# City of Calhoun, Georgia

## Comprehensive Annual Financial Report

## For the Fiscal Year Ended June 30, 2017

Prepared by:

Department of Finance

**City of Calhoun, Georgia**
***Comprehensive Annual Financial Report***
***For The Fiscal Year Ended June 30, 2017***

## TABLE OF CONTENTS

### Introductory Section
### (Unaudited)


Letter of Transmittal ..... 1-4
GFOA Certificate of Achievement ..... 5
Organizational Chart- General Government and Utilities ..... 6
List of Officials, Management and Appointed Professionals ..... 7


### Financial Section


**Independent Auditors' Report** ..... 9-10

**Management's Discussion and Analysis (Unaudited)** ..... 11-19

**Basic Financial Statements**

**Government-wide Financial Statements**
Statement of Net Position ..... 22
Statement of Activities ..... 23

**Fund Financial Statements**

**Governmental Funds**
Balance Sheet ..... 26
Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position ..... 27
Statement of Revenues, Expenditures and Changes in Fund Balances ..... 28
Reconciliation of the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities ..... 29
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund ..... 30

**Proprietary Funds**
Statement of Net Position ..... 31
Statement of Revenues, Expenses, and Changes in Fund Net Position ..... 32
Statement of Cash Flows ..... 33-34

**Fiduciary Funds**
Statements of Fiduciary Net Position ..... 35
Statements of Changes in Fiduciary Net Position ..... 36

**Notes to the Basic Financial Statements** ..... 37-65

**Required Supplementary Information**

Schedule of Changes in the Net Pension Liability and Related Ratios ……..……66-67
Schedule of Contributions……68-69

**Supplementary Information**

**Combining and Individual Fund Statements and Schedules**

**Governmental Funds**
**General Fund**
Balance Sheet .....72
Statement of Revenues, Expenditures and Changes in Fund Balance.....73

**Major Governmental Funds**
*School Bond Debt Service Fund*
Balance Sheet .....76
Statement of Revenues, Expenditures and Changes in Fund Balance.....77
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual .....78

**Nonmajor Governmental Funds**
Combining Balance Sheet – By Fund Type .....80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
- By Fund Type .....81

**Nonmajor Special Revenue Funds**
Combining Balance Sheet .....82
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....83
*Urban Development Action Grant Fund*
Balance Sheet .....84
Statement of Revenues, Expenditures, and Changes in Fund Balance .....85
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual .....86
*Home Investment Partnership Act Fund*
Balance Sheet .....87
Statement of Revenues, Expenditures, and Changes in Fund Balance.....88
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual .....89
*Confiscated Assets Fund*
Balance Sheet .....90
Statement of Revenues, Expenditures and Changes in Fund Balance.....91
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual .....92

*Hotel/Motel Tax Fund*
Balance Sheet .....93
Statement of Revenues, Expenditures and Changes in Fund Balance.....94
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....95
*School Tax Fund*
Balance Sheet .....96
Statement of Revenues, Expenditures and Changes in Fund Balance.....97
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....98
*Recreation Fund*
Balance Sheet .....99
Statement of Revenues, Expenditures and Changes in Fund Balance.....100
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....101

**Nonmajor Debt Service Funds**
*Revenue Bond Debt Service Fund*
Balance Sheet.....102
Statement of Revenues, Expenditures and Changes in Fund Balance..... 103
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual ..... 104

**Nonmajor Capital Project Funds**
Combining Balance Sheet .....105
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....106
*2005 SPLOST Fund*
Balance Sheet .....107
Statement of Revenues, Expenditures and Changes in Fund Balance.....108
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....109
*School SPLOST Fund*
Balance Sheet .....110
Statement of Revenues, Expenditures and Changes in Fund Balance.....111
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....112
*2011 SPLOST Fund*
Balance Sheet.....113
Statement of Revenues, Expenditures and Changes in Fund Balance.....114
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....115

**Proprietary Funds**

**Enterprise Funds**
**Major Enterprise Funds**
*Electric System Fund*
Statement of Net Position .....117
Statement of Revenues, Expenses and Changes in Fund Net Position .....118
Statement of Cash Flows ..... 119-120

*Water and Sewerage System Fund*
Statement of Net Position .....121
Statement of Revenues, Expenses and Changes in Fund Net Position .....122
Statement of Cash Flows ..... 123-124

**Nonmajor Enterprise Funds**
Combining Statement of Net Position .....127
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....128
Combining Statement of Cash Flows..... 129-130
*Fields Ferry Golf Course Fund*
Statement of Net Position .....131
Statement of Revenues, Expenses and Changes in Fund Net Position.....132
Statement of Cash Flows .....133
*Telecommunications Fund*
Statement of Net Position .....134
Statement of Revenues, Expenses and Changes in Fund Net Position.....135
Statement of Cash Flows ..... 136-137
*Solid Waste Fund*
Statement of Net Position .....138
Statement of Revenues, Expenses and Changes in Fund Net Position.....139
Statement of Cash Flows .....140

**Internal Service Fund-Individual Fund Statements**
*Utilities Administration Fund*
Statement of Net Position .....143
Statement of Revenues, Expenses and Changes in Fund Net Position.....144
Statement of Cash Flows .....145

**Fiduciary Funds**
*Municipal Court Agency Fund*
Statement of Changes in Assets and Liabilities....147

## Statistical Section
## (Unaudited)

**Financial Trends**
Government-wide Net Position by Category .... S-2
Changes in Net Position – Governmental Activities .... S-3
Tax Revenues by Source – Governmental Activities .... S-4
Changes in Net Position – Business-type Activities .... S-5
Changes in Net Position – Total .... S-6
Fund Balances – Governmental Funds .... S-7
General Governmental Revenues by Source .... S-8
Tax Revenues by Source - Governmental Funds .... S-9
General Governmental Expenditures by Function .... S-10
Changes in Fund Balances – Governmental Funds .... S-11

**Revenue Capacity**
Taxable Assessed Value and Estimated Actual Value of Property .... S-12
Direct and Overlapping Property Tax Rates .... S-13
Franchise Tax Revenues .... S-14
Direct and Overlapping Franchise Tax Rates .... S-15
Principal Franchise Taxpayers .... S-16
Principal Property Taxpayers .... S-17
Property Tax Levies and Collections .... S-18
Consumption Billed by Service .... S-19
Electric Service Rates .... S-20-S-21

**Debt Capacity**
Ratios of Total Debt Outstanding by Type .... S-22
Ratios of Net General Bonded Debt Outstanding .... S-23
Direct and Overlapping Debt .... S-24
Legal Debt Margin .... S-25
Pledged Revenue Coverage - Water and Sewerage Senior Lien Revenue Bonds .... S-26
Pledged Revenue Coverage - Water and Sewerage GEFA Loans .... S-27

**Demographic and Economic Information**
Demographic and Economic Statistics .... S-28
Principal Employers .... S-29

**Operating Information**
Full-time Equivalent Employees by Function .... S-30

Operating Indicators by Function/Program ..... S-31
Utilities – Operating Indicators by Service ..... S-32
Utilities – Capital Asset Indicators – by Service ..... S-33
Capital Asset and Infrastructure Statistics by Function/Program ..... S-34

## Internal Control and Federal Compliance Section

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 ..... C-1-C-2
Report on Compliance with Requirement Applicable To Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 ..... C-3-C-4
Schedule of Expenditures of Federal Awards ..... C-5
Notes to Schedule of Expenditures of Federal Awards ..... C-6
Summary Schedule of Prior Audit Findings ..... C-7
Urban Development Action Grant- Schedule of Reconciliation RLF Reports to Financial Statements ..... C-8
Schedule of Findings and Questioned Costs ..... C-9

## State Section

Project Cost Schedule for Projects Constructed With Special Purpose Local Option Sales Tax ..... ST-1
Notes to Project Cost Schedules for Projects Constructed With Special Purpose Local Option Sales Tax Proceeds ..... ST-2

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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, 2017, 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, 201. 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 and Pisgah sewer improvements, water and sewer improvements at Red Bud/I-75 and South Calhoun Bypass, 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 2017 of approximately $700,000 that included completion of 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 2021. This transaction 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 4$^{th}$ fire station as recommended in the last ISO review.

The Fire Department has a total of 41 employees, with 5 being administration, training and code enforcement and 36 being on shift in 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 2017 for twelve streets that included Harlan St., Forest Ave., S. Ind. Blvd., Lewis Dr., Cindy Ln., Thomas St., Thornwood Dr., Cumberland Dr., Caverns Dr., Garden Hills Dr., Buena Vista and Blvd. Heights. Gordon County paved River St. from Hwy. 53 to Pine St. in a joint agreement with the City of Calhoun.

The first phase of the Peters Street project is near completion from Gordon Hills Shopping Center to the roundabout at May St. Phase II has been awarded to an engineering firm and the plans are being drawn up.

New equipment purchases were made available with SPLOST funds.

***Recreation:***
The Calhoun Park Expansion – Phase I was completed and scheduled leagues began play on March 25, 2017. The Recreation Department was awarded a Land and Water Conservation Fund grant for a land acquisition purchase. This land purchase will be used for trail expansion in Phases II and III of the Calhoun Park expansion. During the year the Rivers to Ridge Trail master plan was developed and adopted. This master plan will add connectivity through trails from the Calhoun Recreation Park to locations throughout the City. Recreation programming remains strong and sports tournaments were hosted throughout the year boosting the economic impact for the City.

The City's public golf course, Fields Ferry, saw increased play this year and continued to offer an eighteen-hole championship course to the surrounding population. Strong internal management and maintenance of the course allows them to provide an outstanding facility. 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, 2016. 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

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Calhoun

## Georgia

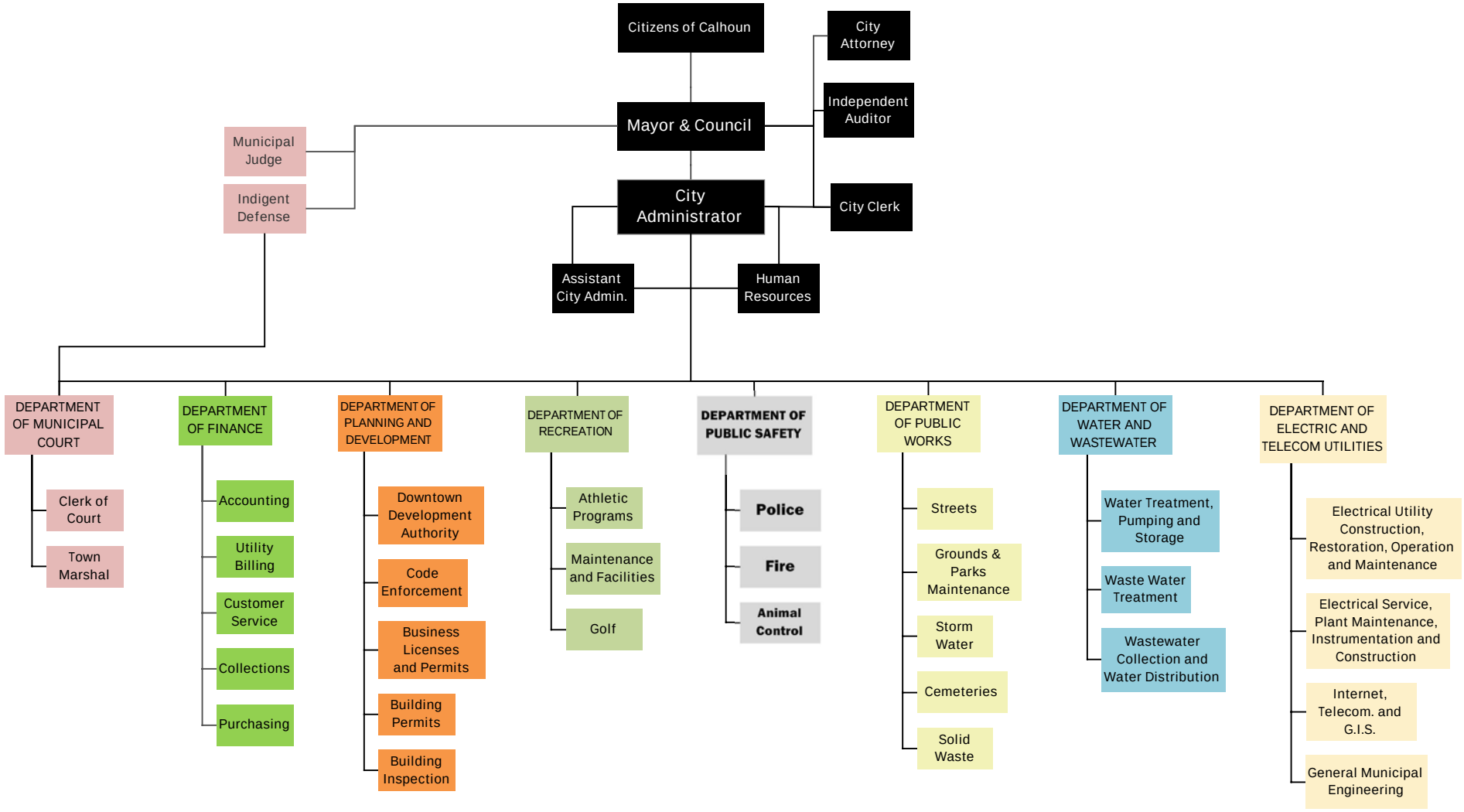
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

# City of Calhoun, Georgia

## Organizational Chart
## June 30, 2017



# *City of Calhoun, Georgia*
# *Officials, Management and Appointed Professionals*
# *July 1, 2017*

***Elected Officials:***

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

***Appointed Officials and Management:***

Administrator ..... F. Eddie Peterson
Assistant City Administrator ..... Paul Worley
Director of Finance ..... Andrea K. Bramlett
Human Resources ..... 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 ..... Sharon Nelson
Director of Water & Sewer ..... Jerry Crawford
- Brittany Drive Water Plant Superintendent ..... Ben Hall
- Mauldin Rd. Water Plant Superintendent ..... Jeremy King
- 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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# R.M. DOBBS & COMPANY

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## 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, 2017, 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, 2017, 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 66-69 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 purpose local option sales tax 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* 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, the project cost schedule for projects constructed with special purpose local option sales tax, 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 purpose local option sales tax, 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 18, 2017, 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.

A. M. Dobbs & Company

Calhoun, Georgia
December 18, 2017

# 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, 2017. 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 $254,944,654 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
  (1) Net investment in capital assets of $186,593,090 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 $15,307,003 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $53,044,561 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 $24,532,321 this year. This compares to the prior year ending fund balance of $24,910,551 showing an decrease of $378,230 during the current year. Unassigned and committed fund balance of $9,183,838 for fiscal year 2017 shows a $156,433 increase from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $5,140,395 or 41% 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 80.

## Financial Analysis of the City as a Whole

The City's net position at fiscal year end is $254,944,654. The following table provides a summary of the City's net position:

**Summary of Net Position**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Assets | | | | | | |
| Current assets | $ 21,092,652 | $ 21,762,356 | $ 41,960,874 | $ 34,880,725 | $ 63,053,526 | $ 56,643,081 |
| Other assets | 6,665,009 | 7,146,681 | 30,969,596 | 29,492,019 | 37,634,605 | 36,638,700 |
| Capital assets | 124,745,634 | 124,388,600 | 117,249,571 | 117,176,482 | 241,995,205 | 241,565,082 |
| Total assets | 152,503,295 | 153,297,637 | 190,180,041 | 181,549,226 | 342,683,336 | 334,846,863 |
| Deferred Outflows of Resources | 584,561 | 677,827 | 600,868 | 685,379 | 1,185,429 | 1,363,206 |
| Liabilities | | | | | | |
| Current liabilities | 3,393,500 | 2,120,457 | 16,587,237 | 15,354,328 | 19,980,737 | 17,474,785 |
| Long-term liabilities | 35,259,424 | 35,966,204 | 33,050,772 | 33,500,543 | 68,310,196 | 69,466,747 |
| Total liabilities | 38,652,924 | 38,086,661 | 49,638,009 | 48,854,871 | 88,290,933 | 86,941,532 |
| Deferred Inflows of Resources | 338,452 | 2,020,749 | 294,726 | 165,269 | 633,178 | 2,186,018 |
| Net position | | | | | | |
| Net investment in capital assets | 90,763,283 | 90,027,262 | 95,829,807 | 94,918,861 | 186,593,090 | 184,946,123 |
| Restricted | 15,307,003 | 15,927,712 | - | - | 15,307,003 | 15,927,712 |
| Unrestricted | 8,026,194 | 7,913,080 | 45,018,367 | 38,295,604 | 53,044,561 | 46,208,684 |
| Total net position | $ 114,096,480 | $ 113,868,054 | $ 140,848,174 | $ 133,214,465 | $ 254,944,654 | $ 247,082,519 |

The City reported positive balances in net position for both governmental and business-type activities. Net position increased $228,426 for governmental activities and by $7,633,709 for business-type activities.

Approximately 79% of the governmental activities' net position are invested in capital assets at June 30, 2017 which is the same as the preceding year. The City uses these capital assets to provide services to its citizens. With business-type activities, the City has invested 68% of its net position in capital assets in this fiscal year as compared to 71% in fiscal year 2016. 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:

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues | | | | | | |
| Program | | | | | | |
| Charges for services and fines | $ 1,004,109 | $ 926,549 | $ 56,745,133 | $ 57,510,006 | $ 57,749,242 | $ 58,436,555 |
| Operating grants | 4,832,117 | 4,517,400 | 193,793 | 384,866 | 5,025,910 | 4,902,266 |
| Capital grants | 1,905,619 | 16,503,543 | - | 85,224 | 1,905,619 | 16,588,767 |
| General | | | | | | |
| Taxes | 9,335,229 | 9,180,040 | - | - | 9,335,229 | 9,180,040 |
| Other | 166,365 | 292,442 | 691,518 | 842,122 | 857,883 | 1,134,564 |
| Total revenues | 17,243,439 | 31,419,974 | 57,630,444 | 58,822,218 | 74,873,883 | 90,242,192 |
| Program expenses | | | | | | |
| General government | 1,013,767 | 1,040,464 | - | - | 1,013,767 | 1,040,464 |
| Judicial | 505,666 | 547,397 | - | - | 505,666 | 547,397 |
| Public safety | 7,674,963 | 7,516,868 | - | - | 7,674,963 | 7,516,868 |
| Public works | 3,510,523 | 2,996,883 | - | - | 3,510,523 | 2,996,883 |
| Health and welfare | 66,956 | 67,675 | - | - | 66,956 | 67,675 |
| Culture and recreation | 1,892,031 | 1,700,294 | - | - | 1,892,031 | 1,700,294 |
| Housing and economic devlopment | 1,319,089 | 1,178,539 | - | - | 1,319,089 | 1,178,539 |
| Education | 875,341 | 2,111,724 | - | - | 875,341 | 2,111,724 |
| Interest | 1,516,753 | 1,531,029 | - | - | 1,516,753 | 1,531,029 |
| Electric | - | - | 32,143,619 | 33,515,937 | 32,143,619 | 33,515,937 |
| Water and sewer | - | - | 13,874,245 | 13,713,662 | 13,874,245 | 13,713,662 |
| Golf course | - | - | 867,388 | 882,358 | 867,388 | 882,358 |
| Telecommunications | - | - | 981,714 | 1,062,052 | 981,714 | 1,062,052 |
| Solid waste | - | - | 769,693 | 852,421 | 769,693 | 852,421 |
| Total expenses | 18,375,089 | 18,690,873 | 48,636,659 | 50,026,430 | 67,011,748 | 68,717,303 |
| Excess | (1,131,650) | 12,729,101 | 8,993,785 | 8,795,788 | 7,862,135 | 21,524,889 |
| Transfers | 1,360,076 | 2,479,994 | (1,360,076) | (2,479,994) | - | - |
| Change in net position | 228,426 | 15,209,095 | 7,633,709 | 6,315,794 | 7,862,135 | 21,524,889 |
| Net position beginning of year | 113,868,054 | 98,658,959 | 133,214,465 | 126,898,671 | 247,082,519 | 225,557,630 |
| Ending net position | $ 114,096,480 | $ 113,868,054 | $ 140,848,174 | $ 133,214,465 | $ 254,944,654 | $ 247,082,519 |

## 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 17% of the City's total governmental revenues, as compared to 9% in the prior year. Sales taxes provided 14% of total governmental revenues versus 8% in fiscal year 2016. 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 9% and 5% of total revenues, respectively. Total General Fund revenues remain essentially consistent with the prior year, with a 1% increase.

## 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 | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| General government | $ 1,013,767 | $ 1,040,464 | $ 839,494 | $ 852,357 |
| Judicial | 505,666 | 547,397 | 472,678 | 510,654 |
| Public safety | 7,674,963 | 7,516,868 | 7,116,352 | 6,981,519 |
| Public works | 3,510,523 | 2,996,883 | 2,272,099 | 1,695,166 |
| Health and welfare | 66,956 | 67,675 | 66,956 | 67,675 |
| Culture and recreation | 1,892,031 | 1,700,294 | 550,167 | 461,874 |
| Housing and economic development | 1,319,089 | 1,178,539 | 1,087,311 | 978,833 |
| Education | 875,341 | 2,111,724 | (3,288,566) | (16,335,726) |
| Interest | 1,516,753 | 1,531,029 | 1,516,753 | 1,531,029 |
| Total | $ 18,375,089 | $ 18,690,873 | $ 10,633,244 | $ (3,256,619) |

Public safety expenses make up 42% of the governmental activities expenses. This compares to 40% in fiscal year 2016. The public works function is the second largest cost, making up 19% of governmental activities expenses, which compares to 16% in the prior year.

Approximately 7% of gross program costs for public safety functions were recovered from public safety revenues, primarily fines and forfeitures, which is the same as 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 $3.2 million dollar net revenue. It is anticipated that once the debt is paid, education will have a net loss because of depreciation expense.

## BUSINESS-TYPE ACTIVITIES
### Revenues vs. Costs

The operating revenues for all enterprise funds, including the internal service fund, were $367,315 or 1% less than 2016 and total operating expenses were $913,232 or 2%, less than fiscal year 2016. Within the total business-type activities of the City, these activities reported $9,065,018 in operating income compared to operating income of $8,519,101 in the prior year, or an increase of 6%. After transfers in and out between other funds and other non-operating items, these funds reported a net change in net position of $7,633,709 compared to a net change in net position of $6,315,794 in 2016.

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

| | Amount Change | % |
|---|---|---|
| Water and sewerage fund | $ 323,600 | 8% |
| Electric system fund | (61,587) | (1%) |
| Field Ferry Golf Course fund | 133,276 | 40% |
| Telecommunications fund | 89,407 | (38%) |
| Solid waste fund | 8,487 | 29% |

***Water and Sewerage Fund*** – One of the major funds is the water and sewerage fund. The operating revenues increased 4% and operating expenses have increased 3%, resulting in an increase in operating income from 2016 of approximately 8%. The revenues increased primarily due to a rate increase in both water and sewer. In expenditures, the only differences from the prior year that is notable, is the increase in interfund allocations to the Utility Service fund. Salary and benefit increases and repairs to the building that staff is located in primarily resulted in increased costs allocated out to the funds.

***Electric Fund*** - The other major enterprise fund is the electric system fund. The charges for services for this fund have decreased approximately 4% from 2016 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 2016 of 1%.

**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 $24,532,321. Of this year-end total, $5,134,545 is unassigned indicating availability for continuing City service requirements. There is $4,049,293 committed for working capital and contingencies. Restricted fund balances for program purposes, capital projects and debt service are $15,062,642. Amounts equal to prepaid assets of $285,841 are nonspendable for current expenditures.

The total ending fund balances of governmental funds show a decrease of $378,230 or 2% 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 $105,343 in fiscal year 2017.

General fund revenue increased $123,459 or 1% from the prior year and total general fund expenditures increased $737,945 when compared to the prior year, which represented 6%.

Public Safety increased $175,614 over the prior year due to worker's compensation claims, salary increases and additional overtime and architect fees for a new complex. Public Works increased $253,481 due to no asphalt being purchased in the prior year since the annual purchase was made at the very end of fiscal 2015. Culture and Recreation increased $304,637 because of repairs to the Community Center and the Library, expenditures in transferring the Library to the Regional Board and major renovations of the auditorium. Housing and Economic Development increased $96,329 primarily because of legal & related expenditures to nuisance demolitions and expenditures related to the design of a City plan for development.

The general fund's unassigned and committed ending fund balance represents the equivalent of 73% of annual expenditures, as compared to 76% at June 30, 2016.

***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 two Council approved budget amendments done during this fiscal year which included any transfers between departments. Line item transfers within the department were done throughout the year with management approval. Revenues were $133,083 less than the final budget and 99% of final budgeted revenues were met. Budget amendments increased General Fund revenues by $532,879 and accounted for additional grants, insurance premium tax, business license and permits primarily.

The City spent 98% of the final authorized budgeted expenditures. General government expenditures actual was $246,052 less than budget. The budget amendments to increase the General Fund $532,879 were primarily to budget for additional grant expenditures, worker's compensation claims, repairs, legal fees and renovations to our auditorium.

**Capital Assets and Debt Administration**

***Capital Assets***

At June 30, 2017, the depreciable capital assets for governmental activities were 36% depreciated, while being 34% depreciated at fiscal 2016. For the City's business-type activities, 46% of the asset values were depreciated at June 30, 2017, in comparison with 44% at June 30$^{th}$ of the prior year. Consistent or decreasing percentages are a positive financial indicator.

