


# *City of Calhoun*
# *Board of Education, Georgia*

## *A Component Unit of the City of Calhoun, Georgia*

## *Comprehensive Annual Financial Report*

### *Fiscal Year Ended June 30, 2017*

# CITY OF CALHOUN BOARD OF EDUCATION, GEORGIA

(A Component Unit of the City of Calhoun, Georgia)

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FISCAL YEAR ENDED JUNE 30, 2017

Prepared by: Finance Department

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

## TABLE OF CONTENTS

### Introductory Section
### (*Unaudited*)


Letter of Transmittal ..... v – ix
Elected School Board Members……..... x
Principal Officials..... xi
Organizational Chart ..... xii
GFOA Certificate of Achievement for Excellence in Financial Reporting..... xiii


### Financial Section


**Independent Auditor's Report**…… 1 - 2

**Management's Discussion and Analysis (*Unaudited*)**……...3 - 11

**Basic Financial Statements**

**Government-wide Financial Statements:**

Comparative Statements of Net Position.....12
Statement of Activities .....13

**Fund Financial Statements:**

**Governmental Funds:**
Balance Sheet .....14
Reconciliation of the Balance Sheet of Governmental Funds to the Government-wide Statement of Net Position .....15
Statement of Revenues, Expenditures and Changes in Fund Balances .....16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities .....17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – (Budgetary Basis) - *General Fund* .....18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – *School Food Service Fund*.....19

**Fiduciary Funds:**
Comparative Statements of Assets and Liabilities – *Agency Funds*.....20

**Notes to the Basic Financial Statements.** ..... .21-38

**Required Supplementary Information**
Schedule of School System's Proportionate Share of Net Pension Liability – Teachers Retirement System of Georgia.....……...39
Schedule of Required Contributions during Measurement Period – Teachers Retirement System of Georgia.....40

**Supplementary Information**

**Governmental Funds - Combining and Individual Fund Statements and Schedules:**

**Major *General* Fund:**
Comparative Balance Sheets .....41
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances.....42

**Major Special Revenue Fund:**
*School Food Service Fund*
Comparative Balance Sheets .....43

**Nonmajor Special Revenue Funds:**
Combining Balance Sheet .....44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....45
*Community Education Fund*
Comparative Balance Sheets .....46
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....47
*Vocational Education Fund*
Comparative Balance Sheets .....48
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....49
*ESEA Title I Fund*
Comparative Balance Sheets .....50
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....51
*ESEA Title II Fund*
Comparative Balance Sheets .....52
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....53
*ESEA Title III Fund*
Comparative Balance Sheets .....54
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....55
*ESEA Title VI Fund*
Comparative Balance Sheets.....56
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....57
*IDEA and Preschool Program Fund*
Comparative Balance Sheets .....58
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....59
*Education of Homeless Children and Youth Fund*
Comparative Balance Sheets .....60
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....61

*Lottery Pre-Kindergarten Fund*
Comparative Balance Sheets ……62
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual ……63
*Local School Activity Accounts Fund*
Comparative Balance Sheets ……64
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual ……65
*Elementary School Counselor*
Comparative Balance Sheets ……66
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual ……67

**Major Debt Service Fund**
Comparative Balance Sheets ..... 68
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances..69

**Nonmajor SPLOST Capital Projects Fund**
Comparative Balance Sheets.....70
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances.....71

**Fiduciary Funds**
*Agency Funds*
Combining Statement of Changes in Assets and Liabilities.....72

**Statistical Section**
***(Unaudited)***

**Introduction to the Statistical Section**.....73

**Financial Trend Information**
Government-Wide Net Position by Component.....74
Chart – Total Government-Wide Net Position .....75
Changes in Net Position – Governmental Activities.....76
Chart - Governmental Fund Revenues and Expenses .....77
Changes in Net Position – Governmental Activities – Percentage of Total .....78
Chart – Changes in Total Net Position – Governmental Activities .....79
Fund Balances - Governmental Funds ..... 80-81
Chart – Total Fund Balances - Governmental Funds.....82
General Governmental Revenues by Source..... 83
Chart - Total General Governmental Revenues .....84
General Governmental Expenditures by Function .....85
Chart – Total General Governmental Expenditures……86
General Governmental Current Expenditures by Function…….87
Summary of Changes in Fund Balances – Governmental Funds……88
Chart –Governmental Fund Revenues and Expenditures .....89
Chart – Total Changes in Fund Balances – Governmental Funds .....90

**Revenue Capacity Information**
Taxable Assessed Value and Estimated Actual Value of Property – By Type ..... 91
Chart – Taxable Assessed Value – Before Tax Exempt Property ..... 92
Direct and Overlapping Property Tax Rates ..... 93
Chart - Direct and Overlapping Property Tax Rates ..... 94
Property Tax Levies and Collections ..... 95
Chart - Property Tax Levies and Collections ..... 96
Principal Property Taxpayers ..... 97
Overlapping Sales and Use Tax Rates ..... 98
Taxable Sales by Category ..... 99

**Debt Burden Information**
Ratios of Total Debt Outstanding - By Type ..... 100
Overlapping Governmental Activities Debt ..... 101

**Demographic and Economic Information**
Demographic and Economic Statistics ..... 102
Principal Employers ..... 103

**Operating Information**
Full Time Equivalent (FTE) Positions – by Function ..... 104
Teachers' Salaries ..... 105
School Building Information ..... 106
Operating Statistics ..... 107
Enrollment by Grade Level ..... 108
Chart - Enrollment by Grade Level ..... 109

**Internal Control and Compliance Section**

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* ..... 110-111
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance ..... 112-113
Schedule of Expenditures of Federal Awards ..... 114
Notes to Schedule of Expenditures of Federal Awards ..... 115
Summary Schedule of Prior Audit Findings ..... 116
Schedule of Findings and Questioned Costs ..... 117
Special Purpose Local Option Sales and Use Tax
Schedule of Approved Local Option Sales Tax Projects ..... 118
Notes to Schedule of Approved Local Option Sales Tax Projects ..... 119

CALHOUN CITY SCHOOLS

*a tradition of excellence*

December 18, 2017

**To the Members of the Calhoun City School Board,**
**The Citizens of the City of Calhoun, Georgia and the Financial Community:**

The ***Comprehensive Annual Financial Report*** (CAFR) of the City of Calhoun School Board, Georgia (the Board) for the fiscal year ended June 30, 2017, is submitted herewith. This report was prepared by the Board's finance department and is intended to fulfill the requirements for audit prescribed by Georgia Statutes for local boards of education. A separate report is issued to fulfill Single Audit Requirements of Federal and State governments. Board 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.

The Finance Department prepared this report in conformance with standards of the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants and the Government Finance Officers Association. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the fund level for the governmental fund type.

R. M. Dobbs & Company, Certified Public Accountants, have issued an unqualified ("clean") opinion of the Board of Calhoun's financial statements for the fiscal year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) document immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## SCHOOL SYSTEM PROFILE

The Calhoun City School System was established under the laws of the State of Georgia and operates under the guidance of a school board elected by the voters and a Superintendent, appointed by the Board. The Board provides education for grades K-12 as well as Pre-kindergarten for students within the City of Calhoun and for non-resident students from surrounding communities. The School System is considered to be a component unit of the City of Calhoun.

Established in 1902 the Calhoun City School System celebrates 115 years of excellence. Through its storied history, Calhoun City Schools has been known for its strong and rich tradition of excellence; excellence in

academics, arts, and athletics. Throughout Calhoun City Schools' existence, stakeholder involvement has been a critical component of its success. Although challenges exist, Calhoun City Schools looks at these challenges as opportunities to reach its mission of inspiring all students to become life-long learners in the pursuit of excellence. Interwoven into the tapestry of the historical lineage of Calhoun City Schools, is a commitment to excellence and community spirit that rests on the very pulse of its existence. This rich tradition of the Calhoun City Schools would not be possible were it not for the involvement of stakeholders over the years.

Our 2017 enrollment was 3,921 in grades K – 12 plus 160 enrolled in the Pre-kindergarten program, a total of 4,081students. Approximately 35% percent of our students are Hispanic, 6% black, 54% white, and approximately 5% Asian, Pacific Islander, multi-racial, or American Indian. The Calhoun City School System is a system of choice. Approximately 23% of our students apply to attend our schools from surrounding districts. We serve our diverse student population through both regular and special education programs. Additionally, the system uses special programs such as English to Speakers of Other Languages (ESOL), Gifted Education, Early Intervention Programs (EIP), Remediation and Advanced Placement. The Calhoun College and Career Academy, a school within Calhoun High School, offers the courses and programs needed to achieve a well-rounded education while attaining the skills necessary to be successful beyond high school. Career clusters/pathways available to students include Culinary Arts, Audio & Video Technology and Film Graphic Design and Production, Nursing and Allied Health, Teaching as a Profession, Architecture and Construction, Web and Digital Communication Programming, Law Enforcement Services, Agriculture Science, and STEM Engineering

In FY 2017 our school family included 221 classroom teachers, 125 support personnel and 10.5 administrators working in our schools (Pre-K-12). Eleven administrators, 15 support and 21 maintenance and transportation personnel provide system-wide support. Our multi-talented staff is committed to providing an exemplary education to our diverse student body.

Our fleet of nineteen route buses transports approximately 3,760 students daily; three of these buses which are equipped to transport special needs children throughout the City are staffed with monitors to assist in caring for the students of varying ages and disabilities. In addition, we have fifteen buses used to replace out of service buses and to support extracurricular activities.

Each day our cafeteria workers prepare and serve approximately 4,436 meals to our students, faculty, and support staff. The percentage of students receiving free and/or reduced meals decreased this year with 57% of our students qualifying.

Our technology department supports an inventory of more than 7,000 laptops, desktops, iPads, wireless access points, interactive white boards and panels, projectors, and document cameras. In addition, they support a wide-area network powered by Cisco and VMware View that provides added capabilities within our schools via the Internet. This infrastructure insures that our students, faculty, and support staff have access to their lessons, lesson plans, application software, and data from computers, smart phones and tablets.

All of our schools have Emergency Response Plans approved by the Georgia Emergency Management Agency. The purpose of these plans is to provide a functional, procedural framework for school staff and school emergency responders to follow when responding to emergencies in and around a school campus. The plan insures as much as humanly possible the safety, security and medical treatment of school students, staff, and visitors in an actual or threatened emergency or full-fledged disaster.

The City of Calhoun offers a safe, friendly, small town atmosphere, conveniently located on I-75 one hour north of Atlanta and 45 minutes south of Chattanooga. This enviable location has attracted and continues to attract commercial and industrial enterprises such as major carpet and floor covering manufacturers, food processors, and distribution firms. The City of Calhoun has positioned itself very well for growth, due to capacity for expansion in the areas of water, sewer and electricity. Additionally, the City and the surrounding area possess a vast array of quality-of-life resources including civil war historic sites, state parks, quality health care, excellent public and higher educational opportunities, a cultural arts center, and a regional outlet center.

The City incorporated in January 1852 occupies a land area of approximately 12 square miles and serves a residential population of 16,360. The City 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. Section 5-102 (a) of the Charter of the City of Calhoun states that the "mayor and council of the city are authorized to levy a tax annually on the real and personal property in the City of Calhoun for the purpose of establishing and maintaining a system of public schools in the city; provided, however, that the money so raised shall be used for school purposes."

Section 7-105 of the Charter of the City of Calhoun states that the "school board of education shall submit to the mayor and council at a regularly scheduled council meeting an annual operating and capital budget to be funded from local sources of revenue. The mayor and council shall not be authorized to adopt the budget submitted by the school board of education until at least the next regular council meeting following the date of submission." To prepare the budget for submission the Board adopts a budget calendar which establishes the dates by which the Superintendent will submit the budget to accomplish the approved priorities and goals for the upcoming fiscal year. Throughout the budget process meetings are held with school system administrators, the Board, and the Mayor and/or his City Council representative. Input received from each of the listed groups is used to formulate the tentative budget. Once the Board has reviewed and approved the Superintendent's tentative budget it is then submitted to the mayor and council in accordance with Section 7-105. The final budget is then approved by the Board and Council respectively at their next scheduled meeting.

## LOCAL ECONOMY

The Board has a large industrial base, which includes several Fortune 500 companies. Calhoun is the home of manufacturing facilities for several major companies, including Mohawk Industries, Shaw Industries, Mannington Floor Covering, and Engineered Floors LLC. Other industries, such as Kerry Inc., FieldTurf USA, and Calhoun Outlets which represent food processing, synthetic turf production, and retail outlets help to diversify the industrial base. However, the City of Calhoun continues to experience the impact of the slow recovery from the nationwide recession on all of these industries. Due to this, the Board continues to encounter financial challenges.

## LONG-TERM FINANCIAL PLANNING

On November 2, 2010 the voters of the City of Calhoun and Gordon County approved the continuation of the existing ESPLOST effective July 2012 through June 2017, ESPLOST IV. The voters of the City of Calhoun also authorized the City to issue general obligation bonds in principal amount not to exceed $33,000,000 to pay the cost of the construction, furnishing, and equipping of a new middle-high complex and other projects as specified in the resolution calling the election. In May 2011 the City issued, on behalf of Calhoun City Schools, $21,000,000 of General Obligation School Bonds, Taxable – Qualified School Construction Bonds (Series 2011 QSCB). In August 2012, the City issued, on behalf of Calhoun City Schools, $12 million of local general obligation bonds (Series 2012) at a premium netting approximately $12.7 million. In addition to these funds, $15.7 million of State Regular Advance funding for capital outlay projects repaid from future state capitalization earnings and approximately $4,850,000 of local funds to be repaid from ESPLOST funds will be used to construct and equip the new middle-high school complex. Monthly ESPLOST receipts used will be deposited into the Debt Service Account (U.S. Bank) until sufficient moneys have accumulated therein to satisfy the interest payment requirements on the Series 2011 QSCB and Series 2012 Bonds and the required payment to the Series 2011 QSCB Invested Sinking Fund for the current bond year. The Invested Sinking Fund for the Series 2011 QSCB will be used to pay the principal due on the Series 2011 QSCBs on September 1st of 2022 through

2025. Monthly ESPLOST receipts will be used to pay the principal due on the Series 2012 Bonds on September 1st of 2026 through 2032.

On November 3, 2015, the voters of the City of Calhoun and Gordon County approved the continuation of the existing ESPLOST effective July 2017 through June 2022, ESPLOST V. Monthly ESPLOST receipts will continue to be deposited into the Debt Service Account (U.S.Bank) to pay the above mentioned debt.

## CONSTRUCTION

Construction of the new Calhoun Middle and High School Complex began in the summer of 2011 on the existing middle-high school site. The new school complex, which provides approximately 385,000 square feet of new space, has been completed. Construction has also been completed on the Calhoun Online Learning Academy (COLA) and Calhoun STEMworks Engineering Learning Lab. These two programs will complement existing curriculum offerings and provide support for all students grades K-12. In addition, the Auditorium has received a major renovation which included a sound system, lighting, and seating. Funds from a community donor, the City of Calhoun, and Charter System Funds supported the renovation project.

## MAJOR BUDGETARY INITIATIVES

Calhoun City Schools employed three new administrative positions for fiscal year 2017. These positions were: Instructional Technologist, School Improvement Director and Teacher/Leader Development Director. Also, an additional psychologist and speech language pathologist were hired to meet the needs of all students. Benefits continue to increase with health insurance for classified employees increasing from $746.20 per member per month to $846.20 per member per month.

## AWARDS

As demonstrated by the statements and schedules included in the financial and required supplemental information sections of this report, the Board continues meeting its responsibility for sound financial management.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Calhoun Board of Education for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

## ACKNOWLEDGEMENTS

The preparation of this CAFR would not have been possible without the efficient and dedicated service of the Finance Department. Thank you to our department heads and principals for understanding the importance of the financial status of this Board and as such, working diligently to provide quality service within our financial means. We also wish to extend our appreciation to the auditing firm of R. M. Dobbs & Company, Certified Public Accountants for their professionalism in conducting the audit of the Board's basic financial statements and related note disclosures.

Finally, credit also must be given to the School Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Board's finances.

Respectfully Submitted,

Dee Wrisley
Chief Financial Officer

Michele Taylor, Ed.D.
Superintendent

# *City of Calhoun*
# *Board of Education, Georgia*

## *Elected School Board Members*
**(In Office as of June 30, 2017)**

**Eddie Reeves, Chairman**
*In office since October 2009*
*Current term expires January 2020*

**Rhoda Washington, Vice Chair**
*In office since September 2009*
*Current term expires January 2018*

**Tony Swink, Secretary**
*In office since January 2013*
*Current term expires January 2020*
*(Prior Service January 2004 – December 2011)*

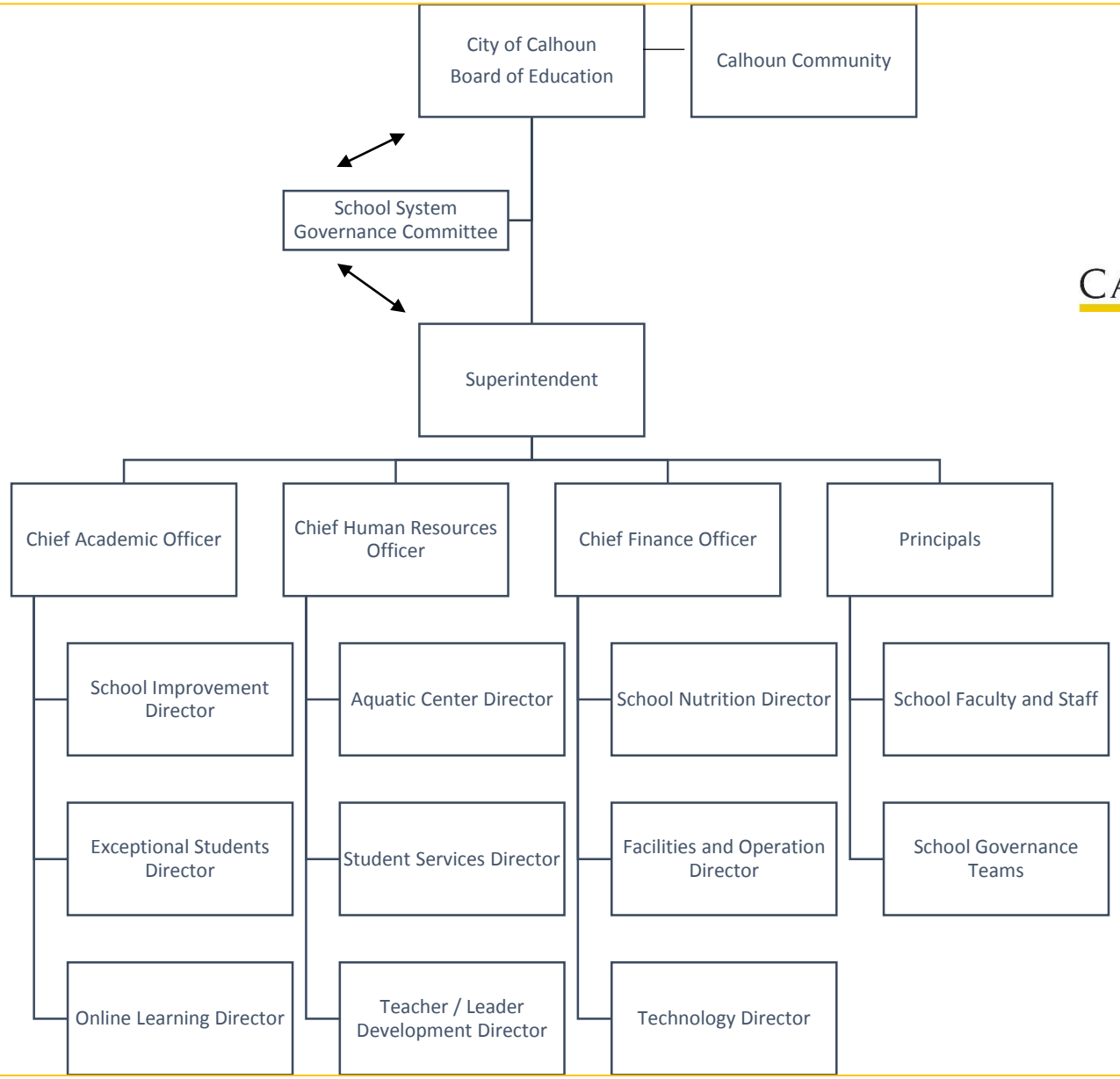
**David Scoggins**
*In office since September 2012*
*Current term expires January 2018*

**Alvin Long**
*In office since January 2014*
*Current term expires January 2018*

# *City of Calhoun*
# *Board of Education, Georgia*

## *Appointed Principal Officials*

| Name | Position |
|---|---|
| Dr. Michele Taylor | Superintendent |
| Dee Wrisley | Chief Finance Officer |
| Michelle Griffith | Chief Human Resources Officer<br>Community Education Director |
| Brittney Wilson | Chief Academic Officer |
| Tom Griffith | Facilities & Operations Director |
| Kimberly Kiker | School Nutrition Director |
| Hayley Gilreath | ESS Director |
| Jody Maffetone | Technology Director |
| Beth Holcomb | Principal, Calhoun Primary School<br>Principal, Calhoun Elementary School |
| Peter Coombe | Principal, Calhoun Middle School<br>Principal, Calhoun High School |




ESTABLISHED IN 1902

CALHOUN CITY SCHOOLS

*a tradition of excellence*

Revised FY17

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Calhoun Board of Education**

**Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**June 30, 2016**

Christopher P. Morrill

Executive Director/CEO

# Introductory Section

**R.M. DOBBS & COMPANY**
CERTIFIED PUBLIC ACCOUNTANTS
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MITZI B. POWELL, C.P.A.

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

# INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Calhoun Board of Education, Georgia, a component unit 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 Board of Education, 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, each major fund, and the aggregate remaining fund information of the City of Calhoun Board of Education, Georgia, as of June 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the School Food Service Special Revenue 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 3-11 and 39-40 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 Board of Education, Georgia's basic financial statements. The introductory section, combining and individual comparative fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of approved local option sales tax projects, as required by the Georgia code section OCGA 48-8-121, and the schedule of expenditures of federal awards are 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 comparative fund financial statements, budgetary comparison schedules, the schedule of approved local option sales tax projects, 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 comparative fund financial statements, budgetary comparison schedules, the schedule of approved local option sales tax projects, 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 Board of Education, 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 Board of Education, Georgia's internal control over financial reporting and compliance.

A. M. Dobbs & Company

Calhoun, Georgia
December 18, 2017

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of City of Calhoun Board of Education, Georgia's (the "Board") annual financial report, the Board's management is pleased to provide this narrative discussion and analysis of the financial activities of the Board for the fiscal year ended June 30, 2017. The Board's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**Financial Highlights**

- The Board's liabilities exceeded its assets by $1,072,490 for the fiscal year reported. Total net position is comprised of the following:

  (1) The net investment in capital assets of $3,018,920 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets (if applicable).
  (2) Net position restricted of $1,412,560 by constraints imposed from outside the Board such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net (deficit) position of $(3,358,990) represent the portion available to maintain the Board's continuing obligations to citizens and creditors.

- The Board's governmental funds reported total ending fund balance of $21,465,303 this year. This compares to the prior year ending fund balance of $17,331,597, showing an increase of $4,851,244 during the current year. The governmental unassigned fund balance of $17,194,891 for fiscal year 2017 shows a $4,133,706 increase from the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $17.194,891 or 58.7% of total general fund expenditures.

- Overall, the Board continues to maintain a strong financial position.

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 Board'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 Board also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

***Government-wide Financial Statements***

The Board's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Board'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 the Board'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 the financial position of the Board. Evaluation of the overall health of the Board would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

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

Both government-wide financial statements distinguish governmental activities of the Board that are principally supported by property and sales taxes. Governmental activities include regular instruction, specialized instruction and numerous supporting services such as school administration and the operation and maintenance of the schools.

The government-wide financial statements are presented on pages 12 & 13 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 Board uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Board's most significant funds rather than the Board as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The Board has two 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 Board's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. Fund financial sstatements are useful in evaluating annual financing requirements of governmental programs and the commitment of current spendable resources.

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 basic governmental fund financial statements, including the general fund's budgetary statement are presented on pages 14-19 of this report.

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

The other fund type, f*iduciary funds* are used to account for the Board's school activity accounts. This comparative statement of assets and liabilities is presented on page 20.

***Notes to the Basic Financial Statements***

The accompanying notes to the basic 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 21 of this report.

As discussed, the Board reports major funds in the basic financial statements.

***Supplementary Information***

This final section of the financial report includes combining and individual statements and schedules for the general fund, capital projects fund and the nonmajor funds, beginning on page 41.

