,182
Expenditures							
Current							
Public safety	-	-	33,234	-	-	-	33,234
Culture and recreation	-	-	-	-	-	1,024,289	1,024,289
Housing and economic development	2,500	-	-	537,487	-	-	539,987
Total Expenditures	2,500	-	33,234	537,487	-	1,024,289	1,597,510
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,926	-	(27,311)	179,163	-	(462,106)	(275,328)
Other Financing Sources (Uses)							
Sale of capital assets	-	-	4,023	-	-	-	4,023
Transfers in	-	-	-	-	-	538,326	538,326
Transfers out	-	-	-	(179,163)	-	(13)	(179,176)
Total Other Financing Sources (Uses)	-	-	4,023	(179,163)	-	538,313	363,173
Net Change in Fund Balances	34,926	-	(23,288)	-	-	76,207	87,845
Fund Balances Beginning of Year	2,410,395	-	154,044	-	-	83,957	2,648,396
Fund Balances End of Year	$ 2,445,321	$ -	$ 130,756	$ -	$ -	$ 160,164	$ 2,736,241

City of Calhoun, Georgia
Urban Development Action Grant Fund
Balance Sheet
June 30, 2016

Assets		
Cash	$	406,993
Receivables (net)		
Loans		349,530
Interest		2,880
Loans - noncurrent		1,685,918
Total Assets	$	2,445,321
Fund Balance		
Restricted for housing	$	2,445,321

City of Calhoun, Georgia
Urban Development Action Grant Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues	
Investment earnings	$ 37,426
Expenditures	
Current	
Housing and economic development	2,500
Net Change in Fund Balance	34,926
Fund Balance Beginning of Year	2,410,395
Fund Balance End of Year	$ 2,445,321

City of Calhoun, Georgia
Urban Development Action Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ 28,500	$ 28,500	$ 37,426	$ 8,926
Expenditures				
Current				
Housing and economic development	2,500	2,500	2,500	-
Excess of Revenues Over Expenditures	26,000	26,000	34,926	8,926
Other Financing Sources (Uses)				
Transfer to fund balance	(26,000)	(26,000)	-	26,000
Net Change in Fund Balance	$ -	$ -	34,926	$ 34,926
Fund Balance Beginning of Year			2,410,395	
Fund Balance End of Year			$ 2,445,321	

City of Calhoun, Georgia
Home Investment Partnership Act Fund
Balance Sheet
June 30, 2016

Assets	
Loans receivable	$ 19,414
Deferred Inflows of Resources	
Unavailable revenue	$ 19,414

City of Calhoun, Georgia
Home Investment Partnership Act Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues	
Investment earnings	$ -
Expenditures	
Current	
Housing and economic development	-
Excess of Revenues Over Expenditures	-
Fund Balance Beginning of Year	-
Fund Balance End of Year	$ -

City of Calhoun, Georgia
Home Investment Partnership Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ -	$ -	$ -	$ -
Expenditures				
Current				
Housing and economic development	-	-	-	-
Excess of Revenues Over Expnditures	-	-	-	-
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance Beginning of Year			-	
Fund Balance End of Year			$ -	

City of Calhoun, Georgia
Confiscated Assets Fund
Balance Sheet
June 30, 2016

Assets	
Cash	$ 224,205
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ 93,449
Fund Balance	
Restricted for public safety - police	130,756
Total Liabilities and Fund Balance	$ 224,205

City of Calhoun, Georgia
Confiscated Assets Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues		
Fines and forfeitures	$	5,921
Investment earnings		2
Total Revenues		5,923
Expenditures		
Current		
Public safety		33,234
Excess (Deficiency) of Revenues Over (Under) Expenditures		(27,311)
Other Financing Sources (Uses)		
Sale of assets		4,023
Net Change in Fund Balance		(23,288)
Fund Balance Beginning of Year		154,044
Fund Balance End of Year	$	130,756

City of Calhoun, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Fines and forfeitures	$ 3,500	$ 5,916	$ 5,921	$ 5
Vendor's compensation	50	50	-	(50)
Investment earnings	-	-	2	2
Total Revenues	3,550	5,966	5,923	(43)
Expenditures				
Current				
Public safety	6,250	33,234	33,234	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,700)	(27,268)	(27,311)	(43)
Other Financing Sources (Uses)				
Sale of capital assets	2,700	4,023	4,023	-
Appropriation of fund balance	-	23,245	-	(23,245)
Net Change in Fund Balance	$ -	$ -	(23,288)	$ (23,288)
Fund Balance Beginning of Year			154,044	
Fund Balance End of Year			$ 130,756	

City of Calhoun, Georgia
Hotel/Motel Tax Fund
Balance Sheet
June 30, 2016

Assets		
Hotel/motel taxes receivable	$	122,334
Intergovernmental receivables		670
Prepaid items		5,850
Total Assets	$	128,854
Liabilities and Fund Balance		
Liabilities		
Intergovernmental accounts payable	$	92,090
Interfunds		36,764
Total Liabilities		128,854
Fund Balance		
Nonspendable		
Prepaid items		5,850
Unassigned (deficits)		(5,850)
Total Fund Balance		-
Total Liabilities and Fund Balance	$	128,854

City of Calhoun, Georgia
Hotel/Motel Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues	
Hotel/motel taxes	$ 716,650
Expenditures	
Current	
Housing and economic development	537,487
Excess of Revenues Over Expenditures	179,163
Other Financing Sources (Uses)	
Transfers out	(179,163)
Net Change in Fund Balance	-
Fund Balance Beginning of Year	-
Fund Balance End of Year	$ -

City of Calhoun, Georgia
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Hotel/motel taxes	$ 580,000	$ 716,650	$ 716,650	$ -
Expenditures				
Current				
Housing and economic development	435,000	537,487	537,487	-
Excess of Revenues Over Expenditures	145,000	179,163	179,163	-
Other Financing Sources (Uses)				
Transfers out	(145,000)	(179,163)	(179,163)	-
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance Beginning of Year			-	
Fund Balance End of Year			$ -	

City of Calhoun, Georgia
School Tax Fund
Balance Sheet
June 30, 2016

Assets		
Cash	$	19,880
Property taxes receivable		483,746
Total Assets	$	503,626
Liabilities and Deferred Inflows of Resources		
Liabilities		
Due to component unit	$	128,911
Deferred Inflows of Resources		
Deferred revenues		374,715
Total Liabilities and Deferred Inflows of Resources	$	503,626

City of Calhoun, Georgia
School Tax Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues	
Property taxes	$ -
Expenditures	
Current	
Education	-
Excess of Revenues Over Expenditures	-
Fund Balance Beginning of Year	-
Fund Balance End of Year	$ -

City of Calhoun, Georgia
School Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Expenditures				
Current				
Education	-	-	-	-
Excess of Revenues Over Expenditures	$ -	$ -	-	$ -
Fund Balance Beginning of Year			-	
Fund Balance End of Year			$ -	

City of Calhoun, Georgia
Recreation Fund
Balance Sheet
June 30, 2016

Assets		
Cash	$	200,935
Interfund		17,287
Prepaid items		6,838
Total Assets	$	225,060
Liabilities and Fund Balance		
Liabilities		
Accounts payable	$	38,616
Accrued expenditures		25,578
Intergovernmental payable		702
Total Liabilities		64,896
Fund Balances		
Nonspendable		
Prepaid items		6,838
Restricted		
Culture and recreation		153,326
Total Fund Balance		160,164
Total Liabilities and Fund Balance	$	225,060

City of Calhoun, Georgia
Recreation Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues	
Intergovernmental	$ 323,075
Charges for services	216,241
Miscellaneous	22,867
Total Revenues	562,183
Expenditures	
Current	
Culture and recreation	1,024,289
(Deficiency) of Revenues (Under) Expenditures	(462,106)
Other Financing Sources (Uses)	
Transfers in	538,326
Transfers out	(13)
Total Other Financing Sources (Uses)	538,313
Net Change in Fund Balance	76,207
Fund Balance Beginning of Year	83,957
Fund Balance End of Year	$ 160,164

City of Calhoun, Georgia
Recreation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 323,008	$ 323,008	$ 323,075	$ 67
Charges for services	236,600	236,600	216,241	(20,359)
Miscellaneous	22,050	22,050	22,867	817
Total Revenues	581,658	581,658	562,183	(19,475)
Expenditures				
Current				
Culture and recreation	1,100,855	1,124,842	1,024,289	100,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	(519,197)	(543,184)	(462,106)	81,078
Other Financing Sources				
Transfers in	519,197	543,197	538,326	(4,871)
Transfers out	-	(13)	(13)	-
Total Other Financing Sources	519,197	543,184	538,313	(4,871)
Net Change in Fund Balance	$ -	$ -	76,207	$ 76,207
Fund Balance Beginning of Year			83,957	
Fund Balance End of Year			$ 160,164	

City of Calhoun, Georgia
Revenue Bonds Debt Service Fund
Balance Sheet
June 30, 2016

Assets	
Cash	$ -
Fund Balance	
Restricted for debt service	$ -

City of Calhoun, Georgia
Revenue Bonds Debt Service Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues	
Investment earnings	$ -
Expenditures	
Debt Service	
Principal retirement	330,600
Interest and fiscal charges	37,863
Total Expenditures	368,463
Excess (Deficiency) of Revenues Over (Under) Expenditures	(368,463)
Other Financing Sources	
Transfers in	368,463
Net Change in Fund Balance	-
Fund Balance Beginning of Year	-
Fund Balance End of Year	$ -

City of Calhoun, Georgia
Revenue Bonds Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ -	$ -	$ -	$ -
Expenditures				
Debt Service				
Principal	330,600	330,600	330,600	-
Interest and fiscal charges	37,863	37,863	37,863	-
Total Expenditures	368,463	368,463	368,463	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(368,463)	(368,463)	(368,463)	-
Other Financing Sources				
Transfers in	368,463	368,463	368,463	-
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance Beginning of Year			-	
Fund Balance End of Year			$ -	

City of Calhoun, Georgia
Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2016

	2005 SPLOST	School SPLOST	2011 SPLOST	Total Nonmajor Capital Projects Funds
Assets				
Cash	$ 3,976,391	$ -	$ 3,401,686	$ 7,378,077
Receivables:				
Intergovernmental	-	-	87,932	87,932
Interfund	-	96,965	18,231	115,196
Total Assets	$ 3,976,391	$ 96,965	$ 3,507,849	$ 7,581,205
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ -	$ -	$ 641,873	$ 641,873
Due to component unit		96,965		96,965
Unearned revenue	-	-	1,816,392	1,816,392
Total Liabilities	-	96,965	2,458,265	2,555,230
Total Liabilities and Deferred Inflows of Resources	-	96,965	2,458,265	2,555,230
Fund Balances				
Restricted for capital projects	3,976,391	-	1,049,584	5,025,975
Total Liabilities and Fund Balances	$ 3,976,391	$ 96,965	$ 3,507,849	$ 7,581,205

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, 2016

	2005 SPLOST	School SPLOST	2011 SPLOST	Total Nonmajor Capital Projects Funds
Revenues				
Intergovernmental	$ -	$ -	$ 1,752,737	$ 1,752,737
Investment earnings	8,181	-	670	8,851
Total Revenues	8,181	-	1,753,407	1,761,588
Expenditures				
Capital Outlay				
Public safety	128,307	-	5,491	133,798
Public works	-	-	384,094	384,094
Culture and recreation	-	-	1,567,070	1,567,070
Education	-	877,204	-	877,204
Total Expenditures	128,307	877,204	1,956,655	2,962,166
Excess (Deficiency) of Revenues Over (Under) Expenditures	(120,126)	(877,204)	(203,248)	(1,200,578)
Other Financing Sources (Uses)				
Transfers in	-	877,204	99,768	976,972
Transfers out	(75,467)	-	(297,261)	(372,728)
Total Other Financing Sources (Uses)	(75,467)	877,204	(197,493)	604,244
Net Change in Fund Balances	(195,593)	-	(400,741)	(596,334)
Fund Balances Beginning of Year	4,171,984	-	1,450,325	5,622,309
Fund Balances End of Year	$ 3,976,391	$ -	$ 1,049,584	$ 5,025,975

City of Calhoun, Georgia
2005 SPLOST Fund
Balance Sheet
June 30, 2016

Assets	
Cash	$ 3,976,391
Total Assets	$ 3,976,391
Fund Balance	
Restricted for capital projects	$ 3,976,391
Total Liabilities and Fund Balance	$ 3,976,391

City of Calhoun, Georgia
2005 SPLOST Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues	
Investment earnings	$ 8,181
Expenditures	
Capital Outlay	
Public safety	128,307
Excess of Revenues Over Expenditures	(120,126)
Other Financing Sources (Uses)	
Transfers out	(75,467)
Net Change in Fund Balance	(195,593)
Fund Balance Beginning of Year	4,171,984
Fund Balance End of Year	$ 3,976,391

City of Calhoun, Georgia
2005 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ 7,000	$ 7,000	$ 8,181	$ 1,181
Expenditures				
Capital Outlay				
Public safety	56,000	128,307	128,307	0
Excess of Revenues Over (Under) Expenditures	(49,000)	(121,307)	(120,126)	1,181
Other Financing Sources and Uses				
Transfers out	(221,500)	(221,500)	(75,467)	146,033
Appropriations of fund balance	270,500	342,807	-	(342,807)
Total Other Financing Sources and Uses	49,000	121,307	(75,467)	(196,774)
Net Change in Fund Balance	$ -	$ -	(195,593)	$ (195,593)
Fund Balance Beginning of Year			4,171,984	
Fund Balance End of Year			$ 3,976,391	