The 2" Galvanized Pipe project was continued in this fiscal year with a loan from GEFA. We anticipate completion in fiscal 18. This loan also provided funds for a water and sewer extension on South Calhoun Bypass and a sewer replacement on Pisgah. Phase I of the Recreation improvements at the 58 acre Park were completed in this fiscal year. 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 City issued the 2016 Water/Sewer Bonds during this fiscal year 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 current fiscal year, this has stabilized and we saw a small increase in collections over the prior year. 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, 2017***

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Calhoun School District |
| **Assets** | | | | |
| Current assets | | | | |
| Cash | $ 17,141,979 | $ 6,552,958 | $ 23,694,937 | $ 22,199,686 |
| Restricted assets | | | | |
| Cash | - | 2,968,373 | 2,968,373 | - |
| Investments | - | 20,837,397 | 20,837,397 | - |
| Receivables | | | | |
| Property taxes | 517,574 | - | 517,574 | - |
| Franchise taxes | 130,181 | - | 130,181 | - |
| Other taxes | 173,592 | - | 173,592 | - |
| Accounts | 17,483 | 1,797,930 | 1,815,413 | 1,614 |
| Accrued revenue | - | 4,440,241 | 4,440,241 | - |
| Other | - | 44,093 | 44,093 | - |
| Fines | 547,888 | - | 547,888 | - |
| Intergovernmental | 1,759,702 | 1,764,255 | 3,523,957 | 3,544,703 |
| Deposits | - | 20,622 | 20,622 | - |
| Interest | 2,514 | - | 2,514 | - |
| Loans | 258,425 | - | 258,425 | - |
| Due from component unit | 257,473 | - | 257,473 | 729,927 |
| Inventory | - | 3,313,234 | 3,313,234 | 65,983 |
| Prepaid items | 285,841 | 221,771 | 507,612 | 1,560 |
| **Total Current Assets** | 21,092,652 | 41,960,874 | 63,053,526 | 26,543,473 |
| Noncurrent assets | | | | |
| Investments | 5,392,230 | 15,763,407 | 21,155,637 | - |
| Restricted assets | | | | |
| Cash | - | 815,074 | 815,074 | - |
| Investments | - | 14,391,115 | 14,391,115 | - |
| Loans | 1,272,779 | - | 1,272,779 | - |
| Capital assets | | | | |
| Nondepreciable | 34,321,471 | 9,388,936 | 43,710,407 | - |
| Depreciable, net | 90,424,163 | 107,860,635 | 198,284,798 | 3,729,208 |
| **Noncurrent Assets** | 131,410,643 | 148,219,167 | 279,629,810 | 3,729,208 |
| **Total Assets** | 152,503,295 | 190,180,041 | 342,683,336 | 30,272,681 |
| **Deferred Outlfows of Resources** | | | | |
| Deferred bond refunding | - | 59,325 | 59,325 | - |
| Pension related | 584,561 | 541,543 | 1,126,104 | 9,401,887 |
| **Total Deferred Outflows of Resources** | 584,561 | 600,868 | 1,185,429 | 9,401,887 |
| **Liabilities** | | | | |
| Current liabilities | | | | |
| Accounts payable | 370,606 | 3,402,868 | 3,773,474 | 420,311 |
| Contracts and retainage payable | - | - | - | 710,288 |
| Contractor bonds payable | - | 38,468 | 38,468 | - |
| Accrued payroll liabilities | 14,509 | 94,644 | 109,153 | 3,658,728 |
| Accrued expenses | 234,686 | 40,364 | 275,050 | - |
| Compensated absences payable | 289,405 | 265,145 | 554,550 | 91,129 |
| Claims payable | 6,341 | - | 6,341 | - |
| Internal balances | (530,990) | 530,990 | - | - |
| Intergovernmental payable | 1,332 | 97,965 | 99,297 | - |
| Due to component unit | 729,927 | - | 729,927 | - |
| Due to primary government | - | - | - | 257,473 |
| Accrued interest payable | 520,906 | 11,341 | 532,247 | - |
| Unearned revenue | 1,597,961 | 108,578 | 1,706,539 | 31,370 |
| Post-closure care payable | - | 28,945 | 28,945 | - |
| Notes payable | - | 7,685,901 | 7,685,901 | - |
| Revenue bonds payable | 361,400 | 2,045,000 | 2,406,400 | - |
| Payable from restricted assets | - | 2,410,779 | 2,410,779 | - |
| **Total Current Liabilities** | 3,596,083 | 16,760,988 | 20,357,071 | 5,169,299 |
| Long-term liabilities (net of current portion) | | | | |
| Compensated absences payable | - | - | - | 30,376 |
| Claims payable | 61,408 | - | 61,408 | - |
| Post-closure care payable | - | 90,356 | 90,356 | - |
| General obligation bonds payable | 33,620,951 | - | 33,620,951 | - |
| Revenue bonds payable | - | 9,315,000 | 9,315,000 | - |
| Notes payable | - | 2,433,188 | 2,433,188 | - |
| Net pension obligation | 218,133 | 159,332 | 377,465 | - |
| Net pension liability payable | 1,156,349 | 1,071,245 | 2,227,594 | 32,340,923 |
| Payable from restricted noncurrent assets | - | 19,807,900 | 19,807,900 | - |
| **Total Long-term Liabilities** | 35,056,841 | 32,877,021 | 67,933,862 | 32,371,299 |
| **Total Liabilities** | 38,652,924 | 49,638,009 | 88,290,933 | 37,540,598 |
| **Deferred Inflows of Resources** | | | | |
| Deferred grant revenues | 20,314 | - | 20,314 | - |
| Pension related | 318,138 | 294,726 | 612,864 | 1,061,480 |
| **Total Deferred Inflows of Resources** | 338,452 | 294,726 | 633,178 | 1,061,480 |
| **Net Position** | | | | |
| Net investment in capital assets | 90,763,283 | 95,829,807 | 186,593,090 | 3,018,920 |
| Restricted for | | | | |
| Debt service | 9,175,832 | - | 9,175,832 | - |
| Capital projects | 3,030,706 | - | 3,030,706 | 397,074 |
| Program purposes | | | | |
| Education | 237,579 | - | 237,579 | 1,015,486 |
| Housing and development | 2,484,698 | - | 2,484,698 | - |
| Public safety | 212,030 | - | 212,030 | - |
| Culture and recreation | 166,158 | - | 166,158 | - |
| Unrestricted (deficit) | 8,026,194 | 45,018,367 | 53,044,561 | (3,358,990) |
| **Total Net Position** | $ 114,096,480 | $ 140,848,174 | $ 254,944,654 | $ 1,072,490 |

See accompanying notes to the basic financial statements

**City of Calhoun, Georgia**
***Statement of Activities***
***For the Fiscal Year Ended June 30, 2017***

| 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 | $ 1,013,767 | $ 174,273 | $ - | $ - | $ (839,494) | $ - | $ (839,494) | $ - |
| Judicial | 505,666 | 32,988 | - | - | (472,678) | - | (472,678) | - |
| Public safety | 7,674,963 | 337,639 | 105,036 | 115,936 | (7,116,352) | - | (7,116,352) | - |
| Public works | 3,510,523 | 86,357 | 229,056 | 923,011 | (2,272,099) | - | (2,272,099) | - |
| Health and welfare | 66,956 | - | - | - | (66,956) | - | (66,956) | - |
| Culture and recreation | 1,892,031 | 235,544 | 658,035 | 448,285 | (550,167) | - | (550,167) | - |
| Housing and economic dev. | 1,319,089 | 137,308 | 94,470 | - | (1,087,311) | - | (1,087,311) | - |
| Education | 875,341 | - | 3,745,520 | 418,387 | 3,288,566 | - | 3,288,566 | - |
| Interest | 1,516,753 | - | - | - | (1,516,753) | - | (1,516,753) | - |
| **Total Governmental Activities** | 18,375,089 | 1,004,109 | 4,832,117 | 1,905,619 | (10,633,244) | - | (10,633,244) | - |
| **Business-Type Activities** | | | | | | | | |
| Electric system | 32,143,619 | 36,329,704 | - | - | - | 4,186,085 | 4,186,085 | - |
| Water and sewerage system | 13,874,245 | 17,857,578 | 103,979 | | - | 4,087,312 | 4,087,312 | - |
| Fields ferry golf course | 867,388 | 656,482 | 83,192 | - | - | (127,714) | (127,714) | - |
| Telecommunications | 981,714 | 1,113,183 | 6,622 | - | - | 138,091 | 138,091 | - |
| Solid waste | 769,693 | 788,186 | - | - | - | 18,493 | 18,493 | - |
| **Total Business-Type Activities** | 48,636,659 | 56,745,133 | 193,793 | - | - | 8,302,267 | 8,302,267 | - |
| **Total - Primary Government** | $ 67,011,748 | $ 57,749,242 | $ 5,025,910 | $ 1,905,619 | (10,633,244) | 8,302,267 | (2,330,977) | - |
| **Component Unit** | | | | | | | | |
| **Calhoun School District** | $ 42,230,025 | $ 2,313,915 | $ 24,151,939 | $ 2,088,161 | - | - | - | (13,676,010) |
| | | **General Revenues** | | | | | | |
| | | Property taxes levied for general government purposes | | | 1,552,336 | - | 1,552,336 | 13,249,885 |
| | | Sales taxes | | | 2,430,870 | - | 2,430,870 | 2,774,244 |
| | | Franchise taxes | | | 2,980,677 | - | 2,980,677 | - |
| | | Insurance premium taxes | | | 1,053,070 | - | 1,053,070 | - |
| | | Gas marketers taxes | | | 76,067 | - | 76,067 | - |
| | | Other taxes | | | 1,242,209 | - | 1,242,209 | - |
| | | Unrestricted intergovernmental | | | 35,173 | - | 35,173 | - |
| | | Gain on disposal of capital assets | | | - | 64,774 | 64,774 | - |
| | | Investment earnings | | | 98,532 | 318,043 | 416,575 | 7,737 |
| | | Miscellaneous | | | 32,660 | 308,701 | 341,361 | - |
| | | **Total General Revenues** | | | 9,501,594 | 691,518 | 10,193,112 | 16,031,866 |
| | | **Transfers** | | | 1,360,076 | (1,360,076) | - | - |
| | | **Total General Revenues and Transfers** | | | 10,861,670 | (668,558) | 10,193,112 | 16,031,866 |
| | | **Change in Net Position** | | | 228,426 | 7,633,709 | 7,862,135 | 2,355,856 |
| | | **Net Position Beginning of Year** | | | 113,868,054 | 133,214,465 | 247,082,519 | (1,283,366) |
| | | **Net Position End of Year** | | | $ 114,096,480 | $ 140,848,174 | $ 254,944,654 | $ 1,072,490 |

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, 2017***

| | General | School Bonds Debt Service Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ 1,619,554 | $ 9,414,881 | $ 6,107,544 | $ 17,141,979 |
| Investments- noncurrent | 5,392,230 | - | - | 5,392,230 |
| Receivables | | | | |
| Property taxes | 45,651 | - | 471,923 | 517,574 |
| Franchise taxes | 130,181 | - | - | 130,181 |
| Other taxes | 37,884 | - | 135,708 | 173,592 |
| Accounts | 11,463 | - | 6,020 | 17,483 |
| Fines | 547,888 | - | - | 547,888 |
| Intergovernmental | 1,571,770 | - | 187,932 | 1,759,702 |
| Interest | - | - | 2,514 | 2,514 |
| Interfund | 1,081,666 | - | 522,396 | 1,604,062 |
| Loans | - | - | 258,425 | 258,425 |
| Loans- noncurrent | - | - | 1,272,779 | 1,272,779 |
| Component unit | 9,554 | 247,919 | - | 257,473 |
| Prepaid items | 273,209 | - | 12,632 | 285,841 |
| **Total Assets** | $ 10,721,050 | $ 9,662,800 | $ 8,977,873 | $ 29,361,723 |
| **Liabilities, Deferred Inflows of Resources and Fund Balances** | | | | |
| **Liabilities** | | | | |
| Accounts payable | $ 112,326 | $ - | $ 258,280 | $ 370,606 |
| Accrued payroll liabilities | 3,559 | - | 10,950 | 14,509 |
| Accrued expenditures | 132,905 | - | 101,781 | 234,686 |
| Intergovernmental payable | - | - | 1,332 | 1,332 |
| Due to component unit | - | - | 729,927 | 729,927 |
| Interfund payable | 178,509 | 486,968 | 127,057 | 792,534 |
| Unearned revenue | - | - | 1,597,961 | 1,597,961 |
| Advances payable | 280,538 | - | - | 280,538 |
| **Total Liabilities** | 707,837 | 486,968 | 2,827,288 | 4,022,093 |
| **Deferred Inflows of Resources** | | | | |
| Unavailable tax revenue | 24,866 | - | 237,579 | 262,445 |
| Unavailable fine revenue | 524,550 | - | - | 524,550 |
| Unavailable grant revenue | 900 | - | 19,414 | 20,314 |
| **Total Deferred Inflows of Resources** | 550,316 | - | 256,993 | 807,309 |
| **Total Liabilities and Deferred Inflows of Resources** | 1,258,153 | 486,968 | 3,084,281 | 4,829,402 |
| **Fund Balances** | | | | |
| Nonspendable | | | | |
| Prepaid items | 273,209 | - | 12,632 | 285,841 |
| Restricted | | | | |
| Debt service | - | 9,175,832 | - | 9,175,832 |
| Capital projects | - | - | 3,030,706 | 3,030,706 |
| Program purposes | | | | |
| Housing and development | - | - | 2,484,698 | 2,484,698 |
| Public safety | - | - | 212,030 | 212,030 |
| Culture and recreation | - | - | 159,376 | 159,376 |
| Committed | | | | |
| Working capital/contingencies | 4,049,293 | - | - | 4,049,293 |
| Unassigned (deficits), reported in | | | | |
| General fund | 5,140,395 | - | - | 5,140,395 |
| Special revenue funds | - | - | (5,850) | (5,850) |
| **Total Fund Balances** | 9,462,897 | 9,175,832 | 5,893,592 | 24,532,321 |
| **Total Liabilities, Deferred Inflows of Resources and Fund Balances** | $ 10,721,050 | $ 9,662,800 | $ 8,977,873 | $ 29,361,723 |

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, 2017***

| | | | |
|---|---|---|---|
| **Total Governmental Fund Balances** | | | $ 24,532,321 |
| **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 | $ 175,814,724 | | |
| Less accumulated depreciation | (51,069,090) | | 124,745,634 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | | | |
| Property taxes | 262,445 | | |
| Fines | 524,550 | | |
| Deferred outflow pension related | 584,561 | | 1,371,556 |
| 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 | (632,490) | | |
| Interfund payables | 632,490 | | - |
| 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 | (33,982,351) | | |
| Net pension obligation | (218,133) | | |
| Net pension liability | (1,156,349) | | |
| Claims | (67,749) | | |
| Compensated absences | (289,405) | | |
| Accrued interest | (520,906) | | |
| Deferred inflow pension related | (318,138) | | (36,553,031) |
| **Net Position Of Governmental Activities** | | | $ 114,096,480 |

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, 2017***

| | General | School Bonds Debt Service Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **Revenues** | | | | |
| Taxes | | | | |
| Property | $ 1,705,779 | $ - | $ - | $ 1,705,779 |
| Sales | 2,430,870 | - | - | 2,430,870 |
| Other | 4,604,482 | - | 747,541 | 5,352,023 |
| Intergovernmental | 681,950 | 3,708,702 | 1,916,384 | 6,307,036 |
| Licenses and permits | 297,898 | - | - | 297,898 |
| Charges for services | 142,050 | - | 235,544 | 377,594 |
| Fines and forfeitures | 299,299 | - | 115,059 | 414,358 |
| Contributions | 1,652 | - | - | 1,652 |
| Investment earnings | 10,430 | 36,818 | 50,906 | 98,154 |
| Miscellaneous | 5,805 | - | 21,839 | 27,644 |
| **Total Revenues** | 10,180,215 | 3,745,520 | 3,087,273 | 17,013,008 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | 992,609 | - | - | 992,609 |
| Judicial | 507,645 | - | - | 507,645 |
| Public safety | 7,368,426 | - | 33,258 | 7,401,684 |
| Public works | 2,311,671 | - | - | 2,311,671 |
| Health and welfare | 66,832 | - | - | 66,832 |
| Culture and recreation | 658,494 | - | 1,259,151 | 1,917,645 |
| Housing and economic development | 732,168 | - | 563,156 | 1,295,324 |
| **Capital Outlay** | - | - | 2,411,010 | 2,411,010 |
| **Debt Service** | | | | |
| Principal retirement | - | - | 343,800 | 343,800 |
| Interest and fiscal charges | - | 1,484,275 | 23,835 | 1,508,110 |
| **Total Expenditures** | 12,637,845 | 1,484,275 | 4,634,210 | 18,756,330 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (2,457,630) | 2,261,245 | (1,546,937) | (1,743,322) |
| **Other Financing Sources (Uses)** | | | | |
| Insurance reimbursement | 5,016 | - | - | 5,016 |
| Transfers in | 3,667,873 | - | 1,886,747 | 5,554,620 |
| Transfers out | (1,109,916) | (876,194) | (2,208,434) | (4,194,544) |
| **Total Other Financing Sources (Uses)** | 2,562,973 | (876,194) | (321,687) | 1,365,092 |
| **Net Change in Fund Balances** | 105,343 | 1,385,051 | (1,868,624) | (378,230) |
| **Fund Balances Beginning of Year** | 9,357,554 | 7,790,781 | 7,762,216 | 24,910,551 |
| **Fund Balances End of Year** | $ 9,462,897 | $ 9,175,832 | $ 5,893,592 | $ 24,532,321 |

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, 2017***

| | | |
|---|---|---|
| **Net Changes In Fund Balances - Total Governmental Funds** | | $ (378,230) |
| **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 | $ (3,895,250) | |
| Capital outlay | 3,833,897 | (61,353) |
| Contributions of capital assets are reported on the government-wide statement of activities but not at the fund financial reporting level. | | 418,387 |
| 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 @ 6/30/17 | 262,445 | |
| Deferred @ 6/30/16 | (415,888) | (153,443) |
| Fines: | | |
| Deferred @ 6/30/17 | 524,550 | |
| Deferred @ 6/30/16 | (610,291) | (85,741) |
| Elimination of transfers between governmental funds, including net effect of transfers recorded for capital assets moved between governmental and enterprise funds. | | |
| Transfers in | (1,975,927) | |
| Transfers out | 1,975,927 | - |
| 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. | | 343,800 |
| 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. | | 77,780 |
| 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 @ 6/30/17 | (520,906) | |
| Liability @ 6/30/16 | 523,288 | 2,382 |
| Compensated absences | | |
| Liability @ 6/30/17 | (289,405) | |
| Liability @ 6/30/16 | 316,130 | 26,725 |
| Claims | | |
| Liability @ 6/30/17 | (67,749) | |
| Liability @ 6/30/16 | 70,681 | 2,932 |
| **Change In Net Position of Governmental Activities** | | $ 228,426 |

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, 2017***

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Property taxes | $ 1,699,300 | $ 1,713,052 | $ 1,705,779 | $ (7,273) |
| Sales taxes | 2,345,000 | 2,426,573 | 2,430,870 | 4,297 |
| Other taxes | 4,423,109 | 4,646,942 | 4,604,482 | (42,460) |
| Intergovernmental | 514,716 | 693,095 | 681,950 | (11,145) |
| Licenses and permits | 262,350 | 297,692 | 297,898 | 206 |
| Charges for services | 102,933 | 102,933 | 142,050 | 39,117 |
| Fines and forfeitures | 366,286 | 366,286 | 299,299 | (66,987) |
| Contributions | 500 | 500 | 1,652 | 1,152 |
| Investment earnings | 52,725 | 52,725 | 10,430 | (42,295) |
| Miscellaneous | 13,500 | 13,500 | 5,805 | (7,695) |
| **Total Revenues** | 9,780,419 | 10,313,298 | 10,180,215 | (133,083) |
| **Expenditures** | | | | |
| General administration | | | | |
| Mayor and council | 174,396 | 93,220 | 93,220 | - |
| Elections | 200 | 859 | 859 | - |
| City administrator | 677,955 | 718,666 | 690,529 | 28,137 |
| Tax administration | 75,870 | 75,870 | 69,339 | 6,531 |
| General teller | 59,070 | 59,070 | 57,382 | 1,688 |
| Human resources | 78,525 | 78,525 | 77,631 | 894 |
| Risk management | 4,750 | 4,750 | 3,649 | 1,101 |
| Judicial | | | | |
| Municipal court | 310,413 | 492,803 | 492,803 | - |
| Custody of prisoners | 67,500 | 17,500 | 14,842 | 2,658 |
| Public safety | | | | |
| Police | 4,153,034 | 4,221,570 | 4,132,746 | 88,824 |
| Fire | 3,253,820 | 3,271,177 | 3,235,680 | 35,497 |
| Public works | | | | |
| Animal control | 89,590 | 89,384 | 86,706 | 2,678 |
| Highways and streets | 2,089,026 | 2,119,027 | 2,050,137 | 68,890 |
| Cemetery | 175,453 | 175,268 | 169,992 | 5,276 |
| Parks beautification | 4,900 | 4,900 | 4,836 | 64 |
| Health and welfare related | 68,234 | 68,394 | 66,832 | 1,562 |
| Culture and recreation | | | | |
| Auditorium | 107 | 200,105 | 200,105 | - |
| Depot | 22,756 | 41,838 | 41,838 | - |
| Community center | 8,128 | 27,228 | 24,976 | 2,252 |
| Library | 321,767 | 391,575 | 391,575 | - |
| Housing and economic development | | | | |
| Regulatory inspections and enforcement | 381,919 | 355,986 | 355,986 | - |
| Downtown development | 107,689 | 132,931 | 132,931 | - |
| Airport | 225,916 | 243,251 | 243,251 | - |
| **Total Expenditures** | 12,351,018 | 12,883,897 | 12,637,845 | 246,052 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (2,570,599) | (2,570,599) | (2,457,630) | 112,969 |
| **Other Financing Sources (Uses)** | | | | |
| Insurance reimbursement | 7,500 | 7,500 | 5,016 | (2,484) |
| Transfers in | 3,710,632 | 3,710,632 | 3,667,873 | (42,759) |
| Transfers out | (1,147,533) | (1,147,533) | (1,109,916) | 37,617 |
| **Total Other Financing Sources (Uses)** | 2,570,599 | 2,570,599 | 2,562,973 | (7,626) |
| **Net Change in Fund Balance** | $ - | $ - | 105,343 | $ 105,343 |
| **Fund Balance Beginning of Year** | | | 9,357,554 | |
| **Fund Balance End of Year** | | | $ 9,462,897 | |

See accompanying notes to the basic financial statements.

**City of Calhoun, Georgia**
***Statement of Net Position***
***Proprietary Funds***
***June 30, 3017***

| | Business-type Activities - Enterprise Funds | | | | Business-type Activities |
|---|---|---|---|---|---|
| | Electric System | Water & Sewerage System | Nonmajor Proprietary Funds | Total | Internal Service Fund |
| **Assets** | | | | | |
| Current assets | | | | | |
| Cash | $ 1,182,653 | $ 4,096,592 | $ 644,346 | $ 5,923,591 | $ 629,367 |
| Restricted Assets | | | | | |
| Cash | 1,228,363 | 1,740,010 | - | 2,968,373 | - |
| Investments | 20,837,397 | - | - | 20,837,397 | - |
| Receivables | | | | | |
| Accounts | 797,259 | 915,105 | 85,566 | 1,797,930 | - |
| Accrued revenue | 3,096,388 | 1,237,655 | 106,198 | 4,440,241 | - |
| Intergovernmental | 1,130,146 | 632,188 | 1,921 | 1,764,255 | - |
| Interfund | 50,739 | 5,424 | 62,960 | 119,123 | 103,881 |
| Other | 41,535 | - | 2,558 | 44,093 | - |
| Advances | 298,810 | - | - | 298,810 | - |
| Deposits | 20,622 | - | - | 20,622 | - |
| Inventory | 1,909,168 | 1,094,713 | 309,353 | 3,313,234 | - |
| Prepaid items | 52,108 | 77,658 | 11,276 | 141,042 | 80,729 |
| **Total Current Assets** | 30,645,188 | 9,799,345 | 1,224,178 | 41,668,711 | 813,977 |
| Noncurrent assets | | | | | |
| Investments | 10,390,620 | 4,569,733 | 803,054 | 15,763,407 | - |
| Restricted assets | | | | | |
| Cash | - | 815,074 | - | 815,074 | - |
| Investments | 14,391,115 | - | - | 14,391,115 | - |
| Advances receivable | 1,769,763 | - | - | 1,769,763 | - |
| Capital Assets | | | | | |
| Nondepreciable | 99,637 | 8,120,088 | 1,142,234 | 9,361,959 | 26,977 |
| Depreciable, net | 14,932,954 | 89,455,552 | 2,090,242 | 106,478,748 | 1,381,887 |
| **Total Noncurrent Assets** | 41,584,089 | 102,960,447 | 4,035,530 | 148,580,066 | 1,408,864 |
| **Total Assets** | 72,229,277 | 112,759,792 | 5,259,708 | 190,248,777 | 2,222,841 |
| **Deferred Outflows of Resources** | | | | | |
| Deferred bond refunding | - | 59,325 | - | 59,325 | - |
| Pension related | 91,777 | 239,297 | 53,490 | 384,564 | 156,979 |
| **Total Deferred Outflows of Resources** | 91,777 | 298,622 | 53,490 | 443,889 | 156,979 |
| **Liabilities** | | | | | |
| Current liabilities | | | | | |
| Accounts payable | 2,791,229 | 483,067 | 66,555 | 3,340,851 | 62,017 |
| Contractor bonds payable | - | 38,468 | - | 38,468 | - |
| Accrued payroll liabilities | 70 | 52,186 | 8,220 | 60,476 | 34,168 |
| Accrued expenses | 21,783 | - | 18,581 | 40,364 | - |
| Accrued interest payable | - | 11,341 | - | 11,341 | - |
| Intergovernmental payable | 90,032 | 4,015 | 3,788 | 97,835 | 130 |
| Interfund payable | - | 4,107 | 520,972 | 525,079 | 509,453 |
| Post-closure care payable | - | - | 28,945 | 28,945 | - |
| Compensated absences payable | 40,897 | 108,847 | 26,793 | 176,537 | 88,608 |
| Unearned revenue | 17,168 | - | 12,210 | 29,378 | 79,200 |
| Advances payable | - | 70,004 | 112,069 | 182,073 | 74,553 |
| Notes payable | - | 7,685,901 | - | 7,685,901 | - |
| Revenue bonds payable | - | 2,045,000 | - | 2,045,000 | - |
| Payable From Restricted Assets: | | | | | |
| Accrued interest payable | - | 10,250 | - | 10,250 | - |
| Customer deposits and interest | 1,228,363 | 1,172,166 | - | 2,400,529 | - |
| **Total Current Liabilities** | 4,189,542 | 11,685,352 | 798,133 | 16,673,027 | 848,129 |
| Long-term liabilities | | | | | |
| Net pension obligation | - | 159,332 | - | 159,332 | - |
| Net pension liability | 181,548 | 473,362 | 105,810 | 760,720 | 310,525 |
| Post-closure care payable (net of current portion) | - | - | 90,356 | 90,356 | - |
| Notes payable (net of current portion) | - | 2,433,188 | - | 2,433,188 | - |
| Revenue bonds payable (net of current portion) | - | 9,315,000 | - | 9,315,000 | - |
| Advances payable (net of current portion) | - | 487,802 | 512,520 | 1,000,322 | 531,087 |
| Payable From Restricted Assets: | | | | | |
| Regulatory liability | 19,807,900 | - | - | 19,807,900 | - |
| **Total Long-Term Liabilities** | 19,989,448 | 12,868,684 | 708,686 | 33,566,818 | 841,612 |
| **Total Liabilities** | 24,178,990 | 24,554,036 | 1,506,819 | 50,239,845 | 1,689,741 |
| **Deferred Inflows of Resources** | | | | | |
| Pension related | 49,948 | 130,234 | 29,111 | 209,293 | 85,433 |
| **Net Position** | | | | | |
| Net investment in capital assets | 15,032,591 | 76,155,876 | 3,232,476 | 94,420,943 | 1,408,864 |
| Unrestricted (deficit) | 33,059,525 | 12,218,268 | 544,792 | 45,822,585 | (804,218) |
| **Total Net Position** | $ 48,092,116 | $ 88,374,144 | $ 3,777,268 | $ 140,243,528 | $ 604,646 |

**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 | | | 604,646 |
| **Net Position of Business-type Activities** | | | $ 140,848,174 |
| 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 | $ (62,960) | $ - |
| | Interfund payables | - | 62,960 |
| | | $ (62,960) | $ 62,960 |
| 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 | $ (1,788,035) | $ - |
| | Advances payable | 1,182,395 | 605,640 |
| | | $ (605,640) | $ 605,640 |