**Financial Analysis of the Board as a Whole**

The Board's net position at fiscal year-end is a balance of $1,072,490. The following table provides a summary of the Board's net position:

**Summary of Net Position**

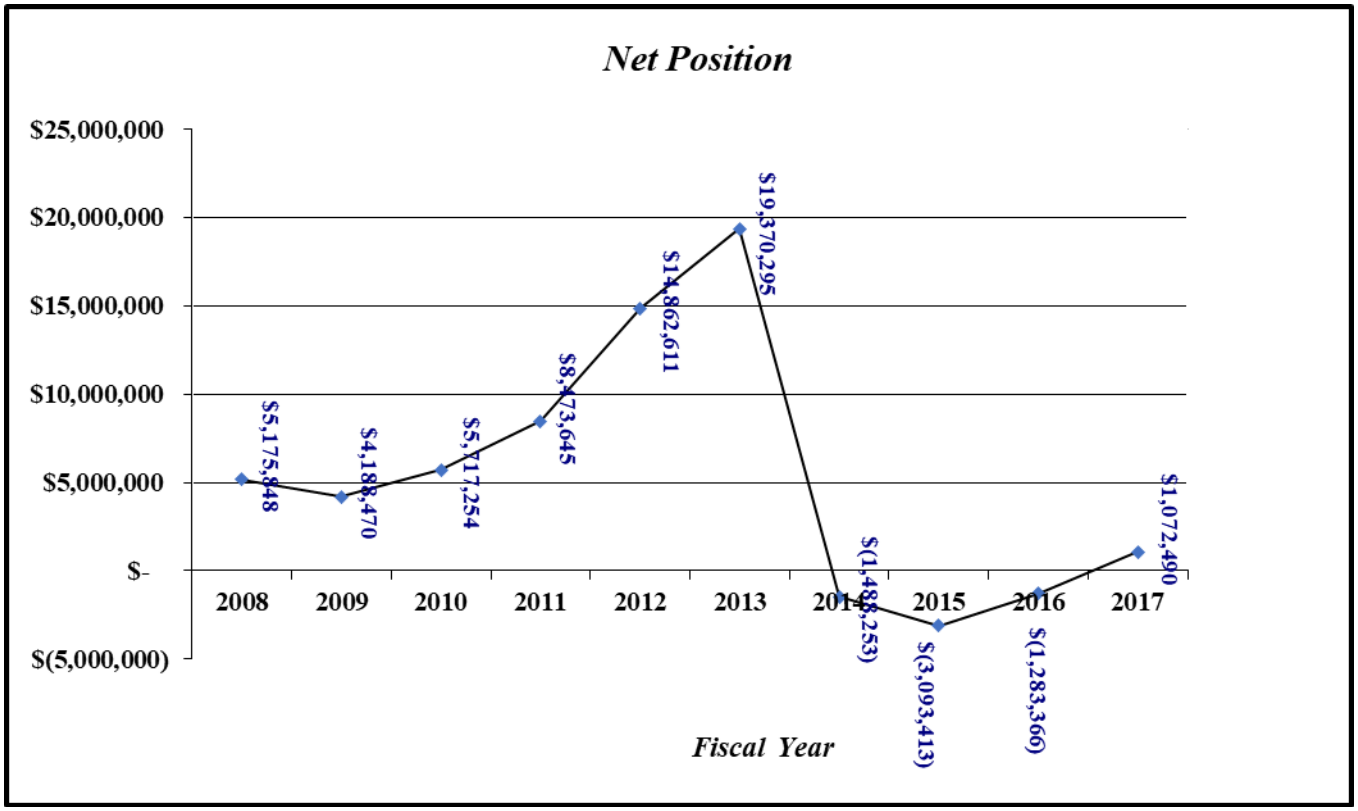
| | 2017 | | 2016 | |
|---|---|---|---|---|
| | Governmental Activities | Percentage of Total | Governmental Activities | Percentage of Total |
| Assets: | | | | |
| Current assets | $ 26,543,473 | 88% | $ 21,756,503 | 84% |
| Capital assets | 3,729,208 | 12% | 4,276,676 | 16% |
| Total assets | 30,272,681 | 100% | 26,033,179 | 100% |
| Deferred outflows of resources | 9,401,887 | 100% | 4,468,720 | 0% |
| Liabilities: | | | | |
| Current liabilities | 5,169,299 | 14% | 4,537,481 | 15% |
| Long-term liabilities | 32,371,299 | 86% | 24,827,994 | 85% |
| Total liabilities | 37,540,598 | 100% | 29,365,475 | 100% |
| Deferred inflows of resources | 1,061,480 | 100% | 2,419,790 | 100% |
| Net position: | | | | |
| Net investment in capital assets | 3,018,920 | 281% | 4,026,676 | -314% |
| Restricted | 1,412,560 | 132% | 967,402 | -75% |
| Unrestricted | (3,358,990) | -313% | (6,277,444) | 489% |
| Total net position | $ 1,072,490 | 100% | $ (1,283,366) | 100% |

The Board continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 5.1 to 1 at June 30, 2017 versus 4.8 to 1 at June 30, 2016.

The Board reported a deficit unrestricted net position for its governmental activities. Net position increased $2,355,856 for governmental activities in fiscal year 2017.

Note that only 12.3% of the governmental activities' total assets is tied up in capital. The Board uses these capital assets to provide services to its students. Our school board is unique, since we are a component unit of the City of Calhoun, the City owns all the school buildings and the City issues the debt to finance these buildings. Thus, our percentage is very low as compared to other Georgia school boards.

The following chart reports the total net position balances from fiscal year 2008 - 2017.




In fiscal year 2014, the School District implemented GASB Statement No. 68 which the recording a net pension liability and other related pension deferred inflows and outflows accounts.

*(This page continued on the subsequent page)*

The following table provides a summary of the Board's changes in net position:

**Summary of Changes in Net Position**

| | 2017 | | 2016 | |
|---|---|---|---|---|
| | Governmental Activities | Percentage of Total | Governmental Activities | Percentage of Total |
| Revenues: | | | | |
| Program: | | | | |
| Charges for services | $ 2,313,915 | 5.2% | $ 2,338,257 | 5.5% |
| Operating grants | 24,151,939 | 54.2% | 23,435,066 | 54.7% |
| Capital grants and contributions | 2,088,161 | 4.7% | 996,853 | 2.3% |
| General: | | | | |
| Taxes | 16,024,129 | 35.9% | 16,044,248 | 37.5% |
| Other | 7,737 | 0.0% | 4,496 | 0.0% |
| Total revenues | 44,585,881 | 100.0% | 42,818,920 | 100.0% |
| Program Expenses: | | | | |
| Instruction | 24,690,632 | 58.4% | 24,873,858 | 60.7% |
| Pupil | 1,942,046 | 4.6% | 1,503,502 | 3.7% |
| Improvement of instructional services | 2,091,335 | 5.0% | 1,659,351 | 4.0% |
| Media | 414,416 | 1.0% | 354,108 | 0.9% |
| General administration | 475,952 | 1.1% | 461,503 | 1.1% |
| Federal grant administration | 18,713 | 0.0% | 19,705 | 0.0% |
| School administration | 1,712,445 | 4.1% | 1,589,465 | 3.9% |
| Business administration | 501,598 | 1.2% | 486,182 | 1.2% |
| Operations and maintenance | 3,081,137 | 7.3% | 3,094,897 | 7.5% |
| Student transportation | 845,700 | 2.0% | 827,867 | 2.0% |
| Central support | 170,714 | 0.4% | 73,936 | 0.2% |
| School nutrition program | 2,652,014 | 6.3% | 2,557,374 | 6.2% |
| Other supporting services | 87,371 | 0.2% | 79,857 | 0.3% |
| Community services | 770,108 | 1.8% | 668,908 | 1.6% |
| Debt service | 2,775,844 | 6.6% | 2,758,360 | 6.7% |
| Total expenses | 42,230,025 | 100.0% | 41,008,873 | 100.0% |
| Excess | 2,355,856 | | 1,810,047 | |
| Beginning net position | (1,283,366) | | (3,093,413) | |
| Ending net position | $ 1,072,490 | | $ (1,283,366) | |

## GOVERNMENTAL REVENUES

The Board's primary revenue source is state aid, primarily the quality basic education aid. State aid and federal aid recognized for operating purposes total 54.2% of total revenue as compared to 54.7% in fiscal year 2016. In addition, the Board also is reliant on property taxes to support governmental operations and capital purposes. Property taxes provided 29.7% of the Board's total governmental revenues as compared to 31.09% in fiscal year 2016.

Property taxes increased $36,553 or 2/10 of 1%. In addition, the Board earned $7,737 in unrestricted interest to support governmental activities.

Also, note that program revenues (excluding capital program revenue) cover approximately 62.7% of governmental operating expenses. Most of this revenue is used for direct instruction. This means that the government's taxpayers fund 37.3% of the governmental activities.

On November 2, 2010, the voters of the City of Calhoun and Gordon County approved the continuation of the existing special purpose local option sales tax (SPLOST) effective July 1, 2011 through June 30, 2017. The voters of the City of Calhoun also authorized the City to issue general obligation bonds in principal amount not to exceed $33,000,000 to pay the cost of the construction, furnishing, and equipping of a new middle-high complex and other projects as specified in the resolution calling the election.

The School Board recorded over $1.7 million in special purpose local option sales taxes (SPLOST) during the current fiscal year.

## GOVERNMENTAL FUNCTIONAL EXPENSES

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

**Governmental Activities**

| | Total Cost of Services | | Net Cost of Services | |
|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** |
| Instruction | $ 24,690,632 | $ 24,873,858 | $ 4,652,929 | $ 6,031,241 |
| Pupil | 1,942,046 | 1,503,502 | 994,254 | 609,226 |
| Improvement of instructional services | 2,091,335 | 1,659,351 | 1,428,603 | 1,274,193 |
| Media | 414,416 | 354,108 | (43,610) | (112,061) |
| General administration | 475,952 | 461,503 | 459,707 | 432,752 |
| Federal grant administration | 18,713 | 19,705 | (507,709) | (500,155) |
| School administration | 1,712,445 | 1,589,465 | 804,177 | 708,710 |
| Business administration | 501,598 | 486,182 | 499,633 | 434,778 |
| Operations and maintenance | 3,081,137 | 3,094,897 | 2,071,711 | 2,090,887 |
| Student transportation | 845,700 | 827,867 | 609,526 | 677,914 |
| Central support | 170,714 | 73,936 | 49,830 | (4,701) |
| Child nutrition program | 2,652,014 | 2,557,374 | (69,851) | (95,777) |
| Other supporting services | 87,371 | 79,857 | 7,408 | (4,425) |
| Community services | 770,108 | 668,908 | (56,442) | (62,245) |
| Debt service | 2,775,844 | 2,758,360 | 2,775,844 | 2,758,360 |
| Total | $ 42,230,025 | $ 41,008,873 | $ 13,676,010 | $ 14,238,697 |

Since the Board does not own any school buildings, any new buildings they construct or improvements they make are not capitalized, rather they are written off as expenses. The City capitalizes these costs. The fiscal year 2017 debt service expense includes the School Board's payment to the City to retire the principal and interest on the City's bonds issued for school purposes.

**Financial Analysis of the Board's Funds**

***Governmental Funds***

As discussed, governmental funds are reported in the fund statements with 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 $21,465,303. Of this year-end total, $17,194,891 is unassigned indicating availability for continuing Board service requirements. $1,412,560 is legally restricted for specific program purposes, $413,232 is assigned for specific purposes and $2,377,077 is committed for various programs.

The total ending fund balances of governmental funds show an increase of $4,133,706 or 23.9% below the prior years' amount.

***Major Governmental Funds***

***General Fund*** - The general fund is the School Board's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance increased $3,466,085 or 22.77%. This change compares to the general fund's fund balance which increased by $4,497,420 or 41.9% in fiscal year 2016.

Total general fund revenues increased $954,551 or 2.9%. General fund local revenues decreased $95,087 or 7/10$^{th}$ of 1%.

Total state aid increased $865,301 or 4.7% due to a reduction in the austerity reduction a receipt of state bond money to purchase school buses. Federal aid increased $184,565 because of an increase in e-rate funds.

Instruction expenditures were approximately $1 million or 5.3% over the fiscal year 2016 amount. In fiscal year 2017 all employees received a 3% one-time pay stipend. Also, health insurance for classified employees increased from $746 to $846 in January 2017.

Pupil services costs increased $358,822 or 41.4% over the prior fiscal year. The School District's costs increased because the School District hired a full-time School Improvement Director and an additional SLP and an additional psychologist, plus the 3% one-time salary stipend and health insurance increase.

Improvement of instructional services increased $117,114 or 8.8%. The increase was incurred because the School District hired a Teacher Leader Development Director and an Instructional Technologist, the 3% one-time stipend, and health insurance increased costs.

The media costs increased $53,754 or 17.6% because of the 3% onetime stipend and health insurance increase. The central support services increased $78,657 or 97.2%. The increase relates a transfer of a current employee into the Central Support Administrative Assistant position, the 3% one-time stipend and the health insurance increase.

In fiscal year 2017, revenues and net transfers in exceeded expenditures and transfers out by $3,466,085. In fiscal year 2016, expenditures and net transfers exceeded revenues by $4,497,420. The General Fund's ending unassigned fund balance is considered adequate, representing the equivalent of 58.7% of annual expenditures. The unassigned fund balance was 51.5% in the prior year.

***School Food Service Fund*** - In fiscal year 2017, revenues exceeded expenditures by $259,142 compared to $234,356 in fiscal year 2016. Revenues increased $70,456 or 2.6% over fiscal year 2016 and expenditures increased $45,670 or 1.9% above the prior year.

***Debt Service Fund –*** This fund reports the School Board's share of the special purpose local option sales taxes, which are forwarded to the City of Calhoun to cover their debt service costs for school buildings. Revenues increased by $17,484 in the current fiscal year. Revenues and expenditures equaled for the last eight years.

***SPLOST Capital Project Fund*** – This fund is being financed by the State of Georgia and proceeds for the City's sale of bonds. Local revenues included transfers from the City of Calhoun from the proceeds of the Series 2012 bond funds for construction payments.

The fiscal year 2017 expenditures were $1.9 million, with most of the costs relating to the Performing Arts Center renovation and the construction of the new STEM/COLA Lab. Fund balance at June 30, 2017 was $397,074.

***General Fund Budgetary Highlights***

The revenue budget was amended upward by $306,139. Local revenues exceeded the final budget by $1,378,164 as compared to fiscal year 2016 or $1,653,314.

The expenditure side of the original budget for the general fund was revised upward just $446,130 or 1.5%. The numerous variations between the budget and actual are not significant.

**Capital Assets and Debt Administration**

***Capital Assets***

The Board's investment in capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2017, was $3,729,208. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity.

| | 2017 | 2016 |
|---|---|---|
| Depreciable assets: | | |
| Equipment | $ 4,424,503 | $ 4,424,503 |
| Food service equipment | 1,319,598 | 1,330,498 |
| Computer equipment | 556,246 | 556,246 |
| School buses | 1,866,484 | 1,785,772 |
| Other vehicles | 101,048 | 95,044 |
| Total depreciable assets | 8,267,879 | 8,192,063 |
| Less accumulated depreciation | 4,538,671 | 3,915,387 |
| Book value - depreciable assets | $ 3,729,208 | $ 4,276,676 |
| Percentage depreciated | 55% | 48% |
| Total capital assets | $ 3,729,208 | $ 4,276,676 |

At June 30, 2017, the depreciable capital assets for governmental activities were 55% depreciated. This compares to 48% on June 30, 2016.

***Long-term Debt***

The Board's compensated absence liability decreased $28,595 or 19.1%. Note 3-F provides additional information.

**Economic Conditions Affecting the Board**

The Board has all the power and authority to manage the public schools of the City of Calhoun as is provided to county boards of education in the Constitution of Georgia and the acts of the General Assembly of Georgia. The Board is fiscally dependent upon the City of Calhoun because the Mayor and City Council must approve the Board's annual budget, levy the necessary taxes for the Board, and issue general obligation debt for the Board.

The Board serves all the area within the City of Calhoun. Approximately 23% of the School System's students are classified as non-residents; most these reside in unincorporated Gordon County. Funds for the general maintenance and operation of the School System are derived from local, state, and federal sources. Local revenues consist primarily of ad valorem property taxes collected within the City. The other major revenue stream is state aid provided by the State of Georgia.

Since the Board receives most its revenues from the State of Georgia, the State's continuing slow economic recovery and the withholding of funds earned by the System, austerity reductions, negatively influences the Board's financial position.

The City is the county seat of Gordon County, and is in the northwest section of Georgia. Gordon County's private employers are heavily concentrated in the carpet and carpet support industries. The public employers consist of City, the School Board and the County government. The School Board is the second largest public employer in Gordon County.

The fiscal year 2017 budget continues the system's emphasis on Excellence in Academics, Arts, and Athletics. The estimated Ad Valorem Tax Digest increased by only .63% in 2017. In addition to the flat digest, other major challenges included escalating health care costs, continued austerity reductions by the state, increased cost to transport students, increased salary and benefits cost, and potential cuts to federal title programs.

**Contacting the Board's Financial Management**

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations, and demonstrate the Board's commitment to public accountability. If you have, questions about this report or would like to request additional information, contact the Board's Chief Financial Officer at 380 Barrett Road, Calhoun, GA 30701.

**City of Calhoun Board of Education, Georgia**
***Comparative Statements of Net Position***
***June 30, 2017***
***(With Comparative Totals at June 30, 2016)***

| | Governmental Activities | |
|---|---|---|
| | **2017** | **2016** |
| **Assets** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 22,199,686 | $ 17,868,273 |
| Receivables: | | |
| Accounts | 1,614 | 48,633 |
| Intergovernmental | 3,544,703 | 3,536,029 |
| Primary government | 729,927 | 225,876 |
| Inventory | 65,983 | 72,580 |
| Prepaid items | 1,560 | 5,112 |
| **Total Current Assets** | 26,543,473 | 21,756,503 |
| **Noncurrent Assets** | | |
| **Capital Assets** | | |
| Depreciable, net | 3,729,208 | 4,276,676 |
| **Deferred Outflows of Resources** | 9,401,887 | 4,468,720 |
| **Total Assets and Deferred Outflows of Resources** | 39,674,568 | 30,501,899 |
| **Liabilities** | | |
| **Current Liabilities** | | |
| Accounts payable | 420,311 | 345,448 |
| Construction contracts payable | 559,774 | - |
| Retainge payable | 150,514 | 250,000 |
| Accrued salaries and wages payable | 3,658,728 | 3,578,403 |
| Compensated absences payable | 91,129 | 112,575 |
| Due to primary government | 257,473 | 251,055 |
| Unearned revenue | 31,370 | - |
| **Total Current Liabilities** | 5,169,299 | 4,537,481 |
| **Long-Term Liabilities (net of current portion):** | | |
| Compensated absences payable | 30,376 | 37,525 |
| Net pension liability payable | 32,340,923 | 24,790,469 |
| **Total Long-Term Liabilities** | 32,371,299 | 24,827,994 |
| **Deferred Inlows of Resources** | 1,061,480 | 2,419,790 |
| **Total Liabilities and Deferred Inflows of Resources** | 38,602,078 | 31,785,265 |
| **Net Position** | | |
| Net investment in capital assets | 3,018,920 | 4,026,676 |
| Restricted for school nutrition program | 1,015,486 | 751,307 |
| Restricted for capital outlay | 397,074 | 216,095 |
| Unrestricted (deficit) | (3,358,990) | (6,277,444) |
| **Total Net Position** | $ 1,072,490 | $ (1,283,366) |

See accompanying notes to the basic financial statements

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

| Function/Program | Expenses | Program Revenues: Charges for Services and Sales | Program Revenues: Operating Grants, Contributions and Interest | Program Revenues: Capital Grants, Contributions and Interest | Net (Expense) Revenue and Changes in Net Position: Governmental Activities |
|---|---|---|---|---|---|
| **Primary Government** | | | | | |
| **Governmental Activities** | | | | | |
| Instruction | $ 24,690,632 | $ 162,390 | $ 17,787,152 | $ 2,088,161 | $ (4,652,929) |
| Pupil | 1,942,046 | 518,338 | 429,454 | - | (994,254) |
| Improvement of instructional services | 2,091,335 | - | 662,732 | - | (1,428,603) |
| Media | 414,416 | 45,037 | 412,989 | - | 43,610 |
| General administration | 475,952 | - | 16,245 | - | (459,707) |
| Federal grant administration | 18,713 | - | 526,422 | - | 507,709 |
| School administration | 1,712,445 | 133,622 | 774,646 | - | (804,177) |
| Business administration | 501,598 | - | 1,965 | - | (499,633) |
| Operations and maintenance | 3,081,137 | 3,160 | 1,006,266 | - | (2,071,711) |
| Student transportation | 845,700 | - | 236,174 | - | (609,526) |
| Central support | 170,714 | - | 120,884 | - | (49,830) |
| School nutrition program | 2,652,014 | 624,818 | 2,097,047 | - | 69,851 |
| Other supporting services | 87,371 | - | 79,963 | - | (7,408) |
| Community services | 770,108 | 826,550 | - | - | 56,442 |
| Debt service | 2,775,844 | - | - | - | (2,775,844) |
| **Total Governmental Activities** | $ 42,230,025 | $ 2,313,915 | $ 24,151,939 | $ 2,088,161 | (13,676,010) |
| | | **General Revenues** | | | |
| | | Property taxes levied for: | | | |
| | | General government purposes | | | 13,249,885 |
| | | Sales taxes | | | 2,774,244 |
| | | Investment earnings | | | 7,737 |
| | | **Total General Revenues** | | | 16,031,866 |
| | | **Change in Net Position** | | | 2,355,856 |
| | | **Net Position Beginning of Year** | | | (1,283,366) |
| | | **Net Position End of Year** | | | $ 1,072,490 |

See accompanying notes to the basic financial statements

**City of Calhoun Board of Education, Georgia**
***Balance Sheet***
***Governmental Funds***
***June 30, 2017***
***(With Comparative Totals at June 30, 2016)***

| | 2017 | | | | | | 2016 |
|---|---|---|---|---|---|---|---|
| | General | School Food Service | Debt Service | SPLOST Capital Projects | Other Governmental Funds | Total Governmental Funds | Total Governmental Funds |
| **Assets** | | | | | | | |
| Cash and cash equivalents | $ 19,111,790 | $ 972,924 | $ - | $ 643,294 | $ 1,471,678 | $ 22,199,686 | $ 17,868,273 |
| Receivables: | | | | | | | |
| Accounts receivable | 1,614 | - | - | - | - | 1,614 | 48,633 |
| Intergovernmental | 2,694,888 | 155,355 | 247,919 | 150,000 | 296,541 | 3,544,703 | 3,536,029 |
| Due from primary government | 242,959 | - | - | 486,968 | - | 729,927 | 225,876 |
| Interfund | 223,745 | - | - | - | - | 223,745 | 311,991 |
| Inventory | - | 65,983 | - | - | - | 65,983 | 72,580 |
| Prepaid items | - | 1,560 | - | - | - | 1,560 | 5,112 |
| **Total Assets** | $ 22,274,996 | $ 1,195,822 | $ 247,919 | $ 1,280,262 | $ 1,768,219 | $ 26,767,218 | $ 22,068,494 |
| **Liabilities and Fund Balances** | | | | | | | |
| **Liabilities** | | | | | | | |
| Accounts payable | $ 212,367 | $ - | $ - | $ 172,900 | $ 35,044 | $ 420,311 | $ 345,448 |
| Contracts payable | - | - | - | 559,774 | - | 559,774 | - |
| Retainage payable | - | - | - | 150,514 | - | 150,514 | 250,000 |
| Accrued salaries and wages payable | 3,333,717 | 112,793 | - | - | 212,218 | 3,658,728 | 3,578,403 |
| Unearned revenue | 31,370 | - | - | - | - | 31,370 | - |
| Due to primary government | 9,554 | - | 247,919 | - | - | 257,473 | 251,055 |
| Interfund payable | - | - | - | - | 223,745 | 223,745 | 311,991 |
| **Total Liabilities** | 3,587,008 | 112,793 | 247,919 | 883,188 | 471,007 | 5,301,915 | 4,736,897 |
| **Fund Balances** | | | | | | | |
| Nonspendable | - | 67,543 | - | - | - | 67,543 | 75,551 |
| Restricted | - | 1,015,486 | - | 397,074 | - | 1,412,560 | 967,402 |
| Committed | 1,079,865 | - | - | - | 1,297,212 | 2,377,077 | 1,295,658 |
| Assigned | 413,232 | - | - | - | - | 413,232 | 782,400 |
| Unassigned | 17,194,891 | - | - | - | - | 17,194,891 | 14,210,586 |
| **Total Fund Balances** | 18,687,988 | 1,083,029 | - | 397,074 | 1,297,212 | 21,465,303 | 17,331,597 |
| **Total Liabilities and Fund Balances** | $ 22,274,996 | $ 1,195,822 | $ 247,919 | $ 1,280,262 | $ 1,768,219 | $ 26,767,218 | $ 22,068,494 |