City of Calhoun, Georgia
School SPLOST Fund
Balance Sheet
June 30, 2016

Assets	
Interfund receivable	$ 96,965
Liabilities	
Liabilities	
Due to component unit	$ 96,965

City of Calhoun, Georgia
School SPLOST Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues	
Investment earnings	$ -
Expenditures	
Capital Outlay	
Education	877,204
Excess (Deficiency) of Revenues Over (Under) Expenditures	(877,204)
Other Financing Sources (Uses)	
Transfer in	877,204
Net Change in Fund Balances	-
Fund Balance Beginning of Year	-
Fund Balance End of Year	$ -

City of Calhoun, Georgia
School SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	$ -	$ -	$ -	$ -
Expenditures				
Capital Outlay				
Education	-	877,204	877,204	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(877,204)	(877,204)	-
Other Financing Sources (Uses)				
Transfer in	-	877,204	877,204	-
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance Beginning of Year			-	
Fund Balance End of Year			$ -	

City of Calhoun, Georgia
2011 SPLOST Fund
Balance Sheet
June 30, 2016

Assets	
Cash	$ 3,401,686
Receivables:	
Intergovernmental	87,932
Interfund	18,231
Total Assets	$ 3,507,849
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ 641,873
Unearned revenue	1,816,392
Total Liabilities	2,458,265
Fund Balance	
Restricted for capital projects	1,049,584
Total Liabilities and Fund Balance	$ 3,507,849

City of Calhoun, Georgia
2011 SPLOST Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016

Revenues	
Intergovernmental	$ 1,752,737
Investment earnings	670
Total Revenues	1,753,407
Expenditures	
Capital Outlay	
Public safety	5,491
Public works	384,094
Culture and recreation	1,567,070
Total Expenditures	1,956,655
Excess (Deficiency) of Revenues Over (Under) Expenditures	(203,248)
Other Financing Sources	
Transfers in	99,768
Transfers out	(297,261)
Total Other Financing Sources	(197,493)
Net Change in Fund Balance	(400,741)
Fund Balance Beginning of Year	1,450,325
Fund Balance End of Year	$ 1,049,584

City of Calhoun, Georgia
2011 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$ 2,763,856	$ 2,763,856	$ 1,752,737	$ (1,011,119)
Investment earnings	-	-	670	670
Total Revenues	2,763,856	2,763,856	1,753,407	(1,010,449)
Expenditures				
Capital Outlay				
Public safety	10,326	10,326	5,491	4,835
Public works	1,666,100	384,094	384,094	-
Culture and recreation	86,650	1,567,070	1,567,070	-
Total Expenditures	1,763,076	1,961,490	1,956,655	4,835
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000,780	802,366	(203,248)	(1,005,614)
Other Financing Sources (Uses)				
Transfers in	-	99,768	99,768	-
Transfers out	(297,261)	(297,261)	(297,261)	-
Transfer to fund balance	(703,519)	(604,873)	-	604,873
Total Other Financing Sources (Uses)	(1,000,780)	(802,366)	(197,493)	604,873
Net Change in Fund Balance	$ -	$ -	(400,741)	$ (400,741)
Fund Balance Beginning of Year			1,450,325	
Fund Balance End of Year			$ 1,049,584	

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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
Statement of Net Position
June 30, 3016

Assets	
Current assets	
Cash	$ 60,444
Restricted assets	
Cash	1,172,888
Investments	18,540,518
Receivables	
Accounts	728,097
Accrued revenue	3,143,386
Intergovernmental	874,287
Interfund	88,558
Other	81,993
Advances	295,842
Deposits	30,083
Inventory	1,939,060
Prepaid items	57,664
Total Current Assets	27,012,820
Noncurrent assets	
Investments	10,470,497
Restricted assets	
Investments, noncurrent	12,799,469
Advances receivable	2,069,601
Capital assets	
Nondepreciable	521,026
Depreciable, net	14,929,749
Total Noncurrent Assets	40,790,342
Total Assets	67,803,162
Deferred Outflows of Resources	
Pension related	120,949
Liabilities	
Current liabilities	
Accounts payable	2,815,530
Accrued payroll liabilities	234
Accrued expenses	50,903
Intergovernmental payable	85,012
Compensated absences payable	13,349
Unearned revenue	17,168
Payable From Restricted Assets:	
Customer deposits	1,172,888
Total Current Liabilities	4,155,084
Long-term liabilities	
Compensated absences payable	24,792
Net pension liability	250,078
Payable From Restricted Assets:	
Regulatory liability	17,940,095
Total Long-term Liabilities	18,214,965
Total Liabilities	22,370,049
Deferred Inflows	
Pension related	33,001
Net Position	
Investment in capital assets	15,450,775
Unrestricted	30,070,286
Total Net Position	$ 45,521,061

City of Calhoun, Georgia
Electric System Fund
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

Operating Revenues	
Charges for services	$ 37,810,552
Miscellaneous	195,999
Total Operating Revenues	38,006,551
Operating Expenses	
Personal services	1,233,219
Contractual services	1,718,601
Supplies	29,041,566
Interfund allocations	551,304
Depreciation	965,371
Other	181
Total Operating Expenses	33,510,242
Operating Income	4,496,309
Non-Operating Revenues (Expenses)	
Investment earnings	437,822
Intergovernmental revenue	164,838
Gain on sale of capital assets	4,726
Total Non-Operating Revenues	607,386
Income Before Transfers	5,103,695
Transfers in	78,436
Transfers out	(1,874,228)
Total Contributions and Transfers	(1,795,792)
Change in Net Position	3,307,903
Net Position Beginning of Year	42,213,158
Net Position End of Year	$ 45,521,061

City of Calhoun, Georgia
Electric System Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

Cash Flows from Operating Activities		
Cash received from customers	$	36,568,308
Cash received from interfund services provided		1,605,136
Cash payments for personal services		(1,211,320)
Cash payments for goods and services		(30,681,042)
Cash payments for interfund services used		(258,154)
Other cash (payments) receipts		11,852
Net Cash Provided by (Used in) Operating Activities		6,034,780
Cash Flows From Noncapital Financing Activities		
Transfers in		10,007
Transfers out		(1,874,228)
Advances to other funds		(407,378)
Payments received on advances		389,456
Net Cash Provided by (Used in) Noncapital Financing Activities		(1,882,143)
Cash Flows from Capital and Related Financing Activities		
Transfers in - SPLOST		68,429
Proceeds from sale of capital assets		4,726
Payments for capital acquisitions		(962,852)
Intergovernmental revenues received		164,838
Net Cash Provided by (Used in) Capital and Related Financing Activities		(724,859)
Cash Flows from Investing Activities		
Investment earnings		437,822
(Purchase) Disposal of investments, net of regulatory liability		(8,474,573)
Net Cash Provided by (Used in) Investing Activities		(8,036,751)
Net Increase (Decrease) in Cash		(4,608,973)
Cash Beginning of Year		5,842,305
Cash End of Year	$	1,233,332
Reconciliation of total cash and cash equivalents:		
Cash	$	60,444
Restricted assets-cash and cash equivalents		1,172,888
Total cash and cash equivalents	$	1,233,332

(continued)

City of Calhoun, Georgia
Electric System Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

(continued)

Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$	4,496,309
Adjustments		
Depreciation		965,371
(Increase) Decrease in Assets		
Accounts receivable and accrued revenues		130,608
Intergovernmental receivable		(70,347)
Inventories		97,506
Interfund receivables		341,864
Deposits		9,273
Prepaid expenses		12,033
Deferred outflows pension related		(78,054)
Increase (Decrease) in Liabilities		
Accounts payable and accrued liabilities		(72,719)
Accrued payroll liabilities		(3,038)
Intergovernmental payable		4,720
Deposits payable		98,724
Interfund payable		(461)
Adjustments to power costs credited to operating trust account		-
Net pension liability		106,384
Deferred inflows pension related		(3,393)
Net Cash Provided by (Used in) Operating Activities	$	6,034,780
Noncash Investing, Capital and Financing Activities		
The net appreciation in the value of investments that are not cash equivalents and are reported at fair value.	$	48,623

City of Calhoun, Georgia
Water & Sewerage System Fund
Statement of Net Position
June 30, 3016

Assets	
Current assets	
Cash	$ 1,660,997
Restricted assets	
Cash	1,586,851
Receivables	
Accounts	879,931
Accrued revenue	1,159,993
Intergovernmental	171,619
Interfund	689
Inventory	994,638
Prepaid items	81,496
Total Current Assets	6,536,214
Noncurrent assets	
Investments	4,604,785
Restricted assets	
Cash	808,073
Capital assets	
Nondepreciable	7,166,506
Depreciable, net	89,741,570
Total Noncurrent Assets	102,320,934
Total Assets	108,857,148
Deferred Outflows of Resources	
Deferred amount from debt refunding	79,664
Pension related	267,619
Total Deferred Outflows of Resources	347,283
Liabilities	
Current liabilities	
Accounts payable	302,005
Contractor bonds payable	38,468
Accrued payroll liabilities	131,889
Intergovernmental payable	8,368
Accrued interest	26,428
Compensated absences payable	45,503
Advances payable	69,308
Notes payable	7,022,888
Revenue bonds payable	1,480,000
Payable from Restricted Assets:	
Accrued interest payable	3,539
Customer deposits and interest	1,029,802
Total Current Liabilities	10,158,198
Long-Term liabilities	
Compensated absences payable	84,506
Net pension obligation	173,933
Net pension liability	553,334
Notes payable (net of current portion)	8,359,398
Revenue bonds payable (net of current portion)	5,475,000
Advances payable (net of current portion)	557,806
Total Long-Term Liabilities	15,203,977
Total Liabilities	25,362,175
Deferred Inflows of Resources	
Pension related	73,019
Net Position	
Net investment in capital assets	74,650,454
Unrestricted	9,118,783
Total Net Position	$ 83,769,237

City of Calhoun, Georgia
Water & Sewerage System Fund
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

Operating Revenues	
Charges for services	$ 17,268,280
Miscellaneous	58,475
Total Operating Revenues	17,326,755
Operating Expenses	
Personal services	3,444,572
Contractual services	987,603
Supplies	3,387,843
Interfund allocations	1,868,178
Depreciation	3,540,037
Amortization	27,365
Other	968
Total Operating Expenses	13,256,566
Operating Income	4,070,189
Non-Operating Revenues (Expenses)	
Interest and fiscal charges	(430,810)
Investment earnings	66,813
Intergovernmental revenue	-
Gain (loss) on disposition of capital assets	1,031
Total Non-Operating (Expenses)	(362,966)
Income Before Transfers and Contributions	3,707,223
Capital contributions	85,224
Transfers in	246,940
Transfers out	(1,200,893)
Total Transfers and Contributions	(868,729)
Change in Net Position	2,838,494
Net Position Beginning of Year	80,930,743
Net Position End of Year	$ 83,769,237

City of Calhoun, Georgia
Water & Sewerage System Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

Cash Flows from Operating Activities	
Cash received from customers	$ 17,280,347
Cash received from interfund services provided	338,232
Cash payments for personal services	(3,453,694)
Cash payments for goods and services	(2,910,831)
Cash payments for interfund services used	(3,331,152)
Other cash payments	(1,867)
Net Cash Provided by (Used in) Operating Activities	7,921,035
Cash Flows from Noncapital Financing Activities	
Transfers in	31,877
Transfers out	(1,200,893)
Net Cash Provided by (Used in) Noncapital Financing Activities	(1,169,016)
Cash Flows from Capital and Related Financing Activities	
Transfers in - SPLOST	215,063
Capital grant	85,224
Proceeds from debt	2,082,594
Principal paid on advance	(59,500)
Interest paid on advances	(5,717)
Principal paid on revenue bonds	(1,450,000)
Interest paid on revenue bonds	(170,293)
Principal paid on notes and capital leases	(622,151)
Interest paid on notes and capital leases	(255,749)
Payments for capital acquisitions and construction	(3,815,332)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(3,995,861)
Cash Flows from Investing Activities	
Investments earnings	66,813
(Purchase)Disposal of investments	(3,480,205)
Net Cash Provided by (Used in) Investing Activities	(3,413,392)
Net Increase (Decrease) in Cash	(657,234)
Cash Beginning of Year	4,713,155
Cash End of Year	$ 4,055,921
Reconciliation of total cash:	
Cash	$ 1,660,997
Current restricted assets-cash	1,586,851
Noncurrent restricted assets-cash	808,073
Total cash	$ 4,055,921

(continued)

City of Calhoun, Georgia
Water and Sewerage System Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

(continued)

Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$	4,070,189
Adjustments		
Depreciation		3,540,037
Amortization		27,365
(Increase) Decrease in Assets		
Accounts receivable and accrued revenues		128,133
Inventories		68,070
Interfund receivables		(689)
Prepaid expenses		3,206
Deferred outflows pension related		(160,904)
Increase (Decrease) in Liabilities		
Accounts payable and accrued liabilities		(68,464)
Net pension obligation		173,933
Net pension liability		(13,053)
Accrued payroll liabilities		8,425
Deposits payable		163,691
Interfund payable		(1,381)
Deferred inflows pension related		(17,523)
Net Cash Provided by (Used in) Operating Activities	$	7,921,035
Noncash Investing, Capital and Financing Activities		
The net appreciation in the value of investments that are not cash equivalents and are reported at fair value.	$	21,364

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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.

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

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

Telecom Fund - provides communication and data services.