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, 2017***

| | 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 | $ 36,211,755 | $ 17,857,578 | $ 2,557,851 | $ 56,627,184 | $ 3,145,844 |
| Miscellaneous | 181,157 | 49,363 | 32,461 | 262,981 | 45,720 |
| Intergovernmental revenue | 117,949 | 103,979 | - | 221,928 | - |
| **Total Operating Revenues** | 36,510,861 | 18,010,920 | 2,590,312 | 57,112,093 | 3,191,564 |
| **Operating Expenses** | | | | | |
| Personal services | 1,327,603 | 3,478,735 | 903,475 | 5,709,813 | 2,189,316 |
| Contractual services | 1,885,360 | 964,260 | 888,840 | 3,738,460 | 471,306 |
| Supplies | 27,255,780 | 3,454,325 | 274,429 | 30,984,534 | 116,953 |
| Interfund allocations | 598,016 | 2,093,749 | 193,213 | 2,884,978 | 63,108 |
| Depreciation | 1,008,170 | 3,595,615 | 327,737 | 4,931,522 | 103,705 |
| Amortization | - | 27,293 | 1,222 | 28,515 | - |
| Other | 1,210 | 3,154 | 12,065 | 16,429 | - |
| **Total Operating Expenses** | 32,076,139 | 13,617,131 | 2,600,981 | 48,294,251 | 2,944,388 |
| **Operating Income (Loss)** | 4,434,722 | 4,393,789 | (10,669) | 8,817,842 | 247,176 |
| **Non-Operating Revenues (Expenses)** | | | | | |
| Change in estimated landfill closure costs | - | - | (4,252) | (4,252) | - |
| Bond issuance charges | - | (110,788) | - | (110,788) | - |
| Interest and fiscal charges | - | (408,744) | (6,940) | (415,684) | (6,518) |
| Investment earnings | 278,415 | 34,499 | 5,129 | 318,043 | - |
| Intergovernmental revenue | - | - | 89,814 | 89,814 | - |
| Intergovernmental expenses | - | - | (6,622) | (6,622) | - |
| Gain on disposition of capital assets | 11,599 | 53,175 | - | 64,774 | - |
| **Total Non-Operating Revenues (Expenses)** | 290,014 | (431,858) | 77,129 | (64,715) | (6,518) |
| **Income (Loss) Before Contributions and Transfers** | 4,724,736 | 3,961,931 | 66,460 | 8,753,127 | 240,658 |
| Capital contributions | - | - | - | - | - |
| Transfers in | 9,928 | 2,048,361 | 184,205 | 2,242,494 | 6,024 |
| Transfers out | (2,163,609) | (1,405,385) | - | (3,568,994) | (39,600) |
| **Total Contributions and Transfers** | (2,153,681) | 642,976 | 184,205 | (1,326,500) | (33,576) |
| **Change in Net Position** | 2,571,055 | 4,604,907 | 250,665 | 7,426,627 | 207,082 |
| **Net Position Beginning of Year** | 45,521,061 | 83,769,237 | 3,526,603 | 132,816,901 | 397,564 |
| **Net Position End of Year** | $ 48,092,116 | $ 88,374,144 | $ 3,777,268 | $ 140,243,528 | $ 604,646 |

| | |
|---|---|
| **Reconciliation of the fund level operating statements to the government wide statement of activities.** | |
| Change in net position | $ 7,426,627 |
| Internal service fund charges (credits) to enterprise funds, resulting in changes in operating expenses. | 201,456 |
| Miscellaneous revenue | 45,720 |
| Interest expense | (6,518) |
| Transfers in | 6,024 |
| Transfers out | (39,600) |
| **Change in Net position of business-type activities** | $ 7,633,709 |

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, 2017***

| | 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 | $ 34,756,693 | $ 17,259,305 | $ 2,310,250 | $ 54,326,248 | $ - |
| Cash received from other | - | - | - | - | 45,720 |
| Cash received from interfund services provided | 1,581,539 | 320,574 | 292,321 | 2,194,434 | 3,224,268 |
| Cash payments for personal services | (1,347,422) | (3,588,636) | (914,788) | (5,850,846) | (2,210,899) |
| Cash payments for goods and services | (29,122,857) | (2,965,022) | (1,266,797) | (33,354,676) | (496,264) |
| Cash payments for interfund services used | (596,989) | (3,463,115) | (401,433) | (4,461,537) | (185,681) |
| Other cash payments | 4,346 | (7,507) | - | (3,161) | - |
| **Net Cash Provided by (Used in) Operating Activities** | 5,275,310 | 7,555,599 | 19,553 | 12,850,462 | 377,144 |
| **Cash Flows from Noncapital Financing Activities** | | | | | |
| Intergovernmental revenues | - | - | 89,814 | 89,814 | - |
| Intergovernmental expense | - | - | (8,881) | (8,881) | - |
| Transfers in | 9,928 | 27,470 | 184,205 | 221,603 | 6,024 |
| Transfers out | (2,163,609) | (1,405,385) | - | (3,568,994) | (39,600) |
| Payments received on advances | 296,870 | - | - | 296,870 | - |
| **Net Cash Provided by (Used in) Noncapital Financing Activities** | (1,856,811) | (1,377,915) | 265,138 | (2,969,588) | (33,576) |
| **Cash Flows from Capital and Related Financing Activities** | | | | | |
| Transfers in- SPLOST | - | 2,020,891 | - | 2,020,891 | - |
| Proceeds from debt | - | 7,504,997 | - | 7,504,997 | - |
| Proceeds from sale of capital assets | 11,599 | 44,988 | - | 56,587 | - |
| Payments for landfill post-closure costs | - | - | (32,630) | (32,630) | - |
| Principal paid on revenue bonds | - | (1,905,000) | - | (1,905,000) | - |
| Interest paid on revenue bonds | - | (211,050) | - | (211,050) | - |
| Bond issuance charges | - | (110,788) | - | (110,788) | - |
| Principal paid on notes and leases | - | (6,458,194) | - | (6,458,194) | - |
| Interest paid on notes and leases | - | (183,306) | - | (183,306) | - |
| Payments for capital acquisitions and construction | (589,986) | (4,278,698) | (138,097) | (5,006,781) | (118,276) |
| Principal paid on advance | - | (69,308) | (110,955) | (180,263) | (73,812) |
| Interest paid on advance | - | (6,012) | (6,940) | (12,952) | (6,518) |
| **Net Cash Provided by (Used in) Capital and Related Financing Activities** | (578,387) | (3,651,480) | (288,622) | (4,518,489) | (198,606) |
| **Cash Flows from Investing Activities** | | | | | |
| Purchase of investments | (1,940,843) | 35,052 | 6,141 | (1,899,650) | - |
| Investment earnings | 278,415 | 34,499 | 5,129 | 318,043 | - |
| **Net Cash Provided by (Used in) Investing Activities** | (1,662,428) | 69,551 | 11,270 | (1,581,607) | - |
| **Net Increase (Decrease) in Cash** | 1,177,684 | 2,595,755 | 7,339 | 3,780,778 | 144,962 |
| **Cash Beginning of Year** | 1,233,332 | 4,055,921 | 637,007 | 5,926,260 | 484,405 |
| **Cash End of Year** | $ 2,411,016 | $ 6,651,676 | $ 644,346 | $ 9,707,038 | $ 629,367 |

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, 2017***

(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)** | $ 4,434,722 | $ 4,393,789 | $ (10,669) | $ 8,817,842 | $ 247,176 |
| **Adjustments** | | | | | |
| **Depreciation** | 1,008,170 | 3,595,615 | 327,737 | 4,931,522 | 103,705 |
| **Amortization** | - | 27,293 | 1,222 | 28,515 | - |
| **(Increase) Decrease in Assets** | | | | | |
| Accounts receivable and accrued revenues | 18,294 | (573,405) | 580 | (554,531) | - |
| Inventories | 29,892 | (100,075) | (10,428) | (80,611) | - |
| Interfund receivables | 37,819 | (4,735) | 13,884 | 46,968 | 78,424 |
| Intergovernmental receivable | (255,859) | - | (1,921) | (257,780) | - |
| Deposits | 9,461 | - | - | 9,461 | - |
| Prepaid expenses | 5,556 | 3,838 | (105) | 9,289 | 9,641 |
| Deferred outflows pension related | 29,172 | 28,322 | 6,430 | 63,924 | 248 |
| **Increase (Decrease) in Liabilities** | | | | | |
| Accounts payable and accrued liabilities | (53,421) | 181,062 | (116,333) | 11,308 | 6,709 |
| Net pension obligation | - | (14,601) | - | (14,601) | - |
| Net pension liability | (68,530) | (79,972) | (18,082) | (166,584) | (14,563) |
| Accrued payroll liabilities | 2,592 | (100,865) | (12,423) | (110,696) | (49,801) |
| Intergovernmental payable | 5,020 | (4,353) | - | 667 | 130 |
| Deposits payable | 55,475 | 142,364 | - | 197,839 | - |
| Interfund payable | - | 4,107 | (174,757) | (170,650) | (7,458) |
| Unearned revenue | - | - | 1,656 | 1,656 | (39,600) |
| Deferred inflows pension related | 16,947 | 57,215 | 12,762 | 86,924 | 42,533 |
| **Net Cash Provided by (Used in) Operating Activities** | $ 5,275,310 | $ 7,555,599 | $ 19,553 | $ 12,850,462 | $ 377,144 |

See accompanying notes to the basic financial statements

**City of Calhoun, Georgia**
***Statement of Fiduciary Net Position***
***Fiduciary Funds***
***June 30, 2017***

| | Municipal Court Agency Fund | Cemetery Trust Fund |
|---|---|---|
| **Assets** | | |
| Cash | $ 9,268 | $ 67,171 |
| Investments | - | 1,255,400 |
| **Total Assets** | $ 9,268 | $ 1,322,571 |
| **Liabilities and Net Position** | | |
| **Liabilities** | | |
| Intergovernmental Payable | $ 9,268 | $ - |
| **Net Position** | | |
| Assets held in trust for cemetery perpetual care | - | 1,322,571 |
| **Liabilities and Net Position** | $ 9,268 | $ 1,322,571 |

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, 2017***

| | Pension Trust Fund | Cemetery Trust Fund |
|---|---|---|
| **Additions** | | |
| Employer contributions | $ 75,689 | $ - |
| Cemetery lot sales- trust portion | - | 31,700 |
| Investment income | - | 120,622 |
| **Total Additions** | 75,689 | 152,322 |
| **Deductions** | | |
| Benefits | 75,689 | - |
| Administrative expenses | - | 14,625 |
| **Total Deductions** | 75,689 | 14,625 |
| **Change in Net Position** | - | 137,697 |
| **Net Position Beginning of Year** | - | 1,184,874 |
| **Net Position End of Year** | $ - | $ 1,322,571 |

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, 2017***

**Index**


**Summary of Significant Accounting Policies** ..... 1
Reporting Entity ..... 1-A
Basis of Presentation ..... 1-B
Measurement Focus ..... 1-C
Basis of Accounting ..... 1-D
Assets, Liabilities and Fund Equity ..... 1-E
Cash, Cash Equivalents and Investments ..... 1-E-1
Receivables ..... 1-E-2
Interfund Balances ..... 1-E-3
Consumable Inventories ..... 1-E-4
Prepaid Items ..... 1-E-5
Restricted Assets ..... 1-E-6
Capital Assets ..... 1-E-7
Compensated Absences ..... 1-E-8
Accrued Liabilities and Long-term Obligations ..... 1-E-9
Bond Premiums, Discounts, Issuance Costs and Debt Refunding Gains and Losses ..... 1-E-10
Fund Equity ..... 1-E-11
Operating Revenues and Expenses ..... 1-E-12
Contributions of Capital ..... 1-E-13
Interfund Activity ..... 1-E-14
Estimates ..... 1-E-15

**Stewardship, Compliance and Accountability** ..... 2
Budgetary Information ..... 2-A

**Detailed Notes on All Funds** ..... 3
Deposits and Investments ..... 3-A
Receivables ..... 3-B
Property Taxes ..... 3-C
Restricted Assets ..... 3-D
Capital Assets ..... 3-E
Interfund Balances and Transfers ..... 3-F
Landfill Post-Closure Care ..... 3-G
Long-Term Debt ..... 3-H
Pension Plans ..... 3-I
Net Investment in Capital Assets ..... 3-J
Deficit Fund Balances ..... 3-K

**Other Notes** ..... 4
Risk Management ..... 4-A
Contingent Liabilities ..... 4-B
Related Organizations ..... 4-C
Joint Ventures ..... 4-D
Hotel-Motel Lodging Tax ..... 4-E
Property Tax Abatements ..... 4-F

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, 2017. The delinquent taxes receivable account represents past years of uncollected tax levies. The allowance for estimated uncollectibles is estimated at .57% of the tax digests for tax digest years 2008-2014, in addition to 100% of the receivable for all fiscal years prior to 2007.

***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, 2017, 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 buildi | 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 2017 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, 2017, 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, 2017, 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 | Credit Quality |
|---|---|---|---|
| Federal agency securities | $ 974,361 | within 6 months | AAA |
| Negotiable certificates of deposit | 2,450,000 | within 6 months | n/a |
| Federal agency securities | 8,887,061 | 1-3 yrs. | AAA |
| Negotiable certificates of deposit | 1,960,000 | 1-3 yrs. | n/a |
| Federal agency securities | 5,949,215 | > 3 yrs. | AAA |
| Negotiable certificates of deposit | 935,000 | >3 yrs. | n/a |
| | $ 21,155,637 | | |

The City's investments were all valued at fair value measurements using significant other observable inputs (Level 2). Of the City's investments, $5,345,000 were in negotiable certificates of deposit and $15,810,637 were in federal agency securities.

At June 30, 2017, the carrying amount of the City's deposits, not including cash on hand, was $27,546,212 and the related bank balances totaled $28,390,681. All bank balances were covered by Federal Depository Insurance or by collateral held by the City's agent. Cash on hand at June 30, 2017 was $8,611.

***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, 2017, the City's investments also included $35,228,512 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 | $ 17,141,979 | $ 5,392,230 |
| Proprietary Fund Type Statement of Net Position | 6,552,958 | 15,763,407 |
| Proprietary Fund Type Statement of Net Position - R | 3,783,447 | 35,228,512 |
| Fiduciary Fund Type Statement of Net Position | 76,439 | 1,255,400 |
| Total | $ 27,554,823 | $ 57,639,549 |

***3-B. Receivables***

Receivables at June 30, 2017, 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, 2017, the amount of allowance for uncollectables was $797,721.

***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 12, 2016. Property taxes were billed on September 26, 2016 and were payable on December 20, 2016. Liens were issued on July 3, 2017.

***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 | 2,400,529 |
| Water and sewerage debt service | 1,344,450 |
| Total Cash | 3,783,447 |
| | |
| Investments | |
| Electric Fund- Flexible Trust account- MEAG | 15,789,161 |
| Electric Fund- Generation Trust account- MEAG | 19,439,351 |
| Total Investments | 35,228,512 |
| | |
| Total Restricted Assets | $ 39,011,959 |

### *3-E. Capital Assets*

Capital asset activity for the year ended June 30, 2017, was as follows:

| | Balance 6/30/2016 | Additions | Deductions | Balance 6/30/2017 |
|---|---|---|---|---|
| Governmental activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | $ 31,476,734 | $ 118,696 | $ - | $ 31,595,430 |
| Construction in progress | 1,977,422 | 748,619 | - | 2,726,041 |
| Total capital assets not being depreciated | 33,454,156 | 867,315 | - | 34,321,471 |
| Depreciable capital assets | | | | |
| Buildings | 91,771,139 | 303,481 | - | 92,074,620 |
| Improvements other than buildings | 12,770,468 | 2,552,903 | - | 15,323,371 |
| Machinery and equipment | 8,274,542 | 110,198 | - | 8,384,740 |
| Infrastructure | 25,292,135 | 418,387 | - | 25,710,522 |
| Total depreciable capital assets | 138,108,284 | 3,384,969 | - | 141,493,253 |
| Total capital assets | 171,562,440 | 4,252,284 | - | 175,814,724 |
| Accumulated depreciation | | | | |
| Buildings | 20,491,304 | 1,972,063 | - | 22,463,367 |
| Improvements other than buildings | 5,766,302 | 710,699 | - | 6,477,001 |
| Machinery and equipment | 6,137,095 | 500,891 | - | 6,637,986 |
| Infrastructure | 14,779,139 | 711,597 | - | 15,490,736 |
| Total accumulated depreciation | 47,173,840 | 3,895,250 | - | 51,069,090 |
| Governmental activities capital assets, net | $ 124,388,600 | $ 357,034 | $ - | $ 124,745,634 |

Governmental activities depreciation expense

| | |
|---|---|
| General government | $ 16,363 |
| Judicial | 1,163 |
| Public safety | 388,027 |
| Public works | 1,202,782 |
| Culture and recreation | 118,196 |
| Housing and development | 22,774 |
| Education | 2,145,945 |
| Total governmental activities depreciation expense | $ 3,895,250 |

Construction in progress for governmental activities at June 30, 2017 includes the following:

| Project Description | Project Authorized | Expended to June 30, 2017 | Future Financing |
|---|---|---|---|
| Peters Street | $ 3,982,440 | $ 788,616 | $ 3,193,824 |
| School Auditorium & STEM Bldg | 3,935,111 | 1,936,450 | 1,998,661 |
| Police Complex | 3,200,000 | 975 | 3,199,025 |
| Total | $ 11,117,551 | $ 2,726,041 | $ 8,391,510 |

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

| | Balance 6/30/2016 | Additions | Deductions | Balance 6/30/2017 |
|---|---|---|---|---|
| Business-type activities | | | | |
| Nondepreciable capital assets | | | | |
| Land | $ 7,389,307 | $ - | $ - | $ 7,389,307 |
| Intangibles | 46,424 | - | - | 46,424 |
| Construction in progress | 1,289,351 | 1,151,987 | 488,133 | 1,953,205 |
| Total nondepreciable capital assets | 8,725,082 | 1,151,987 | 488,133 | 9,388,936 |
| Depreciable capital assets | | | | |
| Buildings, plant and tanks | 40,162,780 | 65,402 | - | 40,228,182 |
| Improvements other than buildings | 5,561,848 | 109,011 | - | 5,670,859 |
| Machinery and equipment | 25,487,285 | 1,197,399 | 417,585 | 26,267,099 |
| Utility systems | 123,258,162 | 3,080,834 | - | 126,338,996 |
| Total depreciable assets | 194,470,075 | 4,452,646 | 417,585 | 198,505,136 |
| Total capital assets | 203,195,157 | 5,604,633 | 905,718 | 207,894,072 |
| Accumulated depreciation | | | | |
| Buildings, plant and tanks | 21,681,701 | 793,742 | - | 22,475,443 |
| Improvements other than buildings | 4,113,354 | 127,669 | - | 4,241,023 |
| Machinery and equipment | 16,960,997 | 1,177,308 | 409,398 | 17,728,907 |
| Utility systems | 43,262,624 | 2,936,504 | - | 46,199,128 |
| Total accumulated depreciation | 86,018,676 | 5,035,223 | 409,398 | 90,644,501 |
| Business-type activities capital assets, net | $ 117,176,481 | $ 569,410 | $ 496,320 | $ 117,249,571 |

Construction in progress for business-type activities at June 30, 2017 includes the following:

| Project Description | Project Budget | Expended to June 30, 2017 | 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 |
| South Calhoun Bypass | 938,000 | 506,995 | 431,005 |
| Motor Control Replacement | 537,700 | 377,704 | 159,996 |
| Mods to WWTP for NPDES Limits | 374,000 | 369,222 | 4,778 |
| Pisgah Area Sewer Replacement | 1,457,000 | 524,396 | 932,604 |
| Fiber to Brittany Well | 164,661 | 131,661 | 33,000 |
| Other | 110,105 | 766 | 109,339 |
| Total | $ 3,643,808 | $ 1,953,205 | $ 1,690,603 |

### *3-F. Interfund Balances and Transfers*

***Interfund Balances*** - Interfund balances at June 30, 2017 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 amount receivable in the 2011 SPLOST, represents excise taxes paid into the SPLOST quarterly to assist offset reduced revenues due to changes in legislation, with the 4th quarter due at year end. 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 | Water & sewerage system fund | Nonmajor enterprise funds | Internal service fund | Total |
| General fund | $ - | $ - | $ 110,094 | $ 4,107 | $520,972 | $ 446,493 | $1,081,666 |
| Nonmajor governmental funds | 18,465 | 486,968 | 16,963 | - | - | - | 522,396 |
| Water & sewerage system fund | 5,424 | - | - | - | - | - | 5,424 |
| Electric fund | 50,739 | - | - | | - | - | 50,739 |
| Nonmajor enterprise funds | - | - | - | - | - | 62,960 | 62,960 |
| Internal service fund | 103,881 | - | - | - | - | - | 103,881 |
| Total | $178,509 | $486,968 | $ 127,057 | $ 4,107 | $520,972 | $ 509,453 | $1,827,066 |

***Long-term Balances*** - The electric system fund originally advanced the telecommunications fund resources to start this fund. As of June 30, 2017, the amounts to be repaid, including interest are as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 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 | 116,637 | 1,259 | 117,896 |
| 2023 | 52,881 | 132 | 53,013 |
| | $ 624,589 | $ 17,903 | $ 642,492 |

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, 2017, the amounts to be repaid, including interest are as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 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 | 33,980 | 929 | 34,909 |
| 2023-2024 | 71,625 | 831 | 72,456 |
| | $ 238,183 | $ 8,818 | $ 247,001 |

During fiscal year 2017, the electric system advanced the water & sewerage fund monies to construct a transmission main on Highway 53. As of June 30, 2017, the amounts to be repaid, including interest are as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 37,354 | $ 3,056 | $ 40,410 |
| 2019 | 37,729 | 2,681 | 40,410 |
| 2020 | 38,108 | 2,303 | 40,411 |
| 2021 | 38,491 | 1,920 | 40,411 |
| 2022 | 38,877 | 1,534 | 40,411 |
| 2023-2024 | 129,064 | 2,270 | 131,334 |
| | $ 319,623 | $ 13,764 | $ 333,387 |

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, 2017, the amounts to be repaid, including interest are as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 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 | 77,591 | 2,739 | 80,330 |
| 2023-2025 | 225,318 | 3,492 | 228,810 |
| Total | $ 605,640 | $ 24,820 | $ 630,460 |

During fiscal year 2017, the electric system fund advanced the general fund resources for lighting construction at Exit 312. As of June 30, 2017, the amounts to be repaid, including interest are as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 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 | 43,897 | 1,103 | 45,000 |
| 2023 | 65,356 | 664 | 66,020 |
| Total | $ 280,538 | $ 10,482 | $ 291,020 |

Changes to the City's long-term advances from the electric fund consisted of the following for the year ended June 30, 2017:

| Advances to: | Outstanding 6/30/2016 | Additions | Reductions | Outstanding 6/30/2017 | Amounts Due in One Year |
|---|---|---|---|---|---|
| Telecommunications fund | $ 735,544 | $ - | $ 110,955 | $ 624,589 | $ 112,069 |
| Water and sewerage fund | 627,114 | - | 69,308 | 557,806 | 70,004 |
| Internal service fund | 679,452 | - | 73,812 | 605,640 | 74,553 |
| General fund | 323,333 | - | 42,795 | 280,538 | 42,184 |
| Total Advances | $ 2,365,443 | $ - | $ 296,870 | $ 2,068,573 | $ 298,810 |

***Interfund Transfers*** – The following interfund transfers were made in fiscal year 2017:

| | 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 | $ - | $ - | $ 93,983 | $ 2,130,511 | $ 1,403,779 | $ 39,600 | $ 3,667,873 |
| Nonmajor governmental fun | 912,307 | 876,194 | 93,442 | 4,804 | - | - | 1,886,747 |
| Electric system | 9,928 | - | - | - | - | - | 9,928 |
| Water & sewerage | 259 | - | 2,020,891 | 25,869 | 1,342 | - | 2,048,361 |
| Nonmajor enterprise funds | 182,764 | - | 118 | 1,059 | 264 | - | 184,205 |
| Internal service fund | 4,658 | - | - | 1,366 | - | - | 6,024 |
| Total | $ 1,109,916 | $ 876,194 | $ 2,208,434 | $ 2,163,609 | $ 1,405,385 | $ 39,600 | $ 7,803,138 |

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 six 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, 2017 are as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 361,400 | $ 7,517 | $ 368,917 |

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, 2017 are as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 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 | - | 1,482,675 | 1,482,675 |
| 2023-2027 | 21,615,000 | 4,478,218 | 26,093,218 |
| 2028-2032 | 9,285,000 | 1,391,925 | 10,676,925 |
| 2033 | 2,100,000 | 42,000 | 2,142,000 |
| Total | $ 33,000,000 | $ 13,325,518 | $ 46,325,518 |

***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, 2017 are as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 875,000 | $ 25,252 | $ 900,252 |
| 2019 | 290,000 | 8,321 | 298,321 |
| 2020 | 140,000 | 2,709 | 142,709 |
| Total | $ 1,305,000 | $ 36,282 | $ 1,341,282 |

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, 2017 are as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 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 | 560,000 | 37,960 | 597,960 |
| 2023-2026 | 1,265,000 | 51,376 | 1,316,376 |
| Total | $ 4,170,000 | $ 326,508 | $ 4,496,508 |

During 2016 the City issued Water and Sewerage Revenue Bonds, Series 2016 in the amount of $6,310,000. Proceeds from this issue prepaid GEFA loans in this same amount with interest rates of 3.0%. The net present value of the savings on the refunding on the notes was $304,031 which was 4.9% of the refunded debt. The issue is a private placement issue and bears interest at a rate of 1.69%.

Maturities and debt service requirements remaining on the bond issue at June 30, 2017 are as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 595,000 | $ 99,456 | $ 694,456 |
| 2019 | 605,000 | 89,401 | 694,401 |
| 2020 | 615,000 | 79,177 | 694,177 |
| 2021 | 625,000 | 68,783 | 693,783 |
| 2022 | 635,000 | 58,221 | 693,221 |
| 2023-2027 | 2,600,000 | 136,637 | 2,736,637 |
| 2028-2029 | 210,000 | 5,155 | 215,155 |
| Total | $ 5,885,000 | $ 536,830 | $ 6,421,830 |

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the $12.2 million principal and interest on the three bond issuances listed above. Annual principal and interest on the bonds are expected to require approximately 48% of such net revenues. At year end, pledged future revenues totaled $12,259,620, which was the amount of the remaining principal and interest on the three bonds.