See accompanying notes to the basic financial statements

**City of Calhoun Board of Education, Georgia**
***Reconciliation of the Balance Sheet of Governmental Funds***
***to the Government-wide Statement of Net Position***
***For the Year Ended June 30, 2017***

| | | | |
|---|---|---|---|
| **Total Governmental Fund Balances** | | | $ 21,465,303 |
| **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 governmental funds balance sheet but are reported in the government-wide statement of net position. | | | |
| Cost of capital assets | $ 8,267,879 | | |
| Less accumulated depreciation | (4,538,671) | | 3,729,208 |
| Deferred outflows for pensions reported on the government-wide statement of position but not reported on the govermental fund balance sheet. | | | 9,401,887 |
| Deferred inflows for pensions reported on the government-wide statement of position but not reported on the govermental fund balance sheet. | | | (1,061,480) |
| 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 | $ (223,745) | | |
| Interfund payables | 223,745 | | - |
| Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position. | | | |
| Net pension liability | $ (32,340,923) | | |
| Compensated absences | (121,505) | | (32,462,428) |
| **Net Position Of Governmental Activities** | | | $ 1,072,490 |

See accompanying notes to the basic financial statements

**City of Calhoun Board of Education, Georgia**
***Statement of Revenues, Expenditures and Changes in Fund Balances***
***Governmental Funds***
***For the Year Ended June 30, 2017***
***(With Comparative Totals For The Year Ended June 30, 2016)***

| | 2017 | | | | | | 2016 |
|---|---|---|---|---|---|---|---|
| | General | School Food Service | Debt Service | SPLOST Capital Projects | Other Governmental Funds | Total Governmental Funds | Total Governmental Funds |
| **Revenues** | | | | | | | |
| Local | $ 13,574,852 | $ 624,982 | $ 2,775,844 | $ 1,776,217 | $ 1,568,368 | $ 20,320,263 | $ 19,455,613 |
| Intergovernmental - state | 19,220,173 | 60,456 | - | - | 830,799 | 20,111,428 | 19,190,716 |
| Intergovernmental - federal | 311,967 | 2,019,229 | - | - | 1,767,334 | 4,098,530 | 4,151,986 |
| **Total Revenues** | 33,106,992 | 2,704,667 | 2,775,844 | 1,776,217 | 4,166,501 | 44,530,221 | 42,798,315 |
| **Expenditures** | | | | | | | |
| **Current:** | | | | | | | |
| Instruction | 19,906,143 | - | - | - | 1,848,614 | 21,754,757 | 21,433,300 |
| Supporting services: | | | | | | | |
| Pupil | 1,225,457 | - | - | - | 675,077 | 1,900,534 | 1,510,843 |
| Improvement of instructional services | 1,448,104 | - | - | - | 517,239 | 1,965,343 | 1,538,491 |
| Media | 358,679 | - | - | - | 41,840 | 400,519 | 359,173 |
| Federal grant administration | - | - | - | - | 16,245 | 16,245 | 20,998 |
| General administration | 463,962 | - | - | - | - | 463,962 | 460,121 |
| School administration | 1,601,835 | - | - | - | 38,115 | 1,639,950 | 1,591,371 |
| Business administration | 477,761 | - | - | - | - | 477,761 | 483,333 |
| Operations and maintenance | 2,657,878 | - | - | - | 2,936 | 2,660,814 | 2,674,293 |
| Student transportation | 877,376 | - | - | - | 52,824 | 930,200 | 867,577 |
| Central support | 159,600 | - | - | - | 3,513 | 163,113 | 80,943 |
| School nutrition program | 51,761 | 2,445,525 | - | - | - | 2,497,286 | 2,435,963 |
| Other supporting services | 81,501 | - | - | - | - | 81,501 | 80,564 |
| Community services | 3,692 | - | - | - | 665,884 | 669,576 | 595,536 |
| Enterprise operations | - | - | - | - | 87,182 | 87,182 | 105,711 |
| **Intergovernmental** | - | - | 2,775,844 | - | - | 2,775,844 | 2,758,360 |
| **Capital Outlay** | - | - | - | 1,911,928 | - | 1,911,928 | 950,494 |
| **Total Expenditures** | 29,313,749 | 2,445,525 | 2,775,844 | 1,911,928 | 3,949,469 | 40,396,515 | 37,947,071 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 3,793,243 | 259,142 | - | (135,711) | 217,032 | 4,133,706 | 4,851,244 |
| **Other Financing Sources (Uses)** | | | | | | | |
| Transfers in | - | - | - | 316,690 | 10,468 | 327,158 | 49,311 |
| Transfers out | (327,158) | - | - | | - | (327,158) | (49,311) |
| **Total Other Financing Sources (Uses)** | (327,158) | - | - | 316,690 | 10,468 | - | - |
| **Net Change in Fund Balances** | 3,466,085 | 259,142 | - | 180,979 | 227,500 | 4,133,706 | 4,851,244 |
| **Fund Balances Beginning of Year** | 15,221,903 | 823,887 | - | 216,095 | 1,069,712 | 17,331,597 | 12,480,353 |
| **Fund Balances End of Year** | $ 18,687,988 | $ 1,083,029 | $ - | $ 397,074 | $ 1,297,212 | $ 21,465,303 | $ 17,331,597 |

See accompanying notes to the basic financial statements

**City of Calhoun Board of Education**
***Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities***
***For the Year Ended June 30, 2017***

| | | | |
|---|---|---|---|
| **Net Changes In Fund Balances - Total Governmental Funds** | | | $ 4,133,706 |
| **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 government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay expenditures in the current period. | | | |
| | Depreciation expense | $ (739,400) | |
| | Capital outlay | 191,932 | (547,468) |
| Write off net capital assets adjusted resulting from an inventory and loss on disposition | | | - |
| Interfund transfers are reported in the governmental fund operating statement, but are eliminated in the government-wide statement of activities. | | | |
| | Transfers in | $ (327,158) | |
| | Transfers out | 327,158 | - |
| The difference between pension contributions and expenses reported on the government-wide statement of activities and the governmental fund operating statement and other pensioin adjustments. | | | (1,258,977) |
| Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund operating statement. | | | |
| | Liability @ 06/30/17 | $ (121,505) | |
| | Liability @ 06/30/16 | 150,100 | 28,595 |
| **Change In Net Position of Governmental Activities** | | | $ 2,355,856 |

See accompanying notes to the basic financial statements

**City of Calhoun Board of Education, Georgia**
***General Fund***
***Statement of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual (BudgetaryBasis)***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Local | $ 12,087,688 | $ 12,196,688 | $ 13,574,852 | $ 1,378,164 | $ 13,669,939 |
| Intergovernmental - state | 18,792,910 | 18,990,049 | 19,220,173 | 230,124 | 18,355,100 |
| Intergovernmental - federal | - | - | 311,967 | 311,967 | 127,402 |
| **Total Revenues** | 30,880,598 | 31,186,737 | 33,106,992 | 1,920,255 | 32,152,441 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Instruction | 20,716,932 | 20,680,047 | 19,906,143 | 773,904 | 18,908,717 |
| Supporting services: | | | | | |
| Pupil | 1,134,119 | 1,262,870 | 1,225,457 | 37,413 | 866,635 |
| Improvement of instructional services | 1,543,114 | 1,842,190 | 1,448,104 | 394,086 | 1,330,990 |
| Media | 360,176 | 360,176 | 358,679 | 1,497 | 304,925 |
| General administration | 462,696 | 476,607 | 463,962 | 12,645 | 452,368 |
| School administration | 1,697,607 | 1,643,875 | 1,601,835 | 42,040 | 1,554,412 |
| Business administration | 520,067 | 520,367 | 477,761 | 42,606 | 483,333 |
| Operations and maintenance | 2,991,135 | 2,996,335 | 2,657,878 | 338,457 | 2,673,834 |
| Student transportation | 989,630 | 1,012,405 | 877,376 | 135,029 | 819,752 |
| Central support | 81,351 | 108,351 | 159,600 | (51,249) | 80,943 |
| Other supporting services | 69,007 | 69,267 | 81,501 | (12,234) | 71,693 |
| School nutrition program | 25,339 | 59,148 | 51,761 | 7,387 | 36,108 |
| Facilities acquisition | - | 2,300 | - | 2,300 | - |
| Community educational services | 331 | 3,696 | 3,692 | 4 | 22,000 |
| **Total Expenditures** | 30,591,504 | 31,037,634 | 29,313,749 | 1,723,885 | 27,605,710 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 289,094 | 149,103 | 3,793,243 | 3,644,140 | 4,546,731 |
| **Other Financing (Uses)** | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | (408,223) | (408,223) | (327,158) | 81,065 | (49,311) |
| **Net Change in Fund Balances** | $ (119,129) | $ (259,120) | 3,466,085 | $ 3,725,205 | 4,497,420 |
| **Fund Balances Beginning of Year** | | | 15,221,903 | | 10,724,483 |
| **Fund Balances End of Year** | | | $ 18,687,988 | | $ 15,221,903 |

See accompanying notes to the basic financial statements

**City of Calhoun Board of Education, Georgia**
***School Food Service Fund***
***Statement of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Local | $ 679,796 | $ 641,491 | $ 624,982 | $ (16,509) | $ 657,384 |
| Intergovernmental - state | 50,000 | 60,500 | 60,456 | (44) | 56,550 |
| Intergovernmental - federal | 1,879,500 | 2,024,350 | 2,019,229 | (5,121) | 1,920,277 |
| **Total Revenues** | 2,609,296 | 2,726,341 | 2,704,667 | (21,674) | 2,634,211 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Supporting services: | | | | | |
| School nutrition program | 2,587,052 | 2,495,583 | 2,445,525 | 50,058 | 2,399,855 |
| **Excess of Revenues Over Expenditures** | $ 22,244 | $ 230,758 | 259,142 | $ 28,384 | 234,356 |
| **Fund Balances Beginning of Year** | | | 823,887 | | 589,531 |
| **Fund Balances End of Year** | | | $ 1,083,029 | | $ 823,887 |

See accompanying notes to the basic financial statements

**City of Calhoun Board of Education, Georgia**
***Comparative Statements of Assets and Liabilities***
***Agency Funds***
***June 30, 2017***
***(With Comparative Totals at June 30, 2016)***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 645,538 | $ 638,813 |
| **Liabilities** | | |
| Due to others | $ 645,538 | $ 638,813 |

See accompanying notes to the basic financial statements

## 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
  - Capital Assets ..... 1-E-5
  - Compensated Absences ..... 1-E-6
  - Accrued Liabilities and Long-term Obligations ..... 1-E-7
  - Fund Equity ..... 1-E-8
  - Interfund Activity ..... 1-E-9
  - Estimates ..... 1-E-10
  - Comparative Data ..... 1-E-11

**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
- Capital Assets ..... 3-D
- Interfund Balances and Transfers ..... 3-E
- Long-Term Debt ..... 3-F
- Pension ..... 3-G
- Fund Equity ..... 3-H

**Other Notes** ..... 4
- Risk Management ..... 4-A
- Other Post-employment Benefits ..... 4-B
- Contingent Liabilities ..... 4-C
- On-Behalf Payments ..... 4-D
- Construction Commitments ..... 4-E
- Tax Abatements ..... 4-F

The City of Calhoun Board of Education, Georgia (the "Board") was established under the laws of the State of Georgia and operates under the guidance of a school board elected by the voters and a Superintendent, appointed by the Board. The Board provides education for grades K-12 within the city limits of the City of Calhoun, Georgia.

## *Note 1 - Summary of Significant Accounting Policies*

The financial statements of the Board 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 Board'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 Board consists of all funds, departments, boards and agencies that are not legally separate from the Board.

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

Board members are elected by the public and have decision-making authority, the power to designate management, and the ability to significantly influence operations, but do not have the authority to levy taxes or incur bonded indebtedness. The Board is required to submit a budget to the City of Calhoun, Georgia City Council for approval. The City Council determines the amount of tax revenues levied for the Board. As a result, the Board is a discretely presented component unit of the City of Calhoun, Georgia.

### *1-B. Basis of Presentation*

The Board's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

***Government-wide Financial Statements*** - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Board. Individual funds are not displayed. Fiduciary funds are not presented within the government-wide financial statements.

The statement of net position presents the financial position of the governmental activities of the Board.

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

## *Note 1 - Summary of Significant Accounting Policies (Continued)*

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 Board's services; (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 function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the Board. 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 Board.

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

Major individual governmental funds are reported in separate columns.

***Fund Accounting*** - The Board 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 Board uses two fund categories, governmental 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 Board reports the difference between governmental fund assets and liabilities as fund balance. The following is the Board's major governmental fund:
>
> > ***The General Fund*** – The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund's fund balance is available to the Board for any purpose provided it is expended or transferred according to the general laws of Georgia.
> >
> > ***The School Food Service Fund*** – This fund is used to account for the Board's school nutrition program. The revenue sources include the sale of meals and federal meal reimbursement.
> >
> > ***The Debt Service Fund*** – This fund recognizes special purpose local option sales taxes and forwards them to the City of Calhoun, GA, who retires the debt on school buildings.
> >
> > ***SPLOST Capital Projects Fund*** - This fund accounts for the special purpose local option sales tax as authorized in 2010 and is being used primarily for constructing and equipping a new middle-high school.
>
> ***Fiduciary Funds*** – Fiduciary fund reporting focuses on changes in assets and liabilities. The Board's fiduciary funds are agency funds, which are primary student activity.

### *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 Board are included on the statement of net position. The statement of activities reports revenues and expenses. The facilities and acquisitions function includes the School Board's expenses for school buildings that are owned by the City of Calhoun, Georgia.

## *Note 1 - Summary of Significant Accounting Policies (Continued)*

***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 way 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.

### *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, the governmental funds use the modified accrual basis of accounting. 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 Board, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

***Revenues - Non-exchange Transactions*** - Non-exchange transactions in which the Board receives value without directly giving equal value in return, include sales taxes, 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 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 School System must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School System on a reimbursement basis.

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally, teachers are contracted for the school year (July 1 – June 30) and paid over a twelve-month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School System over the same twelve-month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent fiscal year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each fiscal year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in GASB Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, and federal and state grants.

***Unearned Revenue*** - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On both the government-fund financial statements and the government-wide financial statements, cash advances on grants are reported as unearned revenues.

## *Note 1 - Summary of Significant Accounting Policies (Continued)*

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

### *1-E. Assets, Liabilities and Fund Equity*

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

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

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

Georgia law authorizes the Board 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 government 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

#### *1-E-2 Receivables*

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

#### *1-E-3 Interfund Balances*

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column of the statement of net position.

#### *1-E-4 Consumable Inventories*

Inventories of donated food commodities used in the preparation of meals are valued at their federally assigned value. Purchased food inventories are reported at cost, on a first-in, first-out basis. Donated food commodities are recorded as revenues and expenditures at the time commodity items are received. Purchased food inventories are recorded as expenditures at the time of purchase. The inventories reported on the balance sheet are offset by classifying fund balance as Nonspendable, which indicated that these amounts do not constitute "available spendable resources" although they are a component of net current assets.

#### *1-E-5 Capital Assets*

General capital assets are those assets used by the Board to provide educational and supporting services. These assets generally result from expenditures in governmental funds. The Board reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the Board fund financial statements.

## *Note 1 - Summary of Significant Accounting Policies (Continued)*

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 values as of the date received. The Board maintains a capitalization threshold of ten thousand dollars. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All land and buildings used by the Board are the property of the primary government, the City of Calhoun, Georgia. If the Board purchases or constructs any of these assets, they are recorded as expenditures in the facilities acquisition and construction function and not capitalized on the Board's statement of net position. All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| Asset Class | Governmental Activities |
|---|---|
| Equipment | 10 Years |
| Food service equipment | 10 Years |
| Computer equipment | 5 Years |
| School buses | 10 Years |
| Other vehicles | 5 Years |

### *1-E-6 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.

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

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "*when due*."

### *1-E-7 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 these funds. However, compensated absences 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.

### *1-E-8 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 Board is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

## *Note 1 - Summary of Significant Accounting Policies (Continued)*

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 School System or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the School System Board of Education through the approval of a motion. Only, the Board of Education also may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the School System's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Education has authorized the School System's superintendent or designee to assign fund balances.

- ***Unassigned*** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The Board reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

***Net Position*** - Net position represent the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

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

### *1-E-9 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. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between funds reported in the governmental activities column are eliminated.

### ***1-E-10 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 1 - Summary of Significant Accounting Policies (Continued)*

### *1-E-11 Comparative Data*

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements and in the government-wide statement of net position, to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

## *Note 2 – Stewardship, Compliance and Accountability*

***2-A. Budgetary Information –*** The Board adopts an annual operating budget for the general fund and each special revenue fund. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each function's appropriation within each fund.

The budgets are adopted on a basis consistent with GAAP. Budgets for capital projects funds are adopted on a basis consistent with GAAP except the budget period is a project period rather than an annual period.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the fund level for the governmental fund type. Any change in the total fund level requires approval of the school board.

However, the annual budget is prepared by fund type, fund, function, and object.

All unexpended annual appropriations lapse at year-end. The budget was amended during this fiscal year.

## *Note 3 - Detailed Notes on All Funds*

### *3-A. Deposits and Investments*

***Deposits –*** The Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral in an amount of not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. OCGA Section 45-8-11 provides an officer holding public funds may, in his discretion, waive the requirement for security in the case of operating funds placed in demand deposit checking accounts.

Acceptable security for deposits consists of any one of or any combination of the following:

- Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
- Insurance on accounts provided by the Federal Deposit Insurance Corporation,
- Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
- Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
- Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
- Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

## *Note 3 - Detailed Notes on All Funds (Continued)*

- Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

At June 30, 2017, all bank balances were covered by Federal Depository Insurance or collateral held by the pledging banks' agent in the Board's name.

***Investments –*** The Board invests excess cash in the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Funds included in the State Treasurer's Investment Pool are not required to be collateralized. The pool is regulated by the oversight of the Georgia Office of Treasury and Fiscal Services. The pool is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a Rule 2a-7 like pool.

Credit risk, value, and interest risk at June 30, 2017 are as follows:

| Credit Risk | Value | Interest Risk |
|---|---|---|
| AAAf rated | $ 609,527 | 26 day WAM |

The fair value of the Board's position in the pool approximates the value of the Board's pool shares. This pool is managed under the policies included in Georgia Law (O.C.G.A. 36-83-4). The entire portfolio, including the Board's pro-rata portion, consists of collateralized certificates of deposit and Board or Board agency securities owned outright and under agreement to resale. The title to all investments, including collateral pledged to secure certificates of deposit, is held in the custody of the Director, Fiscal Division, Department of Administrative Services, State of Georgia, in accordance with Georgia law. Since these investments are not evidenced by securities that exist in physical or book entry form, they are not classified by category of credit risk.

The School Board has no specific financial policy regarding the credit risk or interest rate risk of investments.

***Cash & Investment Reconciliation:***

| | Cash and Cash Equivalents |
|---|---|
| Fund Reporting Level: | |
| Governmental Funds Balance Sheet | $ 22,199,686 |
| Statement of Fiduciary Assets and Liabilities | 282,516 |
| Total | $ 22,482,202 |

## *Note 3 - Detailed Notes on All Funds (Continued)*

| | Per Categorization |
|---|---|
| Deposits | $ 21,872,675 |
| LGIP | 609,527 |
| Total | $ 22,482,202 |

### *3-B. Receivables*

Receivables at June 30, 2017, consisted of intergovernmental receivables arising from grants and taxes due from the Primary Government.

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

### *3-C. Property Taxes*

Property taxes attach as an enforceable lien on property as of January 1. The City of Calhoun levied property taxes September 12, 2016. Property taxes were billed on September 26, 2016 and were payable on December 20, 2016. Liens have not been issued as of the report date. The City of Calhoun Clerk bills and collects the property taxes for the Board and remits the taxes collected to the Board.

*(this page continued on the subsequent page)*

## *Note 3 - Detailed Notes on All Funds (Continued)*

### *3-D. Capital Assets*

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

| | Balance 7/1/2015 | Additions | Deductions | Balance 6/30/2016 |
|---|---|---|---|---|
| Governmental activities: | | | | |
| Depreciable capital assets: | | | | |
| Equipment | $ 4,424,503 | $ - | $ - | $ 4,424,503 |
| Food service equipment | 1,330,498 | - | 10,900 | 1,319,598 |
| Computer equipment | 556,246 | - | - | 556,246 |
| School buses | 1,785,772 | 171,432 | 90,720 | 1,866,484 |
| Other vehicles | 95,044 | 20,500 | 14,496 | 101,048 |
| Total depreciable capital assets | 8,192,063 | 191,932 | 116,116 | 8,267,879 |
| Accumulated depreciation: | | | | |
| Equipment | 1,447,019 | 438,479 | - | 1,885,498 |
| Food service equipment | 538,840 | 122,542 | 10,900 | 650,482 |
| Computer equipment | 409,997 | 98,611 | - | 508,608 |
| School buses | 1,467,264 | 68,212 | 90,720 | 1,444,756 |
| Other vehicles | 52,267 | 11,556 | 14,496 | 49,327 |
| Total accumulated depreciation | 3,915,387 | 739,400 | 116,116 | 4,538,671 |
| Governmental activities capital assets, | $ 4,276,676 | $ (547,468) | $ - | $ 3,729,208 |

Governmental activities depreciation expense

| | |
|---|---|
| Instruction | $ 15,276 |
| Pupil services | 1,370 |
| Improvement of instructional services | 96,735 |
| Maintenancce and operations | 425,759 |
| Transportation | 70,692 |
| School nutrition | 122,542 |
| Community education | 7,026 |
| Total governmental activities depreciation expense | $ 739,400 |

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

***Interfund Balances*** - At June 30, 2017, the nonmajor governmental funds owed the general fund $223,745 to cover the cash deficits in the cash pool. Normally, these amounts are repaid in the current year.

## *Note 3 - Detailed Notes on All Funds (Continued)*

***Interfund Transfers*** - Interfund transfers for the year ended June 30, 2017, consisted of a transfer of $10,468 from the general fund to the lottery pre-kindergarten fund to cover the difference between revenues and expenditures, $316,690 from the general fund to the SPLOST capital projects fund.

### *3-F. Long-Term Debt*

The Board does not have the authority to issue general long-term debt. Therefore, the only long-term debt of the Board was the compensated absences liability.

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

| Governmental Activities | Outstanding 7/1/2016 | Additions | Reductions | Outstanding 6/30/2017 | Amounts Due in One Year | Long-term Portion |
|---|---|---|---|---|---|---|
| Compensated absences | $ 150,100 | $ 83,980 | $ 112,575 | $ 121,505 | $ 91,129 | $ 30,376 |

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, generally the general fund.

### *3-G. Pension*

#### *Teachers Retirement System of Georgia (TRS)*

***Pensions*** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from this plans fiduciary net position have been determined on the same basis as they are reported by this plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Plan Description*** - Substantially all teachers, administrators, and clerical personnel employed by the School System are members of TRS. TRS provides retirement and disability benefits, and death benefits to plan members and beneficiaries. Title 47, Chapter 3 of the Official Code of Georgia Annotated, assigns the authority to establish and amend benefit provisions to the TRS Board of Trustees. TRS, is a cost-sharing multiple-employer defined benefit pension plan, and is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A, which assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

***Plan Benefits*** - TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

## *Note 3 - Detailed Notes on All Funds (Continued)*

***Funding Policy –*** Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public-school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2017. The school district's contractually required contribution rate for the year ended June 30, 2017 was 14.27 % of annual school district payroll. District contributions to TRS were $2,599,942 for the year ended June 30, 2017.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions -*** At June 30, 2017, the School System reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School System by the State of Georgia for certain public-school support personnel.