City of Calhoun, Georgia
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 3016

	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds
Assets				
Current assets				
Cash	$ 400	$ 601,346	$ 35,261	$ 637,007
Receivables				
Accounts	2,262	39,379	42,029	83,670
Accrued revenue	-	59,707	49,328	109,035
Interfund	1,940	69	74,835	76,844
Other	-	2,197	-	2,197
Inventory	-	298,925	-	298,925
Prepaid items	3,596	5,758	1,817	11,171
Total Current Assets	8,198	1,007,381	203,270	1,218,849
Noncurrent assets				
Investments	-	809,195	-	809,195
Capital assets				
Nondepreciable capital assets	696,138	-	314,435	1,010,573
Depreciable capital assets, net	1,040,653	1,246,177	125,935	2,412,765
Total Noncurrent Assets	1,736,791	2,055,372	440,370	4,232,533
Total Assets	1,744,989	3,062,753	643,640	5,451,382
Deferred Outflows of Resources				
Pension related	35,005	24,915	-	59,920
Liabilities				
Current liabilities				
Accounts payable	17,615	95,100	53,032	165,747
Accrued payroll liabilities	21,118	28	-	21,146
Accrued expenses	22,130	12,246	1,346	35,722
Intergovernmental payable	3,821	2,226	-	6,047
Interfund payable	695,729	-	-	695,729
Post-closure care payable	-	-	28,378	28,378
Compensated absences payable	5,665	3,536	-	9,201
Unearned revenue	10,554	-	-	10,554
Advances payable	-	110,955	-	110,955
Total Current Liabilities	776,632	224,091	82,756	1,083,479
Long-term liabilities				
Compensated absences payable	10,521	6,568	-	17,089
Net pension liability	72,377	51,515	-	123,892
Post-closure care payable (net of current portion)	-	-	119,301	119,301
Advances payable (net of current portion)	-	624,589	-	624,589
Total Long-Term Liabilities	82,898	682,672	119,301	884,871
Total Liabilities	859,530	906,763	202,057	1,968,350
Deferred Inflows of Resources				
Pension related	9,551	6,798	-	16,349
Net Position				
Investment in capital assets	1,736,791	1,246,177	440,370	3,423,338
Unrestricted (deficit)	(825,878)	927,930	1,213	103,265
Total Net Position	$ 910,913	$ 2,174,107	$ 441,583	$ 3,526,603

City of Calhoun, Georgia
Combining Statement of Revenues,
Expenses and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	$ 538,094	$ 1,144,786	$ 748,294	$ 2,431,174
Miscellaneous	15,306	6,738	4,449	26,493
Total Operating Revenues	553,400	1,151,524	752,743	2,457,667
Operating Expenses				
Personal services	514,782	294,921	68,583	878,286
Contractual services	35,788	332,816	504,827	873,431
Supplies	172,782	67,764	23,250	263,796
Interfund allocations	24,883	57,229	101,038	183,150
Depreciation	134,123	161,295	13,792	309,210
Amortization	-	725	-	725
Other	-	-	12,094	12,094
Total Operating Expenses	882,358	914,750	723,584	2,520,692
Operating Income (Loss)	(328,958)	236,774	29,159	(63,025)
Non-Operating Revenues (Expenses)				
Change in estimated landfill closure costs	-	-	(128,837)	(128,837)
Investment earnings	-	8,148	-	8,148
Intergovernmental revenue	80,769	139,259	-	220,028
Intergovernmental expenses	-	(139,259)	-	(139,259)
Interest and fiscal charges	-	(8,043)	-	(8,043)
Gain on the disposition of capital assets	-	2,258	-	2,258
Total Non-Operating Revenues (Expenses)	80,769	2,363	(128,837)	(45,705)
Income (Loss) Before Transfers	(248,189)	239,137	(99,678)	(108,730)
Transfers in	279,817	27,439	912	308,168
Change in Net Position	31,628	266,576	(98,766)	199,438
Net Position Beginning of Year	879,285	1,907,531	540,349	3,327,165
Net Position End of Year	$ 910,913	$ 2,174,107	$ 441,583	$ 3,526,603

City of Calhoun, Georgia
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities				
Cash received from customers	$ 559,083	$ 866,033	$ 735,953	$ 2,161,069
Cash received from interfund services provided	-	302,966	7,234	310,200
Other cash receipts	(113,417)	-	-	(113,417)
Cash payments for personal services	(526,072)	(291,424)	(68,583)	(886,079)
Cash payments for goods and services	(194,161)	(271,061)	(524,588)	(989,810)
Cash payments for interfund services used	(33,450)	(84,881)	(101,919)	(220,250)
Net Cash Provided by (Used in) Operating Activities	(308,017)	521,633	48,097	261,713
Cash Flows from Noncapital Financing Activities				
Intergovernmental revenues	80,769	139,259	-	220,028
Intergovernmental expense	3,821	(138,783)	-	(134,962)
Transfers in	279,817	1,183	912	281,912
Net Cash Provided by (Used in) Noncapital Financing Activities	364,407	1,659	912	366,978
Cash Flows from Capital and Related Financing Activities				
Transfers in- SPLOST	-	26,256	-	26,256
Proceeds from insurance for capital asset	-	-	-	-
Principal paid on advance	-	(109,853)	-	(109,853)
Interest paid on advance	-	(8,043)	-	(8,043)
Payments for capital acquisition and construction	(56,390)	(119,677)	(10,950)	(187,017)
Payments for landfill postclosure care	-	-	(30,668)	(30,668)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(56,390)	(211,317)	(41,618)	(309,325)
Cash Flows from Investing Activities				
(Purchase) disposal of investments	-	(698,826)	-	(698,826)
Investment earnings	-	8,148	-	8,148
Net Cash Provided by (Used in) Investing Activities	-	(690,678)	-	(690,678)
Net Increase (Decrease) in Cash	-	(378,703)	7,391	(371,312)
Cash Beginning of Year	400	980,049	27,870	1,008,319
Cash End of Year	$ 400	$ 601,346	$ 35,261	$ 637,007

(continued)

City of Calhoun, Georgia
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2016

(continued)

	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	$ (328,958)	$ 236,774	$ 29,159	$ (63,025)
Adjustments				
Depreciation	134,123	161,295	13,792	309,210
Amortization	-	725	-	725
(Increase) Decrease in Assets				
Accounts receivable and accrued revenue	(1,561)	17,544	2,589	18,572
Inventory	-	7,372	-	7,372
Interfund receivable	(1,940)	(69)	(12,145)	(14,154)
Prepaid expenses	699	(1,436)	1,084	347
Deferred outflow pension related	(17,941)	(14,844)	-	(32,785)
Increase (Decrease) in Liabilities				
Accounts payable and accrued expenses	7,083	95,986	13,618	116,687
Accrued payroll liabilities	(3,636)	2,311	-	(1,325)
Interfund payable	(113,417)	(55)	-	(113,472)
Unearned revenue	7,244	-	-	7,244
Net pension liability	15,214	17,777	-	32,991
Deferred inflow pension related	(4,927)	(1,747)	-	(6,674)
Net Cash Provided by (Used in) Operating Activities	$ (308,017)	$ 521,633	$ 48,097	$ 261,713
Noncash Investing, Capital and Financing Activities				
The net appreciation in the value of investments that are not cash equivalents and are reported at fair value.	$ -	$ 3,684	$ -	$ 3,684

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Statement of Net Position
June 30, 3016

Assets	
Current assets	
Cash	$ 400
Accounts receivable	2,262
Interfund	1,940
Prepaid items	3,596
Total Current Assets	8,198
Noncurrent assets	
Capital assets	
Nondepreciable	696,138
Depreciable, net	1,040,653
Total Noncurrent Assets	1,736,791
Total Assets	1,744,989
Deferred Outflows of Resources	
Pension related	35,005
Liabilities	
Current liabilities	
Accounts payable	17,615
Intergovernmental payable	3,821
Accrued payroll liabilities	21,118
Accrued expenses	22,130
Interfund payable	695,729
Compensated absences payable	5,665
Unearned revenue	10,554
Total Current Liabilities	776,632
Long-term liabilities	
Compensated absences payable	10,521
Net pension liability	72,377
Total Long-term Liabilities	82,898
Total Liabilities	859,530
Deferred Inflows of Resources	
Pension related	9,551
Net Position	
Investment in capital assets	1,736,791
Unrestricted (deficit)	(825,878)
Total Net Position	$ 910,913

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

Operating Revenues		
Charges for services		
Green fees	$	319,979
Cart fees		200,579
Range fees		17,536
Miscellaneous		15,306
Total Operating Revenues		553,400
Operating Expenses		
Maintenance		
Personal services		350,942
Contractual services		15,453
Supplies		132,236
Interfund allocations		12,705
Depreciation		20,581
Total Maintenance		531,917
Pro Shop		
Personal services		163,840
Contractual services		20,335
Supplies		40,546
Interfund allocations		12,178
Depreciation		113,542
Total Pro Shop		350,441
Total Operating Expenses		882,358
Operating (Loss)		(328,958)
Non-Operating Revenues		
Intergovernmental revenue		80,769
(Loss) Before Transfers		(248,189)
Transfers in		279,817
Change in Net Position		31,628
Net Position Beginning of Year		879,285
Net Position End of Year	$	910,913

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

Cash Flows from Operating Activities		
Cash received from customers	$	559,083
Cash received from other		(113,417)
Cash payments for personal services		(526,072)
Cash payments for goods and services		(194,161)
Cash payments for interfund services used		(33,450)
Net Cash Provided by (Used in) Operating Activities		(308,017)
Cash Flows from Noncapital Financing Activities		
Intergovernmental revenues		80,769
Intergovernmental expenses		3,821
Transfers in		279,817
Net Cash Provided by (Used in) Noncapital Financing Activities		364,407
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisitions		(56,390)
Net Increase (Decrease) in Cash		-
Cash Beginning of Year		400
Cash End of Year	$	400
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$	(328,958)
Adjustments		
Depreciation		134,123
(Increase) Decrease in Assets		
Accounts receivable		(1,561)
Interfund receivable		(1,940)
Prepaid expenses		699
Deferred outlfow pension related		(17,941)
Increase (Decrease) in Liabilities		
Accounts payable		9,828
Accrued expenses		(2,745)
Accrued payroll liabilities		(3,636)
Interfund payable		(113,417)
Unearned revenue		7,244
Net pension liability		15,214
Deferred inflow pension related		(4,927)
Net Cash Provided by (Used in) Operating Activities	$	(308,017)

City of Calhoun, Georgia
Telecommunications Fund
Statement of Net Position
June 30, 3016

Assets		
Current assets		
Cash	$	601,346
Receivables		
Accounts		39,379
Accrued revenue		59,707
Interfund		69
Other		2,197
Inventory		298,925
Prepaid items		5,758
Total Current Assets		1,007,381
Noncurrent assets		
Investments		809,195
Capital assets		
Depreciable, net		1,246,177
Total Noncurrent Assets		2,055,372
Total Assets		3,062,753
Deferred Outflows of Resources		
Pension related		24,915
Liabilities		
Current liabilities		
Accounts payable		95,100
Accrued payroll liabilities		28
Accrued expenses		12,246
Intergovernmental payable		2,226
Compensated absences payable		3,536
Advances payable		110,955
Total Current Liabilities		224,091
Long-term liabilities		
Compensated absences payable		6,568
Advances payable (net of current portion)		624,589
Net pension liability		51,515
Total Long-Term Liabilities		682,672
Total Liabilities		906,763
Deferred Inflows of Resources		
Pension related		6,798
Net Position		
Investment in capital assets		1,246,177
Unrestricted		927,930
Total Net Position	$	2,174,107

City of Calhoun, Georgia
Telecommunications Fund
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

Operating Revenues		
Charges for services	$	1,144,786
Miscellaneous		6,738
Total Operating Revenues		1,151,524
Operating Expenses		
Personal services		294,921
Contractual services		332,816
Supplies		67,764
Interfund allocations		57,229
Depreciation		161,295
Amortization		725
Total Operating Expenses		914,750
Operating Income		236,774
Non-Operating Revenues (Expenses)		
Investment earnings		8,148
Intergovernmental revenue		139,259
Intergovernmental expenses		(139,259)
Interest and fiscal charges		(8,043)
Gain (loss) on disposition of capital assets		2,258
Total Non-Operating Revenues (Expenses)		2,363
Income Before Transfers		239,137
Transfers in		27,439
Change in Net Position		266,576
Net Position Beginning of Year		1,907,531
Net Position End of Year	$	2,174,107

City of Calhoun, Georgia
Telecommunications Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

Cash Flows from Operating Activities		
Cash received from customers	$	866,033
Cash received from interfund services provided		302,966
Cash payments for personal services		(291,424)
Cash payments for goods and services		(271,061)
Cash payments for interfund services used		(84,881)
Net Cash Provided by (Used in) Operating Activities		521,633
Cash Flows from Noncapital Financing Activities		
Intergovernmental revenues		139,259
Intergovernmental expense		(138,783)
Transfers in		1,183
Net Cash Provided by (Used in) Noncapital Financing Activities		1,659
Cash Flows from Capital and Related Financing Activities		
Transfers in- SPLOST		26,256
Principal paid on advance		(109,853)
Interest paid on advance		(8,043)
Payments for capital acquisition and construction		(119,677)
Net Cash Flows Provided by (Used in) Capital and Related Financial Activities		(211,317)
Cash Flows from Investing Activities		
(Purchase) disposal of investments		(698,826)
Investment earnings		8,148
Net Cash Flows Provided by (Used in) Investing Activities		(690,678)
Net Increase (Decrease) in Cash		(378,703)
Cash Beginning of Year		980,049
Cash End of Year	$	601,346