***Notes Payable***-The City has obtained loans from the State Revolving Loan Fund for various water and sewer improvements, renovations and expansion. The total amount of interest incurred during this period of $81,117 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 6/30/2016 | Additions | Reductions | Balance 6/30/2017 |
|---|---|---|---|---|---|---|---|---|---|
| **State Revolving Loan Fund** | | | | | | | | | |
| 3.00% | 19,215 | 1/1/2004 | 5/28/2002 | 3,259,841 | 8/1/2024 | $ 1,668,857 | $ - | $ 1,668,857 | $ - |
| 3.00% | 11,835 | 5/1/2009 | 2/6/2003 | 2,133,992 | 4/1/2029 | 1,511,232 | - | 1,511,232 | - |
| 3.00% | 14,079 | 8/1/2015 | 7/1/2015 | 2,770,000 | N/A | 2,666,306 | - | 115,366 | 2,550,940 |
| 3.00% | 86,322 | 6/1/2007 | 2/28/2007 | 5,178,828 | 3/1/2027 | 3,162,739 | - | 3,162,739 | - |
| 1.40% | N/A | N/A | N/A | N/A | N/A | 911,310 | 557,739 | - | 1,469,049 |
| 1.21% | N/A | N/A | N/A | N/A | N/A | 5,461,842 | 637,258 | - | 6,099,100 |
| **TOTAL** | | | | | | $ 15,382,286 | $ 1,194,997 | $ 6,458,194 | $ 10,119,089 |

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

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 7,685,901 | $ 51,192 | $ 7,737,093 |
| 2019 | 120,189 | 48,755 | 168,944 |
| 2020 | 122,676 | 46,268 | 168,944 |
| 2021 | 125,214 | 43,729 | 168,943 |
| 2022 | 127,806 | 41,138 | 168,944 |
| 2023-2027 | 679,811 | 164,909 | 844,720 |
| 2028-2032 | 753,122 | 91,598 | 844,720 |
| 2033-2036 | 504,370 | 16,540 | 520,910 |
| | $ 10,119,089 | $ 504,129 | $ 10,623,218 |

***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 |
|---|---|---|---|
| 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 |
| | $ 119,301 | $ 6,024 | $ 125,325 |

***Changes in Long-term Debt*** - Changes in the City's long-term obligations consisted of the following for the year ended June 30, 2017:

| Governmental Activities | Outstanding 6/30/2016 | Additions | Reductions | Outstanding 6/30/2017 | Amounts Due in One Year |
|---|---|---|---|---|---|
| Revenue bonds | $ 705,200 | $ - | $ 343,800 | $ 361,400 | $ 361,400 |
| General obligation school bonds | 33,000,000 | - | - | 33,000,000 | - |
| Claims | 70,681 | 3,292 | 6,224 | 67,749 | 6,341 |
| Compensated absences | 316,130 | 289,405 | 316,130 | 289,405 | - |
| Net pension obligation | 277,228 | - | 59,095 | 218,133 | - |
| Net pension liability | 1,401,495 | - | 245,156 | 1,156,339 | - |
| Total Governmental Activities | $ 35,770,734 | $ 292,697 | $ 970,405 | 35,093,026 | 367,741 |
| Plus Deferred Bond Related Items | | | | 620,951 | - |
| Net Governmental Activities | | | | $ 35,713,977 | $ 367,741 |

| | Outstanding 6/30/2016 | Additions | Reductions | Outstanding 6/30/2017 | Amounts Due in One Year |
|---|---|---|---|---|---|
| Business-Type Activities | | | | | |
| Revenue bonds | $ 6,955,000 | $ 6,310,000 | $ 1,905,000 | $11,360,000 | $ 2,045,000 |
| Notes payable | 15,382,286 | 1,194,997 | 6,458,194 | 10,119,089 | 7,685,901 |
| Estimated landfill closure costs | 147,679 | - | 28,378 | 119,301 | 28,945 |
| Compensated absences | 277,574 | 265,145 | 277,574 | 265,145 | - |
| Net pension obligation | 173,933 | - | 14,601 | 159,332 | - |
| Net pension liability | 1,252,392 | - | 181,147 | 1,071,245 | - |
| Total Business-Type Activities | $24,188,864 | $ 7,770,142 | $ 8,864,894 | $23,094,112 | $ 9,759,846 |

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 2017, the City's annual pension contributions to the Plan were $670,091, 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, 2017:

| | |
|---|---|
| Retirees and beneficiaries receiving benefits | 66 |
| Terminated plan members entitled to, but not yet receiving benefits | 56 |
| Active plan members | 268 |
| Active elected officials | 4 |
| Total | 394 |

*Actuarial Assumptions* –The City's pension liability was measured as of September 30, 2016. The total pension liability in the January 1, 2017 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, 2017 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, 2016 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic equity | 45% | 6.75% |
| International equit | 20% | 7.45% |
| Real estate | 10% | 4.55% |
| Global fixed incor | 5% | 3.30% |
| Domestic fixed in | 20% | 1.75% |
| 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, 2017 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, 2015 | $ 12,288,478 | $ 9,634,591 | $ 2,653,887 |
| Changes for the year: | | | |
| Service cost | 474,861 | - | 474,861 |
| Interest | 940,051 | - | 940,051 |
| Difference between expected and actual experience | (107,578) | - | (107,578) |
| Contributions- employer | - | 666,004 | (666,004) |
| Contributions- employee | - | - | - |
| Net investment income | - | 1,091,194 | (1,091,194) |
| Benefit payments, including refunds of employer contributions | (317,563) | (317,563) | - |
| Administrative expense | - | (23,571) | 23,571 |
| Other | - | - | - |
| Net changes | 989,771 | 1,416,064 | (426,293) |
| Balance at September 30, 2016 | $ 13,278,249 | $ 11,050,655 | $ 2,227,594 |

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 | $ 4,025,070 | $ 2,227,594 | $ 726,890 |

*Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions*- For the year ended June 30, 2017 the City recognized pension expense of $679,940. At June 30, 2017 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 | $ 250,415 | $ (116,966) |
| Changes of assumptions | - | (117,880) |
| Net difference between projected and actual earnings on pension plar | 382,482 | (378,018) |
| City contributions subsequent to the measurement date | 493,207 | - |
| | $ 1,126,104 | $ (612,864) |

City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized against pension expense as follows:

| Year ending June 30 | |
|---|---|
| 2018 | $ 177,577 |
| 2019 | 177,577 |
| 2020 | 177,577 |
| 2021 | 50,083 |
| 2022 | 50,083 |
| Total | $ 632,897 |

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

| Year ending June 30 | |
|---|---|
| 2018 | $ (176,853) |
| 2019 | (176,853) |
| 2020 | (120,614) |
| 2021 | (120,614) |
| 2022 | (17,930) |
| Total | $ (612,864) |

***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.

*Plan Membership* - Participation in this plan is comprised of the following:

| | | June 30, 2017 |
|---|---|---|
| Retirees Currently Receiving Benefits: | | |
| General government | 1 | |
| Water and sewerage system | 1 | |
| Total Retirees Currently Receiving Benefits | | 2 |
| 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.

The pension costs for fiscal year ended June 30, 2017 are comprised of the annual required contribution (ARC), interest on the net pension obligation and adjustments to the ARC. The following are the actuarial assumptions used in this plan:

| | |
|---|---|
| Actuarial valuation date | 6/30/2016 |
| Actuarial cost method | Entry-Age Normal |
| 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 increase | None |
| Mortality | Unix's Pension 1984 Mortality Table |

*Discount rate*- The discount rate used to measure total pension liability was 4%. 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 is funded on a pay-as-you-go basis to provide benefits payments for retirees currently receiving benefits. 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 do not include any change to fiduciary net position since the plan is on the pay-as-you-go basis. The changes of the net pension liability of the City of Calhoun for the year ended June 30, 2017 were as follows:

Changes in the Net Pension Liability

| | Net Pension Liability (NPL) |
|---|---|
| Balance at June 30, 2016 | $ 464,446 |
| Changes for the year: | |
| Service cost | - |
| Interest | 17,064 |
| Difference between expected and actual experience | (3,385) |
| Contributions- employer | - |
| Contributions- employee | - |
| Net investment income | - |
| Benefit payments, including refunds of employer contributions | (75,689) |
| Administrative expense | - |
| Other | - |
| Net changes | (62,010) |
| Balance at June 30, 2017 | $ 402,436 |

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 4%, 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 (3%) or one percentage point higher (5%) than the current rate:

| | 1% Decrease (3%) | Current Discount Rate (4%) | 1% Increase (5%) |
|---|---|---|---|
| City's net pension liabilit | $ 423,618 | $ 402,436 | $ 383,219 |

*Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions*- For the year ended June 30, 2017 the City recognized pension expense of $75,689. At June 30, 2017, the City did not report any deferred outflows of resources or deferred inflows of resources related to this pension plan because it was determined to be immaterial to the financial statements.

### *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, 2017 is as follows:

| Net Investment in Capital Assets: | Governmental Activities | Business Type Activities |
|---|---|---|
| Cost of capital assets | $ 175,814,724 | $ 207,894,072 |
| Less accumulated depreciation | (51,069,090) | (90,644,501) |
| Book value | 124,745,634 | 117,249,571 |
| Less capital related debt, net of deferred refunding amounts, bond premiums and discounts | (33,982,351) | (21,479,089) |
| Add debt proceeds unspent at fiscal year end | - | 59,325 |
| Net investment in capital assets | $ 90,763,283 | $ 95,829,807 |

### *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, 2017. 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 $28,083,691 net of off-system sales which reduced costs. Rebates of $1,806,377 are reflected in the net power purchases of $26,277,314.

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, 2017, the balance in this account was $7,868,108. The intermediate flexible operating trust account has a balance of $7,921,053 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, 2017, the balance in this account was $5,048,235 for a total of $20,837,396 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, 2017, was $1,586,452. 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, 2017 is $14,391,116. 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 $11,362 in the year 2021 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 with Vogtle Unit 3 planned to come online in 2021 and Vogtle Unit 4 planned to come online in 2022, 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 2017, the City paid dues in the amount of $16,309 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, 2017, were $195,479. 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. The City's portion (one-half) of the annual debt service is $16,022. The airport is leased to and operated by a for-profit entity. Total expenditures paid by the City for the Airport Authority for fiscal 2017 were $148,781. 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 | | | | | $ 747,541 |
| Disbursements | | | | | |
| Gordon County Chamber of Commerce | Tourism | 3.5% | 43.75% | $ 327,050 | |
| Gordon County Industrial Development Authority | Economic Development | 2% | 25.00% | 186,885 | |
| Downtown Development Authority | Economic Development | 0.5% | 6.25% | 46,721 | |
| Calhoun Recreation Department | Tourism | 1% | 12.50% | 93,443 | |
| City of Calhoun | Tourism | 0.5% | 6.25% | 46,721 | |
| City of Calhoun | Economic Development | 0.5% | 6.25% | 46,721 | (747,541) |
| | | 8% | 100.00% | | $ - |
| Difference | | | | | $ - |

### *4-F. Property Tax Abatements*

In order to create a property tax incentive through a bond-lease transaction, the development authority issues industrial revenue bonds to acquire a facility that it will lease back to a local business. The lease payments amortize the bonds and the company will own the facility at the end of the lease. The leaseback agreement will allow the company to receive property tax savings by having the real and personal property deeded to the development authority. There are some job creation requirements as well. The City has agreements with six entities:

| Purpose | % Abated | $ Abated |
|---|---|---|
| Carpet Manufacturer | 100% | $4,793 |
| Carpet Manufacturer | 100% | $6,936 |
| Food & Beverage Ingredient Flavor Co. | 50% | $2,026 |
| Carpet Manufacturer | 50% | $2,971 |
| Carpet Manufacturer | 80% | $1,461 |
| Carpet Manufacturer | 50% | $9,910 |

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

| | 2017 | 2016 | 2015 |
|---|---|---|---|
| *Total pension liability* | | | |
| Service cost | $ 474,861 | $ 488,383 | $ 494,335 |
| Interest | 940,051 | 833,277 | 774,792 |
| Difference between expected and actual experience | (107,578) | 350,580 | (47,806) |
| Changes of assumptions | - | - | (206,292) |
| Changes of benefit terms | - | - | - |
| Benefit payments, including refunds of employee contributions | (317,563) | (271,445) | (249,327) |
| Net change in total pension liability | 989,771 | 1,400,795 | 765,702 |
| Total pension liability- beginning | 12,288,478 | 10,887,683 | 10,121,981 |
| Total pension liability- ending (a) | $13,278,249 | $12,288,478 | $10,887,683 |
| *Plan fiduciary net position* | | | |
| Contributions- employer | $ 666,004 | $ 705,986 | $ 715,308 |
| Contributions- employee | - | - | - |
| Net investment income | 1,091,194 | 86,669 | 902,314 |
| Benefit payments- including refund of employee contributions | (317,563) | (271,445) | (249,327) |
| Administrative expense | (23,571) | (26,204) | (20,343) |
| Other | - | - | - |
| Net change in fiduciary net position | 1,416,064 | 495,006 | 1,347,952 |
| Plan fiduciary net position- beginning | 9,634,591 | 9,139,585 | 7,791,633 |
| Plan fiduciary net position- ending (b) | $ 11,050,655 | $ 9,634,591 | $ 9,139,585 |
| Net pension liability- ending (a-b) | $ 2,227,594 | $ 2,653,887 | $ 1,748,098 |
| Plans fiduciary net position as a percentage of the total pension liability | 83.22% | 78.40% | 83.94% |
| Covered employee payroll | $ 10,821,497 | $ 10,810,244 | $ 10,313,836 |
| Net pension liability as a percentage of covered employee payroll | 20.58% | 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***
***City Charter Unfunded Pension Plan***
***Schedule of Changes in the Net Pension Liability and Related Ratios***

| | 2017 | 2016 |
|---|---|---|
| *Total pension liability* | | |
| Service cost | $ - | $ - |
| Interest | 17,064 | 17,907 |
| Difference between expected and actual experience | (3,385) | 37,620 |
| Changes of assumptions | - | - |
| Changes of benefit terms | - | - |
| Benefit payments, including refunds of employee contributions | (75,689) | (77,410) |
| Net change in total pension liability | (62,010) | (21,883) |
| Total pension liability- beginning | 464,446 | 486,329 |
| Total pension liability- ending (a) | $ 402,436 | $ 464,446 |
| | | |
| *Plan fiduciary net position* | | |
| Contributions- employer | $ - | $ - |
| Contributions- employee | - | - |
| Net investment income | - | - |
| Benefit payments- including refund of employee contributions | - | - |
| Administrative expense | - | - |
| Other | - | - |
| Net change in fiduciary net position | - | - |
| Plan fiduciary net position- beginning | - | - |
| Plan fiduciary net position- ending (b) | $ - | $ - |
| | | |
| Net pension liability- ending (a-b) | $ 402,436 | $ 464,446 |
| | | |
| Plans fiduciary net position as a percentage of the total pension liability | 0.00% | 0.00% |
| | | |
| Covered employee payroll | $ - | $ - |
| | | |
| Net pension liability as a percentage of covered employee payroll | 0.00% | 0.00% |

**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***

| | 2016 | 2015 |
|---|---|---|
| Actuarially determined contribution | $ 657,550 | $ 722,131 |
| Contributions in relation to the actuarially determined contribution | 657,550 | 722,131 |
| Contribution deficiency (excess) | $ - | $ - |
| Covered employee payroll | $ 10,810,244 | $ 10,313,836 |
| Contributions as a percentage of covered employee payroll | 6.08% | 7.00% |

**Notes to the Schedule:**
The 2017 information will be determined after fiscal year end and included in the 2018 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, 2017, 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 Pension Plan***
***Schedule of Contributions***

| | 2017 | 2016 |
|---|---|---|
| Actuarially determined contribution | $ 14,540 | $ 30,434 |
| Contributions in relation to the actuarially determined contribution | 14,540 | 30,434 |
| Contribution deficiency (excess) | $ - | $ - |
| Covered employee payroll | $ - | $ - |
| Contributions as a percentage of covered employee payroll | 0.00% | 0.00% |

**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.

| | |
|---|---|
| Valuation date | The actuarial determined contribution rate was determined as of July 1, 2016. |
| *Methods and assumptions used to determine contribution rates:* | |
| Actuarial cost method | Entry-age normal |
| Amortization method | Closed level dollar for remaining unfunded liability |
| Remaining amortization period | Remaining amortization period varies for the bases, ranging from 5-10 years. |
| Asset valuation method | The plan is funded on a pay-as-you-go basis. Benefits are secured by the general assets of the governing authority and are not secured by assets held in trust. |
| Actuarial assumptions: | |
| Net investment rate of return | 4.00% |
| Projected salary increase | Not applicable (no active employees) |
| Cost of living adjustments | 0.00% |
| Retirement age | Attainment of 30 years of service. |
| Mortality | Unisex Pension 1984 Mortality Table |

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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, 2017***

| | |
|---|---|
| **Assets** | |
| Cash | $ 1,619,554 |
| Investments | 5,392,230 |
| Receivables (net) | |
| Property taxes | 45,651 |
| Franchise taxes | 130,181 |
| Other taxes | 37,884 |
| Accounts | 11,463 |
| Fines | 547,888 |
| Intergovernmental | |
| Federal | 14,523 |
| State | 1,237,416 |
| County | 108,669 |
| Authorities | 211,162 |
| Interfund | 1,081,666 |
| Component unit | 9,554 |
| Prepaid items | 273,209 |
| **Total Assets** | $ 10,721,050 |
| **Liabilities, Deferred Inflows of Resources and Fund Balance** | |
| **Liabilities** | |
| Accounts payable | $ 112,326 |
| Accrued payroll liabilities | 3,559 |
| Accrued expenditures | 132,905 |
| Interfund payable | 178,509 |
| Advances payable | 280,538 |
| **Total Liabilities** | 707,837 |
| **Deferred Inflows of Resources** | |
| Unavailable tax revenue | 24,866 |
| Unavailable fine revenue | 524,550 |
| Unavailable grant revenue | 900 |
| **Total Deferreed Inflows of Resources** | 550,316 |
| **Total Liabilities and Deferred Inflows of Resources** | 1,258,153 |
| **Fund Balance** | |
| Nonspendable | |
| Prepaid items | 273,209 |
| Committed | |
| Working capital/contingencies | 4,049,293 |
| Unassigned | 5,140,395 |
| **Total Fund Balance** | 9,462,897 |
| **Total Liabilities, Deferred Inflows of Resources and Fund Balance** | $ 10,721,050 |

**City of Calhoun, Georgia**
***General Fund***
***Statement of Revenues, Expenditures and Changes in Fund Balance***
***For the Fiscal Year Ended June 30, 2017***

| | |
|---|---|
| **Revenues** | |
| Property taxes | $ 1,705,779 |
| Sales taxes | 2,430,870 |
| Other taxes | 4,604,482 |
| Intergovernmental | 681,950 |
| Licenses and permits | 297,898 |
| Charges for services | 142,050 |
| Fines and forfeitures | 299,299 |
| Contributions | 1,652 |
| Investment earnings | 10,430 |
| Miscellaneous | 5,805 |
| **Total Revenues** | 10,180,215 |
| **Expenditures** | |
| **Current** | |
| General government | 992,609 |
| Judicial | 507,645 |
| Public safety | 7,368,426 |
| Public works | 2,311,671 |
| Health and welfare | 66,832 |
| Culture and recreation | 658,494 |
| Housing and economic development | 732,168 |
| **Total Expenditures** | 12,637,845 |
| **(Deficiency) of Revenues (Under) Expenditures** | (2,457,630) |
| **Other Financing Sources (Uses)** | |
| Insurance reimbursement | 5,016 |
| Proceeds from capital lease | |
| Transfers in | 3,667,873 |
| Transfers out | (1,109,916) |
| **Total Other Financing Sources** | 2,562,973 |
| **Net Change in Fund Balance** | 105,343 |
| **Fund Balance Beginning of Year** | 9,357,554 |
| **Fund Balance End of Year** | $ 9,462,897 |

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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, 2017***

| | | |
|---|---|---|
| **Assets** | | |
| Cash | $ | 9,414,881 |
| Due from component unit | | 247,919 |
| **Total Assets** | $ | 9,662,800 |
| **Liabilities and Fund Balance** | | |
| **Liablities** | | |
| Interfund payable | $ | 486,968 |
| **Fund Balance** | | |
| Restricted for debt service | | 9,175,832 |
| **Total Liabilities and Fund Balance** | $ | 9,662,800 |

**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, 2017***

| | |
|---|---|
| **Revenues** | |
| Intergovernmental | $ 3,708,702 |
| Investment earnings | 36,818 |
| **Total Revenues** | 3,745,520 |
| **Expenditures** | |
| **Debt Service** | |
| Interest and fiscal charges | 1,484,275 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 2,261,245 |
| **Other Financing Sources** | |
| Transfers out | (876,194) |
| **Net Change in Fund Balance** | 1,385,051 |
| **Fund Balance Beginning of Year** | 7,790,781 |
| **Fund Balance End of Year** | $ 9,175,832 |

**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, 2017***

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Intergovernmental | $ 3,678,259 | $ 3,679,859 | $ 3,708,702 | $ 28,843 |
| Investment earnings | 4,400 | 4,400 | 36,818 | 32,418 |
| **Total Revenues** | 3,682,659 | 3,684,259 | 3,745,520 | 61,261 |
| **Expenditures** | | | | |
| **Debt Service** | | | | |
| Interest | 1,482,675 | 1,484,275 | 1,484,275 | - |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 2,199,984 | 2,199,984 | 2,261,245 | 61,261 |
| **Other Financing Sources (Uses)** | | | | |
| Transfers out | (2,199,984) | (2,199,984) | (876,194) | 1,323,790 |
| **Net Change in Fund Balance** | $ - | $ - | 1,385,051 | $ 1,385,051 |
| **Fund Balance Beginning of Year** | | | 7,790,781 | |
| **Fund Balance End of Year** | | | $ 9,175,832 | |

# 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, 2017***

| | Nonmajor Special Revenue Funds | Nonmajor Revenue Bonds Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ 1,409,986 | $ - | $ 4,697,558 | $ 6,107,544 |
| Receivables | | | | |
| Property taxes | 471,923 | - | - | 471,923 |
| Other taxes | 135,708 | - | - | 135,708 |
| Accounts receivable | 6,020 | - | - | 6,020 |
| Intergovernmental | 100,000 | - | 87,932 | 187,932 |
| Interest | 2,514 | - | - | 2,514 |
| Loans | 258,425 | - | - | 258,425 |
| Loans- noncurrent | 1,272,779 | - | - | 1,272,779 |
| Interfund | 16,963 | - | 505,433 | 522,396 |
| Prepaid items | 12,632 | - | - | 12,632 |
| **Total Assets** | $ 3,686,950 | $ - | $ 5,290,923 | $ 8,977,873 |
| **Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)** | | | | |
| **Liabilities** | | | | |
| Accounts payable | $ 170,272 | $ - | $ 88,008 | $ 258,280 |
| Accrued payroll liabilities | 10,950 | - | - | 10,950 |
| Accrued expenditures | 101,781 | - | - | 101,781 |
| Intergovernmental payable | 1,332 | - | - | 1,332 |
| Due to component unit | 242,959 | - | 486,968 | 729,927 |
| Interfund payable | 39,777 | - | 87,280 | 127,057 |
| Unearned revenue | - | - | 1,597,961 | 1,597,961 |
| **Total Liabilities** | 567,071 | - | 2,260,217 | 2,827,288 |
| **Deferred Inflows of Resources** | | | | |
| Unavailable tax revenue | 237,579 | - | - | 237,579 |
| Unavailable grant revenue | 19,414 | - | - | 19,414 |
| **Total Deferred Inflows of Resources** | 256,993 | - | - | 256,993 |
| **Total Liabilities and Deferred Inflows of Resources** | 824,064 | - | 2,260,217 | 3,084,281 |
| **Fund Balances** | | | | |
| Nonspendable | | | | |
| Prepaid items | 12,632 | - | - | 12,632 |
| Restricted | | | | |
| Capital projects | - | - | 3,030,706 | 3,030,706 |
| Program purposes | | | | |
| Housing and development | 2,484,698 | - | - | 2,484,698 |
| Public safety | 212,030 | - | - | 212,030 |
| Culture and recreation | 159,376 | - | - | 159,376 |
| Unassigned (deficits), reported in | | | | |
| Special revenue funds | (5,850) | - | - | (5,850) |
| **Total Fund Balances** | 2,862,886 | - | 3,030,706 | 5,893,592 |
| **Total Liabilities, Deferred Inflows of Resources and Fund Balances** | $ 3,686,950 | $ - | $ 5,290,923 | $ 8,977,873 |

**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, 2017***

| | Nonmajor Special Revenue Funds | Nonmajor Revenue Bonds Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|---|---|---|
| **Revenues** | | | | |
| Hotel/motel taxes | $ 747,541 | $ - | $ - | $ 747,541 |
| Intergovernmental | 438,168 | - | 1,478,216 | 1,916,384 |
| Charges for services | 235,544 | - | - | 235,544 |
| Fines and forfeitures | 115,059 | - | - | 115,059 |
| Investment earnings | 41,890 | - | 9,016 | 50,906 |
| Miscellaneous | 21,839 | - | - | 21,839 |
| **Total Revenues** | 1,600,041 | - | 1,487,232 | 3,087,273 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Public safety | 33,258 | - | - | 33,258 |
| Culture and recreation | 1,259,151 | - | - | 1,259,151 |
| Housing and economic development | 563,156 | - | - | 563,156 |
| **Capital Outlay** | - | - | 2,411,010 | 2,411,010 |
| **Debt Service** | | | | |
| Principal retirement | - | 343,800 | - | 343,800 |
| Interest and fiscal charges | - | 23,835 | - | 23,835 |
| **Total Expenditures** | 1,855,565 | 367,635 | 2,411,010 | 4,634,210 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (255,524) | (367,635) | (923,778) | (1,546,937) |
| **Other Financing Sources (Uses)** | | | | |
| Transfers in | 569,712 | 367,635 | 949,400 | 1,886,747 |
| Transfers out | (187,543) | - | (2,020,891) | (2,208,434) |
| **Total Other Financing Sources (Uses)** | 382,169 | 367,635 | (1,071,491) | (321,687) |
| **Net Change in Fund Balances** | 126,645 | - | (1,995,269) | (1,868,624) |
| **Fund Balances Beginning of Year** | 2,736,241 | - | 5,025,975 | 7,762,216 |
| **Fund Balances End of Year** | $ 2,862,886 | $ - | $ 3,030,706 | $ 5,893,592 |

**City of Calhoun, Georgia**
***Combining Balance Sheet***
***Nonmajor Special Revenue Funds***
***June 30, 2017***

| | Urban Development Action Grant | Home Investment Partnership | Confiscated Assets | Hotel/Motel Tax | School Tax | Recreation | Total Nonmajor Special Revenue Funds |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash | $ 970,394 | $ - | $ 348,033 | $ - | $ 8,615 | $ 82,944 | $ 1,409,986 |
| Receivables | | | | | | | |
| Property taxes | - | - | - | - | 471,923 | - | 471,923 |
| Other taxes | - | - | - | 135,708 | - | - | 135,708 |
| Accounts receivable | - | - | 6,020 | - | - | - | 6,020 |
| Intergovernmental | - | - | - | - | - | 100,000 | 100,000 |
| Interest | 2,514 | - | - | - | - | - | 2,514 |
| Loans | 239,011 | 19,414 | - | - | - | - | 258,425 |
| Loans- noncurrent | 1,272,779 | - | - | - | - | - | 1,272,779 |
| Interfund | - | - | - | - | - | 16,963 | 16,963 |
| Prepaid items | - | - | - | 5,850 | - | 6,782 | 12,632 |
| **Total Assets** | $ 2,484,698 | $ 19,414 | $ 354,053 | $ 141,558 | $ 480,538 | $ 206,689 | $ 3,686,950 |
| **Liabilities, Deferred Inflows of Resources and Fund Balances** | | | | | | | |
| **Liabilities** | | | | | | | |
| Accounts payable | $ - | $ - | $ 142,023 | $ - | $ - | $ 28,249 | $ 170,272 |
| Accrued payroll liabilities | - | - | - | - | - | 10,950 | 10,950 |
| Accrued expenditures | - | - | - | 101,781 | - | - | 101,781 |
| Intergovernmental payable | - | - | - | - | - | 1,332 | 1,332 |
| Due to component unit | - | - | - | - | 242,959 | - | 242,959 |
| Interfund payable | - | - | - | 39,777 | - | - | 39,777 |
| **Total Liabilities** | - | - | 142,023 | 141,558 | 242,959 | 40,531 | 567,071 |
| **Deferred Inflows of Resources** | | | | | | | |
| Unavailable tax revenue | - | - | - | - | 237,579 | - | 237,579 |
| Unavailable grant revenue | - | 19,414 | - | - | - | - | 19,414 |
| **Total Deferred Inflows of Resources** | - | 19,414 | - | - | 237,579 | - | 256,993 |
| **Total Liabilities and Deferred Inflows of Resources** | - | 19,414 | 142,023 | 141,558 | 480,538 | 40,531 | 824,064 |
| **Fund Balances** | | | | | | | |
| Nonspendable | | | | | | | |
| Prepaid items | - | - | - | 5,850 | - | 6,782 | 12,632 |
| Restricted for program purposes | | | | | | | |
| Program purposes | | | | | | | |
| Housing and development | 2,484,698 | - | - | - | - | - | 2,484,698 |
| Public safety | - | - | 212,030 | - | - | - | 212,030 |
| Culture and recreation | - | - | - | - | - | 159,376 | 159,376 |
| Unassigned (deficits) | - | - | - | (5,850) | - | - | (5,850) |
| **Total Fund Balances** | 2,484,698 | - | 212,030 | - | - | 166,158 | 2,862,886 |
| **Total Liabilities, Deferred Inflows of Resources and Fund Balances** | $ 2,484,698 | $ 19,414 | $ 354,053 | $ 141,558 | $ 480,538 | $ 206,689 | $ 3,686,950 |