The amount recognized by the School System as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

| | |
|---|---|
| District's proportionate share of the net pension liability | $ 32,340,923 |
| State of Georgia's proportionate share of the net pension liability associated with the Schoool System | 590,256 |
| Total | $ 32,931,179 |

The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2016. At June 30, 2016, the District's proportion was .156758%, which was a decrease of .006080% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of $3,869,657 and revenue of $55,658 for support provided by the State of Georgia for certain support personnel. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Changes in proportion and differences between School System contributions and proportionate share of contributions | $ 1,390,660 | $ 901,554 |
| Differences between expected and actual experience | 481,793 | 159,926 |
| Changes in assumptions | 838,232 | - |
| Net difference betweeen projected and actual earnings on pension plan investments | 4,091,260 | - |
| District contributions subsequent to the measurement date | 2,599,942 | - |
| Total | $ 9,401,887 | $ 1,061,480 |

## *Note 3 - Detailed Notes on All Funds (Continued)*

District contributions subsequent to the measurement date of $2,599,942 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | Amount |
|---|---|
| 2017 | $ 980,440 |
| 2018 | 980,438 |
| 2019 | 2,358,824 |
| 2020 | 1,396,824 |
| 2021 | 23,939 |

***Actuarial assumptions:*** The total pension liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.75%
Salary increases 3.25 – 9.00%, average, including inflation
Investment rate of return 7.50%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 White Collar Mortality Table for future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service retirements and dependent beneficiaries. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Expected Real Rate of Return |
|---|---|---|
| Fixed Income | 30.00% | -0.50% |
| Domestic large cap. equities | 39.80% | 9.00% |
| Domestic mid cap. equities | 3.70% | 12.00% |
| Domestic small cap. equities | 1.50% | 13.50% |
| International developed market equities | 19.40% | 8.00% |
| International merging market equities | 5.60% | 12.00% |
| Total | 100% | |

## *Note 3 - Detailed Notes on All Funds (Continued)*

***Discount Rate*** – The discount rate used to measure the total pension liability was 7.50 %. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the School System proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 %) or 1-percentage-point higher (8.50 %) than the current rate:

| | 1% Decrease or 6.5% | Current Discount Rate 7.50% | 1% Increase or 8.5% |
|---|---|---|---|
| District's Proportionate Share of the net pension liability | $ 50,339,046 | $ 32,340,923 | $ 17,522,436 |

***3-H. Fund Equity***

***Fund Balances –*** Fund balances are classified as follows:

- ***Nonspendable*** – The following fund balances are nonspendable because they are not in spendable form:

| | |
|---|---|
| ***Major Governmental Fund:*** | |
| ***School Food Service Fund:*** | |
| Inventory | $ 65,983 |
| Prepaid items | 1,560 |
| ***Total School Food Service Fund*** | $ 67,543 |

- ***Restricted –*** The following fund balances are legally restricted to specified purposes:

| | |
|---|---|
| ***Major Governmental Funds:*** | |
| ***School Food Service Fund:*** | |
| School nutrition program | $ 1,015,486 |
| ***SPLOST Capital Projects Fund*** | 397,074 |
| ***Total Major Governmental Funds:*** | $ 1,412,560 |

## *Note 3 - Detailed Notes on All Funds (Continued)*

- ***Committed –*** The following fund balances are committed to specific purposes:

| | |
|---|---|
| ***General Fund:*** | |
| Dental and Flex Plan, budget shortfall and capital projects | $ 1,079,865 |
| ***Nonmajor Special Revenue Funds:*** | |
| Community education | $ 898,047 |
| Lottery pre-kindergarten | 14,169 |
| Local School Activity Accounts | 384,996 |
| ***Total Nonmajor Special Revenue Funds*** | $ 1,297,212 |

- ***Assigned –*** The following fund balances are assigned to specific purposes:

| | |
|---|---|
| ***General Fund:*** | |
| Capital projects | $ 413,232 |

***Net Investment in Capital Assets -*** The account "net investment in capital assets" amount reported on the government-wide statement of net position as of June 30, 2017 is as follows:

| Net investment in capital assets | Governmental Activities |
|---|---|
| Cost of capital assets | $ 8,267,879 |
| Less accumulated depreciation | 4,538,671 |
| Book value | 3,729,208 |
| Less construction contracts and retainage | 710,288 |
| Net investment in capital assets | $ 3,018,920 |

## *Note 4 – Other Notes*

### *4-A. Risk Management*

The Board is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The School District has established a limited risk management program for Unemployment Compensation. There have been no unemployment claims in the last three years. The Board purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

## *Note 4 – Other Notes (Continued)*

### *4-B. Other Post-employment Benefits*

***Plan Description***. The Georgia School Personnel Post-Employment Health Benefit Fund (School OPEB Fund) is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers eligible former employees of public school systems, libraries and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Benefit Plan administered by the Department of Community Health. The Official Code of Georgia Annotated (O.C.G.A.) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Board of Community Health (Board). Additional information about the School OPEB Fund is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This report can be obtained from the Georgia Department of Audits and Accounts at www.audits.ga.gov/SGD/CAFR.html.

**Funding Policy.** The contribution requirements of plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election.

For members with fewer than five years of service as of January 1, 2012, contributions also vary based on years of service. On average, members with five years or more of service as of January 1, 2012, pay approximately 25 percent of the cost of the health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the State provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option.

The Board of Community Health sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy.

Participating employers are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rates are established to fund all benefits due under the health insurance plans for both active and retired employees based on projected "pay-as-you-go" financing requirements. Contributions are not based on the actuarially calculated annual required contribution (ARC) which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund for the fiscal year ended June 30, 2017, were as follows:

*Certified employees*

| | |
|---|---|
| July 2016 –June 2017 | $945 per member per month |

*Non-Certificated Employees*

| | |
|---|---|
| July 1, 2016 – December 31, 2016 | $746 per member per month |
| January 1, 2017 – June 30, 2017 | $846 per member per month |

No additional contribution was required by the Board for fiscal year 2017 nor contributed to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the School Plan for other post-employment benefits and are subject to appropriation.

## *Note 4 – Other Notes*

The School System's contributions to the health insurance plans for the fiscal years ended June 30, 2017, June 30, 2016, and June 30, 2015, were $3,502,381, and $3,395,551, and $3,257,514 respectively, which equaled the required OPEB cost.

### *4-C. Contingent Liabilities*

The Board has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Board believes such disallowances, if any, will be immaterial.

### *4-D. On-Behalf Payments*

The Board has recognized revenues and expenditures in the amount of $55,658 for retirement contributions paid on the Board's behalf by the following State Agencies.

| | |
|---|---|
| Teachers Retirement System of Georgia | |
| For Teachers Retirement System Employer's Cost | $33,816 |
| Office of Treasury and Fiscal Services | |
| Paid to the Public School Employees Retirement System | |
| For Public School Employees Retirement (PSERS) Employer's Cost | 21,842 |
| Total | $55,658 |

### *4-E. Construction Commitments*

As of June 30, 2017, the School System has made a significant construction commitment to R.K. Redding Construction and RLR Architects and Engineers. The remaining commitment or amount owed at June 30, 2017 is $710,288.

### *4-F. Tax Abatements*

For the year ended June 30, 2017, the School System property tax revenues were reduced by $142,919 under agreements entered into by the Development Authority of Gordon County. Under the agreements, taxes on both real and personal property are reduced based on incentives offered to the corporations so long as targets to create and/or retain certain numbers of jobs in the County are met.

**City of Calhoun Board of Education, Georgia**
***Required Supplementary Information***
***Schedule of the School System's Proportionate Share of the Net Pension Liability***
***Teachers Retirement System of Georgia***
***For the Fiscal Years Ended June 30, 2017 - 2015***

| | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---|---|---|
| School System's proportion of the net pension liability | 15.675800% | 16.283800% | 16.364200% |
| School System's proportionate share of the net pension liability | $ 32,340,923 | $ 24,790,469 | $ 20,674,008 |
| State of Georgia's proportionate share of the net pension liability associated with the School System | 590,256 | 434,189 | 379,642 |
| Total | $ 32,931,179 | $ 25,224,658 | $ 21,053,650 |
| School Systen's covered-employee payroll during measurement period | $ 18,214,321 | $ 17,448,043 | $ 17,001,341 |
| School Systen's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 181% | 145% | 124% |
| Plan fiduciary net position as a percentage of the total pension liability | 76.06% | 81.44% | 84.03% |

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**City of Calhoun Board of Education, Georgia**

***Required Supplementary Information***

***Schedule of Required Contributions During Measurement Period***

***Teachers Retirement System of Georgia***

***For the Fiscal Year Ended June 30, 2017***

| Fiscal Year Ended | Contractually Required Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| June 30, 2016 | $ 2,498,618 | $ 2,498,618 | $ - | $ 17,510,255 | 14.27% |
| June 30, 2017 | 2,566,197 | 2,566,197 | - | 18,214,321 | 14.09% |

***Notes to Required Supplementary Information***

***For the Fiscal Year Ended June 30, 2017***

***Changes of assumptions*** - In 2010 and later, the expectation of retired life mortality was changed to the RP2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

***Method and assumptions used in calculations of actuarially determined contributions*:** The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2015 and 2016 reported in that schedule:

| | Fiscal Year 2017 | Fiscal Year 2016 |
|---|---|---|
| Valuation Date | June 30, 2016 | June 30, 2015 |
| Actuarial Cost Method | Entry Age | Entry Age |
| Amortization Method | Level % of Payroll, Open | Level % of Payroll, Open |
| Remaining Amortization Period | 30 Years | 30 Years |
| Asset Valuation Method | 7 Year Smoothed Market | 7 Year Smoothed Market |
| Inflation Rate | 3% | 3% |
| Salary Increases | 3.75-7.00%, including inflation | 3.75-7.00%, including inflation |
| Investment Rate of Return | 7.5%, net of pension plan investment expense, including inflation | 7.5%, net of pension plan investment expense, including inflation |

**City of Calhoun Board of Education, Georgia**
***General Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Cash and investments | $ 19,111,790 | $ 15,415,050 |
| Receivables: | | |
| Accounts | 1,614 | 48,633 |
| Intergovernmental | 2,694,888 | 2,562,635 |
| Due from primary government | 242,959 | 128,911 |
| Interfund | 223,745 | 311,991 |
| Prepaid items | - | 2,971 |
| **Total Assets** | $ 22,274,996 | $ 18,470,191 |
| **Liabilities and Fund Balances** | | |
| **Liabilities** | | |
| Accounts payable | $ 212,367 | $ 98,629 |
| Salaries and benefits payable | 3,333,717 | 3,135,094 |
| Unearned rervenue | 31,370 | - |
| Due to primary government | 9,554 | 14,565 |
| **Total Liabilities** | 3,587,008 | 3,248,288 |
| **Fund Balances** | | |
| Nonspendable | - | 2,971 |
| Committed | 1,079,865 | 225,946 |
| Assigned | 413,232 | 782,400 |
| Unassigned | 17,194,891 | 14,210,586 |
| **Total Fund Balances** | 18,687,988 | 15,221,903 |
| **Total Liabilities and Fund Balances** | $ 22,274,996 | $ 18,470,191 |

**City of Calhoun Board of Education**
***General Fund***
***Comparative Statements of Revenues, Expenditures and Changes in Fund Balances***
***For the Years Ended June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Revenues** | | |
| Local | $ 13,574,852 | $ 13,669,939 |
| Intergovernmental - state | 19,220,173 | 18,355,100 |
| Intergovernmental - federal | 311,967 | 127,402 |
| **Total Revenues** | 33,106,992 | 32,152,441 |
| **Expenditures** | | |
| **Current:** | | |
| Instruction | 19,906,143 | 18,908,717 |
| Supporting services: | | |
| Pupil | 1,225,457 | 866,635 |
| Improvement of instructional services | 1,448,104 | 1,330,990 |
| Media | 358,679 | 304,925 |
| General administration | 463,962 | 452,368 |
| School administration | 1,601,835 | 1,554,412 |
| Business administration | 477,761 | 483,333 |
| Operations and maintenance | 2,657,878 | 2,673,834 |
| Student transportation | 877,376 | 819,752 |
| Central support | 159,600 | 80,943 |
| Other supporting services | 81,501 | 71,693 |
| School nutrition program | 51,761 | 36,108 |
| Community educational services | 3,692 | 22,000 |
| **Total Expenditures** | 29,313,749 | 27,605,710 |
| **Excess of Revenues Over Expenditures** | 3,793,243 | 4,546,731 |
| **Other Financing (Uses)** | | |
| Transfers in | - | - |
| Transfers out | (327,158) | (49,311) |
| **Net Change in Fund Balances** | 3,466,085 | 4,497,420 |
| **Fund Balances Beginning of Year** | 15,221,903 | 10,724,483 |
| **Fund Balances End of Year** | $ 18,687,988 | $ 15,221,903 |

**City of Calhoun Board of Education, Georgia**
***School Food Service Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 972,924 | $ 759,853 |
| Intergovernmental receivable | 155,355 | 121,171 |
| Inventory | 65,983 | 72,580 |
| Prepaid items | 1,560 | 500 |
| **Total Assets** | $ 1,195,822 | $ 954,104 |
| **Liabilities and Fund Balances** | | |
| **Liabilities** | | |
| Accounts payable | $ - | $ 1,861 |
| Accrued salaries and wages payable | 112,793 | 128,356 |
| **Total Liabilities** | 112,793 | 130,217 |
| **Fund Balances** | | |
| Nonspendable | 67,543 | 73,080 |
| Restricted | 1,015,486 | 750,807 |
| **Total Fund Balances** | 1,083,029 | 823,887 |
| **Total Liabilities and Fund Balances** | $ 1,195,822 | $ 954,104 |

# *Nonmajor Governmental Funds*

## Nonmajor Special Revenue Funds:

***Community Education Fund*** – Accounts for funds designated for programs sponsored by the Community Education Department. These programs include after school care, professional education for staff members, and drivers education programs for students.

***Vocational Education Fund*** – Accounts for funds designated for use in accordance with the Carl D. Perkins Career and Technical Education Act of 2006, and state and local effort to strengthen the system's career and technical education programs.

***ESEA Title I Fund*** – Accounts for funds designated to help ensure that all children meet challenging State academic content and student academic achievement standards.

***ESEA Title II Fund*** – Accounts for funds designated for preparing, training, and recruiting high-quality teachers and principals. Title II also includes competitive grants to be used to enhance technology.

***ESEA Title III Fund*** – Accounts for funds designated for serving students with limited proficiency in the English language.

***ESEA Title VI Fund*** - Accounts for funds designated for a broad array of local activities that support student achievement.

***Individuals With Disabilities Education Act Fund - IDEA and Preschool Program*** – Accounts for funds designated to assist a local school system in providing special education and related service to students with disabilities.

***Education of Homeless Fund*** – Accounts for funds designated for programs and services to ensure that each homeless child and youth has access to the same free, appropriate public education, including a public preschool education, as other children and youth.

***Lottery Pre-kindergarten Fund*** – Accounts for funds designated for the delivery of early care and education programs that improve the quality of early learning experiences, increase school readiness, and improve overall school performance.

***Local School Activity Accounts Fund*** - Accounts for funds used to support the system's co-curricular and extra-curricular activities.

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

| | Community Education | Voactional Education | Elementary and Secondary Education | | | | Individuals With Disabilities Education Act - IDEA and Preschool Program | Education of Homeless | Lottery Pre-kindergarten | Local School Activity Accounts | Total Nonmajor Special Revenue Funds |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Title I | Title II | Title III | Title VI | | | | | |
| **Assets** | | | | | | | | | | | |
| Cash and cash equivalents | $ 934,824 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 151,858 | $ 384,996 | $ 1,471,678 |
| Intergovernmental receivable | - | 10,383 | 101,910 | 8,328 | 6,306 | 9,949 | 147,133 | 12,532 | - | - | 296,541 |
| **Total Assets** | $ 934,824 | $ 10,383 | $ 101,910 | $ 8,328 | $ 6,306 | $ 9,949 | $ 147,133 | $ 12,532 | $ 151,858 | $ 384,996 | $ 1,768,219 |
| **Liabilities and Fund Balances** | | | | | | | | | | | |
| **Liabilities** | | | | | | | | | | | |
| Accounts payable | $ 11,647 | $ - | $ 7,022 | $ - | $ - | $ - | $ 2,585 | $ 2,691 | $ 11,099 | $ - | $ 35,044 |
| Accrued salaries and wages | 25,130 | - | - | 539 | - | - | 59,959 | - | 126,590 | - | 212,218 |
| Interfund payable | - | 10,383 | 94,888 | 7,789 | 6,306 | 9,949 | 84,589 | 9,841 | - | - | 223,745 |
| **Total Liabilities** | 36,777 | 10,383 | 101,910 | 8,328 | 6,306 | 9,949 | 147,133 | 12,532 | 137,689 | - | 471,007 |
| **Fund Balances** | | | | | | | | | | | |
| Committed | 898,047 | - | - | - | - | - | - | - | 14,169 | 384,996 | 1,297,212 |
| **Total Liabilities and Fund Balances** | $ 934,824 | $ 10,383 | $ 101,910 | $ 8,328 | $ 6,306 | $ 9,949 | $ 147,133 | $ 12,532 | $ 151,858 | $ 384,996 | $ 1,768,219 |

**City of Calhoun Board of Education**
***Combining Statement of Revenues, Expenditures and Changes in Fund Balances***
***Nonmajor Special Revenue Funds***
***For the Year Ended June 30, 2017***

| | Community Education | Vocational Education | Elementary and Secondary Education | | | | Individuals With Disabilities Education Act - IDEA and Preschool Program | Education of Homeless | Lottery Pre-kindergarten | Local School Activity Accounts | Elementary School Counselor | Total Nonmajor Special Revenue Funds |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Title I | Title II | Title III | Title VI | | | | | | |
| **Revenues** | | | | | | | | | | | | |
| Local | $ 826,550 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 741,818 | $ - | $ 1,568,368 |
| Intergovernmental - state | - | - | - | - | - | - | - | - | 830,799 | - | - | 830,799 |
| Intergovernmental - federal | - | 42,756 | 804,866 | 63,663 | 72,774 | 89,320 | 633,545 | 39,232 | - | - | 21,178 | 1,767,334 |
| **Total Revenues** | 826,550 | 42,756 | 804,866 | 63,663 | 72,774 | 89,320 | 633,545 | 39,232 | 830,799 | 741,818 | 21,178 | 4,166,501 |
| **Expenditures** | | | | | | | | | | | | |
| **Current:** | | | | | | | | | | | | |
| Instruction | - | 20,480 | 379,521 | 28,551 | 32,611 | 42,783 | 481,975 | 17,653 | 807,536 | 35,107 | 2,397 | 1,848,614 |
| Supporting services: | | | | | | | | | | | | |
| Pupil | - | - | 100,540 | 7,105 | 6,527 | 10,447 | 36,963 | 18,604 | 12,486 | 481,539 | 866 | 675,077 |
| Improvement of instructional services | - | 22,276 | 318,968 | 24,494 | 33,636 | 36,090 | 61,841 | 1,102 | 917 | - | 17,915 | 517,239 |
| Media | - | - | - | - | - | - | - | - | - | 41,840 | - | 41,840 |
| Federal grant administration | - | - | 5,837 | - | - | - | 10,408 | - | - | - | - | 16,245 |
| School administration | - | - | - | - | - | - | - | - | 1,161 | 36,954 | | 38,115 |
| Operations and maintenance | - | - | - | - | - | - | - | - | - | 2,936 | - | 2,936 |
| Student transportation | - | - | - | - | - | - | 42,358 | 1,873 | 4,998 | 3,595 | - | 52,824 |
| Central services | - | - | - | 3,513 | - | - | | | | | | 3,513 |
| Community services | 665,884 | - | - | - | - | - | - | - | - | - | - | 665,884 |
| Enterprise operations | - | - | - | - | - | - | - | - | - | 87,182 | - | 87,182 |
| **Total Expenditures** | 665,884 | 42,756 | 804,866 | 63,663 | 72,774 | 89,320 | 633,545 | 39,232 | 827,098 | 689,153 | 21,178 | 3,949,469 |
| **Excess of Revenues Over Expenditures** | 160,666 | - | - | - | - | - | - | - | 3,701 | 52,665 | - | 217,032 |
| **Other Financing Sources (Uses)** | | | | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | 10,468 | - | - | 10,468 |
| **Total Other Financing Sources (Uses)** | - | - | - | - | - | - | - | - | 10,468 | - | - | 10,468 |
| **Net Change in Fund Balances** | 160,666 | - | - | - | - | - | - | - | 14,169 | 52,665 | - | 227,500 |
| **Fund Balances Beginning of Year** | 737,381 | - | - | - | - | - | - | - | - | 332,331 | - | 1,069,712 |
| **Fund Balances End of Year** | $ 898,047 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 14,169 | $ 384,996 | $ - | $ 1,297,212 |

**City of Calhoun Board of Education, Georgia**
***Community Education Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 934,824 | $ 777,192 |
| **Liabilities and Fund Balances** | | |
| **Liabilities** | | |
| Accounts payable | $ 11,647 | $ 12,316 |
| Accrued salaries and wages payable | 25,130 | 27,495 |
| **Total Liabilities** | 36,777 | 39,811 |
| **Fund Balances** | | |
| Committed | 898,047 | 737,381 |
| **Total Liabilities and Fund Balances** | $ 934,824 | $ 777,192 |

**City of Calhoun Board of Education, Georgia**
***Community Education Fund***
***Schedule of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Local | $ 700,572 | $ 828,167 | $ 826,550 | $ (1,617) | $ 709,153 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Community services | 672,710 | 802,744 | 665,884 | 136,860 | 573,536 |
| **Excess of Revenues Over Expenditures** | $ 27,862 | $ 25,423 | 160,666 | $ 135,243 | 135,617 |
| **Fund Balances Beginning of Year** | | | 737,381 | | 601,764 |
| **Fund Balances End of Year** | | | $ 898,047 | | $ 737,381 |

**City of Calhoun Board of Education, Georgia**
***Vocational Education Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Intergovernmental receivable | $ 10,383 | $ 4,265 |
| Prepaid items | - | 1,641 |
| **Total Assets** | $ 10,383 | $ 5,906 |
| **Liabilities** | | |
| Interfund payable | $ 10,383 | $ 5,906 |

**City of Calhoun Board of Education, Georgia**
***Vocational Education Fund***
***Schedule of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Intergovernmental - federal | $ 23,325 | $ 42,814 | $ 42,756 | $ (58) | $ 38,073 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Instruction | 2,125 | 20,538 | 20,480 | 58 | 16,867 |
| Supporting services: | | | | | |
| Improvement of instructional services | 21,200 | 22,276 | 22,276 | - | 21,208 |
| **Total Expenditures** | 23,325 | 42,814 | 42,756 | 58 | 38,075 |
| **Deficiency of Revenues (Under) Expenditures** | - | - | - | - | (2) |
| **Other Financing Sources** | | | | | |
| Transfers in | | | - | - | 2 |
| **Net Change in Fund Balances** | $ - | $ - | - | $ - | |
| **Fund Balances Beginning of Year** | | | - | | - |
| **Fund Balances End of Year** | | | $ - | | $ - |

**City of Calhoun Board of Education, Georgia**
***ESEA Title I Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Intergovernmental receivable | $ 101,910 | $ 100,265 |
| **Liabilities** | | |
| Accounts payable | $ 7,022 | $ 14,381 |
| Accrued salaries and wages payable | - | 40,239 |
| Interfund payable | 94,888 | 45,645 |
| **Total Liabilities** | $ 101,910 | $ 100,265 |

**City of Calhoun Board of Education, Georgia**
***ESEA Title I Fund***
***Schedule of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Intergovernmental - federal | $ 793,830 | $ 918,001 | $ 804,866 | $ (113,135) | $ 725,333 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Instruction | 755,200 | 881,149 | 379,521 | 501,628 | 708,035 |
| Supporting services: | | | | | |
| Pupil services | - | 11,227 | 100,540 | (89,313) | - |
| Improvement of instructional services | 19,625 | 6,778 | 318,968 | (312,190) | 9,025 |
| Federal grant administration | 9,369 | 18,847 | 5,837 | 13,010 | 6,502 |
| Other supporting services | 9,636 | - | - | - | 1,771 |
| **Total Expenditures** | 793,830 | 918,001 | 804,866 | 113,135 | 725,333 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | $ - | $ - | - | $ - | - |
| **Fund Balances Beginning of Year** | | | - | | - |
| **Fund Balances End of Year** | | | $ - | | $ - |

***ESEA Title II Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Intergovernmental receivable | $ 8,328 | $ 47,323 |
| **Liabilities** | | |
| Accounts payable | $ - | $ 441 |
| Accrued salaries and wages payable | 539 | 1,065 |
| Interfund payable | 7,789 | 45,817 |
| **Total Liabilities** | $ 8,328 | $ 47,323 |

**City of Calhoun Board of Education, Georgia**
***ESEA Title II Fund***
***Schedule of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Intergovernmental - federal | $ 97,772 | $ 74,088 | $ 63,663 | $ (10,425) | $ 90,993 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Instruction | 20,000 | 67,588 | 28,551 | 39,037 | 10,565 |
| Supporting services: | | | | | |
| Pupil services | - | - | 7,105 | (7,105) | - |
| Improvement of instructional services | 67,072 | 1,100 | 24,494 | (23,394) | 71,935 |
| Federal grant administration | 2,000 | 1,850 | - | 1,850 | 1,393 |
| Central services | 8,700 | 3,550 | 3,513 | 37 | - |
| Other supporting services | - | - | - | - | 7,100 |
| **Total Expenditures** | 97,772 | 74,088 | 63,663 | 10,425 | 90,993 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | $ - | $ - | - | $ - | - |
| **Fund Balances Beginning of Year** | | | - | | - |
| **Fund Balances End of Year** | | | $ - | | $ - |