(continued)

City of Calhoun, Georgia
Telecommunications Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

(continued)

Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$	236,774
Adjustments		
Depreciation		161,295
Amortization		725
(Increase) Decrease in Assets		
Accounts receivable and accrued revenue		17,544
Inventory		7,372
Interfund receivable		(69)
Prepaid expenses		(1,436)
Pension related deferred outflows		(14,844)
Increase (Decrease) in Liabilities		
Accounts payable and accrued expenses		95,986
Accrued payroll liabilities and compensated absences		2,311
Interfund payable		(55)
Net pension liability		17,777
Pension related deferred inflows		(1,747)
Net Cash Provided by (Used in) Operating Activities	$	521,633
Noncash Investing, Capital and Financing Activities		
The net appreciation in the value of investments that are not cash equivalents and are reported at fair value.	$	3,684

City of Calhoun, Georgia
Solid Waste Fund
Statement of Net Position
June 30, 3016

Assets		
Current assets		
Cash	$	35,261
Receivables		
Accounts		42,029
Accrued revenue		49,328
Interfund		74,835
Prepaid items		1,817
Total Current Assets		203,270
Noncurrent assets		
Capital assets		
Nondepreciable		314,435
Depreciable capital assets, net		125,935
Total Noncurrent Assets		440,370
Total Assets		643,640
Liabilities		
Current liabilities		
Accounts payable		53,032
Accrued expenses		1,346
Post-closure care payable		28,378
Total Current Liabilities		82,756
Long-term liabilities		
Post-closure care payable		119,301
Total Liabilities		202,057
Net Position		
Investment in capital assets		440,370
Unrestricted		1,213
Total Net Position	$	441,583

City of Calhoun, Georgia
Solid Waste Fund
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

Operating Revenues		
Charges for services	$	748,294
Miscellaneous		4,449
Total Revenues		752,743
Operating Expenses		
Personal services		68,583
Contractual services		504,827
Supplies		23,250
Interfund allocations		101,038
Depreciation		13,792
Other		12,094
Total Operating Expenses		723,584
Operating Income (Loss)		29,159
Non-Operating Revenues (Expenses)		
Change in estimated landfill closure costs		(128,837)
Total Non-Operating Revenues (Expenses)		(128,837)
Income (Loss) Before Transfers		(99,678)
Transfers in		912
Change in Net Position		(98,766)
Net Position Beginning of Year		540,349
Net Position End of Year	$	441,583

City of Calhoun, Georgia
Solid Waste Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

Cash Flows from Operating Activities		
Cash received from customers	$	735,953
Cash received from interfund services provided		7,234
Cash payments for personal services		(68,583)
Cash payments for goods and services		(524,588)
Cash payments for interfund services used		(101,919)
Net Cash Provided by (Used in) Operating Activities		48,097
Cash Flows from Noncapital Financing Activities		
Transfers in		912
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisitions		(10,950)
Payments for landfill postclosure care		(30,668)
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities		(41,618)
Net Increase (Decrease) in Cash		7,391
Cash Beginning of Year		27,870
Cash End of Year	$	35,261
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities		
Operating Income (Loss)	$	29,159
Adjustments		
Depreciation		13,792
(Increase) Decrease in Assets		
Accounts receivable and accrued revenue		2,589
Interfund receivable		(12,145)
Prepaid expenses		1,084
Increase (Decrease) in Liabilities		
Accounts payables and accrued expenses		13,618
Net Cash Provided by (Used in) Operating Activities	$	48,097

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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
Statement of Net Position
June 30, 3016

Assets		
Current assets		
Cash	$	484,405
Receivables		
Interfund		182,305
Prepaid items		90,370
Total Current Assets		757,080
Noncurrent assets		
Capital assets		
Nondepreciable		26,977
Depreciable, net		1,367,316
Total Noncurrent Assets		1,394,293
Total Assets		2,151,373
Deferred Outflows of Resources		
Pension related		157,227
Liabilities		
Current liabilities		
Accounts payable		50,452
Accrued payroll liabilities		89,443
Accrued expenses		4,856
Deferred revenue		118,800
Interfund payable		516,911
Advances payable		73,812
Compensated absences payable		29,097
Total Current Liabilities		883,371
Long-term liabilities		
Compensated absences payable		54,037
Advances payable (net of current portion)		605,640
Net pension liability		325,088
Total Long-term Liabilities		984,765
Total Liabilities		1,868,136
Deferred Inflows of Resources		
Pension related		42,900
Net Position		
Net investment in capital assets		1,394,293
Unrestricted (deficit)		(996,729)
Total Net Position	$	397,564

City of Calhoun, Georgia
Utilities Administration Fund
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

Operating Revenues		
Charges for services	$	2,839,642
Miscellaneous		40,357
Total Operating Revenues		2,879,999
Operating Expenses		
Personal services		2,156,903
Contractual services		419,451
Supplies		127,438
Interfund allocations		62,253
Depreciation		98,326
Total Operating Expenses		2,864,371
Operating Income		15,628
Non-Operating Revenues (Expenses)		
Interest expense		(7,252)
Income Before Transfers		8,376
Transfers in		1,183
Transfers out		(39,600)
Total Transfers		(38,417)
Change in Net Position		(30,041)
Net Position Beginning of Year		427,605
Net Position End of Year	$	397,564

City of Calhoun, Georgia
Utilities Administration Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

Cash Flows from Operating Activities		
Cash received from interfund services provided	$	2,821,221
Cash received from other		40,357
Cash payments for personal services		(2,155,431)
Cash payments for goods and services		(430,322)
Cash payments for interfund services used		(122,582)
Net Cash Provided by (Used in) Operating Activities		153,243
Cash Flows from Noncapital Financing Activities		
Transfers in		1,183
Transfers out		(39,600)
Total Cash Flows Provided by (Used in) Noncapital Financing Activities		(38,417)
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisition and construction		(76,072)
Principal paid on notes payable		(10,437)
Principal paid on advance		(73,078)
Interest paid on advance		(7,252)
Total Cash Flows Provided by (Used in) Capital Financing Activities		(166,839)
Net Increase (Decrease) in Cash		(52,013)
Cash Beginning of Year		536,418
Cash End of Year	$	484,405
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$	15,628
Adjustments		
Depreciation		98,326
(Increase) Decrease in Assets		
Interfund receivables		(18,421)
Prepaid expenses		(5,977)
Pension related deferred outflows		(85,161)
Increase (Decrease) in Liabilities		
Accounts payables and accrued expenses		10,379
Accrued payroll liabilities		21,202
Intergovernmental payable		(102)
Interfund payable		51,938
Net pension liability		83,676
Pension related deferred inflows		(18,245)
Net Cash Provided by (Used in) Operating Activities	$	153,243

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, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
Cash	$ 12,855	$ 577,878	$ 579,913	$ 10,820
Liabilities				
Intergovernmental payable	$ 12,855	$ 577,878	$ 579,913	$ 10,820

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 - X

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 XI - XIX

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 similar 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 XX - XXV

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 XXVI - XXVII

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 XXVIII - XXXII

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, tables presenting government-wide information include ten years of data.

Exhibit I

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

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Governmental Activities										
Net investment in capital assets	$ 51,507,994	$ 53,918,878	$ 54,267,923	$ 53,654,505	$ 52,338,593	$ 51,462,689	$ 67,313,839	$ 73,836,731	$ 75,629,332	$ 90,027,262
Restricted	4,061,264	4,475,779	6,667,786	8,688,195	15,431,931	19,122,020	9,229,059	12,131,969	15,182,825	15,927,712
Unrestricted	8,464,916	10,331,222	9,368,345	9,567,669	7,232,639	7,685,307	7,580,277	7,883,436	7,846,802	7,913,080
Subtotal Governmental Activities Net Position	64,034,174	68,725,879	70,304,054	71,910,369	75,003,163	78,270,016	84,123,175	93,852,136	98,658,959	113,868,054
Business-type Activities										
Net investment in capital assets	73,551,942	76,306,384	80,087,162	83,941,618	87,690,678	89,563,303	93,127,138	94,358,323	94,811,808	94,918,861
Restricted	-	2,426,382	-	-	-	-	-	-	-	-
Unrestricted	18,536,443	17,957,256	20,350,076	21,452,054	22,718,371	23,006,694	23,443,784	26,334,092	32,086,863	38,295,604
Subtotal Business-Type Activities Net Position	92,088,385	96,690,022	100,437,238	105,393,672	110,409,049	112,569,997	116,570,922	120,692,415	126,898,671	133,214,465
Primary Government										
Net investment in capital assets	125,059,936	130,225,262	134,355,085	137,278,601	140,029,271	141,025,992	160,440,977	168,195,054	170,441,140	184,946,123
Restricted	4,061,264	6,902,161	6,667,786	8,688,195	15,431,931	19,122,020	9,229,059	12,131,969	15,182,825	15,927,712
Unrestricted	27,001,359	28,288,578	29,718,421	31,337,245	29,951,010	30,691,981	31,024,061	34,217,528	39,933,665	46,208,684
Total Primary Government Net Position	$ 156,122,559	$ 165,416,001	$ 170,741,292	$ 177,304,041	$ 185,412,212	$ 190,839,993	$ 200,694,097	$ 214,544,551	$ 225,557,630	$ 247,082,519

Notes:

[1] Accounting standards require that Net Position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net Position 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.

Exhibit II

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

	Fiscal Year Ended June 30,									
Source	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Expenses:										
General government	$ 856,885	$ 740,757	$ 1,027,285	$ 913,704	$ 776,593	$ 810,234	$ 802,314	$ 910,295	$ 1,181,829	$ 1,040,464
Judicial	333,732	362,286	368,035	369,108	370,600	373,132	452,375	553,636	516,959	547,397
Public safety	5,813,605	6,520,476	6,660,064	6,535,237	6,613,869	6,536,010	6,915,456	7,728,025	7,250,790	7,516,868
Public works	2,049,161	2,440,432	2,671,335	2,652,196	3,049,832	2,840,555	2,886,680	3,145,644	3,199,338	2,996,883
Health and welfare	52,705	55,875	57,673	63,526	58,247	53,383	61,103	67,362	61,348	67,675
Culture and recreation	1,286,790	1,830,845	1,623,602	1,589,819	1,696,938	1,633,489	1,640,601	1,680,368	1,674,895	1,700,294
Housing and economic development	780,430	1,040,290	1,033,443	953,607	970,940	941,496	925,367	1,021,466	1,092,843	1,178,539
Education	909,255	887,135	963,995	937,959	516,728	1,136,156	1,958,815	1,472,938	2,031,197	2,111,724
Interest and fiscal charges	786,380	708,843	716,362	677,260	523,229	1,871,332	1,669,843	1,570,566	1,547,478	1,531,029
Total Expenses	12,868,943	14,586,939	15,121,794	14,692,416	14,576,976	16,195,787	17,312,554	18,150,300	18,556,677	18,690,873
Program Revenues:										
Charges for services:										
General government	114,157	124,752	139,888	136,106	134,956	128,669	167,154	167,604	175,896	188,107
Judicial	-	-	-	-	-	-	-	-	-	36,743
Public safety	1,063,990	1,026,933	794,988	856,148	920,826	1,021,023	1,119,975	813,915	245,577	301,023
Public works	39,559	23,093	25,710	17,094	16,111	14,955	1,685	22,355	(121)	68,219
Culture and recreation	177,231	176,613	160,558	159,990	215,276	223,302	237,350	226,206	241,220	216,241
Housing and economic development	201,835	154,646	136,787	98,116	76,305	78,006	70,671	221,330	113,815	116,216
Operating grants and contributions	3,204,758	1,234,401	3,567,012	3,858,010	3,700,825	4,525,283	5,165,209	5,041,478	4,657,363	4,517,400
Capital grants and contributions	2,296,511	3,670,024	717,406	361,368	2,444,463	2,628,092	5,551,820	9,868,682	6,171,787	16,503,543
Total Program Revenues	7,098,041	6,410,462	5,542,349	5,486,832	7,508,762	8,619,330	12,313,864	16,361,570	11,605,537	21,947,492
Net (Expense) Revenue	(5,770,902)	(8,176,477)	(9,579,445)	(9,205,584)	(7,068,214)	(7,576,457)	(4,998,690)	(1,788,730)	(6,951,140)	3,256,619
General Revenues and Transfers In:										
Taxes:										
Property	1,367,889	1,111,884	1,784,007	1,818,434	1,255,359	996,417	1,325,528	1,724,301	1,549,711	1,599,632
Sales	2,207,259	4,075,815	3,940,661	4,100,660	2,057,988	2,257,286	2,363,077	2,420,660	2,494,441	2,407,943
Business license and franchise taxes	2,732,003	2,821,431	2,653,235	2,599,128	2,819,216	2,879,471	2,866,079	2,952,147	3,006,179	2,944,961
Insurance premium	583,046	606,368	605,645	566,412	718,274	779,685	807,870	807,289	882,703	960,483
Gas marketers	116,389	94,575	89,812	88,840	69,149	54,460	92,039	88,301	92,159	78,981
Other	661,179	696,941	697,715	673,066	691,253	691,409	763,971	932,803	1,085,490	1,188,040
Unrestricted intergovernmental	68,679	60,384	62,496	33,636	29,732	28,913	30,590	34,624	31,763	46,081
Investment earnings	448,503	462,878	230,986	145,205	95,043	52,642	40,774	105,565	79,132	188,986
Miscellaneous	96,724	62,687	127,259	54,037	53,715	42,583	109,821	139,592	55,965	57,375
Transfers in	2,262,196	1,212,939	965,704	732,481	2,371,279	3,060,444	2,452,100	2,312,409	2,480,420	2,479,994
Total General Revenues and Transfers In	10,543,867	11,205,902	11,157,520	10,811,899	10,161,008	10,843,310	10,851,849	11,517,691	11,757,963	11,952,476
Change in Net Position	$ 4,772,965	$ 3,029,425	$ 1,578,075	$ 1,606,315	$ 3,092,794	$ 3,266,853	$ 5,853,159	$ 9,728,961	$ 4,806,823	$ 15,209,095