**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, 2017***

| | Urban Development Action Grant | Home Investment Partnership | Confiscated Assets | Hotel/Motel Tax | School Tax | Recreation | Total Nonmajor Special Revenue Funds |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Hotel/motel taxes | $ - | $ - | $ - | $ 747,541 | $ - | $ - | $ 747,541 |
| Intergovernmental | - | - | - | - | - | 438,168 | 438,168 |
| Charges for services | - | - | - | - | - | 235,544 | 235,544 |
| Fines and forfeitures | - | - | 115,059 | - | - | - | 115,059 |
| Investment earnings | 41,877 | - | 13 | - | - | - | 41,890 |
| Miscellaneous | - | - | - | - | - | 21,839 | 21,839 |
| **Total Revenues** | 41,877 | - | 115,072 | 747,541 | - | 695,551 | 1,600,041 |
| **Expenditures** | | | | | | | |
| **Current** | | | | | | | |
| Public safety | - | - | 33,258 | - | - | - | 33,258 |
| Culture and recreation | - | - | - | - | - | 1,259,151 | 1,259,151 |
| Housing and economic development | 2,500 | - | - | 560,656 | - | - | 563,156 |
| **Total Expenditures** | 2,500 | - | 33,258 | 560,656 | - | 1,259,151 | 1,855,565 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 39,377 | - | 81,814 | 186,885 | - | (563,600) | (255,524) |
| **Other Financing Sources (Uses)** | | | | | | | |
| Transfers in | - | - | - | - | - | 569,712 | 569,712 |
| Transfers out | - | - | (540) | (186,885) | - | (118) | (187,543) |
| **Total Other Financing Sources (Uses)** | - | - | (540) | (186,885) | - | 569,594 | 382,169 |
| **Net Change in Fund Balances** | 39,377 | - | 81,274 | - | - | 5,994 | 126,645 |
| **Fund Balances Beginning of Year** | 2,445,321 | - | 130,756 | - | - | 160,164 | 2,736,241 |
| **Fund Balances End of Year** | $ 2,484,698 | $ - | $ 212,030 | $ - | $ - | $ 166,158 | $ 2,862,886 |

**City of Calhoun, Georgia**
***Urban Development Action Grant Fund***
***Balance Sheet***
***June 30, 2017***

| | | |
|---|---|---|
| **Assets** | | |
| Cash | $ | 970,394 |
| Receivables (net) | | |
| Loans | | 239,011 |
| Interest | | 2,514 |
| Loans - noncurrent | | 1,272,779 |
| **Total Assets** | $ | 2,484,698 |
| **Fund Balance** | | |
| Restricted for housing | $ | 2,484,698 |

**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, 2017***

| | |
|---|---|
| **Revenues** | |
| Investment earnings | $ 41,877 |
| **Expenditures** | |
| **Current** | |
| Housing and economic development | 2,500 |
| **Net Change in Fund Balance** | 39,377 |
| **Fund Balance Beginning of Year** | 2,445,321 |
| **Fund Balance End of Year** | $ 2,484,698 |

**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, 2017***

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Investment earnings | $ 32,250 | $ 32,250 | $ 41,877 | $ 9,627 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Housing and economic development | 2,500 | 2,500 | 2,500 | - |
| **Excess of Revenues Over Expenditures** | 29,750 | 29,750 | 39,377 | 9,627 |
| **Other Financing Sources (Uses)** | | | | |
| Transfer to fund balance | (29,750) | (29,750) | - | 29,750 |
| **Net Change in Fund Balance** | $ - | $ - | 39,377 | $ 39,377 |
| **Fund Balance Beginning of Year** | | | 2,445,321 | |
| **Fund Balance End of Year** | | | $ 2,484,698 | |

**City of Calhoun, Georgia**
***Home Investment Partnership Act Fund***
***Balance Sheet***
***June 30, 2017***

| | |
|---|---|
| **Assets** | |
| Loans receivable | $ 19,414 |
| **Deferred Inflows of Resources** | |
| Unavailable grant 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, 2017***

| | |
|---|---|
| **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, 2017***

| | 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, 2017***

| | | |
|---|---|---|
| **Assets** | | |
| Cash | $ | 348,033 |
| Accounts receivable | | 6,020 |
| **Total Assets** | $ | 354,053 |
| **Liabilities and Fund Balance** | | |
| **Liabilities** | | |
| Accounts payable | $ | 142,023 |
| **Fund Balance** | | |
| Restricted for public safety - police | | 212,030 |
| **Total Liabilities and Fund Balance** | $ | 354,053 |

**City of Calhoun, Georgia**
***Confiscated Assets Fund***
***Statement of Revenues, Expenditures and***
***Changes in Fund Balance***
***For the Fiscal Year Ended June 30, 2017***

| | |
|---|---|
| **Revenues** | |
| Fines and forfeitures | $ 115,059 |
| Investment earnings | 13 |
| **Total Revenues** | 115,072 |
| **Expenditures** | |
| **Current** | |
| Public safety | 33,258 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 81,814 |
| **Other Financing Sources (Uses)** | |
| Transfers out | (540) |
| **Net Change in Fund Balance** | 81,274 |
| **Fund Balance Beginning of Year** | 130,756 |
| **Fund Balance End of Year** | $ 212,030 |

**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, 2017***

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Fines and forfeitures | $ 7,050 | $ 11,515 | $ 115,059 | $ 103,544 |
| Investment earnings | - | - | 13 | 13 |
| **Total Revenues** | 7,050 | 11,515 | 115,072 | 103,557 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Public safety | 6,750 | 33,258 | 33,258 | - |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 300 | (21,743) | 81,814 | 103,557 |
| **Other Financing Sources (Uses)** | | | | |
| Sale of capital assets | 3,200 | 25,243 | - | (25,243) |
| Transfers out | (3,500) | (3,500) | (540) | 2,960 |
| **Total Other Financing Sources (Uses)** | (300) | 21,743 | (540) | (22,283) |
| **Net Change in Fund Balance** | $ - | $ - | 81,274 | $ 81,274 |
| **Fund Balance Beginning of Year** | | | 130,756 | |
| **Fund Balance End of Year** | | | $ 212,030 | |

**City of Calhoun, Georgia**
***Hotel/Motel Tax Fund***
***Balance Sheet***
***June 30, 2017***

| | | |
|---|---|---|
| **Assets** | | |
| Hotel/motel taxes receivable | $ | 135,708 |
| Prepaid items | | 5,850 |
| **Total Assets** | $ | 141,558 |
| **Liabilities and Fund Balance** | | |
| **Liabilities** | | |
| Intergovernmental accounts payable | $ | 101,781 |
| Interfunds | | 39,777 |
| **Total Liabilities** | | 141,558 |
| **Fund Balance** | | |
| Nonspendable | | |
| Prepaid items | | 5,850 |
| Unassigned (deficits) | | (5,850) |
| **Total Fund Balance** | | - |
| **Total Liabilities and Fund Balance** | $ | 141,558 |

**City of Calhoun, Georgia**
***Hotel/Motel Tax Fund***
***Statement of Revenues, Expenditures and Changes in Fund Balance***
***For the Fiscal Year Ended June 30, 2017***

| | |
|---|---|
| **Revenues** | |
| Hotel/motel taxes | $ 747,541 |
| **Expenditures** | |
| **Current** | |
| Housing and economic development | 560,656 |
| **Excess of Revenues Over Expenditures** | 186,885 |
| **Other Financing Sources (Uses)** | |
| Transfers out | (186,885) |
| **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, 2017***

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Hotel/motel taxes | $ 741,011 | $ 747,541 | $ 747,541 | $ - |
| **Expenditures** | | | | |
| **Current** | | | | |
| Housing and economic development | 555,759 | 560,656 | 560,656 | - |
| **Excess of Revenues Over Expenditures** | 185,252 | 186,885 | 186,885 | - |
| **Other Financing Sources (Uses)** | | | | |
| Transfers out | (185,252) | (186,885) | (186,885) | - |
| **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, 2017***

| | | |
|---|---|---|
| **Assets** | | |
| Cash | $ | 8,615 |
| Property taxes receivable | | 471,923 |
| **Total Assets** | $ | 480,538 |
| **Liabilities and Deferred Inflows of Resources** | | |
| **Liabilities** | | |
| Due to component unit | $ | 242,959 |
| **Deferred Inflows of Resources** | | |
| Unavailable tax revenue | | 237,579 |
| **Total Liabilities and Deferred Inflows of Resources** | $ | 480,538 |

**City of Calhoun, Georgia**
***School Tax Fund***
***Statement of Revenues, Expenditures and***
***Changes in Fund Balance***
***For the Fiscal Year Ended June 30, 2017***

| | |
|---|---|
| **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, 2017***

| | 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, 2017***

| | | |
|---|---|---|
| **Assets** | | |
| Cash | $ | 82,944 |
| Intergovernmental receivable | | 100,000 |
| Interfund | | 16,963 |
| Prepaid items | | 6,782 |
| **Total Assets** | $ | 206,689 |
| **Liabilities and Fund Balance** | | |
| **Liabilities** | | |
| Accounts payable | $ | 28,249 |
| Accrued payroll liabilities | | 10,950 |
| Intergovernmental payable | | 1,332 |
| **Total Liabilities** | | 40,531 |
| **Fund Balances** | | |
| Nonspendable | | |
| Prepaid items | | 6,782 |
| Restricted | | |
| Culture and recreation | | 159,376 |
| **Total Fund Balance** | | 166,158 |
| **Total Liabilities and Fund Balance** | $ | 206,689 |

**City of Calhoun, Georgia**
***Recreation Fund***
***Statement of Revenues, Expenditures and Changes in Fund Balance***
***For the Fiscal Year Ended June 30, 2017***

| | |
|---|---|
| **Revenues** | |
| Intergovernmental | $ 438,168 |
| Charges for services | 235,544 |
| Miscellaneous | 21,839 |
| **Total Revenues** | 695,551 |
| **Expenditures** | |
| **Current** | |
| Culture and recreation | 1,259,151 |
| **(Deficiency) of Revenues (Under) Expenditures** | (563,600) |
| **Other Financing Sources (Uses)** | |
| Transfers in | 569,712 |
| Transfers out | (118) |
| **Total Other Financing Sources (Uses)** | 569,594 |
| **Net Change in Fund Balance** | 5,994 |
| **Fund Balance Beginning of Year** | 160,164 |
| **Fund Balance End of Year** | $ 166,158 |

**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, 2017***

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Intergovernmental | $ 332,768 | $ 432,768 | $ 438,168 | $ 5,400 |
| Charges for services | 242,100 | 242,100 | 235,544 | (6,556) |
| Miscellaneous | 20,530 | 20,530 | 21,839 | 1,309 |
| **Total Revenues** | 595,398 | 695,398 | 695,551 | 153 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Culture and recreation | 1,068,339 | 1,317,607 | 1,259,151 | 58,456 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (472,941) | (622,209) | (563,600) | 58,609 |
| **Other Financing Sources** | | | | |
| Transfers in | 564,092 | 564,092 | 569,712 | 5,620 |
| Transfers out | - | - | (118) | (118) |
| Appropriations of fund balance | (91,151) | 58,117 | - | (58,117) |
| **Total Other Financing Sources** | 472,941 | 622,209 | 569,594 | (52,615) |
| **Net Change in Fund Balance** | $ - | $ - | 5,994 | $ 5,994 |
| **Fund Balance Beginning of Year** | | | 160,164 | |
| **Fund Balance End of Year** | | | $ 166,158 | |

**City of Calhoun, Georgia**
***Revenue Bonds Debt Service Fund***
***Balance Sheet***
***June 30, 2017***

| | |
|---|---|
| **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, 2017***

| | |
|---|---|
| **Revenues** | |
| Investment earnings | $ - |
| **Expenditures** | |
| **Debt Service** | |
| Principal retirement | 343,800 |
| Interest and fiscal charges | 23,835 |
| **Total Expenditures** | 367,635 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (367,635) |
| **Other Financing Sources** | |
| Transfers in | 367,635 |
| **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, 2017***

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Investment earnings | $ - | $ - | $ - | $ - |
| **Expenditures** | | | | |
| **Debt Service** | | | | |
| Principal | 343,800 | 343,800 | 343,800 | - |
| Interest and fiscal charges | 23,835 | 23,835 | 23,835 | - |
| **Total Expenditures** | 367,635 | 367,635 | 367,635 | - |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (367,635) | (367,635) | (367,635) | - |
| **Other Financing Sources** | | | | |
| Transfers in | 367,635 | 367,635 | 367,635 | - |
| **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, 2017***

| | 2005 SPLOST | School SPLOST | 2011 SPLOST | Total Nonmajor Capital Projects Funds |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ 1,884,654 | $ - | $ 2,812,904 | $ 4,697,558 |
| Receivables: | | | | |
| Intergovernmental | - | - | 87,932 | 87,932 |
| Interfund | - | 486,968 | 18,465 | 505,433 |
| **Total Assets** | $ 1,884,654 | $ 486,968 | $ 2,919,301 | $ 5,290,923 |
| **Liabilities and Fund Balances** | | | | |
| **Liabilities** | | | | |
| Accounts payable | $ - | $ - | $ 88,008 | $ 88,008 |
| Due to component unit | - | 486,968 | - | 486,968 |
| Interfund payable | - | - | 87,280 | 87,280 |
| Unearned revenue | - | - | 1,597,961 | 1,597,961 |
| **Total Liabilities** | - | 486,968 | 1,773,249 | 2,260,217 |
| **Fund Balances** | | | | |
| Restricted for capital projects | 1,884,654 | - | 1,146,052 | 3,030,706 |
| **Total Liabilities and Fund Balances** | $ 1,884,654 | $ 486,968 | $ 2,919,301 | $ 5,290,923 |

**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, 2017***

| | 2005 SPLOST | School SPLOST | 2011 SPLOST | Total Nonmajor Capital Projects Funds |
|---|---|---|---|---|
| **Revenues** | | | | |
| Intergovernmental | $ - | $ - | $ 1,478,216 | $ 1,478,216 |
| Investment earnings | 6,624 | - | 2,392 | 9,016 |
| **Total Revenues** | 6,624 | - | 1,480,608 | 1,487,232 |
| **Expenditures** | | | | |
| **Capital Outlay** | | | | |
| Public safety | 77,470 | - | - | 77,470 |
| Public works | - | - | 477,742 | 477,742 |
| Culture and recreation | - | - | 979,604 | 979,604 |
| Education | - | 876,194 | - | 876,194 |
| **Total Expenditures** | 77,470 | 876,194 | 1,457,346 | 2,411,010 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (70,846) | (876,194) | 23,262 | (923,778) |
| **Other Financing Sources (Uses)** | | | | |
| Transfers in | - | 876,194 | 73,206 | 949,400 |
| Transfers out | (2,020,891) | - | - | (2,020,891) |
| **Total Other Financing Sources (Uses)** | (2,020,891) | 876,194 | 73,206 | (1,071,491) |
| **Net Change in Fund Balances** | (2,091,737) | - | 96,468 | (1,995,269) |
| **Fund Balances Beginning of Year** | 3,976,391 | - | 1,049,584 | 5,025,975 |
| **Fund Balances End of Year** | $ 1,884,654 | $ - | $ 1,146,052 | $ 3,030,706 |

**City of Calhoun, Georgia**
***2005 SPLOST Fund***
***Balance Sheet***
***June 30, 2017***

| | |
|---|---|
| **Assets** | |
| Cash | $ 1,884,654 |
| | |
| **Fund Balance** | |
| Restricted for capital projects | $ 1,884,654 |

**City of Calhoun, Georgia**
***2005 SPLOST Fund***
***Statement of Revenues, Expenditures and Changes in Fund Balance***
***For the Fiscal Year Ended June 30, 2017***

| | |
|---|---|
| **Revenues** | |
| Investment earnings | $ 6,624 |
| **Expenditures** | |
| **Capital Outlay** | |
| Public safety | 77,470 |
| **Excess of Revenues Over Expenditures** | (70,846) |
| **Other Financing Sources (Uses)** | |
| Transfers out | (2,020,891) |
| **Net Change in Fund Balance** | (2,091,737) |
| **Fund Balance Beginning of Year** | 3,976,391 |
| **Fund Balance End of Year** | $ 1,884,654 |

**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, 2017***

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Investment earnings | $ 5,000 | $ 6,624 | $ 6,624 | $ - |
| **Expenditures** | | | | |
| **Capital Outlay** | | | | |
| Public safety | 30,000 | 77,470 | 77,470 | - |
| **Excess of Revenues Over (Under) Expenditures** | (25,000) | (70,846) | (70,846) | - |
| **Other Financing Sources and Uses** | | | | |
| Transfers out | (3,435,000) | (3,435,000) | (2,020,891) | 1,414,109 |
| Appropriations of fund balance | 3,460,000 | 3,505,846 | - | (3,505,846) |
| **Total Other Financing Sources and Uses** | 25,000 | 70,846 | (2,020,891) | (2,091,737) |
| **Net Change in Fund Balance** | $ - | $ - | (2,091,737) | $ (2,091,737) |
| **Fund Balance Beginning of Year** | | | 3,976,391 | |
| **Fund Balance End of Year** | | | $ 1,884,654 | |

**City of Calhoun, Georgia**
***School SPLOST Fund***
***Balance Sheet***
***June 30, 2017***

| | |
|---|---|
| **Assets** | |
| Interfund receivable | $ 486,968 |
| **Liabilities** | |
| Due to component unit | $ 486,968 |

**City of Calhoun, Georgia**
***School SPLOST Fund***
***Statement of Revenues, Expenditures and***
***Changes in Fund Balance***
***For the Fiscal Year Ended June 30, 2017***

| | |
|---|---|
| **Revenues** | |
| Investment earnings | $ - |
| **Expenditures** | |
| **Capital Outlay** | |
| Education | 876,194 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (876,194) |
| **Other Financing Sources (Uses)** | |
| Transfer in | 876,194 |
| **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, 2017***

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Investment earnings | $ - | $ - | $ - | $ - |
| **Expenditures** | | | | |
| **Capital Outlay** | | | | |
| Education | - | 876,194 | 876,194 | - |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | - | (876,194) | (876,194) | - |
| **Other Financing Sources (Uses)** | | | | |
| Transfer in | - | 876,194 | 876,194 | - |
| **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, 2017***

| | |
|---|---|
| **Assets** | |
| Cash | $ 2,812,904 |
| Receivables: | |
| Intergovernmental | 87,932 |
| Interfund | 18,465 |
| **Total Assets** | $ 2,919,301 |
| **Liabilities and Fund Balance** | |
| **Liabilities** | |
| Accounts payable | $ 88,008 |
| Unearned revenue | 1,597,961 |
| Interfund payable | 87,280 |
| **Total Liabilities** | 1,773,249 |
| **Fund Balance** | |
| Restricted for capital projects | 1,146,052 |
| **Total Liabilities and Fund Balance** | $ 2,919,301 |

**City of Calhoun, Georgia**
***2011 SPLOST Fund***
***Statement of Revenues, Expenditures and Changes in Fund Balance***
***For the Fiscal Year Ended June 30, 2017***

| | |
|---|---|
| **Revenues** | |
| Intergovernmental | $ 1,478,216 |
| Investment earnings | 2,392 |
| **Total Revenues** | 1,480,608 |
| **Expenditures** | |
| **Capital Outlay** | |
| Public works | 477,742 |
| Culture and recreation | 979,604 |
| **Total Expenditures** | 1,457,346 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 23,262 |
| **Other Financing Sources** | |
| Transfers in | 73,206 |
| **Net Change in Fund Balance** | 96,468 |
| **Fund Balance Beginning of Year** | 1,049,584 |
| **Fund Balance End of Year** | $ 1,146,052 |

**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, 2017***

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Intergovernmental | $ 1,755,186 | $ 1,755,186 | $ 1,478,216 | $ (276,970) |
| Investment earnings | 350 | 350 | 2,392 | 2,042 |
| **Total Revenues** | 1,755,536 | 1,755,536 | 1,480,608 | (274,928) |
| **Expenditures** | | | | |
| **Capital Outlay** | | | | |
| Public works | 1,389,161 | 1,713,294 | 477,742 | 1,235,552 |
| Culture and recreation | 1,704,862 | 1,380,729 | 979,604 | 401,125 |
| **Total Expenditures** | 3,094,023 | 3,094,023 | 1,457,346 | 1,636,677 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (1,338,487) | (1,338,487) | 23,262 | 1,361,749 |
| **Other Financing Sources (Uses)** | | | | |
| Transfers in | 71,280 | 71,280 | 73,206 | 1,926 |
| Transfer to fund balance | 1,267,207 | 1,267,207 | - | (1,267,207) |
| **Total Other Financing Sources (Uses)** | 1,338,487 | 1,338,487 | 73,206 | (1,265,281) |
| **Net Change in Fund Balance** | $ - | $ - | 96,468 | $ 96,468 |
| **Fund Balance Beginning of Year** | | | 1,049,584 | |
| **Fund Balance End of Year** | | | $ 1,146,052 | |

# 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, 3017***

| | |
|---|---|
| **Assets** | |
| Current assets | |
| Cash | $ 1,182,653 |
| Restricted assets | |
| Cash | 1,228,363 |
| Investments | 20,837,397 |
| Receivables | |
| Accounts | 797,259 |
| Accrued revenue | 3,096,388 |
| Intergovernmental | 1,130,146 |
| Interfund | 50,739 |
| Other | 41,535 |
| Advances | 298,810 |
| Deposits | 20,622 |
| Inventory | 1,909,168 |
| Prepaid items | 52,108 |
| **Total Current Assets** | 30,645,188 |
| Noncurrent assets | |
| Investments | 10,390,620 |
| Restricted assets | |
| Investments, noncurrent | 14,391,115 |
| Advances receivable | 1,769,763 |
| Capital assets | |
| Nondepreciable | 99,637 |
| Depreciable, net | 14,932,954 |
| **Total Noncurrent Assets** | 41,584,089 |
| **Total Assets** | 72,229,277 |
| **Deferred Outflows of Resources** | |
| Pension related | 91,777 |
| **Liabilities** | |
| Current liabilities | |
| Accounts payable | 2,791,229 |
| Accrued payroll liabilities | 70 |
| Accrued expenses | 21,783 |
| Intergovernmental payable | 90,032 |
| Compensated absences payable | 40,897 |
| Unearned revenue | 17,168 |
| Payable From Restricted Assets: | |
| Customer deposits | 1,228,363 |
| **Total Current Liabilities** | 4,189,542 |
| Long-term liabilities | |
| Net pension liability | 181,548 |
| Payable From Restricted Assets: | |
| Regulatory liability | 19,807,900 |
| **Total Long-term Liabilities** | 19,989,448 |
| **Total Liabilities** | 24,178,990 |
| **Deferred Inflows** | |
| Pension related | 49,948 |
| **Net Position** | |
| Investment in capital assets | 15,032,591 |
| Unrestricted | 33,059,525 |
| **Total Net Position** | $ 48,092,116 |

**City of Calhoun, Georgia**
***Electric System Fund***
***Statement of Revenues, Expenses***
***and Changes in Fund Net Position***
***For the Fiscal Year Ended June 30, 2017***

| | |
|---|---|
| **Operating Revenues** | |
| Charges for services | $ 36,211,755 |
| Miscellaneous | 181,157 |
| Intergovernmental revenue | 117,949 |
| **Total Operating Revenues** | 36,510,861 |
| **Operating Expenses** | |
| Personal services | 1,327,603 |
| Contractual services | 1,885,360 |
| Supplies | 27,255,780 |
| Interfund allocations | 598,016 |
| Depreciation | 1,008,170 |
| Other | 1,210 |
| **Total Operating Expenses** | 32,076,139 |
| **Operating Income** | 4,434,722 |
| **Non-Operating Revenues (Expenses)** | |
| Investment earnings | 278,415 |
| Gain on disposition of capital assets | 11,599 |
| **Total Non-Operating Revenues** | 290,014 |
| **Income Before Transfers** | 4,724,736 |
| Transfers in | 9,928 |
| Transfers out | (2,163,609) |
| **Total Contributions and Transfers** | (2,153,681) |
| **Change in Net Position** | 2,571,055 |
| **Net Position Beginning of Year** | 45,521,061 |
| **Net Position End of Year** | $ 48,092,116 |

**City of Calhoun, Georgia**
***Electric System Fund***
***Statement of Cash Flows***
***For the Fiscal Year Ended June 30, 2017***

| | | |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Cash received from customers | $ | 34,756,693 |
| Cash received from interfund services provided | | 1,581,539 |
| Cash payments for personal services | | (1,347,422) |
| Cash payments for goods and services | | (29,122,857) |
| Cash payments for interfund services used | | (596,989) |
| Other cash (payments) receipts | | 4,346 |
| **Net Cash Provided by (Used in) Operating Activities** | | 5,275,310 |
| **Cash Flows From Noncapital Financing Activities** | | |
| Transfers in | | 9,928 |
| Transfers out | | (2,163,609) |
| Payments received on advances | | 296,870 |
| **Net Cash Provided by (Used in) Noncapital Financing Activities** | | (1,856,811) |
| **Cash Flows from Capital and Related Financing Activities** | | |
| Proceeds from sale of capital assets | | 11,599 |
| Payments for capital acquisitions | | (589,986) |
| **Net Cash Provided by (Used in) Capital and Related Financing Activities** | | (578,387) |
| **Cash Flows from Investing Activities** | | |
| Investment earnings | | 278,415 |
| (Purchase) Disposal of investments, net of regulatory liability | | (1,940,843) |
| **Net Cash Provided by (Used in) Investing Activities** | | (1,662,428) |
| **Net Increase (Decrease) in Cash** | | 1,177,684 |
| **Cash Beginning of Year** | | 1,233,332 |
| **Cash End of Year** | $ | 2,411,016 |
| Reconciliation of total cash and cash equivalents: | | |
| Cash | $ | 1,182,653 |
| Restricted assets-cash and cash equivalents | | 1,228,363 |
| Total cash and cash equivalents | $ | 2,411,016 |

(continued)

**City of Calhoun, Georgia**
***Electric System Fund***
***Statement of Cash Flows***
***For the Fiscal Year Ended June 30, 2017***

(continued)

| | | |
|---|---|---|
| **Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities** | | |
| **Operating Income** | $ | 4,434,722 |
| **Adjustments** | | |
| **Depreciation** | | 1,008,170 |
| **(Increase) Decrease in Assets** | | |
| Accounts receivable and accrued revenues | | 18,294 |
| Intergovernmental receivable | | (255,859) |
| Inventories | | 29,892 |
| Interfund receivables | | 37,819 |
| Deposits | | 9,461 |
| Prepaid expenses | | 5,556 |
| Deferred outflows pension related | | 29,172 |
| **Increase (Decrease) in Liabilities** | | |
| Accounts payable and accrued liabilities | | (53,421) |
| Accrued payroll liabilities | | 2,592 |
| Intergovernmental payable | | 5,020 |
| Deposits payable | | 55,475 |
| Net pension liability | | (68,530) |
| Deferred inflows pension related | | 16,947 |
| **Net Cash Provided by (Used in) Operating Activities** | $ | 5,275,310 |