**City of Calhoun Board of Education, Georgia**
***ESEA Title III Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Intergovernmental receivable | $ 6,306 | $ 11,800 |
| **Liabilities** | | |
| Accounts payable | $ - | $ 6,579 |
| Accrued salaries and wages payable | - | 1,385 |
| Interfund payable | 6,306 | 3,836 |
| **Total Liabilities** | $ 6,306 | $ 11,800 |

**City of Calhoun Board of Education, Georgia**
***ESEA Title III Fund***
***Schedule of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Intergovernmental - federal | $ 70,858 | $ 82,249 | $ 72,774 | $ (9,475) | $ 58,505 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Instruction | 47,538 | 71,124 | 32,611 | 38,513 | 41,640 |
| Supporting services: | | | | | |
| Pupil services | - | - | 6,527 | (6,527) | - |
| Improvement of instructional services | 20,355 | 11,125 | 33,636 | (22,511) | 15,062 |
| Federal grant administration | 1,300 | - | - | - | 269 |
| Transportation | 1,665 | - | - | - | 1,534 |
| **Total Expenditures** | 70,858 | 82,249 | 72,774 | 9,475 | 58,505 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | $ - | $ - | - | $ - | - |
| **Fund Balances Beginning of Year** | | | - | | - |
| **Fund Balances End of Year** | | | $ - | | $ - |

**City of Calhoun Board of Education, Georgia**
***ESEA Title VI Fund, Part B***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Intergovernmental receivable | $ 9,949 | $ 28,379 |
| **Liabilities** | | |
| Accounts payable | $ - | $ 1,268 |
| Accrued salaries and wages payable | - | 3,621 |
| Interfund payable | 9,949 | 23,490 |
| **Total Liabilities** | $ 9,949 | $ 28,379 |

**City of Calhoun Board of Education**
***ESEA Title VI Fund***
***Schedule of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***For the Year Ended June 30, 2016***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Intergovernmental - federal | $ 94,880 | $ 103,052 | $ 89,320 | $ (13,732) | $ 78,850 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Instruction | 68,000 | 103,052 | 42,783 | 60,269 | 59,142 |
| Supporting services: | | | | | |
| Pupil services: | - | - | 10,447 | (10,447) | - |
| Improvement of instructional services | 26,880 | - | 36,090 | (36,090) | 19,708 |
| **Total Expenditures** | 94,880 | 103,052 | 89,320 | 13,732 | 78,850 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | $ - | $ - | - | $ - | - |
| **Fund Balances Beginning of Year** | | | - | | - |
| **Fund Balances End of Year** | | | $ - | | $ - |

**City of Calhoun Board of Education, Georgia**
***IDEA and Preschool Program Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Intergovernmental receivable | $ 147,133 | $ 141,932 |
| **Liabilities** | | |
| Accounts payable | $ 2,585 | $ 436 |
| Accrued salaries and wages payable | 59,959 | 60,152 |
| Interfund payable | 84,589 | 81,344 |
| **Total Liabilities** | $ 147,133 | $ 141,932 |

**City of Calhoun Board of Education, Georgia**
***IDEA and Preschool Program Fund***
***Schedule of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Intergovernmental - federal | $ 682,574 | $ 740,326 | $ 633,545 | $ (106,781) | $ 621,911 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Instruction | 528,916 | 544,860 | 481,975 | 62,885 | 479,668 |
| Supporting services: | | | | | |
| Pupil | 33,790 | 52,130 | 36,963 | 15,167 | 30,097 |
| Improvement of instructional services | 63,097 | 72,861 | 61,841 | 11,020 | 58,642 |
| Federal grant administration | 14,933 | 21,105 | 10,408 | 10,697 | 12,834 |
| Student transportation | 41,838 | 49,370 | 42,358 | 7,012 | 40,670 |
| **Total Expenditures** | 682,574 | 740,326 | 633,545 | 106,781 | 621,911 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | $ - | $ - | - | $ - | - |
| **Fund Balances Beginning of Year** | | | - | | - |
| **Fund Balances End of Year** | | | $ - | | $ - |

**City of Calhoun Board of Education, Georgia**
***Education of Homeless Children and Youth Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Intergovernmental receivable | $ 12,532 | $ 10,042 |
| **Liabilities** | | |
| Accounts payable | $ 2,691 | $ 758 |
| Interfund payable | 9,841 | 9,284 |
| **Total Liabilities** | 12,532 | 10,042 |

**City of Calhoun Board of Education, Georgia**
***Education of Homeless Children and Youth Fund***
***Schedule of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Intergovernmental - federal | $ 32,049 | $ 41,898 | $ 39,232 | $ (2,666) | $ 32,049 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Instruction | 18,606 | 17,648 | 17,653 | (5) | 16,362 |
| Supporting services: | | | | | |
| Pupil | 10,603 | 21,121 | 18,604 | 2,517 | 12,277 |
| Improvement of instructional services | 1,150 | 1,140 | 1,102 | 38 | 1,159 |
| Student transportation | 1,690 | 1,989 | 1,873 | 116 | 2,251 |
| **Total Expenditures** | 32,049 | 41,898 | 39,232 | 2,666 | 32,049 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | $ - | $ - | - | $ - | - |
| **Fund Balances Beginning of Year** | | | - | | - |
| **Fund Balances End of Year** | | | $ - | | $ - |

***Lottery Pre-Kindergarten Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 151,858 | $ 119,039 |
| Intergovernmental receivable | - | 16,600 |
| **Total Assets** | $ 151,858 | $ 135,639 |
| **Liabilities and Fund Balances** | | |
| **Liabilities** | | |
| Accounts payable | $ 11,099 | $ 9,576 |
| Accrued Salaries | 126,590 | 126,063 |
| **Total Liabilities** | 137,689 | 135,639 |
| **Fund Balance** | | |
| Restricted | 14,169 | - |
| **Total Liabilities and Fund Balances** | $ 151,858 | $ 135,639 |

**City of Calhoun Board of Education, Georgia**
***Lottery Pre-Kindergarten Fund***
***Schedule of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Intergovernmental - state | $ 725,500 | $ 830,800 | $ 830,799 | $ (1) | $ 779,066 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Instruction | 765,680 | 808,032 | 807,536 | 496 | 813,468 |
| Supporting services: | | | | | |
| Pupil services | - | 12,565 | 12,486 | 79 | 7,061 |
| Improvement of instructional services | - | 925 | 917 | 8 | 279 |
| School administration | 1,353 | 1,531 | 1,161 | 370 | 4,197 |
| Transportation | - | 5,093 | 4,998 | 95 | 3,370 |
| **Total Expenditures** | 767,033 | 828,146 | 827,098 | 1,048 | 828,375 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (41,533) | 2,654 | 3,701 | 1,047 | (49,309) |
| **Other Financing Sources** | | | | | |
| Transfers in | 41,533 | 41,533 | 10,468 | (31,065) | 49,309 |
| **Net Change in Fund Balances** | $ - | $ 44,187 | 14,169 | $ (30,018) | - |
| **Fund Balances Beginning of Year** | | | - | | - |
| **Fund Balances End of Year** | | | $ 14,169 | | $ - |

**City of Calhoun Board of Education, Georgia**
***Local School Activity Accounts Fund***
***Comparative Balance Sheets***
***June 30, 2017***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 384,996 | $ 332,331 |
| **Fund Balances** | | |
| Committed | $ 384,996 | $ 332,331 |

**City of Calhoun Board of Education, Georgia**
***Local School Activity Accounts Fund***
***Schedule of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***and Changes in Fund Balances***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Local | $ 795,170 | $ 810,226 | $ 741,818 | $ (68,408) | $ 783,508 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Instruction | 6,000 | 39,000 | 35,107 | 3,893 | 21,510 |
| Supporting services: | | | | | |
| Pupil | 620,675 | 533,708 | 481,539 | 52,169 | 511,742 |
| Media | 50,000 | 50,000 | 41,840 | 8,160 | 54,248 |
| School administration | 45,000 | 49,007 | 36,954 | 12,053 | 32,762 |
| Operations and maintenance | 8,000 | 3,060 | 2,936 | 124 | 459 |
| Transportation services | 8,000 | 3,600 | 3,595 | 5 | - |
| Enterprise operations | 35,150 | 88,950 | 87,182 | 1,768 | 105,711 |
| **Total Expenditures** | 772,825 | 767,325 | 689,153 | 78,172 | 726,432 |
| | 22,345 | 42,901 | 52,665 | 9,764 | 57,076 |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers in | 40,500 | 44,425 | - | (44,425) | - |
| Transfer out | (40,500) | (44,600) | - | 44,600 | - |
| **Other Financing Sources (Uses)** | - | (175) | - | 175 | - |
| **Net Change in Fund Balances** | $ 22,345 | $ 42,726 | 52,665 | $ 9,939 | 57,076 |
| **Fund Balances Beginning of Year** | | | 332,331 | | 275,255 |
| **Fund Balances End of Year** | | | $ 384,996 | | $ 332,331 |

**City of Calhoun Board of Education, Georgia**
***Elementary School Counselor***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Intergovernmental receivable | $ - | $ 152,703 |
| | | |
| **Liabilities** | | |
| Accounts payable | $ - | $ 1,101 |
| Accrued salaries and wages payable | - | 54,933 |
| Interfund payable | - | 96,669 |
| **Total Liabilities** | $ - | $ 152,703 |

**City of Calhoun Board of Education, Georgia**
***Elementary School Counselor***
***Schedule of Revenues, Expenditures and***
***Changes in Fund Balances - Budget and Actual***
***For the Year Ended June 30, 2017***
***(With Comparative Actual Amounts for the Year Ended June 30, 2016)***

| | 2017 | | | | 2016 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | Actual |
| **Revenues** | | | | | |
| Intergovernmental - federal | $ 4,738 | $ 21,270 | $ 21,178 | $ (92) | $ 356,169 |
| **Expenditures** | | | | | |
| **Current:** | | | | | |
| Instruction | - | 2,400 | 2,397 | 3 | 254,902 |
| Supporting services: | | | | | |
| Pupil | - | 870 | 866 | 4 | 83,031 |
| Improvement of instructional services | 4,738 | 18,000 | 17,915 | 85 | 10,483 |
| General administration | - | - | - | - | 7,753 |
| **Total Expenditures** | 4,738 | 21,270 | 21,178 | 92 | 356,169 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | $ - | $ - | - | $ - | - |
| **Fund Balances Beginning of Year** | | | - | | - |
| **Fund Balances End of Year** | | | $ - | | $ - |

**City of Calhoun Board of Education, Georgia**
***Debt Service Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ - | $ 236,490 |
| Intergovernmental receivables | 247,919 | - |
| **Total Assets** | $ 247,919 | $ 236,490 |
| **Liabilities** | | |
| Due to primary government | $ 247,919 | $ 236,490 |

**City of Calhoun Board of Education, Georgia**
***Debt Service Fund***
***Comparative Statements of Revenues, Expenditures and Changes in Fund Balances***
***For the Years Ended June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Revenues** | | |
| Local | $ 2,775,844 | $ 2,758,360 |
| **Expenditures** | | |
| **Intergovernmental** | 2,775,844 | 2,758,360 |
| **Excess (Deficiency) of Revenues** | | |
| Over (Under) Expenditures | - | - |
| **Fund Balances Beginning of Year** | - | - |
| **Fund Balances End of Year** | $ - | $ - |

**City of Calhoun Board of Education, Georgia**
***SPLOST Capital Projects Fund***
***Comparative Balance Sheets***
***June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 643,294 | $ 464,808 |
| Intergovernmental receivable -state | 150,000 | - |
| Due from primary government | 486,968 | 96,965 |
| **Total Assets** | $ 1,280,262 | $ 561,773 |
| **Liabilities and Fund Balances** | | |
| **Liabilities** | | |
| Accounts payable | $ 172,900 | $ 95,678 |
| Contracts payable | 559,774 | - |
| Retainage payable | 150,514 | 250,000 |
| **Total Liabilities** | 883,188 | 345,678 |
| **Fund Balances** | | |
| Restricted | 397,074 | 216,095 |
| **Total Liabilities and Fund Balances** | $ 1,280,262 | $ 561,773 |

**City of Calhoun Board of Education, Georgia**
***SPLOST Capital Projects Fund***
***Comparative Statements of Revenues, Expenditures and Changes in Fund Balances***
***For the Years Ended June 30, 2017 and 2016***

| | 2017 | 2016 |
|---|---|---|
| **Revenues** | | |
| Local | $ 1,776,217 | $ 877,269 |
| **Expenditures** | | |
| Facilities acquisition and construction | 1,911,928 | 950,494 |
| **(Deficiency) of Revenues (Under) Expenditures** | (135,711) | (73,225) |
| **Other Financing Sources** | | |
| Transfers in | 316,690 | - |
| **Net Change in Fund Balances** | 180,979 | (73,225) |
| **Fund Balances Beginning of Year** | 216,095 | 289,320 |
| **Fund Balances End of Year** | $ 397,074 | $ 216,095 |

**City of Calhoun Board of Education**
***Combining Statement of Changes in Assets and Liabilities***
***Agency Funds***
***For The Year Ended June 30, 2017***

| Local School Activity Accounts | Balance July 1, 2016 | Additions | Deductions | Balance June 30, 2017 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ 297,892 | $ 629,185 | $ 638,787 | $ 288,290 |
| **Liabilities** | | | | |
| Due to others | $ 297,892 | $ 629,185 | $ 638,787 | $ 288,290 |

| Calhoun Educational Foundation | Balance July 1, 2016 | Additions | Deductions | Balance June 30, 2017 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ 340,921 | $ 24,857 | $ 8,530 | $ 357,248 |
| **Liabilities** | | | | |
| Due to others | $ 340,921 | $ 24,857 | $ 8,530 | 357,248 |

| Total | Balance July 1, 2016 | Additions | Deductions | Balance June 30, 2017 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ 638,813 | $ 654,042 | $ 647,317 | $ 645,538 |
| **Liabilities** | | | | |
| Due to others | $ 638,813 | $ 654,042 | $ 647,317 | $ 645,538 |

# Statistical Section

**City of Calhoun Board of Education, Georgia**

***Introduction to the Statistical Section***

***(Unaudited)***

The objective of the statistical section is to present detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited.


| **Contents** | ***Exhibit #*** |
|---|---|
| **Financial Trends**<br>These tables contain trend information that may assist the reader in assessing the Board's current financial performance by placing it in an historical perspective. | I - VII |
| **Revenue Capacity**<br>These tables contain information that may assist the reader in assessing the viability of the Board's two most significant "own-source" revenue sources, property taxes and sales taxes. | VIII - XIII |
| **Debt Capacity**<br>Generally, the Board is not authorized to issue long-term debt. However, the Board may enter into capital leases that include an annual fiscal funding clause. These tables present information that may assist the reader in analyzing the affordability of the Board's current levels of outstanding debt and the Board's ability to enter into a capital lease in the future. The calculation of the legal debt margin is not applicable to the Board. | XIV - XV |
| **Demographic and Economic Information**<br>These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Board operates and (2) to provide information that facilitates comparisons of financial statement information over time and among Boards. | XVI - XVII |
| **Operating Information**<br>These tables contain service indicators that can inform one's understanding how the information in the Board's financial statements relates to the services the Board provides and the activities it performs. The Board will be expanding the disclosure of operating information in future years. | XVIII - XXII |


***Data Source:***

Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the applicable year.

*Exhibit I*

**City of Calhoun Board of Education, Georgia**

***Government-wide Net Position by Component (Unaudited)*** [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 [3] | June 30, 2016 [3] | June 30, 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Amounts** | | | | | | | | | |
| **Governmental Activities** | | | | | | | | | | |
| Net investment in capital assets[2] | $ 897,290 | $ 787,489 | $ 662,646 | $ 540,566 | $ 754,271 | $ 4,508,310 | $ 4,999,767 | $ 7,259,322 | $ 4,026,676 | $ 3,018,920 |
| Restricted | 734,917 | 164,044 | 6 | 455,369 | 1,353,012 | 366,546 | 506,984 | 837,646 | 967,402 | 1,412,560 |
| Unrestricted | 3,543,641 | 3,236,937 | 5,054,602 | 7,477,710 | 12,755,328 | 14,495,439 | 16,340,318 | (11,190,381) | (8,577,968) | (3,358,990) |
| Total | $ 5,175,848 | $ 4,188,470 | $ 5,717,254 | $ 8,473,645 | $ 14,862,611 | $ 19,370,295 | $ 21,847,069 | $ (3,093,413) | $ (3,583,890) | $ 1,072,490 |
| **Total Percentage Change From Prior Year** | 16.1% | -19.1% | 36.5% | 48.2% | 75.4% | 30.3% | 12.8% | -110% | 16% | -130% |
| | **Percentage of Total** | | | | | | | | | |
| **Governmental Activities** | | | | | | | | | | |
| Net investment in capital assets[2] | 17.34% | 18.80% | 11.59% | 6.38% | 5.08% | 23.27% | 22.89% | -234.67% | -112.35% | 281.49% |
| Restricted | 14.20% | 3.92% | 0.00% | 5.37% | 9.10% | 1.90% | 2.32% | -27.08% | -26.99% | 131.71% |
| Unrestricted | 68.46% | 77.28% | 88.41% | 88.25% | 85.82% | 74.83% | 74.79% | 361.75% | 239.35% | -313.20% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

***Notes:***

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

[2] The Board's land and buildings are owned by the City of Calhoun, Georgia, therefore, they are not reported in these amounts.

[3] In this fiscal year the School District inplemented GASB Statement No. 68 which required a restatement of the 6/30/2014 net position. The School System now is recording a net pension liability and other related pension deferred inflows and outflows.

***Data Source:***

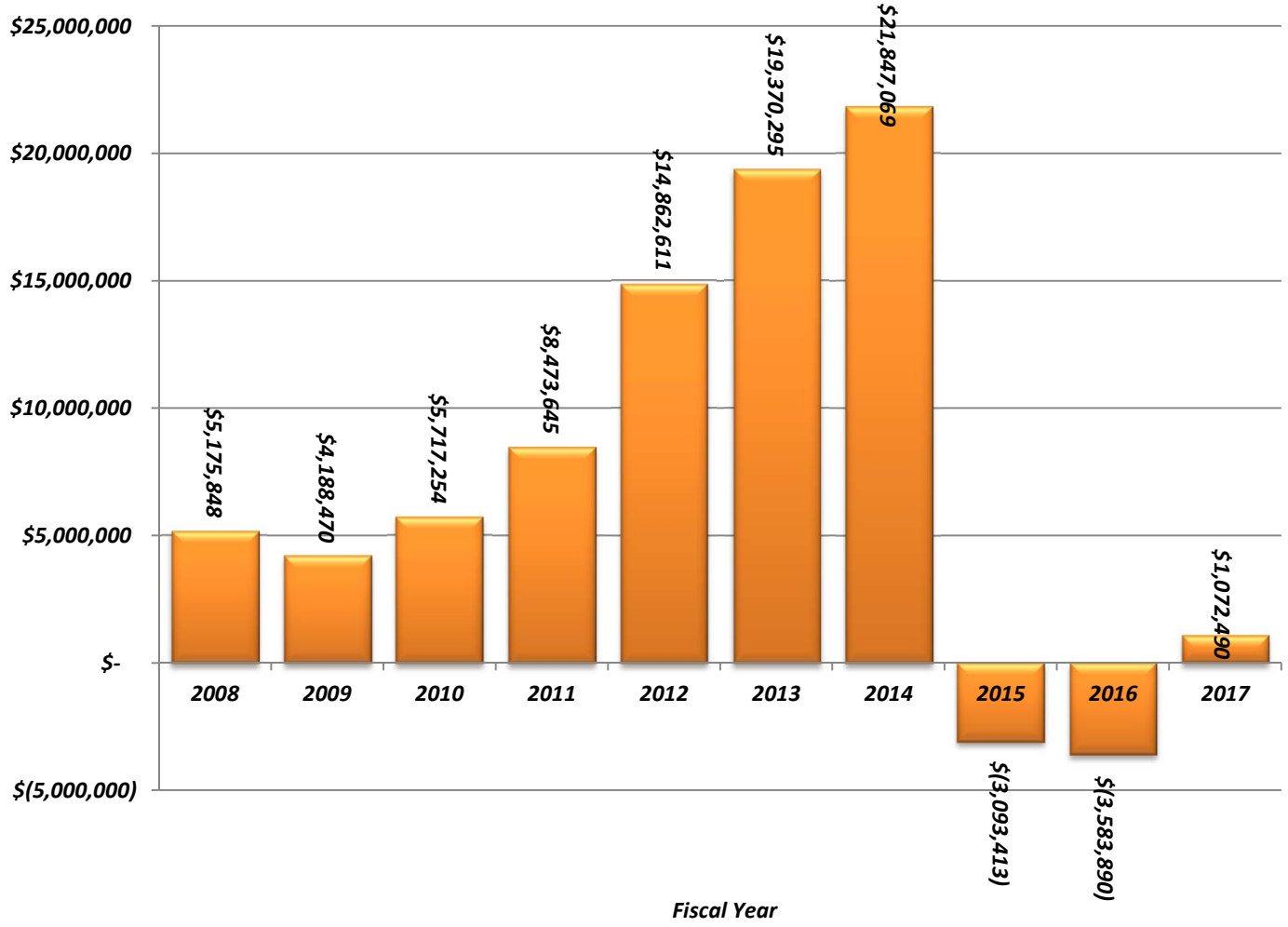
Applicable years' comprehensive annual financial report.