Exhibit III

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[1]	Total
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
2013	1,325,528	2,363,077	2,866,079	807,870	92,039	763,971	8,218,564
2014	1,724,301	2,420,660	2,952,147	807,289	88,301	932,803	8,925,501
2015	1,549,711	2,494,441	3,006,179	882,703	92,159	1,085,490	9,110,683
2016	1,599,632	2,407,943	2,944,961	960,483	78,981	1,188,040	9,180,040
% Change From 2007-2016	16.9%	9.1%	7.8%	64.7%	-32.1%	79.7%	19.7%

Fiscal Year Ended June 30,	Percentage of Total						
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other[1]	Total
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%
2013	16.1%	28.8%	34.9%	9.8%	1.1%	9.3%	100.0%
2014	19.3%	27.1%	33.1%	9.0%	1.0%	10.5%	100.0%
2015	17.0%	27.4%	33.0%	9.7%	1.0%	11.9%	100.0%
2016	17.4%	26.2%	32.1%	10.5%	0.9%	12.9%	100.0%

Notes:

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

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

	For the Fiscal Year Ended June 30,									
Source	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Expenses:										
Electric system	$ 24,140,215	$ 24,022,988	$ 21,109,534	$ 22,037,788	$ 26,478,078	$ 31,075,351	$ 32,655,400	$ 34,244,876	$ 34,977,948	$ 33,515,937
Water and sewerage system	13,465,985	14,243,150	13,489,650	12,611,049	11,880,631	12,228,646	11,987,691	13,499,523	12,874,952	13,713,662
Fields Ferry golf course	1,140,348	1,124,018	1,109,778	1,055,421	1,004,562	939,840	906,523	891,316	893,286	882,358
Telecommunications	711,990	702,866	796,054	748,676	911,041	927,374	871,141	949,969	992,405	1,062,052
Solid waste	992,069	801,965	751,610	783,757	746,211	589,174	655,980	678,349	732,389	852,421
Total Expenses	40,450,607	40,894,987	37,256,626	37,236,691	41,020,523	45,760,385	47,076,735	50,264,033	50,470,980	50,026,430
Program Revenues:										
Charges for services:										
Electric system	26,460,667	27,249,318	24,485,503	25,043,967	29,853,546	32,322,520	35,583,995	38,156,073	39,534,351	37,810,552
Water and sewerage system	17,151,316	15,595,960	14,080,039	14,807,017	14,440,652	15,070,678	14,713,066	15,423,818	16,338,197	17,268,280
Fields Ferry golf course	931,627	947,832	815,499	752,590	728,464	534,143	526,871	563,899	512,221	538,094
Telecommunications	833,147	901,719	955,306	943,803	949,524	988,103	991,022	1,059,358	1,119,205	1,144,786
Solid waste	768,936	450,665	447,411	687,647	692,077	705,364	708,741	715,741	747,780	748,294
Operating grants and contributions	-	-	-	-	123,040	342,410	84,020	81,246	359,465	384,866
Capital grants and contributions	2,662,406	409,519	332,915	64,200	900,000	691,825	371,021	-	9,571	85,224
Total Program Revenues	48,808,099	45,555,013	41,116,673	42,299,224	47,687,303	50,655,043	52,978,736	56,000,135	58,620,790	57,980,096
Net (Expense) Revenue	8,357,492	4,660,026	3,860,047	5,062,533	6,666,780	4,894,658	5,902,001	5,736,102	8,149,810	7,953,666
General Revenues and Net Transfers :										
Investment earnings	592,810	705,127	550,438	308,070	309,784	243,757	126,834	198,415	224,959	512,783
Miscellaneous	320,181	449,423	302,435	318,312	410,092	289,235	424,210	499,385	311,907	329,339
Net transfers	(2,262,196)	(1,212,939)	(965,704)	(732,481)	(2,371,279)	(3,060,444)	(2,452,100)	(2,312,409)	(2,480,420)	(2,479,994)
Total General Revenues and Transfers	(1,349,205)	(58,389)	(112,831)	(106,099)	(1,651,403)	(2,527,452)	(1,901,056)	(1,614,609)	(1,943,554)	(1,637,872)
Change in Net Position	$ 7,008,287	$ 4,601,637	$ 3,747,216	$ 4,956,434	$ 5,015,377	$ 2,367,206	$ 4,000,945	$ 4,121,493	$ 6,206,256	$ 6,315,794

Exhibit V

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

	For the Fiscal Year Ended June 30,									
Source	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Expenses:										
Governmental activities[1]	$ 12,868,943	$ 14,586,939	$ 15,121,794	$ 14,692,416	$ 14,576,976	$ 16,195,787	$ 17,312,554	$ 18,150,300	$ 18,556,677	$ 18,690,873
Business-type activities[2]	40,450,607	40,894,987	37,256,626	37,236,691	41,020,523	45,760,385	47,076,735	50,264,033	50,470,980	50,026,430
Total Expenses	53,319,550	55,481,926	52,378,420	51,929,107	55,597,499	61,956,172	64,389,289	68,414,333	69,027,657	68,717,303
Program Revenues										
Governmental activities[1]	7,098,041	6,410,462	5,542,349	5,486,832	7,508,762	8,619,330	12,313,864	16,361,570	11,605,538	21,947,492
Business-type activities[2]	48,808,099	45,555,013	41,116,673	42,299,224	47,687,303	50,655,043	52,978,736	56,000,135	58,620,790	57,980,096
Total Program Revenues	55,906,140	51,965,475	46,659,022	47,786,056	55,196,065	59,274,373	65,292,600	72,361,705	70,226,328	79,927,588
Net (Expense) Revenue	2,586,590	(3,516,451)	(5,719,398)	(4,143,051)	(401,434)	(2,681,799)	903,311	3,947,372	1,198,671	11,210,285
General Revenues and Transfers:										
Governmental activities[1]	10,543,867	11,205,902	11,157,520	10,811,899	10,161,008	10,843,310	10,851,849	11,517,691	11,757,962	11,952,476
Business-type activities[2]	(1,349,205)	(58,389)	(112,831)	(106,099)	(1,651,403)	(2,527,452)	(1,901,056)	(1,614,609)	(1,943,554)	(1,637,872)
Total General Revenues and Transfers	9,194,662	11,147,513	11,044,689	10,705,800	8,509,605	8,315,858	8,950,793	9,903,082	9,814,408	10,314,604
Change in Net Position	$ 11,781,252	$ 7,631,062	$ 5,325,291	$ 6,562,749	$ 8,108,171	$ 5,634,059	$ 9,854,104	$ 13,850,454	$ 11,013,079	$ 21,524,889

Data Source:

[1] Exhibit II.

[2] Exhibit IV.

Exhibit VI

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	$ 172,825	$ 130,383	$ 393,709	$ 509,437	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	8,878,944	8,256,074	6,863,088	5,934,113	-	-	-	-	-	-
Nonspendable	-	-	-	-	465,476	401,073	368,452	330,824	331,871	324,299
Committed	-	-	-	-	4,000,757	3,959,964	1,048,544	4,015,916	4,015,916	4,048,047
Unassigned	-	-	-	-	2,348,480	3,409,176	6,294,679	4,541,672	4,800,246	4,985,208
Subtotal General Fund	9,051,769	8,386,457	7,256,797	6,443,550	6,814,713	7,770,213	7,711,675	8,888,412	9,148,033	9,357,554
General Fund Percentage Change	11.6%	-7.4%	-13.5%	-11.2%	5.8%	14.0%	-0.8%	15.3%	2.9%	2.3%
All Other Governmental Funds										
Reserved[1]	3,745,336	4,235,633	6,032,693	7,664,639	-	-	-	-	-	-
Unreserved										
Special Revenue Funds	28,026	23,051	(20,804)	(1,385)	-	-	-	-	-	-
Capital Projects Funds	(119,589)	2,350,758	2,487,585	3,197,082	-	-	-	-	-	-
Nonspendable	-	-	-	-	55,232	6,343	6,266	15,174	12,132	12,688
Restricted	-	-	-	-	34,663,373	30,122,295	17,842,243	12,183,680	14,710,290	15,546,159
Unassigned										
Special Revenue Funds	-	-	-	-	(4,390)	-	-	-	(5,850)	(5,850)
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Subtotal All Other Governmental Funds	3,653,773	6,609,442	8,499,474	10,860,336	34,714,215	30,128,638	17,848,509	12,198,854	14,716,572	15,552,997
Total Governmental Funds										
Reserved	3,918,161	4,366,016	6,426,402	8,174,076	-	-		-	-	-
Unreserved	8,787,381	10,629,883	9,329,869	9,129,810	-	-	-	-	-	-
Nonspendable	-	-	-	-	520,708	407,416	374,718	345,998	344,003	336,987
Restricted	-	-	-	-	34,663,373	30,122,295	17,842,243	12,192,680	14,710,290	15,546,159
Committed	-	-	-	-	4,000,757	3,959,964	1,048,544	4,015,916	4,015,916	4,048,047
Unassigned										
General Fund	-	-	-	-	2,348,480	3,409,176	6,294,679	4,541,672	4,800,246	4,985,208
Special Revenue Funds	-	-	-	-	(4,390)	-	-	(9,000)	(5,850)	(5,850)
	$ 12,705,542	$ 14,995,899	$ 15,756,271	$ 17,303,886	$ 41,528,928	$ 37,898,851	$ 25,560,184	$ 21,087,266	$ 23,864,605	$ 24,910,551
All Governmental Funds Percentage Change	13.6%	18.0%	5.1%	9.8%	140.0%	-8.7%	-32.6%	-17.5%	13.2%	4.4%

Notes:

[1] The City issued $21,000,000 in general obligation bonds for the school in FY 2011 and $12,000,000 in FY 2012 that primarily was the cause for the large increase in fund balance in those years, due to unspent bond proceeds. In FY13, the majority of those funds had been spent, lowering the fund balance substantially, and by FY14, the balance of the funds were expended.

[2] GASB 54 was not applied retroactively to years prior to fiscal year 2011.

Exhibit VII

City of Calhoun, Georgia

General Governmental Revenues by Source (Unaudited) [1]

Last Ten Fiscal Years

(modified accrual basis of accounting)

Source	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	$ 7,474,872	$ 7,698,581	$ 7,404,954	$ 7,256,952	$ 7,715,262	$ 7,841,840	$ 8,450,448	$ 8,970,278	$ 9,222,031	$ 9,281,546
Intergovernmental	4,931,359	6,688,782	6,242,934	6,388,360	6,107,358	7,122,576	6,035,392	7,480,646	6,514,159	6,300,086
Licenses and permits	298,341	258,454	262,284	219,490	201,293	200,394	220,735	372,340	276,113	291,207
Charges for services	383,276	406,544	391,946	375,453	404,449	414,540	459,274	471,398	458,968	430,961
Fines and forfeitures	893,024	767,025	594,969	588,606	556,013	655,469	717,800	599,746	488,686	348,436
Contributions and donations	44,390	1,929	28,138	1,393	783	-	381,032	309	331,734	898
Investment earnings	448,503	462,878	230,986	145,205	94,878	101,001	63,295	48,373	49,942	167,757
Miscellaneous	51,839	71,977	38,330	35,097	48,782	39,422	29,994	32,622	26,503	26,028
Total Revenues	$ 14,525,604	$ 16,356,170	$ 15,194,541	$ 15,010,556	$ 15,128,818	$ 16,375,242	$ 16,357,970	$ 17,975,712	$ 17,368,136	$ 16,846,919
% change from prior year	0.4%	12.6%	-7.1%	-1.2%	0.8%	8.2%	-0.1%	9.9%	-3.4%	-3.0%
Taxes	51.5%	47.1%	48.7%	48.3%	51.0%	47.9%	51.7%	49.9%	53.1%	55.1%
Intergovernmental	33.9%	40.9%	41.1%	42.6%	40.4%	43.5%	36.9%	41.6%	37.5%	37.4%
Licenses and permits	2.1%	1.6%	1.7%	1.5%	1.3%	1.2%	1.3%	2.1%	1.6%	1.7%
Fines and forfeitures	2.6%	2.5%	2.6%	2.5%	2.7%	2.5%	2.8%	2.6%	2.6%	2.6%
Charges for services	6.1%	4.7%	3.9%	3.9%	3.7%	4.0%	4.4%	3.3%	2.8%	2.1%
Contributions and donations	0.3%	0.0%	0.2%	0.0%	0.0%	0.0%	2.3%	0.0%	1.9%	0.0%
Investment earnings	3.1%	2.8%	1.5%	1.0%	0.6%	0.6%	0.4%	0.3%	0.3%	1.0%
Miscellaneous	0.4%	0.4%	0.3%	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	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.