**City of Calhoun, Georgia**
***Water & Sewerage System Fund***
***Statement of Net Position***
***June 30, 3017***

| | |
|---|---|
| **Assets** | |
| Current assets | |
| Cash | $ 4,096,592 |
| Restricted assets | |
| Cash | 1,740,010 |
| Receivables | |
| Accounts | 915,105 |
| Accrued revenue | 1,237,655 |
| Intergovernmental | 632,188 |
| Interfund | 5,424 |
| Inventory | 1,094,713 |
| Prepaid items | 77,658 |
| **Total Current Assets** | 9,799,345 |
| Noncurrent assets | |
| Investments | 4,569,733 |
| Restricted assets | |
| Cash | 815,074 |
| Capital assets | |
| Nondepreciable | 8,120,088 |
| Depreciable, net | 89,455,552 |
| **Total Noncurrent Assets** | 102,960,447 |
| **Total Assets** | 112,759,792 |
| **Deferred Outflows of Resources** | |
| Deferred amount from debt refunding | 59,325 |
| Pension related | 239,297 |
| **Total Deferred Outflows of Resources** | 298,622 |
| **Liabilities** | |
| Current liabilities | |
| Accounts payable | 483,067 |
| Contractor bonds payable | 38,468 |
| Accrued payroll liabilities | 52,186 |
| Intergovernmental payable | 4,015 |
| Accrued interest | 11,341 |
| Interfund payable | 4,107 |
| Compensated absences payable | 108,847 |
| Advances payable | 70,004 |
| Notes payable | 7,685,901 |
| Revenue bonds payable | 2,045,000 |
| Payable from Restricted Assets: | |
| Accrued interest payable | 10,250 |
| Customer deposits and interest | 1,172,166 |
| **Total Current Liabilities** | 11,685,352 |
| Long-term liabilities | |
| Net pension obligation | 159,332 |
| Net pension liability | 473,362 |
| Notes payable (net of current portion) | 2,433,188 |
| Revenue bonds payable (net of current portion) | 9,315,000 |
| Advances payable (net of current portion) | 487,802 |
| **Total Long-Term Liabilities** | 12,868,684 |
| **Total Liabilities** | 24,554,036 |
| **Deferred Inflows of Resources** | |
| Pension related | 130,234 |
| **Net Position** | |
| Net investment in capital assets | 76,155,876 |
| Unrestricted | 12,218,268 |
| **Total Net Position** | $ 88,374,144 |

**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, 2017***

| | |
|---|---|
| **Operating Revenues** | |
| Charges for services | $ 17,857,578 |
| Miscellaneous | 49,363 |
| Intergovernmental revenue | 103,979 |
| **Total Operating Revenues** | 18,010,920 |
| **Operating Expenses** | |
| Personal services | 3,478,735 |
| Contractual services | 964,260 |
| Supplies | 3,454,325 |
| Interfund allocations | 2,093,749 |
| Depreciation | 3,595,615 |
| Amortization | 27,293 |
| Other | 3,154 |
| **Total Operating Expenses** | 13,617,131 |
| **Operating Income** | 4,393,789 |
| **Non-Operating Revenues (Expenses)** | |
| Bond issuance charges | (110,788) |
| Interest and fiscal charges | (408,744) |
| Investment earnings | 34,499 |
| Gain on disposition of capital assets | 53,175 |
| **Total Non-Operating (Expenses)** | (431,858) |
| **Income Before Transfers** | 3,961,931 |
| Transfers in | 2,048,361 |
| Transfers out | (1,405,385) |
| **Total Transfers and Contributions** | 642,976 |
| **Change in Net Position** | 4,604,907 |
| **Net Position Beginning of Year** | 83,769,237 |
| **Net Position End of Year** | $ 88,374,144 |

**City of Calhoun, Georgia**
***Water & Sewerage System Fund***
***Statement of Cash Flows***
***For the Fiscal Year Ended June 30, 2017***

| | |
|---|---|
| **Cash Flows from Operating Activities** | |
| Cash received from customers | $ 17,259,305 |
| Cash received from interfund services provided | 320,574 |
| Cash payments for personal services | (3,588,636) |
| Cash payments for goods and services | (2,965,022) |
| Cash payments for interfund services used | (3,463,115) |
| Other cash payments | (7,507) |
| **Net Cash Provided by (Used in) Operating Activities** | 7,555,599 |
| **Cash Flows from Noncapital Financing Activities** | |
| Transfers in | 27,470 |
| Transfers out | (1,405,385) |
| **Net Cash Provided by (Used in) Noncapital Financing Activities** | (1,377,915) |
| **Cash Flows from Capital and Related Financing Activities** | |
| Transfers in - SPLOST | 2,020,891 |
| Proceeds from debt | 7,504,997 |
| Principal paid on advance | (69,308) |
| Interest paid on advances | (6,012) |
| Principal paid on revenue bonds | (1,905,000) |
| Interest paid on revenue bonds | (211,050) |
| Bond issuance charges | (110,788) |
| Principal paid on notes and capital leases | (6,458,194) |
| Interest paid on notes and capital leases | (183,306) |
| Proceeds from the sale of capital assets | 44,988 |
| Payments for capital acquisitions and construction | (4,278,698) |
| **Net Cash Provided by (Used in) Capital and Related Financing Activities** | (3,651,480) |
| **Cash Flows from Investing Activities** | |
| Investments earnings | 34,499 |
| (Purchase) Disposal of investments | 35,052 |
| **Net Cash Provided by (Used in) Investing Activities** | 69,551 |
| **Net Increase (Decrease) in Cash** | 2,595,755 |
| **Cash Beginning of Year** | 4,055,921 |
| **Cash End of Year** | $ 6,651,676 |
| Reconciliation of total cash: | |
| Cash | $ 4,096,592 |
| Current restricted assets-cash | 1,740,010 |
| Noncurrent restricted assets-cash | 815,074 |
| Total cash | $ 6,651,676 |

(continued)

**City of Calhoun, Georgia**
***Water and Sewerage System Fund***
***Statement of Cash Flows***
***For the Fiscal Year Ended June 30, 2017***

(continued)

| | | |
|---|---|---|
| **Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities** | | |
| **Operating Income** | $ | 4,393,789 |
| **Adjustments** | | |
| **Depreciation** | | 3,595,615 |
| **Amortization** | | 27,293 |
| **(Increase) Decrease in Assets** | | |
| Accounts receivable and accrued revenues | | (573,405) |
| Inventories | | (100,075) |
| Interfund receivables | | (4,735) |
| Prepaid expenses | | 3,838 |
| Deferred outflows pension related | | 28,322 |
| **Increase (Decrease) in Liabilities** | | |
| Accounts payable and accrued liabilities | | 181,062 |
| Net pension obligation | | (14,601) |
| Net pension liability | | (79,972) |
| Accrued payroll liabilities | | (100,865) |
| Intergovernmental payable | | (4,353) |
| Deposits payable | | 142,364 |
| Interfund payable | | 4,107 |
| Deferred inflows pension related | | 57,215 |
| **Net Cash Provided by (Used in) Operating Activities** | $ | 7,555,599 |

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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, 3017***

| | Fields Ferry Golf Course | Telecommunications | Solid Waste | Total Nonmajor Enterprise Funds |
|---|---|---|---|---|
| **Assets** | | | | |
| Current assets | | | | |
| Cash | $ 400 | $ 585,943 | $ 58,003 | $ 644,346 |
| Receivables | | | | |
| Accounts | 4,302 | 41,973 | 39,291 | 85,566 |
| Accrued revenue | - | 55,823 | 50,375 | 106,198 |
| Intergovernmental | - | - | 1,921 | 1,921 |
| Interfund | - | - | 62,960 | 62,960 |
| Other | - | 2,558 | - | 2,558 |
| Inventory | - | 309,353 | - | 309,353 |
| Prepaid items | 3,862 | 5,336 | 2,078 | 11,276 |
| **Total Current Assets** | 8,564 | 1,000,986 | 214,628 | 1,224,178 |
| Noncurrent assets | | | | |
| Investments | - | 803,054 | - | 803,054 |
| Capital assets | | | | |
| Nondepreciable capital assets | 696,138 | 131,661 | 314,435 | 1,142,234 |
| Depreciable capital assets, net | 905,647 | 1,073,121 | 111,474 | 2,090,242 |
| **Total Noncurrent Assets** | 1,601,785 | 2,007,836 | 425,909 | 4,035,530 |
| **Total Assets** | 1,610,349 | 3,008,822 | 640,537 | 5,259,708 |
| **Deferred Outflows of Resources** | | | | |
| Pension related | 31,193 | 22,297 | - | 53,490 |
| **Liabilities** | | | | |
| Current liabilities | | | | |
| Accounts payable | 11,014 | 11,140 | 44,401 | 66,555 |
| Accrued payroll liabilities | 8,125 | 95 | - | 8,220 |
| Accrued expenses | 12,334 | 5,513 | 734 | 18,581 |
| Intergovernmental payable | 3,788 | - | - | 3,788 |
| Interfund payable | 519,217 | 1,755 | - | 520,972 |
| Post-closure care payable | - | - | 28,945 | 28,945 |
| Compensated absences payable | 15,657 | 11,136 | - | 26,793 |
| Unearned revenue | 12,210 | - | - | 12,210 |
| Advances payable | - | 112,069 | - | 112,069 |
| **Total Current Liabilities** | 582,345 | 141,708 | 74,080 | 798,133 |
| Long-term liabilities | | | | |
| Net pension liability | 61,704 | 44,106 | - | 105,810 |
| Post-closure care payable (net of current portion) | - | - | 90,356 | 90,356 |
| Advances payable (net of current portion) | - | 512,520 | - | 512,520 |
| **Total Long-Term Liabilities** | 61,704 | 556,626 | 90,356 | 708,686 |
| **Total Liabilities** | 644,049 | 698,334 | 164,436 | 1,506,819 |
| **Deferred Inflows of Resources** | | | | |
| Pension related | 16,976 | 12,135 | - | 29,111 |
| **Net Position** | | | | |
| Investment in capital assets | 1,601,785 | 1,204,782 | 425,909 | 3,232,476 |
| Unrestricted (deficit) | (621,268) | 1,115,868 | 50,192 | 544,792 |
| **Total Net Position** | $ 980,517 | $ 2,320,650 | $ 476,101 | $ 3,777,268 |

**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, 2017***

| | Fields Ferry Golf Course | Telecommunications | Solid Waste | Total Nonmajor Enterprise Funds |
|---|---|---|---|---|
| **Operating Revenues** | | | | |
| Charges for services | $ 656,482 | $ 1,113,183 | $ 788,186 | $ 2,557,851 |
| Miscellaneous | 15,224 | 2,336 | 14,901 | 32,461 |
| **Total Operating Revenues** | 671,706 | 1,115,519 | 803,087 | 2,590,312 |
| **Operating Expenses** | | | | |
| Personal services | 508,777 | 314,062 | 80,636 | 903,475 |
| Contractual services | 38,446 | 326,519 | 523,875 | 888,840 |
| Supplies | 155,226 | 84,177 | 35,026 | 274,429 |
| Interfund allocations | 29,933 | 63,902 | 99,378 | 193,213 |
| Depreciation | 135,006 | 178,270 | 14,461 | 327,737 |
| Amortization | - | 1,222 | - | 1,222 |
| Other | - | - | 12,065 | 12,065 |
| **Total Operating Expenses** | 867,388 | 968,152 | 765,441 | 2,600,981 |
| **Operating Income (Loss)** | (195,682) | 147,367 | 37,646 | (10,669) |
| **Non-Operating Revenues (Expenses)** | | | | |
| Change in estimated landfill closure costs | - | - | (4,252) | (4,252) |
| Investment earnings | - | 5,129 | - | 5,129 |
| Intergovernmental revenue | 83,192 | 6,622 | - | 89,814 |
| Intergovernmental expenses | - | (6,622) | - | (6,622) |
| Interest and fiscal charges | - | (6,940) | - | (6,940) |
| **Total Non-Operating Revenues (Expenses)** | 83,192 | (1,811) | (4,252) | 77,129 |
| **Income (Loss) Before Transfers** | (112,490) | 145,556 | 33,394 | 66,460 |
| Transfers in | 182,094 | 987 | 1,124 | 184,205 |
| **Change in Net Position** | 69,604 | 146,543 | 34,518 | 250,665 |
| **Net Position Beginning of Year** | 910,913 | 2,174,107 | 441,583 | 3,526,603 |
| **Net Position End of Year** | $ 980,517 | $ 2,320,650 | $ 476,101 | $ 3,777,268 |

**City of Calhoun, Georgia**
***Combining Statement of Cash Flows***
***Nonmajor Proprietary Funds***
***For the Fiscal Year Ended June 30, 2017***

| | Fields Ferry Golf Course | Telecommunications | Solid Waste | Total Nonmajor Enterprise Funds |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | |
| Cash received from customers | $ 671,322 | $ 827,973 | $ 810,955 | $ 2,310,250 |
| Cash received from interfund services provided | - | 288,544 | 3,777 | 292,321 |
| Cash payments for personal services | (521,735) | (312,417) | (80,636) | (914,788) |
| Cash payments for goods and services | (202,640) | (484,624) | (579,533) | (1,266,797) |
| Cash payments for interfund services used | (212,200) | (88,918) | (100,315) | (401,433) |
| **Net Cash Provided by (Used in) Operating Activities** | (265,253) | 230,558 | 54,248 | 19,553 |
| **Cash Flows from Noncapital Financing Activities** | | | | |
| Intergovernmental revenues | 83,192 | 6,622 | - | 89,814 |
| Intergovernmental expense | (33) | (8,848) | - | (8,881) |
| Transfers in | 182,094 | 987 | 1,124 | 184,205 |
| **Net Cash Provided by (Used in) Noncapital Financing Activities** | 265,253 | (1,239) | 1,124 | 265,138 |
| **Cash Flows from Capital and Related Financing Activities** | | | | |
| Principal paid on advance | - | (110,955) | - | (110,955) |
| Interest paid on advance | - | (6,940) | - | (6,940) |
| Payments for capital acquisition and construction | - | (138,097) | - | (138,097) |
| Payments for landfill postclosure care | - | - | (32,630) | (32,630) |
| **Net Cash Provided by (Used in) Capital and Related Financing Activities** | - | (255,992) | (32,630) | (288,622) |
| **Cash Flows from Investing Activities** | | | | |
| (Purchase) disposal of investments | - | 6,141 | - | 6,141 |
| Investment earnings | - | 5,129 | - | 5,129 |
| **Net Cash Provided by (Used in) Investing Activities** | - | 11,270 | - | 11,270 |
| **Net Increase (Decrease) in Cash** | - | (15,403) | 22,742 | 7,339 |
| **Cash Beginning of Year** | 400 | 601,346 | 35,261 | 637,007 |
| **Cash End of Year** | $ 400 | $ 585,943 | $ 58,003 | $ 644,346 |

(continued)

**City of Calhoun, Georgia**
***Combining Statement of Cash Flows***
***Nonmajor Proprietary Funds***
***For the Fiscal Year Ended June 30, 2017***

(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)** | $ (195,682) | $ 147,367 | $ 37,646 | $ (10,669) |
| **Adjustments** | | | | |
| **Depreciation** | 135,006 | 178,270 | 14,461 | 327,737 |
| **Amortization** | - | 1,222 | - | 1,222 |
| **(Increase) Decrease in Assets** | | | | |
| Accounts receivable and accrued revenue | (2,040) | 929 | 1,691 | 580 |
| Inventory | - | (10,428) | - | (10,428) |
| Interfund receivable | 1,940 | 69 | 11,875 | 13,884 |
| Intergovernmental receivable | - | - | (1,921) | (1,921) |
| Prepaid expenses | (266) | 422 | (261) | (105) |
| Deferred outflow pension related | 3,812 | 2,618 | - | 6,430 |
| **Increase (Decrease) in Liabilities** | | | | |
| Accounts payable and accrued expenses | (16,397) | (90,693) | (9,243) | (116,333) |
| Accrued payroll liabilities | (13,522) | 1,099 | - | (12,423) |
| Interfund payable | (176,512) | 1,755 | - | (174,757) |
| Unearned revenue | 1,656 | - | - | 1,656 |
| Net pension liability | (10,673) | (7,409) | - | (18,082) |
| Deferred inflow pension related | 7,425 | 5,337 | - | 12,762 |
| **Net Cash Provided by (Used in) Operating Activities** | $ (265,253) | $ 230,558 | $ 54,248 | $ 19,553 |

**City of Calhoun, Georgia**
***Fields Ferry Golf Course Fund***
***Statement of Net Position***
***June 30, 3017***

| | |
|---|---|
| **Assets** | |
| Current assets | |
| Cash | $ 400 |
| Accounts receivable | 4,302 |
| Prepaid items | 3,862 |
| **Total Current Assets** | 8,564 |
| Noncurrent assets | |
| Capital assets | |
| Nondepreciable | 696,138 |
| Depreciable, net | 905,647 |
| **Total Noncurrent Assets** | 1,601,785 |
| **Total Assets** | 1,610,349 |
| **Deferred Outflows of Resources** | |
| Pension related | 31,193 |
| **Liabilities** | |
| Current liabilities | |
| Accounts payable | 11,014 |
| Intergovernmental payable | 3,788 |
| Accrued payroll liabilities | 8,125 |
| Accrued expenses | 12,334 |
| Interfund payable | 519,217 |
| Compensated absences payable | 15,657 |
| Unearned revenue | 12,210 |
| **Total Current Liabilities** | 582,345 |
| Long-term liabilities | |
| Net pension liability | 61,704 |
| **Total Liabilities** | 644,049 |
| **Deferred Inflows of Resources** | |
| Pension related | 16,976 |
| **Net Position** | |
| Investment in capital assets | 1,601,785 |
| Unrestricted (deficit) | (621,268) |
| **Total Net Position** | $ 980,517 |

**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, 2017***

| | | |
|---|---|---|
| **Operating Revenues** | | |
| Charges for services | | |
| Green fees | $ | 389,590 |
| Cart fees | | 243,510 |
| Range fees | | 23,382 |
| Miscellaneous | | 15,224 |
| **Total Operating Revenues** | | 671,706 |
| **Operating Expenses** | | |
| **Maintenance** | | |
| Personal services | | 332,373 |
| Contractual services | | 17,682 |
| Supplies | | 128,675 |
| Interfund allocations | | 17,144 |
| Depreciation | | 21,464 |
| **Total Maintenance** | | 517,338 |
| **Pro Shop** | | |
| Personal services | | 176,404 |
| Contractual services | | 20,764 |
| Supplies | | 26,551 |
| Interfund allocations | | 12,789 |
| Depreciation | | 113,542 |
| **Total Pro Shop** | | 350,050 |
| **Total Operating Expenses** | | 867,388 |
| **Operating (Loss)** | | (195,682) |
| **Non-Operating Revenues** | | |
| Intergovernmental revenue | | 83,192 |
| **(Loss) Before Transfers** | | (112,490) |
| Transfers in | | 182,094 |
| **Change in Net Position** | | 69,604 |
| **Net Position Beginning of Year** | | 910,913 |
| **Net Position End of Year** | $ | 980,517 |

**City of Calhoun, Georgia**
***Fields Ferry Golf Course Fund***
***Statement of Cash Flows***
***For the Fiscal Year Ended June 30, 2017***

| | | |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Cash received from customers | $ | 671,322 |
| Cash payments for personal services | | (521,735) |
| Cash payments for goods and services | | (202,640) |
| Cash payments for interfund services used | | (212,200) |
| **Net Cash Provided by (Used in) Operating Activities** | | (265,253) |
| **Cash Flows from Noncapital Financing Activities** | | |
| Intergovernmental revenues | | 83,192 |
| Intergovernmental expenses | | (33) |
| Transfers in | | 182,094 |
| **Net Cash Provided by (Used in) Noncapital Financing Activities** | | 265,253 |
| **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)** | $ | (195,682) |
| **Adjustments** | | |
| **Depreciation** | | 135,006 |
| **(Increase) Decrease in Assets** | | |
| Accounts receivable | | (2,040) |
| Interfund receivable | | 1,940 |
| Prepaid expenses | | (266) |
| Deferred outlfow pension related | | 3,812 |
| **Increase (Decrease) in Liabilities** | | |
| Accounts payable | | (6,601) |
| Accrued expenses | | (9,796) |
| Accrued payroll liabilities | | (13,522) |
| Interfund payable | | (176,512) |
| Unearned revenue | | 1,656 |
| Net pension liability | | (10,673) |
| Deferred inflow pension related | | 7,425 |
| **Net Cash Provided by (Used in) Operating Activities** | $ | (265,253) |

**City of Calhoun, Georgia**
***Telecommunications Fund***
***Statement of Net Position***
***June 30, 3017***

| | | |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash | $ | 585,943 |
| Receivables | | |
| Accounts | | 41,973 |
| Accrued revenue | | 55,823 |
| Other | | 2,558 |
| Inventory | | 309,353 |
| Prepaid items | | 5,336 |
| **Total Current Assets** | | 1,000,986 |
| Noncurrent assets | | |
| Investments | | 803,054 |
| Capital assets | | |
| Nondepreciable | | 131,661 |
| Depreciable, net | | 1,073,121 |
| **Total Noncurrent Assets** | | 2,007,836 |
| **Total Assets** | | 3,008,822 |
| **Deferred Outflows of Resources** | | |
| Pension related | | 22,297 |
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable | | 11,140 |
| Accrued payroll liabilities | | 95 |
| Accrued expenses | | 5,513 |
| Interfund payable | | 1,755 |
| Compensated absences payable | | 11,136 |
| Advances payable | | 112,069 |
| **Total Current Liabilities** | | 141,708 |
| Long-term liabilities | | |
| Advances payable (net of current portion) | | 512,520 |
| Net pension liability | | 44,106 |
| **Total Long-Term Liabilities** | | 556,626 |
| **Total Liabilities** | | 698,334 |
| **Deferred Inflows of Resources** | | |
| Pension related | | 12,135 |
| **Net Position** | | |
| Investment in capital assets | | 1,204,782 |
| Unrestricted | | 1,115,868 |
| **Total Net Position** | $ | 2,320,650 |

**City of Calhoun, Georgia**
***Telecommunications Fund***
***Statement of Revenues, Expenses***
***and Changes in Fund Net Position***
***For the Fiscal Year Ended June 30, 2017***

| | | |
|---|---|---|
| **Operating Revenues** | | |
| Charges for services | $ | 1,113,183 |
| Miscellaneous | | 2,336 |
| **Total Operating Revenues** | | 1,115,519 |
| **Operating Expenses** | | |
| Personal services | | 314,062 |
| Contractual services | | 326,519 |
| Supplies | | 84,177 |
| Interfund allocations | | 63,902 |
| Depreciation | | 178,270 |
| Amortization | | 1,222 |
| **Total Operating Expenses** | | 968,152 |
| **Operating Income** | | 147,367 |
| **Non-Operating Revenues (Expenses)** | | |
| Investment earnings | | 5,129 |
| Intergovernmental revenue | | 6,622 |
| Intergovernmental expenses | | (6,622) |
| Interest and fiscal charges | | (6,940) |
| **Total Non-Operating Revenues (Expenses)** | | (1,811) |
| **Income Before Transfers** | | 145,556 |
| Transfers in | | 987 |
| **Change in Net Position** | | 146,543 |
| **Net Position Beginning of Year** | | 2,174,107 |
| **Net Position End of Year** | $ | 2,320,650 |

**City of Calhoun, Georgia**
***Telecommunications Fund***
***Statement of Cash Flows***
***For the Fiscal Year Ended June 30, 2017***

| | | |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Cash received from customers | $ | 827,973 |
| Cash received from interfund services provided | | 288,544 |
| Cash payments for personal services | | (312,417) |
| Cash payments for goods and services | | (484,624) |
| Cash payments for interfund services used | | (88,918) |
| **Net Cash Provided by (Used in) Operating Activities** | | 230,558 |
| **Cash Flows from Noncapital Financing Activities** | | |
| Intergovernmental revenues | | 6,622 |
| Intergovernmental expense | | (8,848) |
| Transfers in | | 987 |
| **Net Cash Provided by (Used in) Noncapital Financing Activities** | | (1,239) |
| **Cash Flows from Capital and Related Financing Activities** | | |
| Principal paid on advance | | (110,955) |
| Interest paid on advance | | (6,940) |
| Payments for capital acquisition and construction | | (138,097) |
| **Net Cash Flows Provided by (Used in) Capital and Related Financial Activities** | | (255,992) |
| **Cash Flows from Investing Activities** | | |
| (Purchase) disposal of investments | | 6,141 |
| Investment earnings | | 5,129 |
| **Net Cash Flows Provided by (Used in) Investing Activities** | | 11,270 |
| **Net Increase (Decrease) in Cash** | | (15,403) |
| **Cash Beginning of Year** | | 601,346 |
| **Cash End of Year** | $ | 585,943 |

(continued)

**City of Calhoun, Georgia**
***Telecommunications Fund***
***Statement of Cash Flows***
***For the Fiscal Year Ended June 30, 2017***

(continued)

| | | |
|---|---|---|
| **Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities** | | |
| **Operating Income** | $ | 147,367 |
| **Adjustments** | | |
| **Depreciation** | | 178,270 |
| **Amortization** | | 1,222 |
| **(Increase) Decrease in Assets** | | |
| Accounts receivable and accrued revenue | | 929 |
| Inventory | | (10,428) |
| Interfund receivable | | 69 |
| Prepaid expenses | | 422 |
| Pension related deferred outflows | | 2,618 |
| **Increase (Decrease) in Liabilities** | | |
| Accounts payable and accrued expenses | | (90,693) |
| Accrued payroll liabilities and compensated absences | | 1,099 |
| Interfund payable | | 1,755 |
| Net pension liability | | (7,409) |
| Pension related deferred inflows | | 5,337 |
| **Net Cash Provided by (Used in) Operating Activities** | $ | 230,558 |

**City of Calhoun, Georgia**
***Solid Waste Fund***
***Statement of Net Position***
***June 30, 3017***

| | | |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash | $ | 58,003 |
| Receivables | | |
| Accounts | | 39,291 |
| Accrued revenue | | 50,375 |
| Intergovernmental | | 1,921 |
| Interfund | | 62,960 |
| Prepaid items | | 2,078 |
| **Total Current Assets** | | 214,628 |
| Noncurrent assets | | |
| Capital assets | | |
| Nondepreciable | | 314,435 |
| Depreciable capital assets, net | | 111,474 |
| **Total Noncurrent Assets** | | 425,909 |
| **Total Assets** | | 640,537 |
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable | | 44,401 |
| Accrued expenses | | 734 |
| Post-closure care payable | | 28,945 |
| **Total Current Liabilities** | | 74,080 |
| Long-term liabilities | | |
| Post-closure care payable | | 90,356 |
| **Total Liabilities** | | 164,436 |
| **Net Position** | | |
| Investment in capital assets | | 425,909 |
| Unrestricted | | 50,192 |
| **Total Net Position** | $ | 476,101 |

**City of Calhoun, Georgia**
***Solid Waste Fund***
***Statement of Revenues, Expenses***
***and Changes in Fund Net Position***
***For the Fiscal Year Ended June 30, 2017***

| | | |
|---|---|---|
| **Operating Revenues** | | |
| Charges for services | $ | 788,186 |
| Miscellaneous | | 14,901 |
| **Total Revenues** | | 803,087 |
| **Operating Expenses** | | |
| Personal services | | 80,636 |
| Contractual services | | 523,875 |
| Supplies | | 35,026 |
| Interfund allocations | | 99,378 |
| Depreciation | | 14,461 |
| Other | | 12,065 |
| **Total Operating Expenses** | | 765,441 |
| **Operating Income (Loss)** | | 37,646 |
| **Non-Operating Revenues (Expenses)** | | |
| Change in estimated landfill closure costs | | (4,252) |
| **Income (Loss) Before Transfers** | | 33,394 |
| Transfers in | | 1,124 |
| **Change in Net Position** | | 34,518 |
| **Net Position Beginning of Year** | | 441,583 |
| **Net Position End of Year** | $ | 476,101 |