**City of Calhoun Board of Education, Georgia**

***Chart-Total Government-wide Net Position***

***Last Ten Fiscal Years***

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



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

| | For the Fiscal Year Ended | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Expenses:** | | | | | | | | | | |
| Instruction | $ 19,233,326 | $ 19,091,906 | $ 18,184,827 | $ 17,596,864 | $ 26,024,529 | $ 42,648,475 | $ 33,064,384 | $ 25,369,164 | $ 24,873,858 | $ 24,690,632 |
| Support services | | | | | | | | | | |
| Pupil | 1,324,096 | 1,343,498 | 1,280,961 | 1,265,702 | 1,266,542 | 1,369,580 | 1,432,797 | 1,514,517 | 1,508,127 | 1,942,046 |
| Improvement of instructional services | 737,319 | 995,816 | 1,036,198 | 1,150,953 | 852,342 | 1,127,581 | 1,346,719 | 1,340,064 | 1,659,351 | 2,091,335 |
| Media | 522,303 | 524,107 | 467,280 | 408,714 | 421,924 | 474,711 | 582,165 | 344,689 | 354,108 | 414,416 |
| General administration | 275,219 | 339,109 | 390,913 | 376,186 | 303,211 | 349,440 | 389,657 | 366,730 | 453,750 | 475,952 |
| Federal grant administration | - | - | - | - | 107,889 | 109,429 | 56,307 | 18,776 | 27,458 | 18,713 |
| School administration | 1,652,582 | 1,618,073 | 1,307,193 | 1,398,898 | 1,397,422 | 1,376,588 | 1,551,383 | 1,733,468 | 1,589,465 | 1,712,445 |
| Business administration | 466,326 | 491,541 | 539,991 | 523,210 | 610,078 | 591,695 | 669,700 | 784,751 | 486,182 | 501,598 |
| Operations and maintenance | 2,167,265 | 1,917,311 | 1,814,777 | 1,854,760 | 1,947,591 | 1,987,016 | 2,761,006 | 2,973,715 | 3,095,462 | 3,081,137 |
| Student transportation | 649,092 | 525,304 | 572,792 | 597,957 | 712,198 | 800,872 | 770,485 | 731,900 | 827,867 | 845,700 |
| Central support | 29,149 | 438 | 45,374 | 47,432 | 56,598 | 61,525 | 76,139 | 73,904 | 73,936 | 170,714 |
| School nutrition program | 2,142,361 | 2,037,831 | 1,970,751 | 1,951,579 | 3,632,163 | 2,271,292 | 2,440,058 | 2,696,769 | 2,557,374 | 2,652,014 |
| Enterprise operations | - | - | - | - | 28,089 | 32,285 | - | - | - | |
| Other supporting services | 24,595 | 132,796 | 218,745 | 193,086 | 115,316 | 92,243 | 126,522 | 98,990 | 79,857 | 87,371 |
| Community services | 381,377 | 337,464 | 331,620 | 420,327 | 413,348 | 385,205 | 378,396 | 547,772 | 668,908 | 770,108 |
| Facilities acquisition and construction[3] | 639,561 | 775,395 | 202,827 | 335,193 | - | - | - | - | - | - |
| Debt service[1] | 3,120,979 | 3,270,217 | 2,661,165 | 2,515,625 | 2,892,598 | 2,901,241 | 2,815,099 | 2,879,747 | 2,758,360 | 2,775,844 |
| **Total Expenses** | 33,365,550 | 33,400,806 | 31,025,414 | 30,636,486 | 40,781,838 | 56,579,178 | 48,460,817 | 41,474,955 | 41,014,063 | 42,230,025 |
| **Program Revenues:** | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction | 9,483 | 23,294 | 17,178 | 1,582 | 13,436 | 40,122 | 63,198 | 160,488 | 209,838 | 162,390 |
| Pupil | 491,126 | 763,681 | 636,034 | 623,720 | 579,525 | 693,437 | 412,598 | - | 568,818 | 518,338 |
| Instructional | - | 22 | 262 | 36,760 | - | 4,600 | 3,303 | - | - | - |
| Media | - | 24,454 | 44,608 | 46,753 | 45,445 | 56,590 | 39,912 | - | 54,248 | 45,037 |
| General administration | - | - | - | - | - | - | 4,547 | - | - | - |
| Federal grant administration | - | - | - | - | - | - | 1,207 | - | - | - |
| School administration | - | - | 82,793 | 100,304 | 103,678 | 41,585 | 101,075 | - | 138,473 | 133,622 |
| Business administration | - | - | - | - | 26,150 | 29,476 | 7,280 | 40,396 | - | - |
| Operations and maintenance | - | 8,384 | 8,022 | 19,142 | 14,139 | 7,743 | 44,079 | - | 459 | 3,160 |
| Student transportation | - | - | - | - | 5,488 | 5,044 | 229 | - | - | - |
| Enterprise operations | - | - | - | - | - | - | 125 | - | - | - |
| Other supporting services | - | - | - | - | 11,525 | 8,054 | 560,952 | - | - | - |
| School nutrition program | 764,190 | 651,803 | 585,794 | 554,721 | 552,714 | 550,470 | 27,233 | 620,726 | 657,268 | 624,818 |
| Community services | 380,191 | 386,017 | 395,312 | 471,852 | 454,550 | 395,850 | 467,337 | 553,386 | 709,153 | 826,550 |
| Operating grants and contributions[2] | 18,419,263 | 17,097,261 | 17,767,813 | 18,551,038 | 17,881,593 | 19,864,126 | 20,138,230 | 23,009,694 | 23,440,256 | 24,151,939 |
| Capital grants and contributions | 1,355,672 | 100,000 | - | - | 13,434,503 | 23,999,386 | 12,832,422 | 50,000 | 996,853 | 2,088,161 |
| **Total Program Revenues** | 21,419,925 | 19,054,916 | 19,537,815 | 20,405,872 | 33,122,746 | 45,696,483 | 34,703,727 | 24,434,690 | 26,775,366 | 28,554,015 |
| **Net (Expense) Revenue** | (11,945,625) | (14,345,890) | (11,487,599) | (10,230,614) | (7,659,092) | (10,882,695) | (13,757,090) | (17,040,265) | (14,238,698) | (13,676,010) |
| **General Revenues:** | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property | 9,403,828 | 10,044,093 | 10,298,725 | 10,074,116 | 11,057,204 | 12,463,445 | 13,405,143 | 12,551,463 | 13,286,438 | 13,249,885 |
| Sales | 3,117,692 | 3,268,549 | 2,661,165 | 2,515,625 | 2,892,598 | 2,901,241 | 2,815,099 | 2,878,697 | 2,757,810 | 2,774,244 |
| Investment earnings | 140,567 | 45,870 | 17,967 | 25,852 | 14,520 | 12,139 | 13,622 | 4,945 | 4,496 | 7,737 |
| Miscellaneous | - | - | 38,526 | 371,412 | 83,736 | 13,554 | - | - | - | - |
| **Total General Revenues** | 12,662,087 | 13,358,512 | 13,016,383 | 12,987,005 | 14,048,058 | 15,390,379 | 16,233,864 | 15,435,105 | 16,048,744 | 16,031,866 |
| **Change in Net Position** | $ 716,462 | $ (987,378) | $ 1,528,784 | $ 2,756,391 | $ 6,388,966 | $ 4,507,684 | $ 2,476,774 | $ (1,605,160) | $ 1,810,046 | $ 2,355,856 |

***Notes:***

[1] This amount are the sales taxes collected by the school district and forwarded to the City of Calhoun for debt service on school bonds and interest on capital leases.

[2] In the State of Georgia, the Quality Basic Education school aid is legally restricted to specific expense functions, therefore it is reported as a program revenue.

[3] These are the amounts of capital outlay, not capitalized. There are reported under "other supporting services" at the government-wide statement of activities.

***Data Source:***

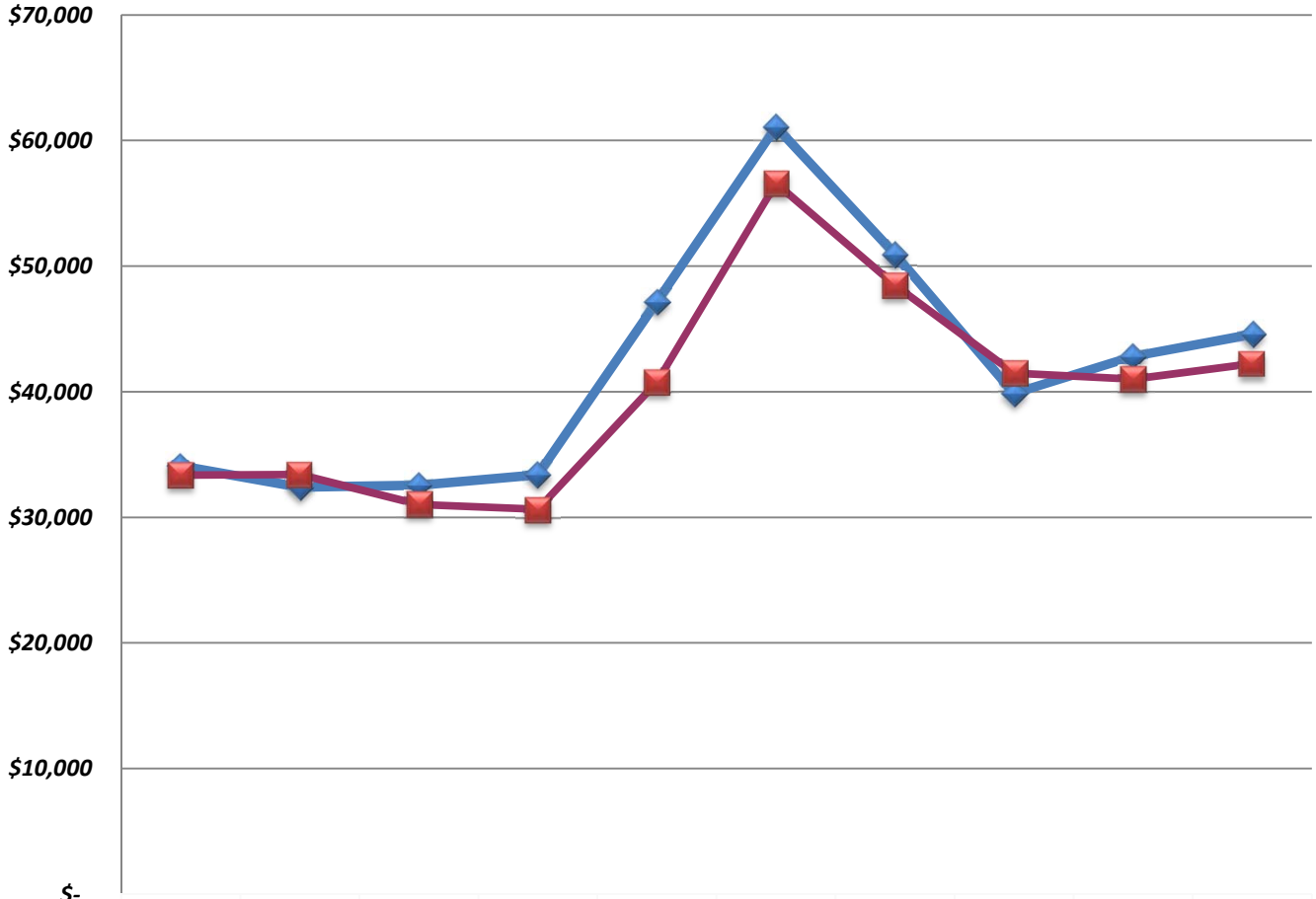
Applicable years' comprehensive annual financial report.

**City of Calhoun Board of Education, Georgia**

***Chart - Governmental Fund Revenues and Expenses***

***(In $1,000)***

***Last Ten Fiscal Years***




| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenues | $34,082 | $32,413 | $32,554 | $33,393 | $47,171 | $61,087 | $50,938 | $39,870 | $42,824 | $44,586 |
| Expenses | $33,366 | $33,401 | $31,025 | $30,636 | $40,782 | $56,579 | $48,461 | $41,475 | $41,014 | $42,230 |

**City of Calhoun Board of Education, Georgia**
***Changes in Net Position - Governmental Activities - Percentage of Total (Unaudited)***
***Last Ten Fiscal Years***
***(accrual basis of accounting)***

| | For the Fiscal Year Ended | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Expenses:** | | | | | | | | | | |
| Instruction | 57.64% | 57.16% | 58.61% | 57.44% | 63.81% | 75.38% | 68.23% | 61.17% | 60.65% | 58.47% |
| Support services | | | | | | | | | | |
| Pupil | 3.97% | 4.02% | 4.13% | 4.13% | 3.11% | 2.42% | 2.96% | 3.65% | 3.68% | 4.60% |
| Improvement of instructional services | 2.21% | 2.98% | 3.34% | 3.76% | 2.09% | 1.99% | 2.78% | 3.23% | 4.05% | 4.95% |
| Media | 1.57% | 1.57% | 1.51% | 1.33% | 1.03% | 0.84% | 1.20% | 0.83% | 0.86% | 0.98% |
| General administration | 0.82% | 1.02% | 1.26% | 1.23% | 0.74% | 0.62% | 0.80% | 0.88% | 1.11% | 1.13% |
| Federal grant administration | 0.00% | 0.00% | 0.00% | 0.00% | 0.26% | 0.19% | 0.12% | 0.05% | 0.07% | 0.04% |
| School administration | 4.95% | 4.84% | 4.21% | 4.57% | 3.43% | 2.43% | 3.20% | 4.18% | 3.88% | 4.06% |
| Business administration | 1.40% | 1.47% | 1.74% | 1.71% | 1.50% | 1.05% | 1.38% | 1.89% | 1.19% | 1.19% |
| Operations and maintenance | 6.50% | 5.74% | 5.85% | 6.05% | 4.78% | 3.51% | 5.70% | 7.17% | 7.55% | 7.30% |
| Student transportation | 1.95% | 1.57% | 1.85% | 1.95% | 1.75% | 1.42% | 1.59% | 1.76% | 2.02% | 2.00% |
| Central support | 0.09% | 0.00% | 0.15% | 0.15% | 0.14% | 0.11% | 0.16% | 0.18% | 0.18% | 0.40% |
| School nutritution program | 6.42% | 6.10% | 6.35% | 6.37% | 8.91% | 4.01% | 5.04% | 6.50% | 6.24% | 6.28% |
| Enterprise operations | 0.00% | 0.00% | 0.00% | 0.00% | 0.07% | 0.06% | 0.00% | 0.00% | 0.00% | 0.00% |
| Other supporting services | 0.07% | 0.40% | 0.71% | 0.63% | 0.28% | 0.16% | 0.26% | 0.24% | 0.19% | 0.21% |
| Community services | 1.14% | 1.01% | 1.07% | 1.37% | 1.01% | 0.68% | 0.78% | 1.32% | 1.63% | 1.82% |
| Facilities acquisition and construction | 1.92% | 2.32% | 0.65% | 1.09% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Debt service[1] | 9.35% | 9.79% | 8.58% | 8.21% | 7.09% | 5.13% | 5.80% | 6.93% | 6.73% | 6.57% |
| **Total Expenses** | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| **Program Revenues:** | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction | 0.04% | 0.12% | 0.09% | 0.01% | 0.04% | 0.09% | 0.18% | 0.66% | 0.78% | 0.57% |
| Pupil | 2.29% | 4.01% | 3.26% | 3.06% | 1.75% | 1.52% | 1.19% | 0.00% | 2.12% | 1.82% |
| Instructional | 0.00% | 0.00% | 0.00% | 0.18% | 0.00% | 0.01% | 0.01% | 0.00% | 0.00% | 0.00% |
| Media | 0.00% | 0.13% | 0.23% | 0.23% | 0.14% | 0.12% | 0.12% | 0.00% | 0.20% | 0.16% |
| General administration | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 0.00% | 0.00% | 0.00% |
| School administration | 0.00% | 0.00% | 0.42% | 0.49% | 0.31% | 0.09% | 0.29% | 0.00% | 0.52% | 0.47% |
| Business administration | 0.00% | 0.00% | 0.00% | 0.00% | 0.08% | 0.06% | 0.02% | 0.17% | 0.00% | 0.00% |
| Operations and maintenance | 0.00% | 0.04% | 0.04% | 0.09% | 0.04% | 0.02% | 0.13% | 0.00% | 0.00% | 0.01% |
| Student transportation | 0.00% | 0.00% | 0.00% | 0.00% | 0.02% | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% |
| Enterprise operations | 0.00% | 0.00% | 0.00% | 0.00% | 0.03% | 0.02% | 1.62% | 0.00% | 0.00% | 0.00% |
| Other supporting services | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| School nutritution program | 3.57% | 3.42% | 3.00% | 2.72% | 1.67% | 1.20% | 0.08% | 2.54% | 2.45% | 2.19% |
| Community services | 1.77% | 2.03% | 2.02% | 2.31% | 1.37% | 0.87% | 1.35% | 2.26% | 2.65% | 2.89% |
| Operating grants and contributions[2] | 85.99% | 89.73% | 90.94% | 90.91% | 53.99% | 43.47% | 58.03% | 94.17% | 87.54% | 84.58% |
| Capital grants and contributions | 6.34% | 0.52% | 0.00% | 0.00% | 40.56% | 52.52% | 36.97% | 0.19% | 3.72% | 7.31% |
| **Total Program Revenues** | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| **General Revenues:** | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property | 74.27% | 75.19% | 79.12% | 77.57% | 78.71% | 80.98% | 82.58% | 81.32% | 82.79% | 82.65% |
| Sales | 24.62% | 24.47% | 20.44% | 19.37% | 20.59% | 18.85% | 17.34% | 18.65% | 17.18% | 17.30% |
| Investment earnings | 1.11% | 0.34% | 0.14% | 0.20% | 0.10% | 0.08% | 0.08% | 0.03% | 0.03% | 0.05% |
| Miscellaneous | 0.00% | 0.00% | 0.30% | 2.86% | 0.60% | 0.09% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Total General Revenues** | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

***Notes:***

[1] This amount are the sales taxes collected by the school district and forwarded to the City of Calhoun for debt service on school bonds.

[2] In the State of Georgia, the Quality Basic Education school aid is legally restricted to specific expense functions, therefore it is reported as a program revenue.

***Data Source:***

Applicable years' comprehensive annual financial report.

**City of Calhoun Board of Education, Georgia**

***Chart-Changes in Total Net Position - Governmental Activities***

***Last Ten Fiscal Years***

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

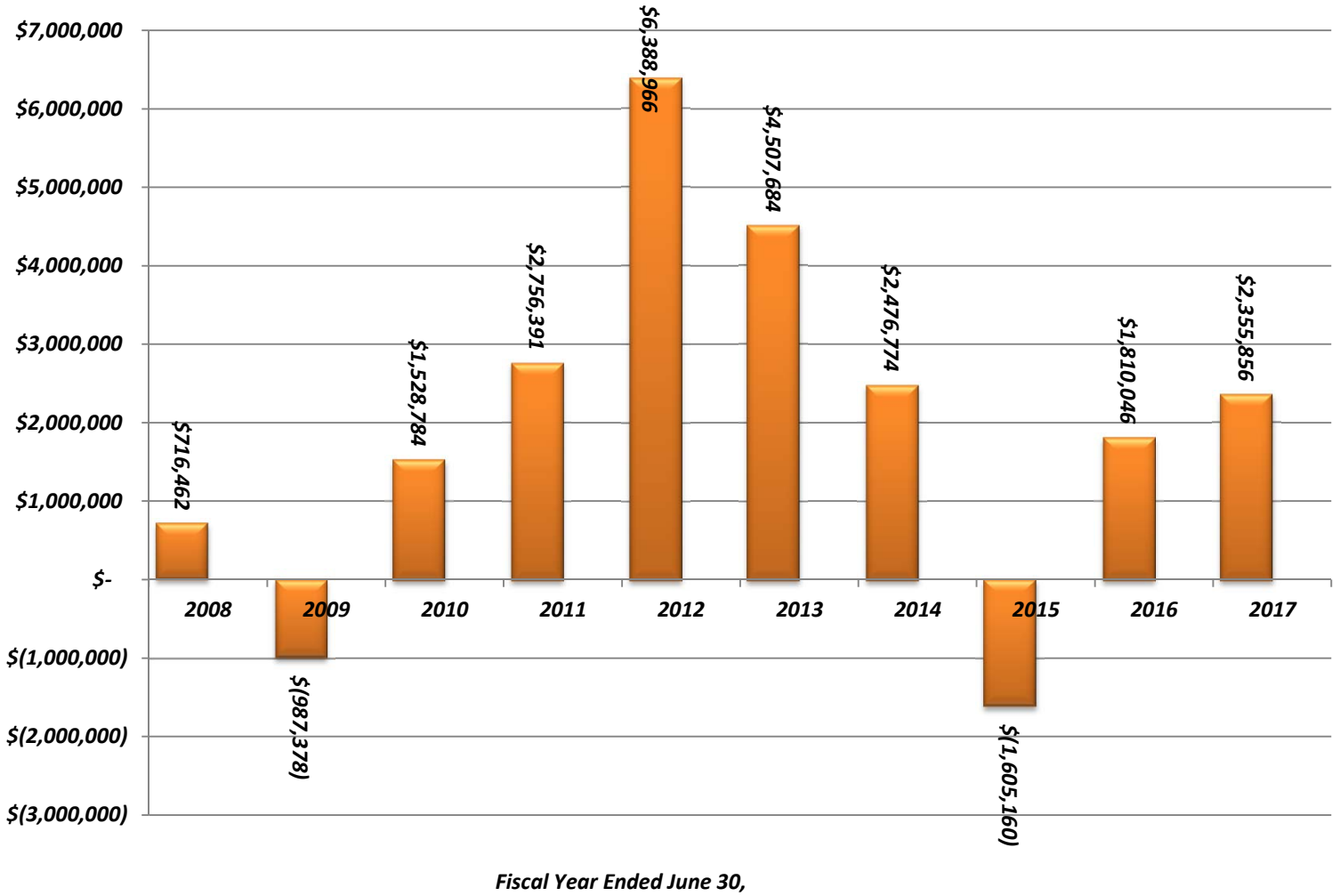


*Exhibit III*

**City of Calhoun Board of Education, Georgia**
***Fund Balances - Governmental Funds (Unaudited)***
***Fiscal Years 2008 - 2011***
***(modified accrual basis of accounting)***

| | June 30, | | |
|---|---|---|---|
| | **2008** | **2009** | **2010** |
| **General Fund** | | | |
| Unreserved[1] | $ 3,393,735 | $ 2,998,613 | $ 4,202,567 |
| **General Fund Percentage Change** | 2.1% | -11.6% | 40.2% |
| **All Other Governmental Funds** | | | |
| Reserved | 79,582 | 65,679 | 51,133 |
| Unreserved | | | |
| Special Revenue Funds | 184,240 | 264,065 | 898,516 |
| Capital Projects Funds | 734,917 | 164,044 | 6 |
| **Subtotal All Other Governmental Funds** | 998,739 | 493,788 | 949,655 |
| **All Other Governmental Funds Percentage Change** | 190.0% | -50.6% | 92.3% |
| **Total Governmental Funds** | | | |
| Reserved | 79,582 | 65,679 | 51,133 |
| Unreserved | 4,312,892 | 3,426,722 | 5,101,089 |
| **Total Governmental Funds** | $ 4,392,474 | $ 3,492,401 | $ 5,152,222 |
| **All Governmental Funds Percentage Change** | 19.7% | -20.5% | 47.5% |

***Notes:***

The Board implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*, in Fiscal Year 2010 (See Exhibit XIIIA). The Board did not restate the prior three years.

***Data Source:***

Applicable years' comprehensive annual financial report.

*Exhibit IIIA*

**City of Calhoun Board of Education, Georgia**
***Fund Balances - Governmental Funds***
***June 30, 2012 - June 30, 2017***
***(modified accrual basis of accounting)***

| | June 30, | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **General Fund** | | | | | | | |
| Nonspendable | $ - | $ - | $ - | $ - | $ - | $ 2,971 | $ - |
| Committed | 84,436 | 117,814 | 4,981,021 | 4,542,031 | 176,700 | 225,946 | 1,079,865 |
| Assigned | 2,826,588 | 3,541,194 | 658,783 | 715,410 | 397,735 | 782,400 | 413,232 |
| Unassigned | 3,782,211 | 4,300,501 | 4,798,913 | 7,278,017 | 10,150,048 | 14,210,586 | 17,194,891 |
| **Total General Fund** | $ 6,693,235 | $ 7,959,509 | $ 10,438,717 | $ 12,535,458 | $ 10,724,483 | $ 15,221,903 | $ 18,687,988 |
| **General Fund Percentage Change** | 59.3% | 18.9% | 31.1% | 20.1% | -14.4% | 41.9% | 22.8% |
| **All Other Governmental Funds** | | | | | | | |
| Nonspendable - Special Revenue Funds | $ 54,077 | $ 47,764 | $ 37,094 | $ 55,084 | $ 41,205 | $ 72,580 | $ 67,543 |
| Restricted - Special Revenue Funds | 401,292 | 604,885 | 363,085 | 506,984 | 548,326 | 751,307 | 1,015,486 |
| Restricted - Capital Projects Funds | - | 700,363 | 3,461 | - | 289,320 | 216,095 | 397,074 |
| Committed - Special Revenues Funds | 900,168 | 910,100 | 948,991 | 908,530 | 877,019 | 1,069,712 | 1,297,212 |
| Assigned - Capital Projects Funds | (5,062) | - | - | - | - | - | - |
| **Subtotal All Other Governmental Funds** | $ 1,350,475 | $ 2,263,112 | $ 1,352,631 | $ 1,470,598 | $ 1,755,870 | $ 2,109,694 | $ 2,777,315 |
| **All Other Governmental Funds Percentage Change** | 0.0% | 67.6% | -40.2% | 8.7% | 19.4% | 20.2% | 31.6% |
| **Total Governmental Funds** | | | | | | | |
| Nonspendable | $ 54,077 | $ 47,764 | $ 37,094 | $ 55,084 | $ 41,205 | $ 75,551 | $ 67,543 |
| Restricted | 401,292 | 1,305,248 | 366,546 | 506,984 | 837,646 | 967,402 | 1,412,560 |
| Committed | 984,604 | 1,027,914 | 5,930,012 | 5,450,561 | 1,053,719 | 1,295,658 | 2,377,077 |
| Assigned | 2,826,588 | 3,541,194 | 658,783 | 715,410 | 397,735 | 782,400 | 413,232 |
| Unassigned | 3,777,149 | 4,300,501 | 4,798,913 | 7,278,017 | 10,150,048 | 14,210,586 | 17,194,891 |
| **Total Governmental Funds** | $ 8,043,710 | $ 10,222,621 | $ 11,791,348 | $ 14,006,056 | $ 12,480,353 | $ 17,331,597 | $ 21,465,303 |
| **All Governmental Funds Percentage Change** | 56.1% | 27.1% | 15.3% | 18.8% | -10.9% | 38.9% | 23.9% |

***Notes:***

The Board implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*, in Fiscal Year 2011. The Board did not restate the prior three years.

***Data Source:***

Applicable years' comprehensive annual financial report.