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
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
2013	1,557	2,363	2,866	808	92	764	8,450
2014	1,769	2,421	2,952	807	88	933	8,970
2015	1,661	2,494	3,006	883	92	1,086	9,222
2016	1,701	2,246	2,943	960	79	1,191	9,120
% Change From 2007-2016	44.9%	1.8%	8.0%	64.7%	-31.9%	78.3%	22.0%

Fiscal Year Ended June 30,	Percentage of Total Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other[2]	Total
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%
2013	18.4%	28.0%	33.9%	9.6%	1.1%	9.0%	100.0%
2014	19.7%	27.0%	32.9%	9.0%	1.0%	10.4%	100.0%
2015	18.0%	27.0%	32.6%	9.6%	1.0%	11.8%	100.0%
2016	18.7%	24.6%	32.3%	10.5%	0.9%	13.1%	100.0%

Notes:

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

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

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

	For the Fiscal Year Ended June 30,									
Function	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Expenditures:										
Current:										
General government[2]	$ 847,374	$ 1,126,658	$ 1,004,306	$ 897,578	$ 927,518	$ 821,051	$ 852,445	$ 872,008	$ 1,169,257	$ 1,022,902
Judicial	333,892	360,207	400,454	363,530	364,090	367,148	447,648	531,784	517,576	547,567
Public safety	6,467,129	7,357,039	7,046,335	6,263,391	6,259,795	6,273,075	7,634,758	6,890,854	7,084,239	7,226,046
Public works	1,497,415	1,408,513	1,888,208	1,770,722	1,763,779	2,001,412	2,623,342	2,433,774	2,776,785	2,058,190
Health and welfare	52,567	55,905	58,254	63,698	58,678	53,469	61,103	63,113	61,880	67,547
Culture and recreation	1,365,314	2,122,797	1,279,260	1,181,283	1,315,642	1,212,754	1,274,917	1,217,521	1,308,902	1,378,146
Housing and economic development	786,511	1,064,702	1,020,584	939,055	974,467	884,600	915,059	978,153	1,115,979	1,175,826
Education	140,057	97,775	133,712	112,978	99,103	81,758	-	-	-	-
Less capital outlay included above	-	-	-	-	-	-	-	-	-	(200,388)
Total Current	11,490,259	13,593,596	12,831,113	11,592,235	11,763,072	11,695,267	13,809,272	12,987,207	14,034,618	13,275,836
% Change From Prior Year	14.6%	18.3%	-5.6%	-9.7%	1.5%	-0.6%	18.1%	-6.0%	8.1%	-5.4%
Capital Outlay	1,702,369	1,706,004	1,375,312	897,516	410,053	8,902,937	18,216,169	9,084,148	1,093,524	3,162,554
% Change From Prior Year	-16.5%	0.2%	-19.4%	-34.7%	-54.3%	2071.2%	104.6%	-50.1%	-88.0%	189.2%
Debt Service										
Principal[3]	2,033,809	1,731,681	979,602	1,068,637	1,146,243	1,098,439	10,339,080	1,274,976	433,888	351,628
Interest and fees	795,824	744,110	710,875	676,517	823,716	1,375,080	1,795,083	1,568,673	1,538,649	1,522,296
Total Debt Service	2,829,633	2,475,791	1,690,477	1,745,154	1,969,959	2,473,519	12,134,163	2,843,649	1,972,537	1,873,924
% Change From Prior Year	4.0%	-12.5%	-31.7%	3.2%	12.9%	25.6%	390.6%	-76.6%	-30.6%	-5.0%
Total Expenditures	$ 16,022,261	$ 17,775,391	$ 15,896,902	$ 14,234,905	$ 14,143,084	$ 23,071,723	$ 44,159,604	$ 24,915,004	$ 17,100,679	$ 18,312,314
Debt Service as a % of Noncapital Expenditures	19.8%	15.4%	11.6%	13.1%	14.3%	17.5%	46.8%	18.0%	12.3%	12.4%

Notes:

[1] Includes all governmental fund types.

[2] In fiscal year 2006, the City established a 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.

[3] In fiscal year 2013 the 2002 School bonds and the majority of the 2003 School bonds were paid off, causing a large amount of principal payments in that year.

Exhibit X

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

	For the Fiscal Year Ended June 30,									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Total Revenues - Exhibit VII	$ 14,525,604	$ 16,356,170	$ 15,194,541	$ 15,010,556	$ 15,128,818	$ 16,375,242	$ 16,357,970	$ 17,975,712	$ 17,368,136	$ 16,846,919
Total Expenditures - Exhibit IX	16,022,261	17,775,391	15,896,902	14,234,905	14,143,084	23,071,723	44,159,604	24,915,004	17,100,679	18,312,314
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,496,657)	(1,419,221)	(702,361)	775,651	985,734	(6,696,481)	(27,801,634)	(6,939,292)	267,457	(1,465,395)
Other Financing Sources (Uses)										
Sale of capital assets	104,706	15,966	8,561	39,482	15,029	5,960	75,028	149,325	18,309	18,223
General obligation bonds issued	-	-	-	-	21,000,000	-	12,000,000	-	-	-
Premium on debt issuance	-	-	-	-	(147,000)	-	924,239	-	-	-
Inception of capital lease	696,540	694,872	392,733	-	-	-	-	-	-	-
Insurance reimbursement	-	-	95,735	-	-	-	11,600	4,640	11,153	13,124
Transfers in	3,744,120	3,991,525	3,446,361	3,351,073	3,721,872	4,812,524	3,859,103	4,506,462	4,140,213	5,117,246
Transfers out	(1,481,924)	(2,655,165)	(2,480,657)	(2,618,591)	(1,350,593)	(1,752,080)	(1,407,003)	(2,194,053)	(1,659,793)	(2,637,252)
Total Other Financing Sources (Uses)	3,063,442	2,047,198	1,462,733	771,964	23,239,308	3,066,404	15,462,967	2,466,374	2,509,882	2,511,341
Net Change in Fund Balances	$ 1,566,785	$ 627,977	$ 760,372	$ 1,547,615	$ 24,225,042	$ (3,630,077)	$ (12,338,667)	$ (4,472,918)	$ 2,777,339	$ 1,045,946

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

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
	Amounts[5] *(in thousands of dollars)*											
2007	159,760	203,388	233,582	3,146	699	5,135	27,910	30,791	602,829	16.250	1,491,825	21.8%
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	714,535	17.603	1,786,338	-10.2%
2013	174,704	338,876	205,646	2,550	1,180	4,824	29,436	30,090	727,126	19.742	1,798,065	0.7%
2014	176,063	226,201	332,175	2,673	1,171	4,963	30,959	31,281	742,924	19.793	1,836,098	2.1%
2015	176,955	245,355	332,465	2,355	1,162	6,105	25,862	60,076	730,183	19.965	1,886,938	2.8%
2016	186,450	277,700	359,488	2,351	1,170	6,177	19,661	131,799	721,198	19.965	2,059,095	9.1%
% Change From 2007-2016	16.71%	36.54%	53.90%	-25.27%	67.38%	20.29%	-29.56%	328.04%	19.64%	22.86%	38.03%	
	Percentage of Total Assessed Valuation											
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%			
2013	23.1%	44.8%	27.2%	0.3%	0.2%	0.6%	3.9%	4.0%	96.0%			
2014	22.7%	29.2%	42.9%	0.3%	0.2%	0.6%	4.0%	4.0%	96.0%			
2015	22.4%	31.0%	42.1%	0.3%	0.1%	0.8%	3.3%	7.6%	92.4%			
2016	21.9%	32.6%	42.1%	0.3%	0.1%	0.7%	2.3%	15.5%	84.5%			

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 XII

City of Calhoun, Georgia

Direct and Overlapping Property Tax Rates [1]

Last Ten Fiscal Years

	Direct			Overlapping Rates[2,3]		
Fiscal Year Ended June 30,	**City of Calhoun**	**City of Calhoun Schools**[5]	**Total Direct Rate**	**State of Georgia**[4]	**Gordon County**	**Combined Total Rate**[6]
2007	1.670	14.580	16.250	0.250	10.671	27.171
2008	1.615	14.080	15.695	0.250	10.174	26.119
2009	1.615	14.080	15.695	0.250	9.528	25.473
2010	1.591	13.865	15.456	0.250	8.815	24.521
2011	1.591	13.865	15.456	0.250	8.919	24.625
2012	1.591	16.012	17.603	0.250	9.800	27.653
2013	1.980	17.762	19.742	0.200	9.800	29.742
2014	1.980	17.813	19.793	0.150	9.800	29.743
2015	1.980	17.985	19.965	0.100	9.747	29.812
2016	1.980	17.985	19.965	0.050	9.930	29.945
% Change From 2007-2016	18.6%	23.4%	22.9%	-80.0%	-6.9%	10.2%

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 tenth 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:

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

Exhibit XIII

City of Calhoun, Georgia
Franchise Tax Revenue
Last Ten Fiscal Years

Fiscal Year	Revenue Base	Total Direct Tax *Rate* [1]	Franchise Tax Revenue[2]	Annual Percentage Change
2007	45,102,495	4.11%	1,853,605	1.5%
2008	47,805,513	4.13%	1,974,068	6.5%
2009	43,168,888	4.14%	1,788,165	-9.4%
2010	43,080,467	4.14%	1,782,104	-0.3%
2011	47,376,503	4.12%	1,954,013	9.6%
2012	49,065,272	4.12%	2,022,131	3.5%
2013	49,208,913	4.12%	2,025,527	0.2%
2014	50,735,999	4.12%	2,090,206	3.2%
2015	52,017,728	4.12%	2,146,187	2.7%
2016	53,336,602	4.13%	2,105,088	-1.9%
% Change From 2007-2016	18.26%	0.39%	13.57%	

Notes:

1 This is an average of rates for different providers.

2 Per tax collections of the City of Calhoun.

Exhibit XIV

City of Calhoun, Georgia
Direct and Overlapping Franchise Tax Rates
Last Ten Fiscal Years

	Direct			Overlapping Rates[2]		
Fiscal Year Ended June 30,	City of Calhoun	City of Calhoun Schools[4]	Total Direct Rate	State of Georgia[3]	Gordon County[5]	Total City Rate
2007	4.110	-	4.110	-	5.000	9.110
2008	4.129	-	4.129	-	5.000	9.129
2009	4.142	-	4.142	-	5.000	9.142
2010	4.137	-	4.137	-	5.000	9.137
2011	4.124	-	4.124	-	5.000	9.124
2012	4.121	-	4.121	-	5.000	9.121
2013	4.116	-	4.116	-	5.000	9.116
2014	4.120	-	4.120	-	5.000	9.120
2015	4.120	-	4.120	-	5.000	9.120
2016	4.130	-	4.130	-	5.000	9.130
% Change From 2007-2016	0.5%		0.5%		0.0%	0.2%

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] The State of Georgia does not levy a franchise tax. These funds are payable to the county or municipality.

[4] The City of Calhoun levies all taxes for the Calhoun City Schools, a discretely presented component unit. No franchise taxes are levied.

Data Source:

[5] Gordon County Finance Department.

Exhibit XV

City of Calhoun, Georgia
Principal Franchise Taxpayers [1]
Current Year and Nine Years Ago

	Fiscal Year Ended June 30, 2016				Fiscal Year Ended June 30, 2007			
Principal Taxpayer	**Franchise Taxes paid**	**Rank**	**Percentage of Total Franchise Taxes paid**	**Principal Taxpayer**	**Franchise Taxes paid**	**Rank**	**Percentage of Total Franchise Taxes paid**
Calhoun Utilities	$ 1,660,528	1	78.9%	Calhoun Utilities	$ 1,423,169	1	76.8%
Georgia Power	168,206	2	8.0%	Georgia Power	166,451	2	9.0%
Comcast	120,522	3	5.7%	Comcast	158,335	3	8.5%
AGL Resources	91,554	4	4.3%	AGL Resources	80,278	4	4.3%
AT&T/Bellsouth	60,454	5	2.9%	AT&T	25,448	5	1.4%
Birch Telecom	2,383	6	0.1%	DPI Telecom	(53)	6	0.0%
Parker Fibernet	1,428	7	0.1%	Now Con	(23)	7	0.0%
Global Connection, Inc.	13	8	0.0%	n/a	-	8	0.0%
Total Principal Taxpayers	2,105,088		100.0%	**Total Principal Taxpayers**	1,853,605		100.0%
All Other Taxpayers	-		0.0%	**All Other Taxpayers**	-		0.0%
Total	$ 2,105,088		100.00%	**Total**	$ 1,853,605		100.00%

Data Source:
[1] City financial records

Exhibit XVI

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

	Fiscal Year Ended June 30, 2016				Fiscal Year Ended June 30, 2007			
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	$ 98,491	1	11.8%	Mohawk (Aladdin)	$ 58,036	1	9.7%
Shaw Industries Group, Inc.	35,415	2	4.2%	Shaw Industries	33,486	2	5.5%
CNH America (Kolbelco)	33,080	3	4.0%	Mannington	17,845	3	2.9%
Engineered Floors, LLC	30,243	4	3.6%	Kobelco	16,114	4	2.7%
Mannington	15,945	5	1.9%	Calhoun Outlets LLC	7,151	5	1.2%
Apache Mills, Inc.	13,658	6	1.6%	Kerry Inc.	5,541	6	0.9%
Field Turf	12,375	7	1.5%	Springs Global USA Inc.	5,415	7	0.9%
Nourison Industries	11,024	8	1.3%	CAF Extrusion	5,253	8	0.9%
Surya Carpet	10,842	9	1.3%	Fiskars Brands Inc.	4,727	9	0.8%
Staton Carpet	8,054	10	1.0%	DMK Holdings Inc.	3,840	10	0.6%
Total Principal Taxpayers	269,127		32.3%	**Total Principal Taxpayers**	157,408		26.0%
All Other Taxpayers	564,212		67.7%	**All Other Taxpayers**	448,302		74.0%
Total	$ 833,339		100.00%	**Total**	$ 605,710		100.00%