**City of Calhoun, Georgia**
***Solid Waste Fund***
***Statement of Cash Flows***
***For the Fiscal Year Ended June 30, 2017***

| | | |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Cash received from customers | $ | 810,955 |
| Cash received from interfund services provided | | 3,777 |
| Cash payments for personal services | | (80,636) |
| Cash payments for goods and services | | (579,533) |
| Cash payments for interfund services used | | (100,315) |
| **Net Cash Provided by (Used in) Operating Activities** | | 54,248 |
| **Cash Flows from Noncapital Financing Activities** | | |
| Transfers in | | 1,124 |
| **Net Cash Flows from (used in) Noncapital Financing Activities** | | 1,124 |
| **Cash Flows from Capital and Related Financing Activities** | | |
| Payments for landfill postclosure care | | (32,630) |
| **Net Cash Flows Provided by (Used in) Capital and Related Financing Activities** | | (32,630) |
| **Net Increase (Decrease) in Cash** | | 22,742 |
| **Cash Beginning of Year** | | 35,261 |
| **Cash End of Year** | $ | 58,003 |
| | | |
| **Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities** | | |
| **Operating Income (Loss)** | $ | 37,646 |
| **Adjustments** | | |
| **Depreciation** | | 14,461 |
| **(Increase) Decrease in Assets** | | |
| Accounts receivable and accrued revenue | | 1,691 |
| Intergovernmental receivable | | (1,921) |
| Interfund receivable | | 11,875 |
| Prepaid expenses | | (261) |
| **Increase (Decrease) in Liabilities** | | |
| Accounts payables and accrued expenses | | (9,243) |
| **Net Cash Provided by (Used in) Operating Activities** | $ | 54,248 |

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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, 3017***

| | | |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash | $ | 629,367 |
| Receivables | | |
| Interfund | | 103,881 |
| Prepaid items | | 80,729 |
| **Total Current Assets** | | 813,977 |
| Noncurrent assets | | |
| Capital assets | | |
| Nondepreciable | | 26,977 |
| Depreciable, net | | 1,381,887 |
| **Total Noncurrent Assets** | | 1,408,864 |
| **Total Assets** | | 2,222,841 |
| **Deferred Outflows of Resources** | | |
| Pension related | | 156,979 |
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable | | 62,017 |
| Accrued payroll liabilities | | 34,168 |
| Intergovernmental payable | | 130 |
| Unearned revenue | | 79,200 |
| Interfund payable | | 509,453 |
| Advances payable | | 74,553 |
| Compensated absences payable | | 88,608 |
| **Total Current Liabilities** | | 848,129 |
| Long-term liabilities | | |
| Advances payable (net of current portion) | | 531,087 |
| Net pension liability | | 310,525 |
| **Total Long-term Liabilities** | | 841,612 |
| **Total Liabilities** | | 1,689,741 |
| **Deferred Inflows of Resources** | | |
| Pension related | | 85,433 |
| **Net Position** | | |
| Net investment in capital assets | | 1,408,864 |
| Unrestricted (deficit) | | (804,218) |
| **Total Net Position** | $ | 604,646 |

**City of Calhoun, Georgia**
***Utilities Administration Fund***
***Statement of Revenues, Expenses***
***and Changes in Fund Net Position***
***For the Fiscal Year Ended June 30, 2017***

| | | |
|---|---|---|
| **Operating Revenues** | | |
| Charges for services | $ | 3,145,844 |
| Miscellaneous | | 45,720 |
| Total Operating Revenues | | 3,191,564 |
| **Operating Expenses** | | |
| Personal services | | 2,189,316 |
| Contractual services | | 471,306 |
| Supplies | | 116,953 |
| Interfund allocations | | 63,108 |
| Depreciation | | 103,705 |
| **Total Operating Expenses** | | 2,944,388 |
| **Operating Income** | | 247,176 |
| **Non-Operating Revenues (Expenses)** | | |
| Interest expense | | (6,518) |
| **Income Before Transfers** | | 240,658 |
| Transfers in | | 6,024 |
| Transfers out | | (39,600) |
| **Total Transfers** | | (33,576) |
| **Change in Net Position** | | 207,082 |
| **Net Position Beginning of Year** | | 397,564 |
| **Net Position End of Year** | $ | 604,646 |

**City of Calhoun, Georgia**
***Utilities Administration Fund***
***Statement of Cash Flows***
***For the Fiscal Year Ended June 30, 2017***

| | | |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Cash received from interfund services provided | $ | 3,224,268 |
| Cash received from other | | 45,720 |
| Cash payments for personal services | | (2,210,899) |
| Cash payments for goods and services | | (496,264) |
| Cash payments for interfund services used | | (185,681) |
| **Net Cash Provided by (Used in) Operating Activities** | | 377,144 |
| **Cash Flows from Noncapital Financing Activities** | | |
| Transfers in | | 6,024 |
| Transfers out | | (39,600) |
| **Total Cash Flows Provided by (Used in) Noncapital Financing Activities** | | (33,576) |
| **Cash Flows from Capital and Related Financing Activities** | | |
| Payments for capital acquisition and construction | | (118,276) |
| Principal paid on advance | | (73,812) |
| Interest paid on advance | | (6,518) |
| **Total Cash Flows Provided by (Used in) Capital Financing Activities** | | (198,606) |
| **Net Increase (Decrease) in Cash** | | 144,962 |
| **Cash Beginning of Year** | | 484,405 |
| **Cash End of Year** | $ | 629,367 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities** | | |
| **Operating Income** | $ | 247,176 |
| **Adjustments** | | |
| **Depreciation** | | 103,705 |
| **(Increase) Decrease in Assets** | | |
| Interfund receivables | | 78,424 |
| Prepaid expenses | | 9,641 |
| Pension related deferred outflows | | 248 |
| **Increase (Decrease) in Liabilities** | | |
| Accounts payables and accrued liabilities | | 6,709 |
| Accrued payroll liabilities | | (49,801) |
| Intergovernmental payable | | 130 |
| Interfund payable | | (7,458) |
| Unearned revenue | | (39,600) |
| Net pension liability | | (14,563) |
| Pension related deferred inflows | | 42,533 |
| **Net Cash Provided by (Used in) Operating Activities** | $ | 377,144 |

# 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, 2017***

| | Balance July 1, 2016 | Additions | Deductions | Balance June 30, 2017 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $ 10,820 | $ 528,686 | $ 530,238 | $ 9,268 |
| **Liabilities** | | | | |
| Intergovernmental payable | $ 10,820 | $ 528,686 | $ 530,238 | $ 9,268 |

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, 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 | June 30, 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Governmental Activities** | | | | | | | | | | |
| Net investment in capital assets | $ 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 | $ 90,763,283 |
| Restricted | 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 | 15,307,003 |
| Unrestricted | 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 | 8,026,194 |
| **Subtotal Governmental Activities Net Position** | 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 | 114,096,480 |
| **Business-type Activities** | | | | | | | | | | |
| Net investment in capital assets | 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 | 95,829,807 |
| Restricted | 2,426,382 | - | - | - | - | - | - | - | - | - |
| Unrestricted | 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 | 45,018,367 |
| **Subtotal Business-Type Activities Net Position** | 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 | 140,848,174 |
| **Primary Government** | | | | | | | | | | |
| Net investment in capital assets | 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 | 186,593,090 |
| Restricted | 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 | 15,307,003 |
| Unrestricted | 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 | 53,044,561 |
| **Total Primary Government Net Position** | $ 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 | $ 254,944,654 |

***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** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Expenses:** | | | | | | | | | | |
| General government | $ 740,757 | $ 1,027,285 | $ 913,704 | $ 776,593 | $ 810,234 | $ 802,314 | $ 910,295 | $ 1,181,829 | $ 1,040,464 | $ 1,013,767 |
| Judicial | 362,286 | 368,035 | 369,108 | 370,600 | 373,132 | 452,375 | 553,636 | 516,959 | 547,397 | 505,666 |
| Public safety | 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 | 7,674,963 |
| Public works | 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 | 3,510,523 |
| Health and welfare | 55,875 | 57,673 | 63,526 | 58,247 | 53,383 | 61,103 | 67,362 | 61,348 | 67,675 | 66,956 |
| Culture and recreation | 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 | 1,892,031 |
| Housing and economic development | 1,040,290 | 1,033,443 | 953,607 | 970,940 | 941,496 | 925,367 | 1,021,466 | 1,092,843 | 1,178,539 | 1,319,089 |
| Education | 887,135 | 963,995 | 937,959 | 516,728 | 1,136,156 | 1,958,815 | 1,472,938 | 2,031,197 | 2,111,724 | 875,341 |
| Interest and fiscal charges | 708,843 | 716,362 | 677,260 | 523,229 | 1,871,332 | 1,669,843 | 1,570,566 | 1,547,478 | 1,531,029 | 1,516,753 |
| **Total Expenses** | 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 | 18,375,089 |
| **Program Revenues:** | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 124,752 | 139,888 | 136,106 | 134,956 | 128,669 | 167,154 | 167,604 | 175,896 | 188,107 | 174,273 |
| Judicial | - | - | - | - | - | - | - | - | 36,743 | 32,988 |
| Public safety | 1,026,933 | 794,988 | 856,148 | 920,826 | 1,021,023 | 1,119,975 | 813,915 | 245,577 | 301,023 | 337,639 |
| Public works | 23,093 | 25,710 | 17,094 | 16,111 | 14,955 | 1,685 | 22,355 | (121) | 68,219 | 86,357 |
| Culture and recreation | 176,613 | 160,558 | 159,990 | 215,276 | 223,302 | 237,350 | 226,206 | 241,220 | 216,241 | 235,544 |
| Housing and economic development | 154,646 | 136,787 | 98,116 | 76,305 | 78,006 | 70,671 | 221,330 | 113,815 | 116,216 | 137,308 |
| Operating grants and contributions | 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 | 4,832,117 |
| Capital grants and contributions | 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 | 1,905,619 |
| **Total Program Revenues** | 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 | 7,741,845 |
| **Net (Expense) Revenue** | (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 | (10,633,244) |
| **General Revenues and Transfers In:** | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property | 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 | 1,552,336 |
| Sales | 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 | 2,430,870 |
| Business license and franchise taxes | 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 | 2,980,677 |
| Insurance premium | 606,368 | 605,645 | 566,412 | 718,274 | 779,685 | 807,870 | 807,289 | 882,703 | 960,483 | 1,053,070 |
| Gas marketers | 94,575 | 89,812 | 88,840 | 69,149 | 54,460 | 92,039 | 88,301 | 92,159 | 78,981 | 76,067 |
| Other | 696,941 | 697,715 | 673,066 | 691,253 | 691,409 | 763,971 | 932,803 | 1,085,490 | 1,188,040 | 1,242,209 |
| Unrestricted intergovernmental | 60,384 | 62,496 | 33,636 | 29,732 | 28,913 | 30,590 | 34,624 | 31,763 | 46,081 | 35,173 |
| Investment earnings | 462,878 | 230,986 | 145,205 | 95,043 | 52,642 | 40,774 | 105,565 | 79,132 | 188,986 | 98,532 |
| Miscellaneous | 62,687 | 127,259 | 54,037 | 53,715 | 42,583 | 109,821 | 139,592 | 55,965 | 57,375 | 32,660 |
| Transfers in | 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 | 1,360,076 |
| **Total General Revenues and Transfers In** | 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 | 10,861,670 |
| **Change in Net Position** | $ 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 | $ 228,426 |

*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, | Property | Local Option Sales | Business License and Franchise | Insurance Premium | Gas Marketers | Other[1] | Total |
|---|---|---|---|---|---|---|---|
| | **Amounts** | | | | | | |
| 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 |
| 2017 | 1,552,336 | 2,430,870 | 2,980,677 | 1,053,070 | 76,067 | 1,242,209 | 9,335,229 |
| % Change From 2008-2017 | 39.6% | -40.4% | 5.6% | 73.7% | -19.6% | 78.2% | -0.8% |
| | **Percentage of Total** | | | | | | |
| 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% |
| 2017 | 16.6% | 26.0% | 31.9% | 11.3% | 0.8% | 13.3% | 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** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Expenses:** | | | | | | | | | | |
| Electric system | $ 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 | $ 32,143,619 |
| Water and sewerage system | 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 | 13,874,245 |
| Fields Ferry golf course | 1,124,018 | 1,109,778 | 1,055,421 | 1,004,562 | 939,840 | 906,523 | 891,316 | 893,286 | 882,358 | 867,388 |
| Telecommunications | 702,866 | 796,054 | 748,676 | 911,041 | 927,374 | 871,141 | 949,969 | 992,405 | 1,062,052 | 981,714 |
| Solid waste | 801,965 | 751,610 | 783,757 | 746,211 | 589,174 | 655,980 | 678,349 | 732,389 | 852,421 | 769,693 |
| **Total Expenses** | 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 | 48,636,659 |
| **Program Revenues:** | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Electric system | 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 | 36,329,704 |
| Water and sewerage system | 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 | 17,857,578 |
| Fields Ferry golf course | 947,832 | 815,499 | 752,590 | 728,464 | 534,143 | 526,871 | 563,899 | 512,221 | 538,094 | 656,482 |
| Telecommunications | 901,719 | 955,306 | 943,803 | 949,524 | 988,103 | 991,022 | 1,059,358 | 1,119,205 | 1,144,786 | 1,113,183 |
| Solid waste | 450,665 | 447,411 | 687,647 | 692,077 | 705,364 | 708,741 | 715,741 | 747,780 | 748,294 | 788,186 |
| Operating grants and contributions | - | - | - | 123,040 | 342,410 | 84,020 | 81,246 | 359,465 | 384,866 | 193,793 |
| Capital grants and contributions | 409,519 | 332,915 | 64,200 | 900,000 | 691,825 | 371,021 | - | 9,571 | 85,224 | - |
| **Total Program Revenues** | 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 | 56,938,926 |
| **Net (Expense) Revenue** | 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 | 8,302,267 |
| **General Revenues and Net Transfers :** | | | | | | | | | | |
| Investment earnings | 705,127 | 550,438 | 308,070 | 309,784 | 243,757 | 126,834 | 198,415 | 224,959 | 512,783 | 318,043 |
| Miscellaneous | 449,423 | 302,435 | 318,312 | 410,092 | 289,235 | 424,210 | 499,385 | 311,907 | 329,339 | 373,475 |
| Net transfers | (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) | (1,360,076) |
| **Total General Revenues and Transfers** | (58,389) | (112,831) | (106,099) | (1,651,403) | (2,527,452) | (1,901,056) | (1,614,609) | (1,943,554) | (1,637,872) | (668,558) |
| **Change in Net Position** | $ 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 | $ 7,633,709 |

**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** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Expenses:** | | | | | | | | | | |
| Governmental activities[1] | $ 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 | $ 18,375,089 |
| Business-type activities[2] | 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 | 48,636,659 |
| **Total Expenses** | 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 | 67,011,748 |
| **Program Revenues** | | | | | | | | | | |
| Governmental activities[1] | 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 | 7,741,845 |
| Business-type activities[2] | 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 | 56,938,926 |
| **Total Program Revenues** | 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 | 64,680,771 |
| **Net (Expense) Revenue** | (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 | (2,330,977) |
| **General Revenues and Transfers:** | | | | | | | | | | |
| Governmental activities[1] | 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 | 10,861,670 |
| Business-type activities[2] | (58,389) | (112,831) | (106,099) | (1,651,403) | (2,527,452) | (1,901,056) | (1,614,609) | (1,943,554) | (1,637,872) | (668,558) |
| **Total General Revenues and Transfers** | 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 | 10,193,112 |
| **Change in Net Position** | $ 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 | $ 7,862,135 |

***Data Source:***

[1] Exhibit II.

[2] Exhibit IV.

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Fund** | | | | | | | | | | |
| Reserved | $ 130,383 | $ 393,709 | $ 509,437 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Unreserved | 8,256,074 | 6,863,088 | 5,934,113 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | 465,476 | 401,073 | 368,452 | 330,824 | 331,871 | 324,299 | 273,209 |
| Committed | - | - | - | 4,000,757 | 3,959,964 | 1,048,544 | 4,015,916 | 4,015,916 | 4,048,047 | 4,049,293 |
| Unassigned | - | - | - | 2,348,480 | 3,409,176 | 6,294,679 | 4,541,672 | 4,800,246 | 4,985,208 | 5,140,395 |
| **Subtotal General Fund** | 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 | 9,462,897 |
| **General Fund Percentage Change** | -7.4% | -13.5% | -11.2% | 5.8% | 14.0% | -0.8% | 15.3% | 2.9% | 2.3% | 1.1% |
| **All Other Governmental Funds** | | | | | | | | | | |
| Reserved[1] | 4,235,633 | 6,032,693 | 7,664,639 | - | - | - | - | - | - | - |
| Unreserved | | | | | | | | | | |
| Special Revenue Funds | 23,051 | (20,804) | (1,385) | - | - | - | - | - | - | - |
| Capital Projects Funds | 2,350,758 | 2,487,585 | 3,197,082 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | 55,232 | 6,343 | 6,266 | 15,174 | 12,132 | 12,688 | 12,632 |
| Restricted | - | - | - | 34,663,373 | 30,122,295 | 17,842,243 | 12,183,680 | 14,710,290 | 15,546,159 | 15,062,642 |
| Unassigned | | | | | | | | | | |
| Special Revenue Funds | - | - | - | (4,390) | - | - | - | (5,850) | (5,850) | (5,850) |
| **Subtotal All Other Governmental Funds** | 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 | 15,069,424 |
| **Total Governmental Funds** | | | | | | | | | | |
| Reserved | 4,366,016 | 6,426,402 | 8,174,076 | - | - | - | - | - | - | - |
| Unreserved | 10,629,883 | 9,329,869 | 9,129,810 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | 520,708 | 407,416 | 374,718 | 345,998 | 344,003 | 336,987 | 285,841 |
| Restricted | - | - | - | 34,663,373 | 30,122,295 | 17,842,243 | 12,192,680 | 14,710,290 | 15,546,159 | 15,062,642 |
| Committed | - | - | - | 4,000,757 | 3,959,964 | 1,048,544 | 4,015,916 | 4,015,916 | 4,048,047 | 4,049,293 |
| Unassigned | | | | | | | | | | |
| General Fund | - | - | - | 2,348,480 | 3,409,176 | 6,294,679 | 4,541,672 | 4,800,246 | 4,985,208 | 5,140,395 |
| Special Revenue Funds | - | - | - | (4,390) | - | - | (9,000) | (5,850) | (5,850) | (5,850) |
| | $ 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 | $ 24,532,321 |
| **All Governmental Funds Percentage Change** | 18.0% | 5.1% | 9.8% | 140.0% | -8.7% | -32.6% | -17.5% | 13.2% | 4.4% | -1.5% |

***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.

**City of Calhoun, Georgia**

***General Governmental Revenues by Source (Unaudited)*** [1]

***Last Ten Fiscal Years***

***(modified accrual basis of accounting)***

| Source | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | | | | | |
| Taxes | $ 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 | $ 9,488,672 |
| Intergovernmental | 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 | 6,307,036 |
| Licenses and permits | 258,454 | 262,284 | 219,490 | 201,293 | 200,394 | 220,735 | 372,340 | 276,113 | 291,207 | 297,898 |
| Charges for services | 406,544 | 391,946 | 375,453 | 404,449 | 414,540 | 459,274 | 471,398 | 458,968 | 430,961 | 377,594 |
| Fines and forfeitures | 767,025 | 594,969 | 588,606 | 556,013 | 655,469 | 717,800 | 599,746 | 488,686 | 348,436 | 414,358 |
| Contributions and donations | 1,929 | 28,138 | 1,393 | 783 | - | 381,032 | 309 | 331,734 | 898 | 1,652 |
| Investment earnings | 462,878 | 230,986 | 145,205 | 94,878 | 101,001 | 63,295 | 48,373 | 49,942 | 167,757 | 98,154 |
| Miscellaneous | 71,977 | 38,330 | 35,097 | 48,782 | 39,422 | 29,994 | 32,622 | 26,503 | 26,028 | 27,644 |
| **Total Revenues** | $ 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 | $ 17,013,008 |
| % change from prior year | 12.6% | -7.1% | -1.2% | 0.8% | 8.2% | -0.1% | 9.9% | -3.4% | -3.0% | 1.0% |
| Taxes | 47.1% | 48.7% | 48.3% | 51.0% | 47.9% | 51.7% | 49.9% | 53.1% | 55.1% | 55.8% |
| Intergovernmental | 40.9% | 41.1% | 42.6% | 40.4% | 43.5% | 36.9% | 41.6% | 37.5% | 37.4% | 37.1% |
| Licenses and permits | 1.6% | 1.7% | 1.5% | 1.3% | 1.2% | 1.3% | 2.1% | 1.6% | 1.7% | 1.8% |
| Fines and forfeitures | 2.5% | 2.6% | 2.5% | 2.7% | 2.5% | 2.8% | 2.6% | 2.6% | 2.6% | 2.2% |
| Charges for services | 4.7% | 3.9% | 3.9% | 3.7% | 4.0% | 4.4% | 3.3% | 2.8% | 2.1% | 2.4% |
| Contributions and donations | 0.0% | 0.2% | 0.0% | 0.0% | 0.0% | 2.3% | 0.0% | 1.9% | 0.0% | 0.0% |
| Investment earnings | 2.8% | 1.5% | 1.0% | 0.6% | 0.6% | 0.4% | 0.3% | 0.3% | 1.0% | 0.6% |
| Miscellaneous | 0.4% | 0.3% | 0.2% | 0.3% | 0.2% | 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.

*Exhibit VIII*

**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 |
|---|---|---|---|---|---|---|---|
| 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 |
| 2017 | 1,706 | 2,247 | 2,977 | 1,053 | 76 | 1,430 | 9,489 |
| % Change From 2008-2017 | 39.8% | -0.5% | 5.8% | 73.8% | -20.0% | 102.5% | 23.2% |

| Fiscal Year Ended June 30, | Percentage of Total Property | Local Option Sales | Business License and Franchise | Insurance Premium | Gas Marketers | Other[2] | Total |
|---|---|---|---|---|---|---|---|
| 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% | 96.1% |
| 2017 | 18.0% | 23.7% | 31.4% | 11.1% | 0.8% | 15.1% | 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** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Expenditures:** | | | | | | | | | | |
| **Current:** | | | | | | | | | | |
| General government[2] | $ 1,126,658 | $ 1,004,306 | $ 897,578 | $ 927,518 | $ 821,051 | $ 852,445 | $ 872,008 | $ 1,169,257 | $ 1,022,902 | $ 992,609 |
| Judicial | 360,207 | 400,454 | 363,530 | 364,090 | 367,148 | 447,648 | 531,784 | 517,576 | 547,567 | 507,645 |
| Public safety | 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 | 7,401,684 |
| Public works | 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 | 2,311,671 |
| Health and welfare | 55,905 | 58,254 | 63,698 | 58,678 | 53,469 | 61,103 | 63,113 | 61,880 | 67,547 | 66,832 |
| Culture and recreation | 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 | 1,917,645 |
| Housing and economic development | 1,064,702 | 1,020,584 | 939,055 | 974,467 | 884,600 | 915,059 | 978,153 | 1,115,979 | 1,175,826 | 1,295,324 |
| Education | 97,775 | 133,712 | 112,978 | 99,103 | 81,758 | - | - | - | - | - |
| Less capital outlay included above | - | - | - | - | - | - | - | - | (200,388) | (254,252) |
| **Total Current** | 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 | 14,239,158 |
| **% Change From Prior Year** | 18.3% | -5.6% | -9.7% | 1.5% | -0.6% | 18.1% | -6.0% | 8.1% | -5.4% | 7.3% |
| **Capital Outlay** | 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 | 2,665,262 |
| **% Change From Prior Year** | 0.2% | -19.4% | -34.7% | -54.3% | 2071.2% | 104.6% | -50.1% | -88.0% | 65.4% | -15.7% |
| **Debt Service** | | | | | | | | | | |
| Principal[3] | 1,731,681 | 979,602 | 1,068,637 | 1,146,243 | 1,098,439 | 10,339,080 | 1,274,976 | 433,888 | 351,628 | 343,800 |
| Interest and fees | 744,110 | 710,875 | 676,517 | 823,716 | 1,375,080 | 1,795,083 | 1,568,673 | 1,538,649 | 1,522,296 | 1,508,110 |
| **Total Debt Service** | 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 | 1,851,910 |
| **% Change From Prior Year** | -12.5% | -31.7% | 3.2% | 12.9% | 25.6% | 390.6% | -76.6% | -30.6% | -5.0% | -1.2% |
| **Total Expenditures** | $ 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 | $ 18,756,330 |
| **Debt Service as a % of Noncapital Expenditures** | 15.4% | 11.6% | 13.1% | 14.3% | 17.5% | 46.8% | 18.0% | 12.3% | 12.4% | 11.5% |

***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, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Total Revenues - Exhibit VII** | $ 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 | $ 17,013,008 |
| **Total Expenditures - Exhibit IX** | 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 | 18,756,330 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (1,419,221) | (702,361) | 775,651 | 985,734 | (6,696,481) | (27,801,634) | (6,939,292) | 267,457 | (1,465,395) | (1,743,322) |
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| Sale of capital assets | 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 | 694,872 | 392,733 | - | - | - | - | - | - | - | - |
| Insurance reimbursement | - | 95,735 | - | - | - | 11,600 | 4,640 | 11,153 | 13,124 | 5,016 |
| Transfers in | 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 | 5,554,620 |
| Transfers out | (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) | (4,194,544) |
| **Total Other Financing Sources (Uses)** | 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 | 1,365,092 |
| **Net Change in Fund Balances** | $ 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 | $ (378,230) |

**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)*** | | | | | | | | | | | |
| 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% |
| 2017 | 193,900 | 264,397 | 414,704 | 1,771 | 1,080 | 5,553 | 15,489 | 168,935 | 727,959 | 19.965 | 1,819,898 | -11.6% |
| % Change From 2008-2017 | 10.34% | 0.35% | 63.47% | -46.75% | 27.81% | 30.66% | -49.16% | 201.97% | 7.71% | 27.21% | 5.06% | -172.10% |
| | **Percentage of Total Assessed Valuation** | | | | | | | | | | | |
| 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% | | | |
| 2017 | 21.6% | 29.5% | 46.2% | 0.2% | 0.1% | 0.6% | 1.7% | 18.8% | 81.2% | | | |

***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] |
| 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 |
| 2017 | 1.980 | 17.985 | 19.965 | - | 9.853 | 29.818 |
| % Change From 2008-2017 | 22.6% | 27.7% | 27.2% | -100.0% | -3.2% | 14.2% |

***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 levied one tenth of one mill on each county's taxable property to help finance their certification of each Georgia county's tax digests. This is no longer taxed as of FY 17.

[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.