**City of Calhoun Board of Education, Georgia**

***Chart-Total Fund Balances - Governmental Funds***

***Last Ten Fiscal Years***

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

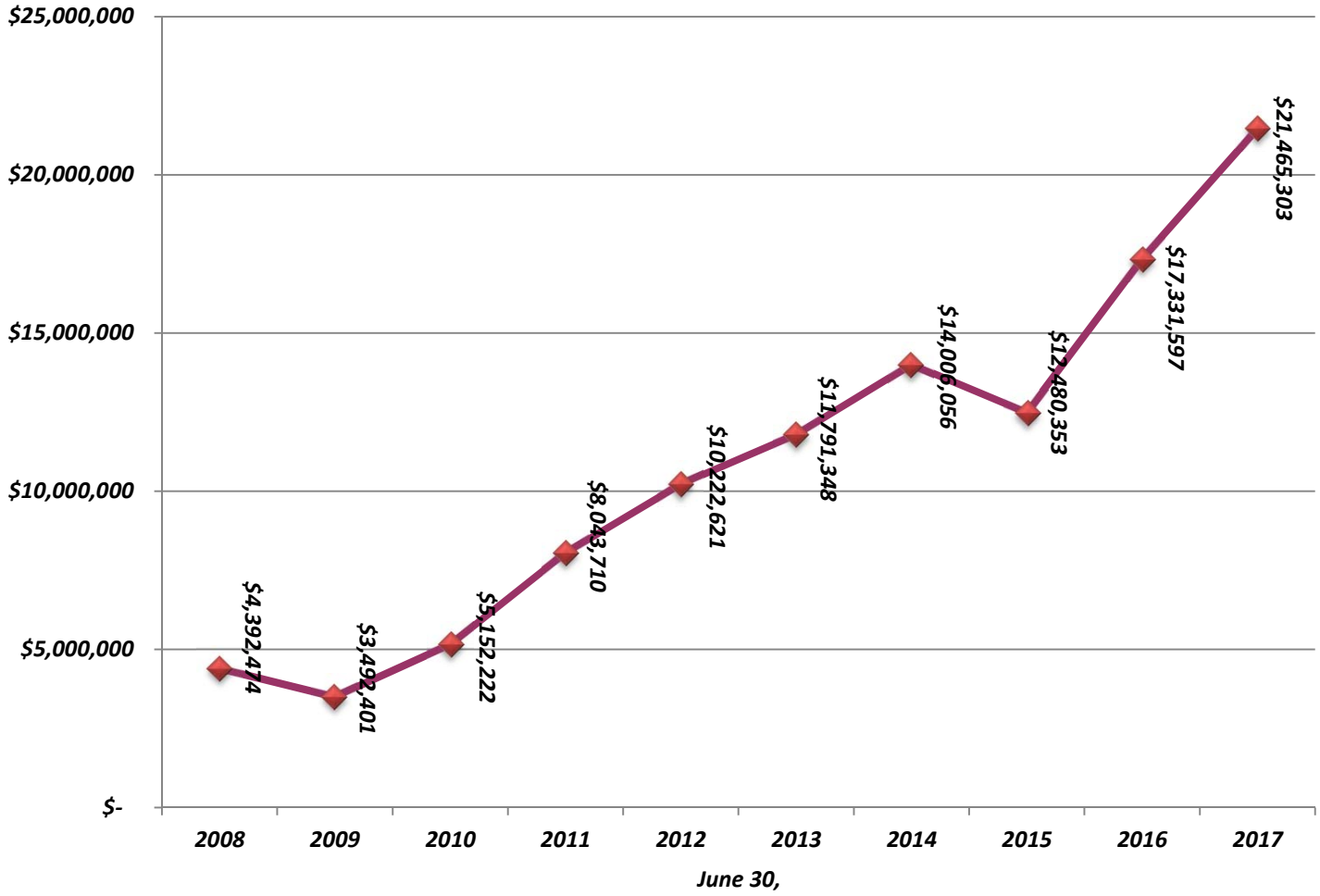


*Exhibit IV*

**City of Calhoun Board of Education, Georgia**
***General Governmental Revenues by Source (Unaudited)*** [1]
***Last Ten Fiscal Years***
***(modified accrual basis of accounting)***

| | For the Fiscal Year Ended | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Revenue Source** | **Amounts** | | | | | | | | | |
| Local revenue | $ 15,839,044 | $ 15,521,822 | $ 14,902,115 | $ 14,902,527 | $ 24,562,433 | $ 34,159,036 | $ 25,876,601 | $ 17,898,827 | $ 19,455,613 | $ 20,320,263 |
| State | 15,622,239 | 13,841,262 | 12,568,221 | 14,131,914 | 18,982,789 | 22,490,673 | 20,606,151 | 18,075,705 | 19,190,716 | 20,111,428 |
| Federal | 2,620,729 | 3,050,344 | 5,083,862 | 4,358,436 | 3,625,582 | 4,437,153 | 4,454,839 | 3,906,074 | 4,151,986 | 4,098,530 |
| **Total Revenues** | $ 34,082,012 | $ 32,413,428 | $ 32,554,198 | $ 33,392,877 | $ 47,170,804 | $ 61,086,862 | $ 50,937,591 | $ 39,880,606 | $ 42,798,315 | $ 44,530,221 |
| **% change from prior year** | 10.5% | -4.9% | 0.4% | 2.6% | 41.3% | 29.5% | -16.6% | -21.7% | 7.3% | 4.0% |
| | **Percentage of Total** | | | | | | | | | |
| Local revenue | 46.5% | 47.9% | 45.8% | 44.6% | 52.1% | 55.9% | 50.8% | 44.9% | 45.5% | 45.6% |
| State | 45.8% | 42.7% | 38.6% | 42.3% | 40.2% | 36.8% | 40.5% | 45.3% | 44.8% | 45.2% |
| Federal | 7.7% | 9.4% | 15.6% | 13.1% | 7.7% | 7.3% | 8.7% | 9.8% | 9.7% | 9.2% |
| **Total Revenues** | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100% | 100% | 100% |

***Notes:***
[1] Includes all governmental fund types.

***Data Source:***
Applicable years' comprehensive annual financial report.

**City of Calhoun Board of Education, Georgia**
***Chart - Total General Governmental Revenues***
***Last Ten Fiscal Years***
***(accrual basis of accounting)***

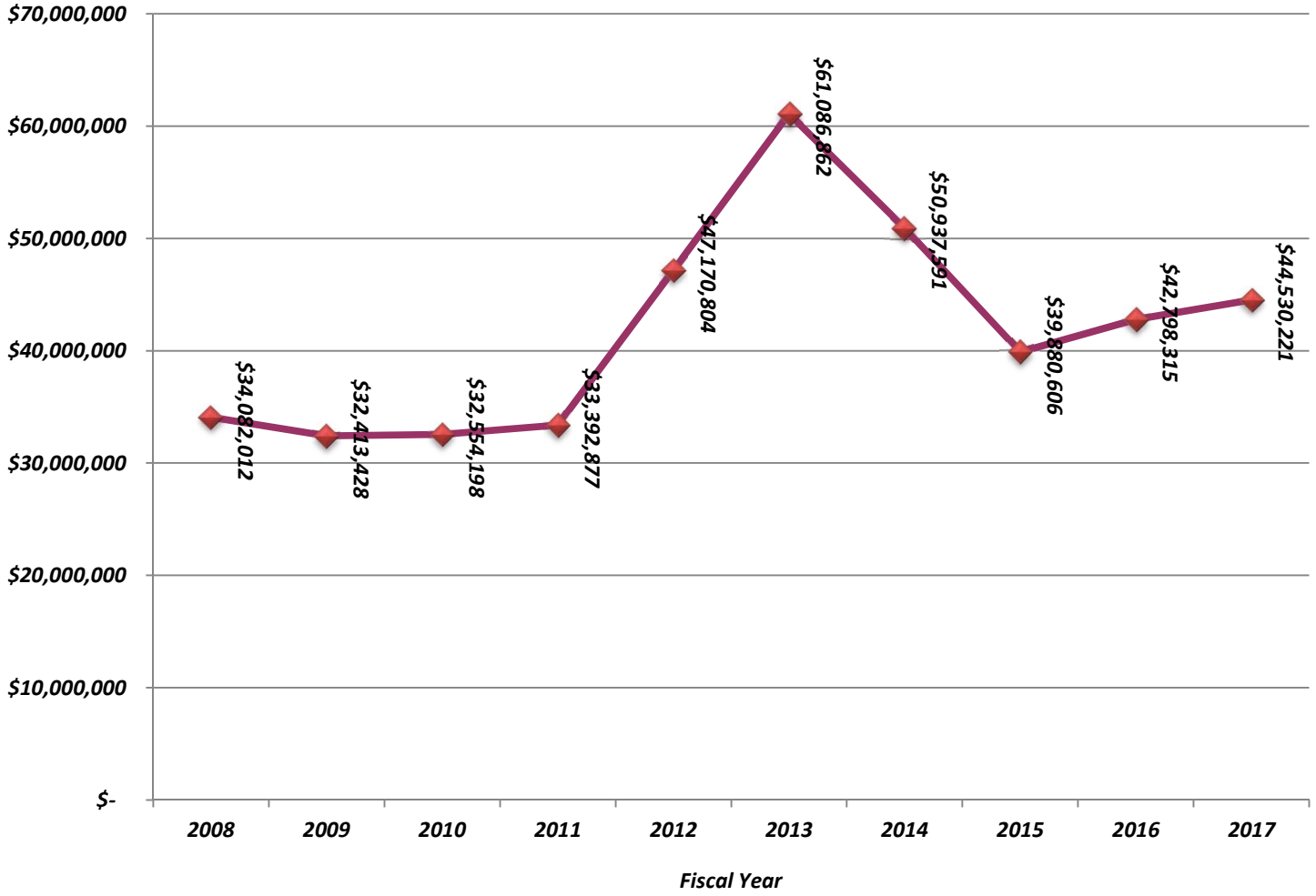


*Exhibit V*

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

| | For the Year Ended June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Function** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Current:** | | | | | | | | | | |
| Instruction | $ 19,243,279 | $ 19,088,783 | $ 18,198,848 | $ 17,584,846 | $ 18,913,570 | $ 20,638,402 | $ 21,070,297 | $ 21,330,469 | $ 21,433,300 | $ 21,754,757 |
| Support services | | | | | | | | | | |
| Pupil | 1,324,096 | 1,343,498 | 1,280,961 | 1,265,702 | 1,261,762 | 1,369,695 | 1,431,097 | 1,543,527 | 1,510,843 | 1,900,534 |
| Instructional | 714,275 | 1,007,389 | 1,018,007 | 1,172,904 | 837,341 | 1,109,099 | 1,239,423 | 1,432,552 | 1,538,491 | 1,965,343 |
| Media | 520,080 | 531,072 | 467,280 | 408,714 | 421,924 | 474,711 | 582,165 | 348,063 | 359,173 | 400,519 |
| Federal grant administration | - | - | - | - | 107,889 | 109,428 | 56,307 | 19,262 | 20,998 | 16,245 |
| General administration | 273,151 | 338,397 | 390,413 | 373,932 | 302,778 | 346,805 | 389,753 | 370,563 | 460,121 | 463,962 |
| School administration | 1,641,968 | 1,624,535 | 1,314,951 | 1,395,767 | 1,383,677 | 1,376,411 | 1,545,353 | 1,750,073 | 1,591,371 | 1,639,950 |
| Business administration | 466,649 | 490,695 | 537,730 | 522,787 | 618,206 | 590,154 | 667,838 | 788,495 | 483,333 | 477,761 |
| Operations and maintenance | 2,180,896 | 1,918,314 | 1,813,768 | 1,854,638 | 1,947,627 | 1,981,370 | 2,381,861 | 2,579,660 | 2,674,293 | 2,660,814 |
| Student transportation | 632,614 | 492,916 | 469,754 | 504,270 | 836,249 | 708,179 | 787,966 | 649,111 | 867,577 | 930,200 |
| Central support | 29,149 | 438 | 40,708 | 44,036 | 55,879 | 59,656 | 72,820 | 75,280 | 80,943 | 163,113 |
| School nutrition program | 2,093,236 | 1,906,178 | 1,954,300 | 1,916,773 | 2,131,418 | 2,244,335 | 2,272,172 | 2,593,288 | 2,435,963 | 2,497,286 |
| Other supporting services | 24,595 | 132,796 | 218,745 | 193,086 | 115,316 | 92,243 | 126,522 | 101,397 | 80,564 | 81,501 |
| Community services | 400,775 | 334,215 | 324,920 | 413,116 | 407,203 | 382,832 | 378,742 | 521,668 | 595,536 | 669,576 |
| Enterprise | - | - | - | - | 28,089 | 32,285 | - | 28,657 | 105,711 | 87,182 |
| Intergovernmental[2] | 3,117,692 | 3,268,549 | 2,661,165 | 2,515,625 | 2,892,598 | 2,901,241 | 2,815,099 | 2,879,747 | 2,758,360 | 2,775,844 |
| **Total Current** | 32,662,455 | 32,477,775 | 30,691,550 | 30,166,196 | 32,261,526 | 34,416,846 | 35,817,415 | 37,011,812 | 36,996,577 | 38,484,587 |
| **% Change From Prior Year** | 5.3% | -0.6% | -5.5% | -1.7% | 6.9% | 6.7% | 4.1% | 3.3% | 0.0% | 4.0% |
| **Capital Outlay** | 639,561 | 775,395 | 202,827 | 335,193 | 12,730,367 | 25,101,288 | 12,905,468 | 4,394,497 | 950,494 | 1,911,928 |
| **% Change From Prior Year** | 100.0% | 21.2% | -73.8% | 65.3% | 3697.9% | 97.2% | -48.6% | -65.9% | -78.4% | 101.2% |
| **Debt Service** | | | | | | | | | | |
| Principal | 43,140 | 44,760 | - | - | - | - | - | - | - | - |
| Interest and fees | 3,287 | 1,668 | - | - | - | - | - | - | - | - |
| **Total Debt Service** | 46,427 | 46,428 | - | - | - | - | - | - | - | - |
| **% Change From Prior Year** | #REF! | 0.0% | -100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| **Total Expenditures** | $ 33,348,443 | $ 33,299,598 | $ 30,894,377 | $ 30,501,389 | $ 44,991,893 | $ 59,518,134 | $ 48,722,883 | $ 41,406,309 | $ 37,947,071 | $ 40,396,515 |
| **% Change From Prior Year** | #REF! | -0.1% | -7.2% | -1.3% | 47.5% | 32.3% | -18.1% | -15.0% | -8.4% | 6.5% |
| **Debt Service as a % of Noncapital Expenditures** | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

***Notes:***
[1] Includes all governmental fund types.
[2] Includes a payment to the primary government, the City of Calhoun, GA for debt service on school bonds.

***Data Source:***
Applicable years' comprehensive annual financial report.

**City of Calhoun Board of Education, Georgia**
***Chart-Total General Governmental Expenditures***
***Last Ten Fiscal Years***
***(accrual basis of accounting)***

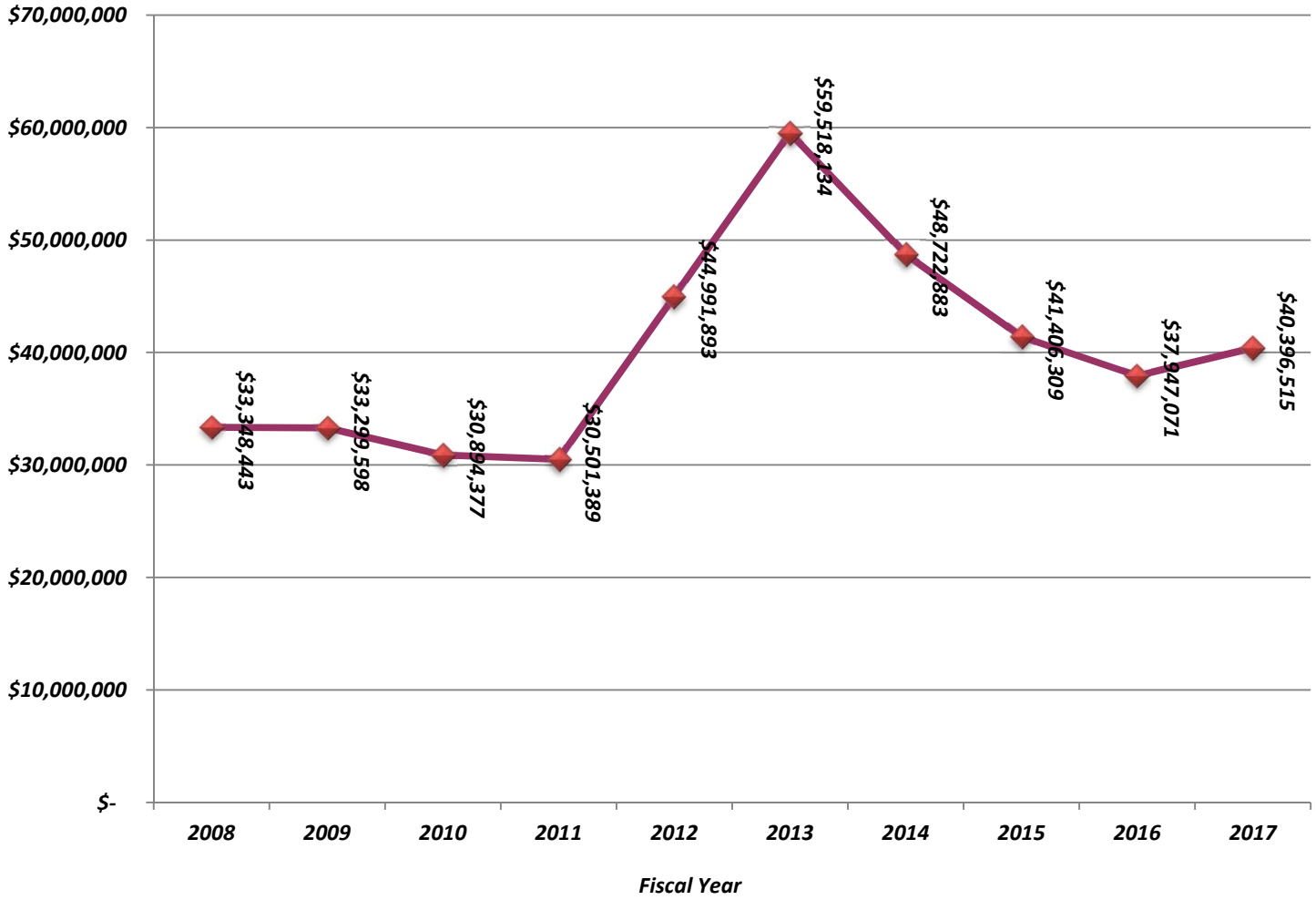


*Exhibit VI*

**City of Calhoun Board of Education, Georgia**
***General Governmental Current Expenditures by Function (Unaudited)*** [1]
***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** |
| **Function** | **Amounts** | | | | | | | | | |
| **Current:** | | | | | | | | | | |
| Instruction | $ 19,243,279 | $ 19,088,783 | $ 18,198,848 | $ 17,584,846 | $ 18,913,570 | $ 20,638,402 | $ 21,070,297 | $ 21,330,469 | $ 21,433,300 | $ 21,754,757 |
| Support services: | | | | | | | | | | |
| Pupil | 1,324,096 | 1,343,498 | 1,280,961 | 1,265,702 | 1,261,762 | 1,369,695 | 1,431,097 | 1,543,527 | 1,510,843 | 1,900,534 |
| Instructional | 714,275 | 1,007,389 | 1,018,007 | 1,172,904 | 837,341 | 1,109,099 | 1,239,423 | 1,432,552 | 1,538,491 | 1,965,343 |
| Media | 520,080 | 531,072 | 467,280 | 408,714 | 421,924 | 474,711 | 582,165 | 348,063 | 359,173 | 400,519 |
| General administration | - | - | - | - | 107,889 | 109,428 | 56,307 | 19,262 | 20,998 | 16,245 |
| Federal grant administration | - | - | - | - | 302,778 | 346,805 | 389,753 | 370,563 | 460,121 | 463,962 |
| School administration | 1,641,968 | 1,624,535 | 1,314,951 | 1,395,767 | 1,383,677 | 1,376,411 | 1,545,353 | 1,750,073 | 1,591,371 | 1,639,950 |
| Business administration | 466,649 | 490,695 | 537,730 | 522,787 | 618,206 | 590,154 | 667,838 | 788,495 | 483,333 | 477,761 |
| Operations and maintenance | 2,180,896 | 1,918,314 | 1,813,768 | 1,854,638 | 1,947,627 | 1,981,370 | 2,381,861 | 2,579,660 | 2,674,293 | 2,660,814 |
| Student transportation | 632,614 | 492,916 | 469,754 | 504,270 | 836,249 | 708,179 | 787,966 | 649,111 | 867,577 | 930,200 |
| Central support | 29,149 | 438 | 40,708 | 44,036 | 55,879 | 59,656 | 72,820 | 75,280 | 80,943 | 163,113 |
| School nutrition program | 2,093,236 | 1,906,178 | 1,954,300 | 1,916,773 | 2,131,418 | 2,244,335 | 2,272,172 | 2,593,288 | 2,435,963 | 2,497,286 |
| Other supporting services | 24,595 | 132,796 | 218,745 | 193,086 | 115,316 | 92,243 | 126,522 | 101,397 | 80,564 | 81,501 |
| Community services | 400,775 | 334,215 | 324,920 | 413,116 | 407,203 | 382,832 | 378,742 | 521,668 | 595,536 | 669,576 |
| Enterprise | - | - | - | - | 28,089 | 32,285 | - | 28,657 | 105,711 | 87,182 |
| Intergovernmental [2] | 3,117,692 | 3,268,549 | 2,661,165 | 2,515,625 | 2,892,598 | 2,901,241 | 2,815,099 | 2,879,747 | 2,758,360 | 2,775,844 |
| **Total Current** | $ 32,389,304 | $ 32,139,378 | $ 30,301,137 | $ 29,792,264 | $ 32,261,526 | $ 34,416,846 | $ 35,817,415 | $ 37,011,812 | $ 36,996,577 | $ 38,484,587 |
| | **Percentages** | | | | | | | | | |
| **Current:** | | | | | | | | | | |
| Instruction | 59.4% | 59.4% | 60.1% | 59.0% | 58.6% | 60.0% | 58.8% | 57.6% | 57.9% | 56.5% |
| Support services | | | | | | | | | | |
| Pupil | 4.1% | 4.2% | 4.2% | 4.2% | 3.9% | 4.0% | 4.0% | 4.2% | 4.1% | 4.9% |
| Instructional | 2.2% | 3.1% | 3.4% | 3.9% | 2.6% | 3.2% | 3.5% | 3.9% | 4.2% | 5.1% |
| Media | 1.6% | 1.7% | 1.5% | 1.4% | 1.3% | 1.4% | 1.6% | 0.9% | 1.0% | 1.0% |
| General administration | 0.0% | 0.0% | 0.0% | 0.0% | 0.3% | 0.3% | 0.2% | 0.1% | 0.1% | 0.0% |
| Federal grant administration | 0.0% | 0.0% | 0.0% | 0.0% | 0.9% | 1.0% | 1.1% | 1.0% | 1.2% | 1.2% |
| School administration | 5.1% | 5.1% | 4.3% | 4.7% | 4.3% | 4.0% | 4.3% | 4.7% | 4.3% | 4.3% |
| Business administration | 1.4% | 1.5% | 1.8% | 1.8% | 1.9% | 1.7% | 1.9% | 2.1% | 1.3% | 1.2% |
| Operations and maintenance | 6.7% | 6.0% | 6.0% | 6.2% | 6.0% | 5.8% | 6.7% | 7.0% | 7.2% | 6.9% |
| Student transportation | 2.0% | 1.5% | 1.6% | 1.7% | 2.6% | 2.1% | 2.2% | 1.8% | 2.3% | 2.4% |
| Central support | 0.1% | 0.0% | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.4% |
| Food service operations | 6.5% | 5.9% | 6.4% | 6.4% | 6.6% | 6.5% | 6.3% | 7.0% | 6.6% | 6.5% |
| Other supporting services | 0.1% | 0.4% | 0.7% | 0.6% | 0.4% | 0.3% | 0.4% | 0.3% | 0.2% | 0.2% |
| Community services | 1.3% | 1.1% | 1.2% | 1.5% | 1.3% | 1.1% | 1.1% | 1.4% | 1.6% | 1.7% |
| Enterprise | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.0% | 0.1% | 0.3% | 0.2% |
| Intergovernmental [2] | 9.6% | 10.2% | 8.8% | 8.4% | 9.0% | 8.4% | 7.9% | 7.8% | 7.5% | 7.2% |
| **Total Current** | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

***Notes:***

[1] Includes all governmental fund types.

[2] Includes a payment to the primary government, the City of Calhoun, GA for debt service on school bonds.