Data Source:
[1] City tax records

City of Calhoun, Georgia

Property Tax Levies and Collections [1, 3]

Last Ten Fiscal Years

(amounts expressed in thousand dollars)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Uncollected Taxes	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2007	9,484	9,246	97.49%	226	9,472	99.87%	12	0.13%
2008	10,323	9,940	96.29%	314	10,254	99.33%	69	0.67%
2009	11,670	10,430	89.37%	1,161	11,591	99.32%	79	0.68%
2010	11,911	10,939	91.84%	866	11,805	99.11%	106	0.89%
2011	11,377	10,631	93.44%	640	11,271	99.07%	106	0.93%
2012	12,012	11,341	94.41%	553	11,894	99.02%	118	0.98%
2013	13,623	13,057	95.85%	420	13,477	98.93%	146	1.07%
2014	14,217	13,798	97.05%	256	14,054	98.85%	163	1.15%
2015	13,485	12,861	95.37%	184	13,045	96.74%	440	3.26%
2016	13,219	12,744	96.41%	-	12,744	96.41%	475	3.59%

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 XVIII

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
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%
2013	430,659,656	4.8%	2,662,934	-6.6%	1,202,521	-7.7%
2014	440,540,822	2.3%	2,687,543	0.9%	1,184,644	-1.5%
2015	437,369,857	-0.7%	2,697,545	0.4%	1,120,559	-5.4%
2016	436,508,643	-0.2%	2,789,082	3.4%	1,149,950	2.6%

Notes:

[2] Amount expressed in thousands of gallons

Data Source:

[1] City's utility consumption/billing reports

Exhibit XIX

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

	2007	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*
Residential:										
Base Charge	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000	$ 10.0000	$10.0000
Transmission/kWh	0.0050	0.0050	0.0050	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	0.0640	0.0640	0.0640
Energy Charge	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Small Power Non-demand										
Base Charge	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000
Transmission/kWh	0.0050	0.0050	0.0050	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	0.1100	0.1100	0.1100
Over 3,000/kWh	0.1000	0.1000	0.1000	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	0.0100	0.0100	0.0100
Small Power										
Base Charge	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Generation/kWh										
First 200HUD	0.1060	0.1060	0.1060	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	0.0440	0.0440	0.0440
Over400 HUD	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Transmission/kWh	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Demand Charge	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
Medium Power										
Base Charge	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000
Transmission&Demand/kWh	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
Generation/kWh										
First 6,000/kWh	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000
Over 6,000/kWh	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000
First 200 HUD	0.1000	0.1000	0.1000	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	0.0900	0.0900	0.0900
Next 200 HUD	0.0440	0.0440	0.0440	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	0.0400	0.0400	0.0400

(continued)

City of Calhoun, Georgia

Electric Service Rates [1]

Last Ten Fiscal Years

(continued)

	2007	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*
Large Power:										
Base Charge	100.00000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000
Transmission & Demand/kWh	-	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
Generation kWh										
First 200 HUD										
First 100,000 kWh	0.08800	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880
Over 100,000 kWh	0.07800	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780
Next 200 HUD	0.04400	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440
Next 200 HUD	0.04000	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Over 600 HUD	0.03750	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375
Large Industrial IND										
Customer Charge	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000
Transmission Demand/kWh	1.50000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
First 200 HUD										
First 160,000 kWh	0.09000	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Over 160,000 kWh	0.07000	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Next 300 HUD	0.04200	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420
Over 500 HUD	0.03750	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375

Data Source:

[1] City's utility billing department.

City of Calhoun, Georgia
Ratios of Total Debt Outstanding 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	Notes Payable	Capital Leases	Total	Percentage of Personal Income	Estimated Population [3]	Per Capita
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
2013	1,659,800	33,800,000	305,893	11,235,000	9,139,218	-	56,139,911	14.60%	15,812	3,550
2014	1,352,500	33,000,000	138,216	9,830,000	10,773,093	-	55,093,809	14.32%	15,899	3,465
2015	1,035,800	33,000,000	21,028	8,405,000	13,932,278	-	56,394,106	14.66%	16,052	3,513
2016	705,200	33,000,000	-	6,955,000	15,382,286	-	56,042,486	14.57%	16,309	3,436

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 XXI

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]
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
2013	33,800,000	2,668,962	31,131,038	1.731%	15,812	1,969
2014	33,000,000	4,114,093	28,885,907	1.573%	15,899	1,817
2015	33,000,000	6,445,867	26,554,133	1.407%	16,052	1,654
2016	33,000,000	7,887,746	25,112,254	1.220%	16,309	1,540

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 XXVI

Exhibit XXII

City of Calhoun, Georgia
Direct and Overlapping Debt
June 30, 2016

Governmental Unit:	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
City Direct Debt[2]	$ 33,705,200	100.0%	$ 33,705,200
Overlapping Debt			
Gordon County debt repaid with property taxes	10,480,684	43.38%	4,546,920
Total Direct and Overlapping	$ 44,185,884		$ 38,252,120

Notes:

[1] The percentage of overlapping debt chargeable to property in the City is calculated by dividing the net M&O assesssed value of property in the City by the net M&O assessed value of property in the overlapping entity.

2 City direct debt includes the debt of the blended component unit, City Recreation Authority.

3 Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. Direct debt is that of the City.

Sources

Gordon County Comprehensive Annual Financial Report for June 30, 2016

Exhibit XXIII

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Value[1]	$ 602,829	$ 675,820	$ 809,763	$ 828,569	$ 795,706	$ 714,536	$ 727,126	$ 742,924	$ 730,183	$ 721,198
Legal Debt Margin										
Debt limit (10% of assessed value)[2]	$ 60,283	$ 67,582	$ 80,976	$ 82,857	$ 79,571	$ 71,454	$ 72,713	$ 74,292	$ 73,018	$ 72,120
Debt applicable to limit:										
General obligation bonds	14,200	12,885	12,415	11,895	32,320	31,685	33,800	33,000	33,000	33,000
Less: Amount reserved for repayment of general obligation debt	3,373	2,188	3,970	5,619	7,319	10,130	2,669	4,114	6,446	7,888
Total debt applicable to limit	10,827	10,697	8,445	6,276	25,001	21,555	31,131	28,886	26,554	25,112
Legal debt margin	$ 49,456	$ 56,885	$ 72,531	$ 76,581	$ 54,570	$ 49,899	$ 41,582	$ 45,406	$ 46,464	$ 47,008
As a percentage of debt limit	82.04%	84.17%	89.57%	92.43%	68.58%	69.83%	57.19%	61.12%	63.63%	65.18%

Notes:

[1] Exhibit XI

[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 XXIV

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
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
2013	15,053	8,296	6,757	2,270	339	2,609	2.59
2014	15,517	9,405	6,112	1,405	227	1,632	3.75
2015	16,408	9,479	6,929	1,425	199	1,624	4.27
2016	17,479	9,689	7,790	1,450	170	1,620	4.81

Notes:

[1] Includes the operating revenues inclusive of interest and other nonoperating revenues, excluding gain on disposition of assets.

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

[3] Includes the 2003, 2008, 2011 and 2012 water and sewerage revenue bonds. Only the amount of regular principal payments have been included. Payments to retire the debt through proceeds from the issuance of new bonds were not included as they would skew the coverage calculation.

Exhibit XXV

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
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	14,564	7,845	6,719	1,821	666	2,487	2.70
2012	15,166	8,317	6,849	922	480	1,402	4.89
2013	15,053	8,296	6,757	729	312	1,041	6.49
2014	15,517	9,405	6,112	526	282	808	7.56
2015	16,408	9,479	6,929	503	299	802	8.64
2016	17,479	9,689	7,790	622	314	936	8.32

Notes:

[1] Water and sewer operating revenues inclusive of interest and other nonoperating revenue, excluding any gain on disposition of assets.

[2] Water and sewer direct operating expenses exclusive of depreciation, amortization and 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 XXVI

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[5] Gordon County	United States	County as a % of U.S.	Median Age[3]	City School Enrollment[2]	Unemployment Rates[4] City	State of Georgia	United States
2007	14,379	1,400,809	25,740	30,114	85%	34.0	3,247	4.6%	4.6%	4.7%
2008	14,753	1,459,503	25,828	29,173	89%	34.0	3,288	6.5%	5.6%	5.5%
2009	14,807	1,419,678	25,978	28,812	90%	34.4	3,361	13.5%	10.1%	9.5%
2010	14,955	1,415,787	26,393	28,374	93%	34.4	3,423	12.6%	9.6%	9.3%
2011	15,650	1,503,261	27,185	28,538	95%	37.5	3,531	12.4%	10.2%	9.6%
2012	15,773	1,598,019	31,050	28,692	108%	36.8	3,342	11.8%	9.6%	8.5%
2013	15,812	1,554,171	29,529	28,829	102%	35.3	3,692	10.2%	8.8%	7.9%
2014	15,899	1,618,698	25,028	28,155	89%	36.9	3,862	8.5%	7.4%	6.1%
2015	16,052	1,619,727	29,050	35,610	82%	36.9	4,103	6.1%	6.1%	5.3%
2016	16,309	1,594,390	31,463	36,268	87%	37.7	4,093	5.6%	5.1%	4.9%

Data Sources:

[1] https://www.census.gov

[2] Gordon County trend analysis

[3] Demographics - http://www.georgia-demographics.com/

[4] Georgia Department of Labor - Unemployment Insurance Statistics Region 1 Northwest GA 2013

[5] US Dept. of Commerce-Bureau of Economic Analysis

Exhibit XXVII

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

	2016				2007		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Employer**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Mohawk Industries, Inc.	2,539	1	9.5%	Mohawk Industries, Inc. (Aladdin)	3,000	1	11.2%
Gordon Hospital	1,055	2	3.9%	Shaw Industries/Carriage	1,750	2	6.5%
Shaw Industries	1,025	3	3.8%	Gordon County Schools	950	3	3.5%
Gordon County Schools	815	4	3.0%	Mannington	609	4	2.3%
Apache Mills	650	5	2.4%	Gordon Hospital	579	5	2.1%
Mannington Carpets	625	6	2.3%	Calhoun City Schools	462	6	1.7%
Engineer Flooring	600	7	2.2%	Beaulieu Group	386	7	1.4%
Calhoun City Schools	450	8	1.7%	Gordon County Government	372	9	1.4%
Gordon County Government	407	9	1.5%	Kobelco Construction Machinery	350	8	1.3%
Beaulieu Group	299	10	1.1%	Apache Mills	320	10	1.2%
Total Principal Employers	8,465		31.4%	**Total Principal Employers**	8,778		32.6%
Other Employers	18,363		68.6%	**Other Employers**[2]	18,182		67.4%
Total Employers[1]	26,828		100.0%	**Total Employers**	26,960		100.0%

Data Source:

Gordon County Chamber of Commerce and MEAG Annual Report.

[1] Estimated by Gordon County Chamber of Commerce.

[2] Estimated by management.

Exhibit XXVIII

City of Calhoun, Georgia

Full-time Equivalent Employees by Function [1]

Last Ten Fiscal Years

Function/program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Mayor and City Council	5	5	5	5	5	5	5	5	5	5
Administration	3	2	2	1	2	2	2	2	2	2
Tax Administration	1	1	1	1	1	1	1	1	1	1
Business License Clerk	-	-	-	2	1	1	1	1	1	1
Human Resources	1	1	2	2	2	2	2	2	2	2
Finance	8	5	6	4	4	-	-	-	-	-
	18	14	16	15	15	11	11	11	11	11
Judicial										
Court Services	4	3	3	3	3	3	3	3	3	3
Probation	2	2	2	2	2	2	2	2	2	2
	6	5	5	5	5	5	5	5	5	5
Public Safety										
Police	52	52	49	49	49	49	49	49	49	50
Fire	40	40	38	38	39	39	39	39	39	39
Animal Control	1	1	1	1	1	1	1	2	2	2
	93	93	88	88	89	89	89	90	90	91
Public Works										
Administration	1	1	1	1	1	1	1	1	1	1
Streets and highways	18	18	16	16	16	17	15	15	15	15
City Maintenance	7	6	6	6	6	6	7	7	7	7
Cemetery	4	2	4	3	3	3	3	3	3	3
	30	27	27	26	26	27	26	26	26	26
Health and Welfare										
Senior Citizens Activities	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation Department	14	8	14	14	15	15	13	13	13	15
Library	8	4	9	9	9	9	9	9	9	9
	22	12	23	23	24	24	22	22	22	24
Housing and Economic Development										
Mainstreet Program	1	1	1	1	1	1	1	1	1	1
Airport	4	2	4	4	4	2	3	3	3	3
Inspections/ Community Dev.	3	6	5	4	4	4	3	3	3	3
	8	9	10	9	9	7	7	7	7	7
Utilities Administration										
Administration	4	5	5	5	4	2	2	2	1	1
Utilities Finance	-	-	5	5	4	8	9	9	9	9
GIS	-	-	2	2	2	2	2	2	2	2
Billing	2	2	3	3	2	2	3	3	2	2
Customer Service	3	4	4	2	4	4	3	4	3	4
Tellers	3	3	3	2	4	3	4	5	5	5
Meter Reading	6	7	6	5	4	4	4	4	4	4
Engineering	6	6	6	6	6	6	6	6	5	5
Purchasing	2	2	2	2	2	2	2	2	2	2
Work Order	-	-	-	-	-	1	1	1	2	2
	26	29	36	32	32	34	36	38	35	36
Electric System	19	18	17	17	15	15	17	17	17	17
Water and Sewer System										
Wastewater Treatment	11	10	9	9	9	10	10	10	10	10
Sewer Construction	13	13	12	12	11	11	11	11	11	11
Maintenance Crew	9	11	10	10	10	10	10	7	7	8
Water Treatment	8	8	8	7	7	8	9	9	10	10
Water Construction	27	27	24	22	22	22	22	19	20	21
	68	69	63	60	59	61	62	56	58	60
Fields Ferry Golf Course										
Pro Shop	9	3	9	9	9	9	5	4	3	3
Maintenance	10	9	8	8	8	7	7	5	7	7
	19	12	17	17	17	16	12	9	10	10
Telecommunications	4	5	4	4	4	4	4	4	4	4
Solid Waste	5	3	3	3	3	2	2	2	2	2
Total	319	297	310	300	299	296	294	288	288	294
Percentage Change From Prior Year	0.9%	-6.9%	4.4%	-3.2%	-0.3%	-1.2%	-1%	-2%	0%	2%