**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 |
|---|---|---|---|---|
| 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% |
| 2017 | 64,619,553 | 4.07% | 2,626,844 | 24.8% |
| % Change From 2008-2017 | 35.17% | -1.56% | 33.07% | |

***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 |
| 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 |
| 2017 | 4.065 | - | 4.065 | - | 5.000 | 9.065 |
| % Change From 2008-2017 | -1.6% | | -1.6% | | 0.0% | -0.7% |

***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.

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

| | Fiscal Year Ended June 30, 2017 | | | | Fiscal Year Ended June 30, 2008 | | | |
|---|---|---|---|---|---|---|---|---|
| **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 | $ 1,662,690 | 1 | 63.3% | | Calhoun Utilities | $ 1,499,605 | 1 | 76.0% |
| NGEMC | 448,146 | 2 | 17.1% | | Georgia Power | 164,833 | 2 | 8.3% |
| Georgia Power | 168,342 | 3 | 6.4% | | Comcast | 112,802 | 3 | 5.7% |
| Comcast | 121,558 | 4 | 4.6% | | AT&T | 100,623 | 4 | 5.1% |
| AGL Resources | 97,687 | 5 | 3.7% | | AGL Resources | 96,205 | 5 | 4.9% |
| AT&T/Bellsouth | 54,907 | 6 | 2.1% | | n/a | - | 6 | 0.0% |
| Southstar Energy | 31,545 | 7 | 1.2% | | n/a | - | 7 | 0.0% |
| Constellation Energy | 25,340 | 8 | 1.0% | | n/a | - | 8 | 0.0% |
| **Total Principal Taxpayers** | 2,610,215 | | 99.4% | | **Total Principal Taxpayers** | 1,974,068 | | 100.0% |
| **All Other Taxpayers** | 16,629 | | 0.6% | | **All Other Taxpayers** | - | | 0.0% |
| **Total** | $ 2,626,844 | | 100.00% | | **Total** | $ 1,974,068 | | 100.00% |

***Data Source:***
[1] City financial records

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

| | Fiscal Year Ended June 30, 2017 | | | | Fiscal Year Ended June 30, 2008 | | | |
|---|---|---|---|---|---|---|---|---|
| **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 | $ 103,334 | 1 | 14.2% | Mohawk (Aladdin) | $ 73,362 | 1 | 11.0% |
| Shaw Industries Group, Inc. | 32,134 | 2 | 4.4% | Shaw Industries | 38,038 | 2 | 5.6% |
| Engineered Floors, LLC | 22,760 | 3 | 3.1% | Kobelco | 26,373 | 3 | 3.9% |
| Mannington | 20,556 | 4 | 2.8% | Mannington Carpets | 19,015 | 4 | 2.8% |
| Surya Carpet | 19,698 | 5 | 2.7% | Faus | 15,009 | 5 | 2.2% |
| Development Authority of Gordon County | 17,988 | 6 | 2.5% | Calhoun Outlets | 6,913 | 6 | 1.0% |
| Field Turf | 15,923 | 7 | 2.2% | Wal-Mart Stores | 6,060 | 7 | 0.9% |
| CNH America (Kolbelco) | 14,269 | 8 | 2.0% | Spring Industries | 5,803 | 8 | 0.9% |
| Nourison Industries | 11,995 | 9 | 1.6% | Kerry Inc. | 5,459 | 9 | 0.8% |
| Apache Mills, Inc. | 11,390 | 10 | 1.6% | CAF Extrusion | 5,441 | 10 | 0.8% |
| **Total Principal Taxpayers** | 270,047 | | 37.1% | **Total Principal Taxpayers** | 201,473 | | 29.9% |
| **All Other Taxpayers** | 457,912 | | 62.9% | **All Other Taxpayers** | 474,347 | | 70.1% |
| **Total** | $ 727,959 | | 100.00% | **Total** | $ 675,820 | | 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 |
| 2008 | 10,323 | 9,940 | 96.29% | 317 | 10,257 | 99.36% | 66 | 0.64% |
| 2009 | 11,670 | 10,430 | 89.37% | 1,165 | 11,595 | 99.36% | 75 | 0.64% |
| 2010 | 11,911 | 10,939 | 91.84% | 882 | 11,821 | 99.24% | 90 | 0.76% |
| 2011 | 11,377 | 10,631 | 93.44% | 662 | 11,293 | 99.26% | 84 | 0.74% |
| 2012 | 12,012 | 11,341 | 94.41% | 577 | 11,918 | 99.22% | 94 | 0.78% |
| 2013 | 13,623 | 13,057 | 95.85% | 473 | 13,530 | 99.32% | 93 | 0.68% |
| 2014 | 14,217 | 13,798 | 97.05% | 314 | 14,112 | 99.26% | 105 | 0.74% |
| 2015 | 13,485 | 12,861 | 95.37% | 265 | 13,126 | 97.34% | 359 | 2.66% |
| 2016 | 13,219 | 12,744 | 96.41% | 202 | 12,946 | 97.93% | 273 | 2.07% |
| 2017 | 13,391 | 13,009 | 97.15% | - | 13,009 | 97.15% | 382 | 2.85% |

***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.

**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 |
| 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% |
| 2017 | 430,890,025 | -1.3% | 2,927,276 | 5.0% | 1,120,919 | -2.5% |

***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***

| | *2008* | *2009* | *2010* | *2011* | *2012* | *2013* | *2014* | *2015* | *2016* | *2017* |
|---|---|---|---|---|---|---|---|---|---|---|
| ***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 |

**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 |
| 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 |
| 2017 | 361,400 | 33,000,000 | - | 11,360,000 | 10,119,089 | - | 54,840,489 | 14.26% | 16,360 | 3,352 |

***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 XXVII

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

(continued)

| | *2008* | *2009* | *2010* | *2011* | *2012* | *2013* | *2014* | *2015* | *2016* | *2017* |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Large Power:*** | | | | | | | | | | |
| Base Charge | 100.0000 | 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 | 3.0000 |
| Generation kWh | | | | | | | | | | |
| First 200 HUD | | | | | | | | | | |
| First 100,000 kWh | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0880 |
| Over 100,000 kWh | 0.0780 | 0.0780 | 0.0780 | 0.0780 | 0.0780 | 0.0780 | 0.0780 | 0.0780 | 0.0780 | 0.0780 |
| Next 200 HUD | 0.0440 | 0.0440 | 0.0440 | 0.0440 | 0.0440 | 0.0440 | 0.0440 | 0.0440 | 0.0440 | 0.0440 |
| Next 200 HUD | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 |
| Over 600 HUD | 0.0375 | 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 | 1.5000 | 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 | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0900 |
| Over 160,000 kWh | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.0700 |
| Next 300 HUD | 0.0420 | 0.0420 | 0.0420 | 0.0420 | 0.0420 | 0.0420 | 0.0420 | 0.0420 | 0.0420 | 0.0420 |
| Over 500 HUD | 0.0375 | 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.

*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] |
|---|---|---|---|---|---|---|
| 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 |
| 2017 | 33,000,000 | 9,662,800 | 23,337,200 | 1.282% | 16,360 | 1,426 |

***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, 2017***

| Governmental Unit: | Debt Outstanding | Estimated Percentage Applicable[1] | Estimated Share of Overlapping Debt |
|---|---|---|---|
| **Debt Repaid With Property Taxes** | | | |
| **City Direct Debt[2]** | $ 33,361,400 | 100% | $ 33,361,400 |
| **Overlapping Debt** | | | |
| Gordon County debt repaid with property taxes | 8,837,300 | 43% | 3,840,712 |
| **Total Direct and Overlapping** | $ 42,198,700 | | $ 37,202,112 |

***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, 2017

*Exhibit XXIII*

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assessed Value**[1] | $ 675,820 | $ 809,763 | $ 828,569 | $ 795,706 | $ 714,536 | $ 727,126 | $ 742,924 | $ 730,183 | $ 721,198 | $ 727,959 |
| **Legal Debt Margin** | | | | | | | | | | |
| Debt limit (10% of assessed value)[2] | $ 67,582 | $ 80,976 | $ 82,857 | $ 79,571 | $ 71,454 | $ 72,713 | $ 74,292 | $ 73,018 | $ 72,120 | $ 72,796 |
| Debt applicable to limit: | | | | | | | | | | |
| General obligation bonds | 12,885 | 12,415 | 11,895 | 32,320 | 31,685 | 33,800 | 33,000 | 33,000 | 33,000 | 33,000 |
| Less: Amount reserved for repayment of general obligation debt | 2,188 | 3,970 | 5,619 | 7,319 | 10,130 | 2,669 | 4,114 | 6,446 | 7,888 | 9,663 |
| Total debt applicable to limit | 10,697 | 8,445 | 6,276 | 25,001 | 21,555 | 31,131 | 28,886 | 26,554 | 25,112 | 23,337 |
| Legal debt margin | $ 56,885 | $ 72,531 | $ 76,581 | $ 54,570 | $ 49,899 | $ 41,582 | $ 45,406 | $ 46,464 | $ 47,008 | $ 49,459 |
| As a percentage of debt limit | 84.17% | 89.57% | 92.43% | 68.58% | 69.83% | 57.19% | 61.12% | 63.63% | 65.18% | 67.94% |

***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.

**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 |
|---|---|---|---|---|---|---|---|
| 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 |
| 2017 | 18,045 | 9,994 | 8,051 | 1,905 | 211 | 2,116 | 3.80 |

***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, 2012 and 2016 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 |
|---|---|---|---|---|---|---|---|
| 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 |
| 2017 | 18,045 | 9,994 | 8,051 | 271 | 192 | 463 | 17.39 |

***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[5] | Per Capita Income[5] | | | Median Age[3] | City School Enrollment[2] | Unemployment Rates[4] | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Gordon County | United States | County as a % of U.S. | | | City | State of Georgia | United States |
| 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% |
| 2017 | 16,360 | 1,779,975 | 32,234 | 44,163 | 73% | 37.8 | 4,081 | 5.2% | 4.8% | 4.4% |

***Data Sources:***

1 Gordon County Chamber of Commerce

[2] Calhoun City Schools

[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***

| | 2017 | | | | 2008 | | |
|---|---|---|---|---|---|---|---|
| **Employer** | **Number of Employees** | **Rank** | **Percentage of Total City Employment** | **Employer** | **Number of Employees** | **Rank** | **Percentage of Total City Employment** |
| Mohawk Industries, Inc. | 2,772 | 1 | 10.0% | Mohawk Industries, Inc. | 2,818 | 1 | 10.5% |
| Gordon Hospital | 1,166 | 2 | 4.2% | Shaw Industries | 1,794 | 2 | 6.6% |
| Shaw Industries | 976 | 3 | 3.5% | Gordon County Schools | 1,153 | 3 | 4.3% |
| Gordon County Schools | 815 | 4 | 2.9% | Gordon Hospital | 650 | 4 | 2.4% |
| Apache Mills | 700 | 5 | 2.5% | Mannington Carpets | 536 | 5 | 2.0% |
| Mannington Carpets | 700 | 6 | 2.5% | Calhoun City Schools | 463 | 6 | 1.7% |
| Engineer Flooring | 600 | 7 | 2.2% | Apache Mills | 400 | 7 | 1.5% |
| Calhoun City Schools | 450 | 8 | 1.6% | Beaulieu Group | 382 | 8 | 1.4% |
| Gordon County Government | 407 | 9 | 1.5% | Gordon County Government | 382 | 9 | 1.4% |
| Beaulieu Group | 299 | 10 | 1.1% | City of Calhoun Government | 355 | 10 | 1.3% |
| **Total Principal Employers** | 8,885 | | 32.0% | **Total Principal Employers** | 8,933 | | 33.1% |
| **Other Employers** | 18,847 | | 68.0% | **Other Employers**[2] | 18,067 | | 66.9% |
| **Total Employers**[1] | 27,732 | | 100.0% | **Total Employers** | 27,000 | | 100.0% |

***Data Source:***

Gordon County Chamber of Commerce and 2008 Annual Financial 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 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Government | | | | | | | | | | |
| Mayor and City Council | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Administration | 2 | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Tax Administration | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Business License Clerk | - | - | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Human Resources | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Finance | 5 | 6 | 4 | 4 | - | - | - | - | - | - |
| | 14 | 16 | 15 | 15 | 11 | 11 | 11 | 11 | 11 | 12 |
| Judicial | | | | | | | | | | |
| Court Services | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Probation | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | - |
| | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 3 |
| Public Safety | | | | | | | | | | |
| Police | 52 | 49 | 49 | 49 | 49 | 49 | 49 | 49 | 50 | 50 |
| Fire | 40 | 38 | 38 | 39 | 39 | 39 | 39 | 39 | 39 | 41 |
| Community Service Enforcement | - | - | - | - | - | - | - | - | - | 1 |
| Animal Control | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| | 93 | 88 | 88 | 89 | 89 | 89 | 90 | 90 | 91 | 94 |
| Public Works | | | | | | | | | | |
| Administration | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Streets and highways | 18 | 16 | 16 | 16 | 17 | 15 | 15 | 15 | 15 | 14 |
| City Maintenance | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 7 | 7 | 9 |
| Cemetery | 2 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 |
| | 27 | 27 | 26 | 26 | 27 | 26 | 26 | 26 | 26 | 28 |
| Health and Welfare | | | | | | | | | | |
| Senior Citizens Activities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Culture and Recreation | | | | | | | | | | |
| Recreation Department | 8 | 14 | 14 | 15 | 15 | 13 | 13 | 13 | 15 | 15 |
| Library | 4 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| | 12 | 23 | 23 | 24 | 24 | 22 | 22 | 22 | 24 | 24 |
| Housing and Economic Development | | | | | | | | | | |
| Mainstreet Program | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Airport | 2 | 4 | 4 | 4 | 2 | 3 | 3 | 3 | 3 | 3 |
| Inspections/ Community Dev. | 6 | 5 | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 |
| | 9 | 10 | 9 | 9 | 7 | 7 | 7 | 7 | 7 | 7 |
| Utilities Administration | | | | | | | | | | |
| Administration | 5 | 5 | 5 | 4 | 2 | 2 | 2 | 1 | 1 | 1 |
| Utilities Finance | - | 5 | 5 | 4 | 8 | 9 | 9 | 9 | 9 | 9 |
| GIS | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Billing | 2 | 3 | 3 | 2 | 2 | 3 | 3 | 2 | 2 | 2 |
| Customer Service | 4 | 4 | 2 | 4 | 4 | 3 | 4 | 3 | 4 | 4 |
| Tellers | 3 | 3 | 2 | 4 | 3 | 4 | 5 | 5 | 5 | 5 |
| Meter Reading | 7 | 6 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Engineering | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 5 |
| Purchasing | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Work Order | - | - | - | - | 1 | 1 | 1 | 2 | 2 | 2 |
| | 29 | 36 | 32 | 32 | 34 | 36 | 38 | 35 | 36 | 36 |
| Electric System | 18 | 17 | 17 | 15 | 15 | 17 | 17 | 17 | 17 | 17 |
| Water and Sewer System | | | | | | | | | | |
| Wastewater Treatment | 10 | 9 | 9 | 9 | 10 | 10 | 10 | 10 | 10 | 10 |
| Sewer Construction | 13 | 12 | 12 | 11 | 11 | 11 | 11 | 11 | 11 | 10 |
| Maintenance Crew | 11 | 10 | 10 | 10 | 10 | 10 | 7 | 7 | 8 | 8 |
| Water Treatment | 8 | 8 | 7 | 7 | 8 | 9 | 9 | 10 | 10 | 10 |
| Water Construction | 27 | 24 | 22 | 22 | 22 | 22 | 19 | 20 | 21 | 22 |
| | 69 | 63 | 60 | 59 | 61 | 62 | 56 | 58 | 60 | 60 |
| Fields Ferry Golf Course | | | | | | | | | | |
| Pro Shop | 3 | 9 | 9 | 9 | 9 | 5 | 4 | 3 | 3 | 4 |
| Maintenance | 9 | 8 | 8 | 8 | 7 | 7 | 5 | 7 | 7 | 7 |
| | 12 | 17 | 17 | 17 | 16 | 12 | 9 | 10 | 10 | 11 |
| Telecommunications | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 |
| Solid Waste | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| **Total** | 297 | 310 | 300 | 299 | 296 | 294 | 288 | 288 | 294 | 300 |
| **Percentage Change From Prior Year** | -6.9% | 4.4% | -3.2% | -0.3% | -1.2% | -1% | -2% | 0% | 2% | 2% |

***Data Source:***

[1] City of Calhoun, Human Resource Department 2018 Budget

*Exhibit XXIX*

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

| Function/program | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 [2] | 2015 [2] | 2016 [2] | 2017 [2] |
|---|---|---|---|---|---|---|---|---|---|---|
| Police | | | | | | | | | | |
| Physical arrests | 1,743 | 535 | 1,572 | 1,439 | 1,456 | 1,363 | 1,255 | 1,388 | 1,604 | 1,750 |
| Parking violations | 456 | N/A | 882 | 966 | 490 | 417 | N/A | N/A | N/A | N/A |
| Traffic violations | 7,557 | 5,055 | 6,042 | 7,093 | 7,714 | 6,354 | 5,462 | 5,806 | 6,591 | 5,716 |
| Fire | | | | | | | | | | |
| Emergency responses[1] | 792 | 740 | 894 | 1,492 | 1,920 | 1,839 | 1,951 | 1,923 | 2,117 | 2,299 |
| Inspections | 797 | 674 | 1,013 | 2,215 | 1,827 | 1,320 | 1,261 | 1,302 | 1,223 | 1,105 |
| Library | | | | | | | | | | |
| Volumes in collection | 86,623 | 87,500 | 90,839 | 98,167 | 91,129 | 90,522 | 86,925 | 86,365 | 78,841 | 78,679 |
| Total volumes borrowed | 128,199 | 131,185 | 141,757 | 129,169 | 127,178 | 118,395 | 102,503 | 108,123 | 90,601 | 73,693 |
| Computer usage | N/A | N/A | N/A | 24,137 | 21,127 | 16,662 | 13,122 | 17,021 | 20,331 | 16,494 |

***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.

*Exhibit XXX*

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

| Utility Service | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Electric Service:** | | | | | | | | | | |
| Coincident peak (kW) | 66,536 | 56,758 | 60,838 | 74,830 | 74,252 | 72,437 | 76,121 | 76,525 | 76,280 | 76,247 |
| Reserves (kW) | 8,867 | 6,418 | 9,126 | 11,125 | 10,022 | 10,192 | 9,293 | 9,353 | 9,237 | 9,232 |
| Total requirements (kW) | 75,403 | 63,176 | 69,964 | 85,955 | 84,274 | 82,629 | 85,414 | 85,878 | 85,517 | 85,479 |
| Southeastern Power Administration (kW) | 7,660 | 7,660 | 7,660 | 7,437 | 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 | 45,453 | 45,453 | 46,736 | 46,842 | 48,125 | 48,009 | 48,150 |
| MEAG combined cycle (kW) | 15,630 | 15,630 | 15,630 | 15,497 | 15,497 | 15,497 | 15,497 | 15,497 | 15,388 | 15,257 |
| 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 | 4,855 |
| Total resources (kW) | 90,490 | 70,490 | 70,490 | 93,242 | 93,242 | 94,525 | 94,631 | 95,914 | 95,689 | 95,699 |
| Excess capacity (deficit) (kW) | 15,087 | 7,314 | 526 | 7,287 | 8,968 | 11,896 | 9,217 | 10,036 | 10,171 | 10,219 |
| Per cent reserve of capacity [1] | 16.7% | 10.4% | 0.7% | 7.8% | 9.6% | 12.6% | 9.7% | 10.5% | 10.6% | 10.7% |
| **Water Service:** | | | | | | | | | | |
| Daily average consumption | 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 | 9,477,500 |
| 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 | 23,800,000 | 23,800,000 | 23,800,000 | 23,800,000 | 23,800,000 | 29,600,000 | 29,800,000 | 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) | 5,277,000 | 6,525,833 | 5,688,000 | 6,062,000 | 5,613,000 | 5,374,000 | 5,948,000 | 5,998,000 | 5,211,333 | 4,000,000 |
| Unused capacity | 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 | 12,000,000 |
| Percentage of capacity used | 0.329813 | 0.407865 | 0.355500 | 0.378875 | 0.350813 | 0.335875 | 0.371750 | 0.374875 | 0.325700 | 0.250000 |

***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 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Electric Service:** | | | | | | | | | | |
| Miles of line | 222 | 227 | 234 | 242 | 242 | 245 | 246 | 254 | 261 | 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 | 4 | 4 |
| 20 megawatt generator | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| **Water Service:** | | | | | | | | | | |
| Miles of water mains | 640 | 720 | 770 | 819 | 819 | 826 | 830 | 836 | 834 | 848 |
| 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 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| **Sewer Service:** | | | | | | | | | | |
| Miles of sanitary sewers | 120 | 137 | 134 | 136 | 136 | 136 | 136 | 141 | 141 | 142 |
| Number of treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of lift stations | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |

***Data Source:***
Various Departments

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

| Function/program | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Police | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 3 | 3 | 4 | 4 | 4 | 4 |
| Patrol units | 27 | 32 | 33 | 33 | 33 | 33 | 34 | 34 | 34 | 34 |
| Fire stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Streets and highways | | | | | | | | | | |
| Streets (miles) | 99 | 99 | 99 | 99 | 99 | 100 | 103 | 103 | 103 | 106 |
| Street Lights | 973 | 973 | 979 | 979 | 1,451 | 1,488 | 1,525 | 1,625 | 1,686 | 1,773 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 342 | 342 | 342 | 342 | 342 | 342 | 342 | 342 | 342 | 362 |
| Water | | | | | | | | | | |
| Water mains (miles) | 640 | 720 | 770 | 819 | 819 | 826 | 830 | 836 | 834 | 847 |
| Fire hydrants | 741 | 900 | 775 | 771 | 771 | 771 | 780 | 811 | 827 | 831 |
| 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) | 119 | 137 | 134 | 136 | 136 | 136 | 136 | 141 | 141 | 142 |
| 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 | 31 | 31 | 31 | 31 |

***Data Source:***
Various City Departments.

**R.M. DOBBS & COMPANY**
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 423
CALHOUN, GEORGIA 30703-0423
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MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT 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
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, 2017, 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 18, 2017.

**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.

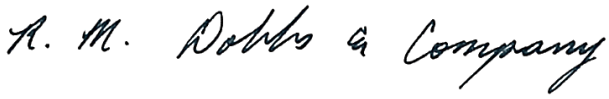
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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



Calhoun, Georgia
December 18, 2017

**R.M. DOBBS & COMPANY**
CERTIFIED PUBLIC ACCOUNTANTS
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CALHOUN, GEORGIA 30703-0423
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AMERICAN INSTITUTE OF
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GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

# 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, 2017. The 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, 2017.

**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.

R. M. Dobbs & Company

Calhoun, Georgia
December 18, 2017

**CITY OF CALHOUN, GEORGIA**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| Federal Grantor<br>Pass-Through Grantor<br>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 | | $ 2,484,684 |
| Calhoun Housing Authority | 15.226 | Ga. Projects | | |
| Payment in Lieu of Taxes | | 11900199M | | |
| | | Contract A-3103 | | 35,174 |
| Total U. S. Department of Housing and Urban Development | | | | 2,519,858 |
| 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 | DWSRF 13-003 | $ 6,943,847 | 637,258 |
| 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 | 557,739 |
| Total U. S. Environmental Protection Agency | | | | 1,194,997 |
| U.S. Department of Justice | | | | |
| Bureau of Justice Assistance | | | | |
| Bulletproof Vest Partnership Program | 16.607 | 1121-0235 | | 1,716 |
| Total U. S. Department of Justice | | | | 1,716 |
| U.S. Department of Homeland Security | | | | |
| Georgia Emergency Management Agency | | | | |
| Domestic Preparedness State Homeland Grant Program | 97.067 | EMW-2016-SS-0007-S01 | $ 42,000 | 43,578 |
| Federal Emergency Management Agency | | | | |
| Public Assistance Funded Projects | 97.036 | FEMA-DR-4284 | $ 5,054 | 5,054 |
| | | FEMA-DR-4297 | $ 46,928 | 46,928 |
| | | FEMA-DR-4283 | $ 82,463 | 82,463 |
| | | | | 134,445 |
| Total U. S. Department of Homeland Security | | | | 178,023 |
| U.S. Department of the Interior | | | | |
| Georgia Department of Natural Resources | | | | |
| Outdoor Recreation Acquisition, Development and Planning | 15.916 | LWCF 13-00962 | $ 100,000 | 100,000 |
| Total U. S. Department of the Interior | | | | 100,000 |
| | | | | $ 3,994,594 |

**CITY OF CALHOUN, GEORGIA**
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Calhoun, Georgia under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, U*niform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Calhoun, Georgia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Calhoun, Georgia.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

The City of Calhoun, Georgia has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE D - LOANS OUTSTANDING

Balance of Federal loans outstanding:

| | |
|---|---|
| DW SRF#10-007 | $ 2,550,940 |
| CW SFR#13-001 | $ 1,469,049 |
| DW SRF#13-003 | $ 6,099,100 |

NOTE E - AWARDS PASSED THROUGH TO SUBRECIPIENTS

There were no awards passed through to sub-recipients.

**CITY OF CALHOUN, GEORGIA**
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**CITY OF CALHOUN, GEORGIA**
**URBAN DEVELOPMENT ACTION GRANT SPECIAL REVENUE FUND**
**SCHEDULE OF RECONCILIATION - RLF REPORTS TO FINANCIAL STATEMENTS**
**JUNE 30, 2017**

| | RLF Reports | Adjustments | Financial |
|---|---|---|---|
| Total Assets | $ 2,484,698 | $ - | $ 2,484,698 |
| Total Liabilities and Fund Balance | $ 2,484,698 | $ - | $ 2,484,698 |
| Net Revenues (Expenditures) | $ 39,377 | $ - | $ 39,377 |

**CITY OF CALHOUN, GEORGIA**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

## 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 program tested as a major program is: Urban Development Action Grant (CFDA #14.221).

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, 2017**
**FROM INCEPTION THROUGH JUNE 30, 2017 (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 | $ 1,982,440 | $ 3,982,440 | $ 843,500 | $ 436,132 | $ 1,279,632 | 32.1% |
| Public Safety - Police vehicle fleet | 650,000 | 650,000 | 90,000 | 740,000 | 743,087 | - | 743,087 | 100.4% |
| Public Safety - Police & Fire communications upgrades | 100,000 | 100,000 | - | 100,000 | 99,754 | - | 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 | 612,000 | 3,112,000 | 2,131,904 | 979,604 | 3,111,508 | 100.0% |
| Public Works | 850,000 | 850,000 | - | 850,000 | 760,840 | 41,610 | 802,450 | 94.4% |
| Utility fleet and service equipment | 700,000 | 700,000 | - | 700,000 | 472,283 | - | 472,283 | 67.5% |
| Utility system upgrades | 2,421,049 | 2,421,049 | (725,000) | 1,696,049 | - | - | - | 0.0% |
| | $ 9,621,049 | $ 9,621,049 | $ 2,856,440 | $ 12,477,489 | $ 6,345,321 | $ 1,457,346 | $ 7,802,667 | |

| 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 | $ 1,000,000 | $ 5,734,297 | $ 4,362,332 | $ 775,847 | $ 5,138,179 | 89.6% |
| Waste Treatment Plant Improvements | 4,000,000 | 4,000,000 | (1,000,000) | 3,000,000 | 537,872 | 1,245,044 | 1,782,916 | 59.4% |
| 4th Fire Station & Equipment | 1,500,000 | 1,500,000 | - | 1,500,000 | 1,427,767 | 77,470 | 1,505,237 | 100.3% |
| Overage - Water & Sewer | - | - | 298,891 | 298,891 | 298,891 | - | 298,891 | 100.0% |
| | $ 10,234,297 | $ 10,234,297 | $ 298,891 | $ 10,533,188 | $ 6,626,862 | $ 2,098,361 | $ 8,725,223 | |

Note - Transfers were made out of the 2005 SPLOST for capital improvements in Enterprise funds in the amount of $2,091,737. The following provided funds for the Library addition: the County $400k, the Calhoun-Gordon County Library Assn. $112,624, the state MRR grant $355,650 & Calhoun Utilities $28,726. The County also provided $1,982,440 for the Peter Street project.

**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, 2017**

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.