Data Source:

[1] City of Calhoun, Human Resource Department

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

Function/program	2007	2008	2009	2010	2011	2012	2013	2014 [2]	2015 [2]	2016 [2]
Police										
Physical arrests	N/A	1,743	535	1,572	1,439	1,456	1,363	1,255	1,388	1,604
Parking violations	N/A	456	N/A	882	966	490	417	N/A	N/A	N/A
Traffic violations	7,007	7,557	5,055	6,042	7,093	7,714	6,354	5,462	5,806	6,591
Fire										
Emergency responses [1]	707	792	740	894	1,492	1,920	1,839	1,951	1,923	2,117
Inspections	669	797	674	1,013	2,215	1,827	1,320	1,261	1,302	1,223
Library										
Volumes in collection	80,483	86,623	87,500	90,839	98,167	91,129	90,522	86,925	86,365	78,841
Total volumes borrowed	124,000	128,199	131,185	141,757	129,169	127,178	118,395	102,503	108,123	90,601
Computer usage	N/A	N/A	N/A	N/A	24,137	21,127	16,662	13,122	17,021	20,331

Notes:
N/A Not available in some categories

Data Sources:
Various City departments.

[1] The emergency responses changed in 2011 for the 911 response protocol. Instead of only running fire calls or an eminent threat of death they now respond to all emergency calls regardless of type of danger.

[2] No longer collecting parking violations.

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

Utility Service	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Electric Service:										
Coincident peak (kW)	65,462	66,536	56,758	60,838	74,830	74,252	72,437	76,121	76,525	76,280
Reserves (kW)	9,819	8,867	6,418	9,126	11,125	10,022	10,192	9,293	9,353	9,237
Total requirements (kW)	75,281	75,403	63,176	69,964	85,955	84,274	82,629	85,414	85,878	85,517
Southeastern Power Administration (kW)	7,660	7,660	7,660	7,660	7,437	7,437	7,437	7,437	7,437	7,437
MEAG projects 1, 2, 3 & 4 (kW)	47,200	47,200	47,200	47,200	45,453	45,453	46,736	46,842	48,125	48,009
MEAG combined cycle (kW)	15,630	15,630	15,630	15,630	15,497	15,497	15,497	15,497	15,497	15,388
Calhoun Simple Cycle	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Inter-participant Transfer(IPT) College Park	-	-	-	-	4,855	4,855	4,855	4,855	4,855	4,855
Total resources (kW)	90,490	90,490	70,490	70,490	93,242	93,242	94,525	94,631	95,914	95,689
Excess capacity (deficit) (kW)	15,209	15,087	7,314	526	7,287	8,968	11,896	9,217	10,036	10,171
Per cent reserve of capacity [1]	16.8%	16.7%	10.4%	0.7%	7.8%	9.6%	12.6%	9.7%	10.5%	10.6%
Water Service:										
Daily average consumption	9,952,000	9,176,000	10,661,191	10,236,000	9,842,082	10,560,000	9,360,000	9,791,666	7,849,766	9,763,300
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	23,800,000	23,800,000	23,800,000	23,800,000	23,800,000	29,600,000	29,800,000
Reservoir storage capacity (gallons)	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	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)	5,431,000	5,277,000	6,525,833	5,688,000	6,062,000	5,613,000	5,374,000	5,948,000	5,998,000	5,211,333
Unused capacity	10,569,000	10,723,000	9,474,167	10,312,000	9,938,000	10,387,000	10,626,000	10,052,000	10,002,000	10,788,667
Percentage of capacity used	0.339438	0.329813	0.407865	0.355500	0.378875	0.350813	0.335875	0.371750	0.374875	0.325700

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 & reflects a 5 mw sale of excess to the City of Acworth.

Exhibit XXXI

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

Function/program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Electric Service:										
Miles of line	185	222	227	234	242	242	245	246	254	261
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	4
20 megawatt generator	1	1	1	1	1	1	1	1	1	1
Water Service:										
Miles of water mains	640	640	720	770	819	819	826	830	836	834
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	15	15	15	15	15	15	15	15	15
Sewer Service:										
Miles of sanitary sewers	118	120	137	134	136	136	136	136	141	141
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	6	9	9	9	9	9	9	9	9	9

Data Source:
Various Departments

Exhibit XXXII

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

Function/program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	2	2	2	2	2	3	3	4	4	4
Patrol units	24	27	32	33	33	33	33	34	34	34
Fire stations	3	3	3	3	3	3	3	3	3	3
Streets and highways										
Streets (miles)	98	99	99	99	99	99	100	103	103	103
Street Lights	918	973	973	979	979	1,451	1,488	1,525	1,625	1,686
Parks and recreation										
Acreage	342	342	342	342	342	342	342	342	342	342
Water										
Water mains (miles)	640	640	720	770	819	819	826	830	836	834
Fire hydrants	742	741	900	775	771	771	771	780	811	827
Storage capacity (thousands of gallons)	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600
Wastewater										
Sanitary sewers (miles)	118	119	137	134	136	136	136	136	141	141
Treatment capacity (thousands of gallons)	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Storm sewers (miles)	30	30	30	30	30	30	30	31	31	31

Data Source:
Various City Departments.

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CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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 and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Calhoun, Georgia's basic financial statements, and have issued our report thereon dated December 31, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

R. M. Dobbs & Company

Calhoun, Georgia
December 31, 2016

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Calhoun, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Calhoun, Georgia's major federal programs for the year ended June 30, 2016. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Calhoun, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Calhoun, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Calhoun, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

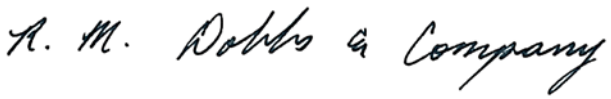
Report on Internal Control over Compliance

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

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

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



Calhoun, Georgia
December 31, 2016

CITY OF CALHOUN, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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				
Passed Through Georgia Department of Community Affairs				
Urban Development Action Grant	14.221	10-64-586000530		$ 2,444,941
Calhoun Housing Authority	15.226	Ga. Projects		
Payment in Lieu of Taxes		11900199M		
		Contract A-3103		46,081
Total U. S. Department of Housing and Urban Development				2,491,022
U.S. Environmental Protection Agency				
Georgia Environmental Protection Division/				
Georgia Environmental Facilities Authority				
Capitalized Grant for Drinking Water State Revolving Loan Fund				
Federal Money Loan	66.468	DW 10-007	$ 1,600,000	-
Capitalized Grant for Drinking Water State Revolving Loan Fund				
Federal Money Loan	66.468	DWSRF 13-003	$ 6,943,847	2,349,653
Georgia Environmental Protection Division/				
Georgia Environmental Facilities Authority				
Capitalized Grant for Clean Water State Revolving Loan Fund				
Federal Money Loan	66.458	CWSRF 13-001	$ 2,121,643	-
Total U. S. Environmental Protection Agency				2,349,653
Bureau of Justice Assistance				
Bulletproof Vest Partnership Program	16.607	1121-0235		2,158
Total U. S. Department of Justice				2,158
U.S. Department of Homeland Security				
Georgia Emergency Management Agency				
Domestic Preparedness State Homeland Grant Program	97.067	2015-SS-T0-0065	$ 42,000	25,695
Total U. S. Department of Homeland Security				25,695
				$ 4,868,528

CITY OF CALHOUN, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 Title 2 U.S. *Code of Federal Regulations* (CFR) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 outstanding:

CW SRF #99-001	$ 1,668,857
DW SRF #00-026	$ 3,162,737
CW SRF #02-002	$ 1,511,231
DW SRF#10-007	$ 2,666,305
CW SFR#13-001	$ 911,310
DW SRF#13-003	$ 5,461,841

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, 2016

Finding 2015-01 - SEFA Preparation

Condition: The City was notified by the Georgia Environmental Finance Authority, following the review of the City's Comprehensive Annual Financial Report, that federal expenditures for the Capitalization Grants for Drinking Water and Clean Water State Revolving Loan Funds had not been included on the schedule of expenditures of federal awards (SEFA).

Recommendation: The auditor recommended that the City review the general ledger for all federal revenues, federal loans, and federal expenditures to ensure the accuracy and completeness of the SEFA. All claims for reimbursement should be reviewed, and if for federal funds, then these amounts should be included on the SEFA. The auditors also recommended that more than one person review the SEFA and compare it to the general ledger and claims for remibursement, to determine that expenditures of all federal funds received have been included on the SEFA prior to submitting the audit.

Current Status: The recommendation was implemented and no similar findings were noted in the audit for the year ended June 30, 2016.

CITY OF CALHOUN, GEORGIA
URBAN DEVELOPMENT ACTION GRANT SPECIAL REVENUE FUND
SCHEDULE OF RECONCILIATION - RLF REPORTS TO FINANCIAL STATEMENTS
JUNE 30, 2016

	RLF Reports	Adjustments	Financial
Total Assets	$ 2,445,321	$ -	$ 2,445,321
Total Liabilities and Fund Balance	$ 2,445,321	$ -	$ 2,445,321
Net Revenues (Expenditures)	$ 34,926	$ -	$ 34,926

CITY OF CALHOUN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Calhoun, Georgia were prepared in accordance with GAAP.

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 program for the City of Calhoun expresses an unmodified opinion on all major federal programs.

6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).

7. The programs tested as major programs are: Capitalized Grants for Drinking Water State Revolving Funds (CFDA #66.468).

8. The threshold for distinguishing between Type A and B programs was $750,000.

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

FINDINGS – FINANCIAL STATEMENTS AUDIT

None reported

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported

CITY OF CALHOUN, GEORGIA
PROJECT COST SCHEDULE FOR PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
FROM INCEPTION THROUGH JUNE 30, 2016 (CUMULATIVE TOTAL)

Project	Referendum Authorized Amounts	Board Approved Projects: Original Estimated Cost	Additional Projects, Additions & Revisions	Revised Estimated Cost	Prior Years' Expenditures	Current Year	Cumulative Total	Estimated % of Compl. Referendum Auth. Amts.
2011 SPLOST								
Peters Street	$ 2,000,000	$ 2,000,000	$ -	$ 2,000,000	$ 664,149	$ 179,351	$ 843,500	42.2%
Public Safety - Police vehicle fleet	650,000	650,000	-	650,000	680,000	63,087	743,087	114.3%
Public Safety - Police & Fire communications upgrades	100,000	100,000	-	100,000	94,371	5,383	99,754	99.8%
Library upgrades	400,000	400,000	897,000	1,297,000	1,293,953	-	1,293,953	99.8%
Recreation Improvements	2,500,000	2,500,000	-	2,500,000	564,834	1,567,070	2,131,904	85.3%
Public Works	850,000	850,000	-	850,000	556,097	204,743	760,840	89.5%
Utility fleet and service equipment	700,000	700,000	-	700,000	238,001	234,282	472,283	67.5%
Utility system upgrades	2,421,049	2,421,049	-	2,421,049	-	-	-	0.0%
	$ 9,621,049	$ 9,621,049	$ 897,000	$ 10,518,049	$ 4,091,405	$ 2,253,916	$ 6,345,321	

Project	Referendum Authorized Amounts	Original Estimated Cost	Additional Projects, Additions & Revisions	Revised Estimated Cost	Prior Years' Expenditures	Current Year	Cumulative Total	Estimated % of Compl. Referendum Auth. Amts.
2005 SPLOST								
Water/Sewer System Improvements	$ 4,734,297	$ 4,734,297	$ -	$ 4,734,297	$ 4,336,055	$ 26,277	$ 4,362,332	92.1%
Waste Treatment Plant Improvements	4,000,000	4,000,000	-	4,000,000	488,682	49,190	537,872	13.4%
4th Fire Station & Equipment	1,500,000	1,500,000	-	1,500,000	1,299,460	128,307	1,427,767	95.2%
Overage - Water & Sewer	-	-	298,891	298,891	298,891	-	298,891	100.0%
	$ 10,234,297	$ 10,234,297	$ 298,891	$ 10,533,188	$ 6,423,088	$ 203,774	$ 6,626,862	

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, 2016

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.