***Data Source:***

Applicable years' comprehensive annual financial report

*Exhibit VII*

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

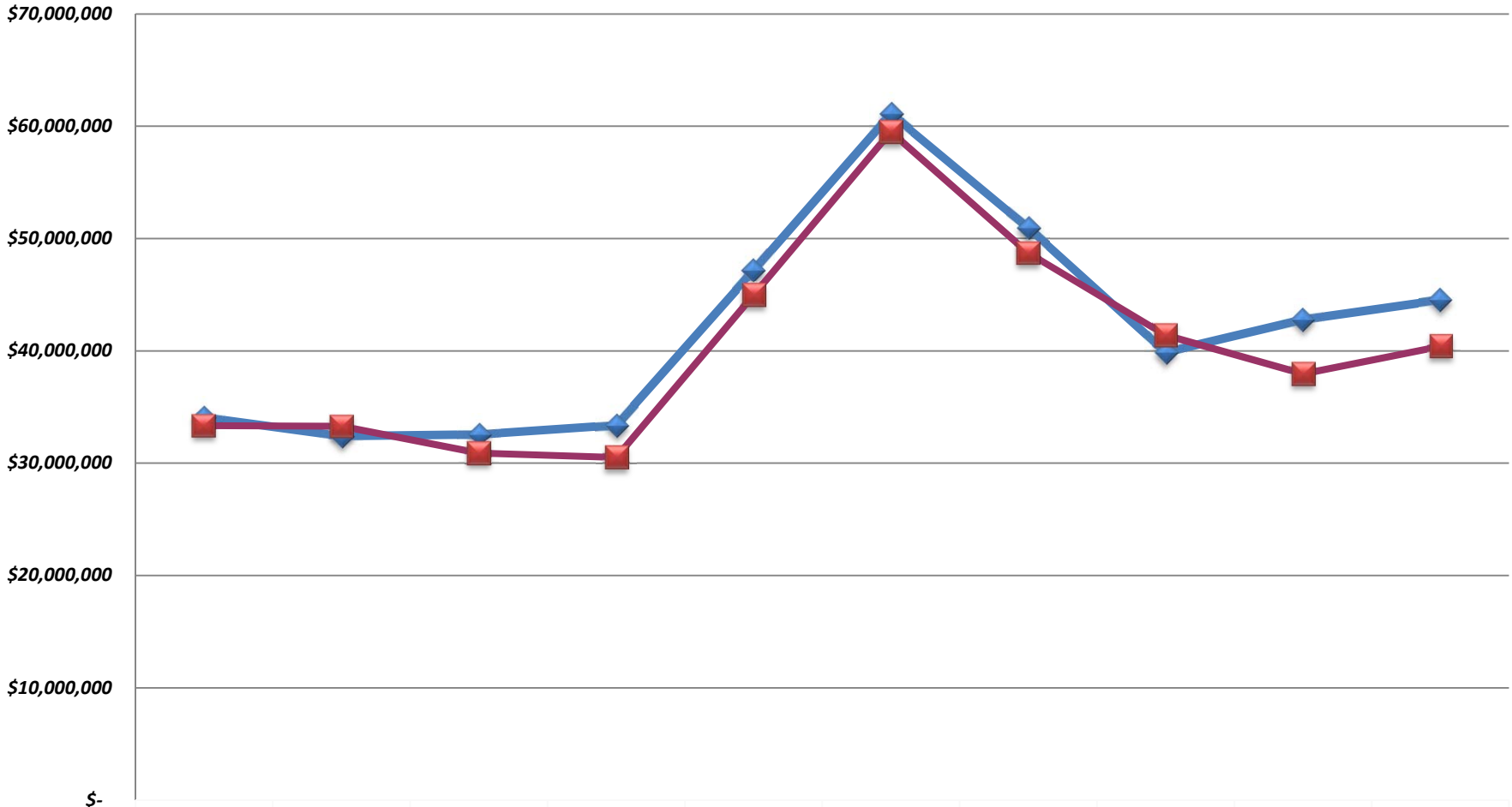
| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Total Revenues** | $ 34,082,012 | $ 32,413,428 | $ 32,554,198 | $ 33,392,877 | $ 47,170,804 | $ 61,086,862 | $ 50,937,591 | $ 39,880,606 | $ 42,798,315 | $ 44,530,221 |
| **Total Expenditures** | 33,348,443 | 33,299,598 | 30,894,377 | 30,501,389 | 44,991,893 | 59,518,134 | 48,722,883 | 41,406,309 | 37,947,071 | 40,396,515 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 733,569 | (886,170) | 1,659,821 | 2,891,488 | 2,178,911 | 1,568,728 | 2,214,708 | (1,525,703) | 4,851,244 | 4,133,706 |
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| Transfers in | 63,094 | 161,537 | 428,150 | 19,859 | 50,085 | 495,494 | 537,408 | 4,967,923 | 49,311 | 327,158 |
| Transfers out | (63,094) | (161,537) | (428,150) | (19,859) | (50,085) | (495,494) | (537,408) | (4,967,923) | (49,311) | (327,158) |
| **Total Other Financing Sources (Uses)** | - | - | - | - | - | - | - | - | - | - |
| **Net Change in Fund Balances** | $ 733,569 | $ (886,170) | $ 1,659,821 | $ 2,891,488 | $ 2,178,911 | $ 1,568,728 | $ 2,214,708 | $ (1,525,703) | $ 4,851,244 | $ 4,133,706 |

***Data Source:***
Applicable years' comprehensive annual financial report.

**City of Calhoun Board of Education, Georgia**

***Chart - Governmental Fund Revenues and Expenditures***

***Last Ten Fiscal Years***



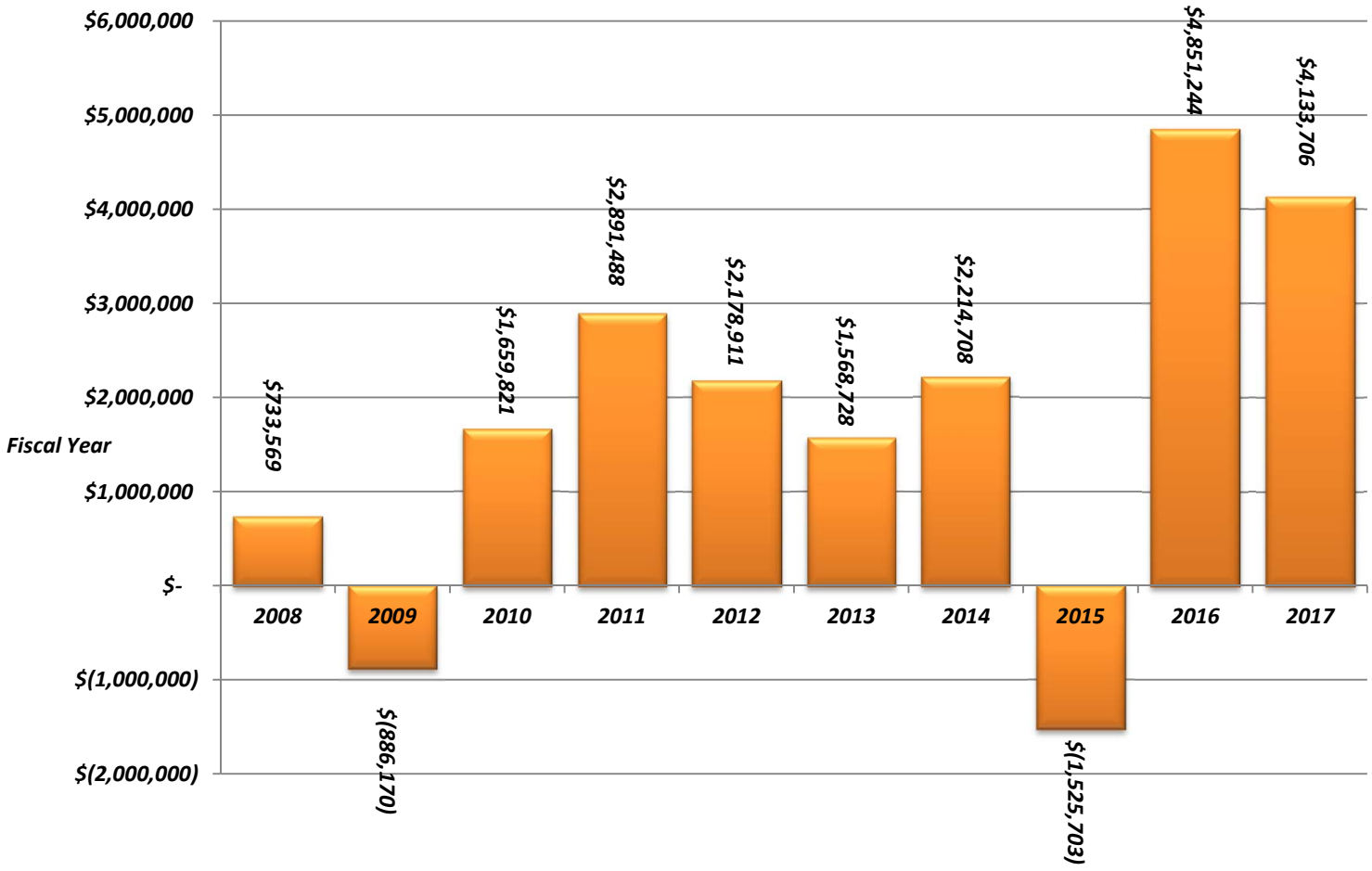

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenues | $34,082,012 | $32,413,428 | $32,554,198 | $33,392,877 | $47,170,804 | $61,086,862 | $50,937,591 | $39,880,606 | $42,798,315 | $44,530,221 |
| Expenditure | $33,348,443 | $33,299,598 | $30,894,377 | $30,501,389 | $44,991,893 | $59,518,134 | $48,722,883 | $41,406,309 | $37,947,071 | $40,396,515 |

**City of Calhoun Board of Education, Georgia**

***Chart-Total Changes in Fund Balances - Governmental Funds***

***Last Ten Fiscal Years***

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



**City of Calhoun Board of Education, Georgia**

***Taxable Assessed Value [1] and Estimated Actual Value of Property - By Type (Unaudited)***

***Last Ten Fiscal Years***

| Fiscal Year Ended June 30,[3] | Residential Property | Commercial Property | Industrial Property | Agricultural Property | Conservation Use Property - Heavy Equipment | Utility Property | Motor Vehicles and Mobile Homes | Less: Tax Exempt Property [2] | Total Taxable Assessed Value[1] | Total Direct Tax Rate [5] | Estimated Actual Value | Annual Percentage Change |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Amounts** | | | | | | | | | | | |
| 2008 [4] | $ 175,724,678 | $ 263,465,118 | $ 253,688,864 | $ 3,326,224 | $ 845,086 | $ 4,250,240 | $ 30,465,273 | $ 39,300,609 | $ 692,464,874 | 14.080 | $ 1,731,162,185 | 9.4% |
| 2009 | 181,711,525 | 283,887,880 | 336,873,110 | 2,800,366 | 759,435 | 4,220,012 | 29,822,460 | 57,866,628 | 782,208,160 | 14.080 | 1,955,520,400 | 13.0% |
| 2010 | 212,661,056 | 302,043,691 | 295,461,603 | 3,417,332 | 1,446,541 | 4,006,938 | 31,739,856 | 57,235,622 | 793,541,395 | 13.865 | 1,983,853,488 | 1.4% |
| 2011 | 206,864,772 | 329,964,480 | 234,597,536 | 4,544,767 | 1,443,645 | 4,007,168 | 28,300,546 | 56,373,206 | 753,349,708 | 13.865 | 1,883,374,270 | -5.1% |
| 2012 | 173,589,485 | 324,327,025 | 204,160,467 | 3,377,648 | 1,338,534 | 4,468,028 | 27,676,924 | 56,198,851 | 682,739,260 | 16.012 | 1,706,848,150 | -9.4% |
| 2013 | 174,704,000 | 338,876,000 | 205,646,000 | 2,550,000 | 1,180,000 | 4,824,000 | 29,436,000 | 63,328,842 | 693,887,158 | 17.762 | 1,734,717,895 | 1.6% |
| 2014 | 175,735,408 | 234,930,357 | 323,005,009 | 2,690,344 | 1,180,046 | 4,963,309 | 30,958,617 | 66,018,502 | 707,444,588 | 17.813 | 1,768,611,470 | 2.0% |
| 2015 | 177,305,823 | 245,523,870 | 333,787,766 | 2,355,052 | 1,161,853 | 6,104,642 | 25,861,752 | 60,071,808 | 732,028,950 | 17.985 | 1,830,072,375 | 3.5% |
| 2016 | 186,450,855 | 277,700,998 | 359,487,697 | 2,351,006 | 1,169,840 | 6,177,294 | 19,660,902 | 170,496,341 | 682,502,251 | 17.985 | 1,706,255,628 | -6.8% |
| 2017 | 193,911,434 | 264,396,863 | 414,703,746 | 1,770,836 | 1,618,890 | 5,553,244 | 15,489,072 | 208,254,581 | 689,189,504 | 17.895 | 1,722,973,760 | 1.0% |
| * | $ 184,971,956 | $ 288,968,824 | $ 282,967,561 | $ 3,045,860 | $ 1,169,442 | $ 4,780,181 | $ 28,213,592 | $ 69,654,490 | $ 724,462,927 | | $ 1,811,157,318 | |
| ** | 10.3% | 0.4% | 63.5% | -46.8% | 91.6% | 30.7% | -49.2% | 429.9% | -0.5% | | -0.5% | |
| | **Percentage of Total** | | | | | | | | | | | |
| 2008 | 24.0% | 36.0% | 34.7% | 0.5% | 0.1% | 0.6% | 4.2% | 5.7% | 94.3% | | | |
| 2009 | 21.6% | 33.8% | 40.1% | 0.3% | 0.1% | 0.5% | 3.5% | 7.4% | 92.6% | | | |
| 2010 | 25.0% | 35.5% | 34.7% | 0.4% | 0.2% | 0.5% | 3.7% | 7.2% | 92.8% | | | |
| 2011 | 25.5% | 40.8% | 29.0% | 0.6% | 0.2% | 0.5% | 3.5% | 7.5% | 92.5% | | | |
| 2012 | 23.5% | 43.9% | 27.6% | 0.5% | 0.2% | 0.6% | 3.7% | 8.2% | 91.8% | | | |
| 2013 | 23.1% | 44.8% | 27.2% | 0.3% | 0.2% | 0.6% | 3.9% | 9.1% | 90.9% | | | |
| 2014 | 22.7% | 30.4% | 41.8% | 0.3% | 0.2% | 0.6% | 4.0% | 9.3% | 90.7% | | | |
| 2015 | 22.4% | 31.0% | 42.1% | 0.3% | 0.1% | 0.8% | 3.3% | 8.2% | 91.8% | | | |
| 2016 | 21.9% | 32.6% | 42.1% | 0.3% | 0.1% | 0.7% | 2.3% | 25.0% | 75.0% | | | |
| 2017 | 21.6% | 29.5% | 46.2% | 0.2% | 0.2% | 0.6% | 1.7% | 30.2% | 69.8% | | | |

*** Dollar average for ten years.**

**** Percentage change in dollars over ten years.**

***Notes:***

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

[2] Tax exempt property includes homestead or freeport exemptions, resulting in subtantial flucations from year to year.

[3] The tax year is one year prior to the fiscal year.

[4] In fiscal year 2008, Gordon County completed a reevaluation of selected property, resulting in substantial increases in the values.

[5] Tax rates expressed in rate per $1,000

***Data Source:***

Georgia Department of Revenue, Tax Digest Consolidation Summary,
http://dor.georgia.gov/county-ad-valorem-tax-digest-consolidated-summaries

**City of Calhoun Board of Education, Georgia**

***Chart-Taxable Assessed Value - Before Tax Exempt Property Deductioin***

***Last Ten Fiscal Years***

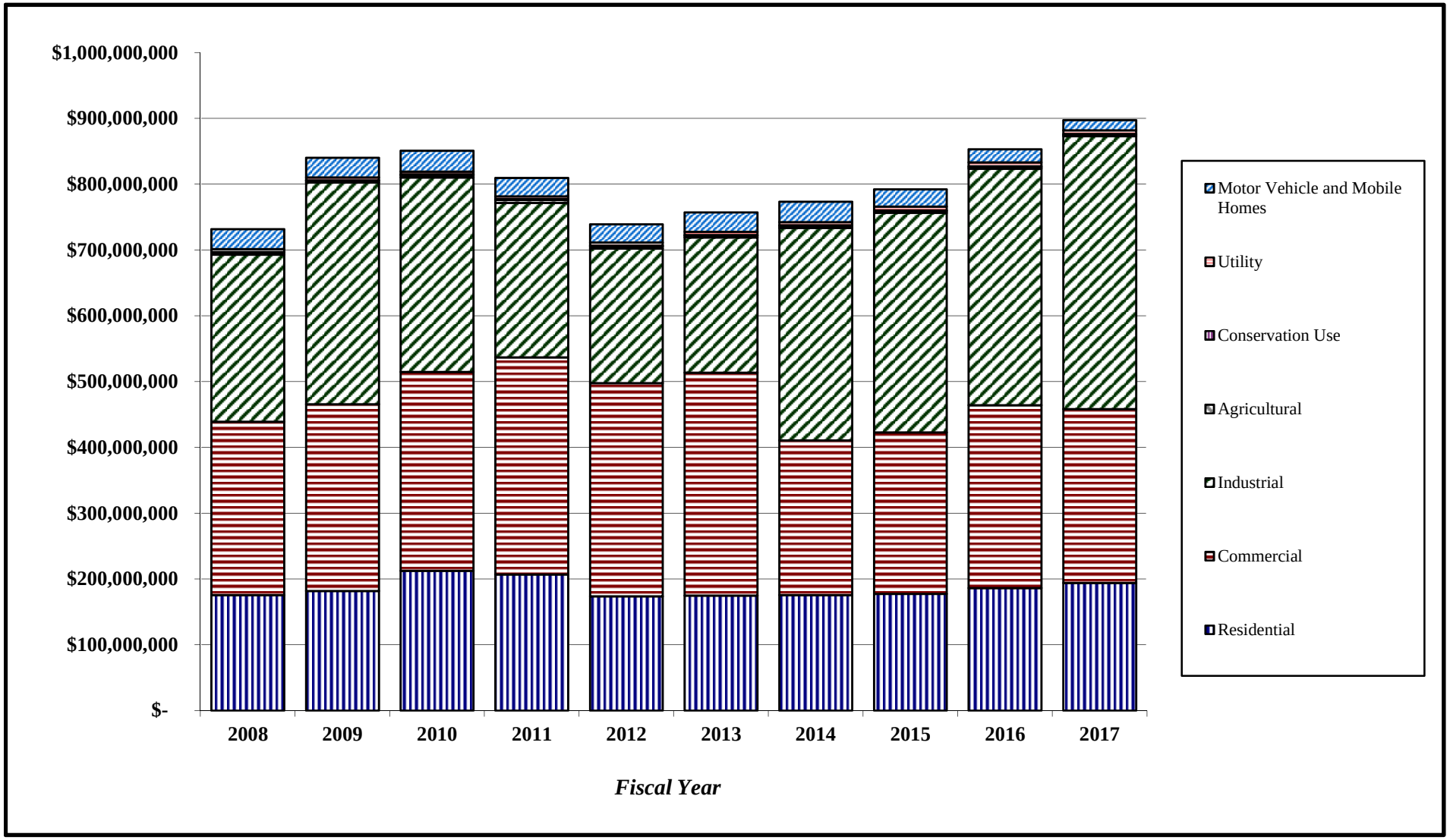


*Exhibit IX*

## City of Calhoun Board of Education, Georgia

***Direct and Overlapping Property Tax Rates*** [1]

***Last Ten Fiscal Years***

| | Overlapping Rates [2, 3] | | | Direct Rates | |
|---|---|---|---|---|---|
| **Fiscal Year Ended June 30,** | **City of Calhoun** | **State of Georgia[4]** | **Gordon County** | **City of Calhoun Schools Operating[5]** | **Total Rate** |
| 2008 | 1.615 | 0.250 | 10.174 | 14.080 | 26.119 |
| 2009 | 1.615 | 0.250 | 9.528 | 14.080 | 25.473 |
| 2010 | 1.591 | 0.250 | 8.815 | 13.865 | 24.521 |
| 2011 | 1.591 | 0.250 | 8.910 | 13.865 | 24.616 |
| 2012 | 1.591 | 0.250 | 9.800 | 16.012 | 27.653 |
| 2013 | 1.980 | 0.200 | 9.800 | 17.762 | 29.742 |
| 2014 | 1.980 | 0.150 | 9.800 | 17.813 | 29.743 |
| 2015 | 1.980 | 0.100 | 9.747 | 17.985 | 29.812 |
| 2016 | 1.980 | 0.050 | 9.930 | 17.985 | 29.945 |
| 2017 | 1.980 | - | 9.853 | 17.985 | 29.818 |
| **% Change From 2008-2017** | 22.6% | -100.0% | -3.2% | 27.7% | 14.2% |

***Notes:***

[1] Tax rates expressed in rate per $1,000 of annual taxable values

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

[3] Although Gordon County School District is overlapping, City property owners do not pay Gordon County school tax, therefore, this government's tax rates are not presented.

[4] The State of Georgia levies 1/10th of one mill on each county's taxable property to help finance their certification of each Georgia County's tax digests.

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

***Data Source:***

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

**City of Calhoun Board of Education, Georgia**

***Chart-Direct and Overlapping Property Tax Rates***

***Last Ten Fiscal Years***

***(rate per $1,000 of assessed taxable value)***

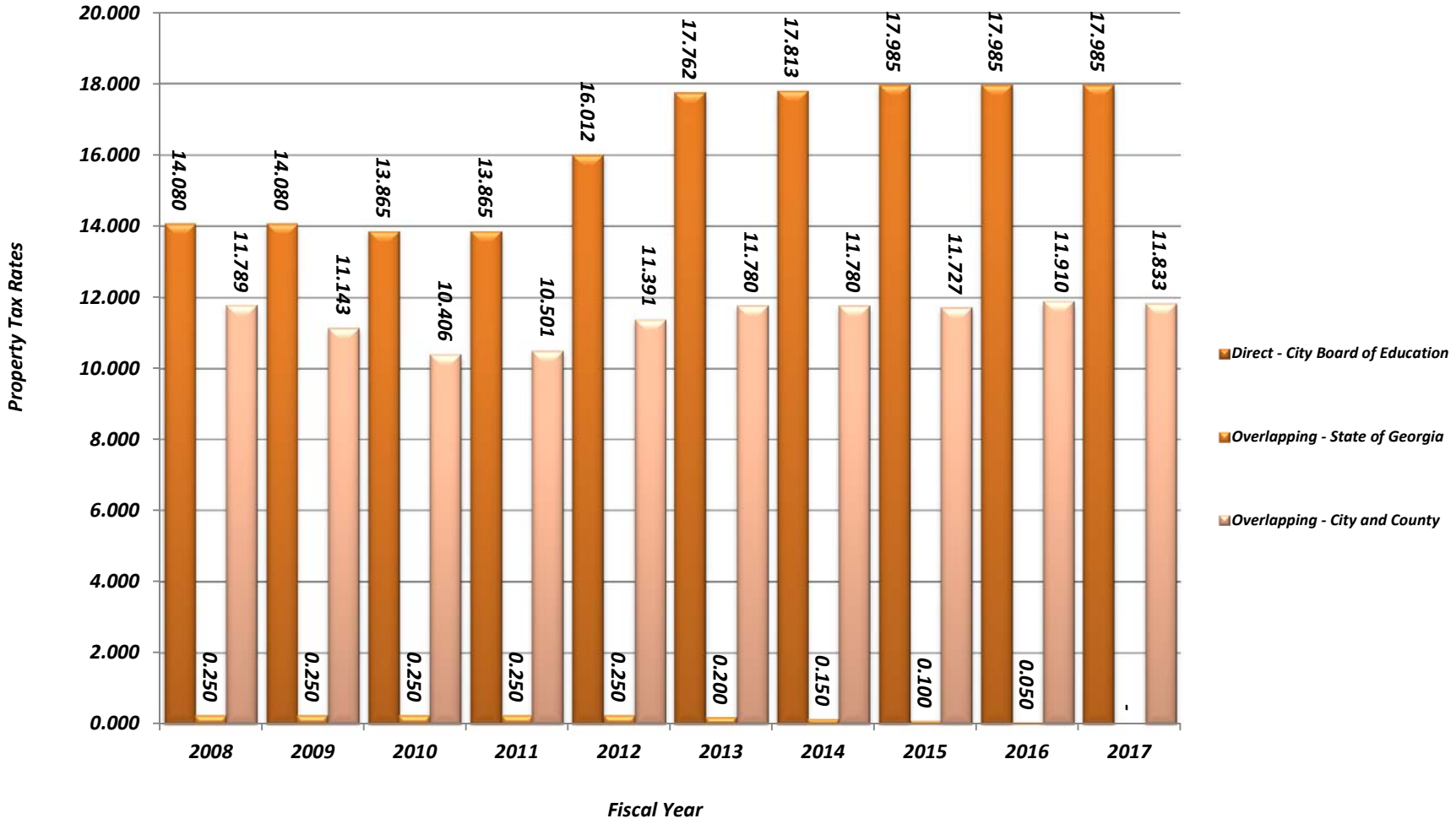


*Exhibit X*

## City of Calhoun Board of Education, Georgia

***Property Tax Levies and Collections*** [1]

***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 | $ 9,940 | 96.29% | $ 66 | 3.71% |
| 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 | 2.86% |

***Notes:***

[1] Includes property taxes levied for both the Board and the City of Calhoun. The Board is a component unit of the City and the City levies the property taxes for the Board. Information for the Board excluding the City's tax information is not available.

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

***Data Source:***

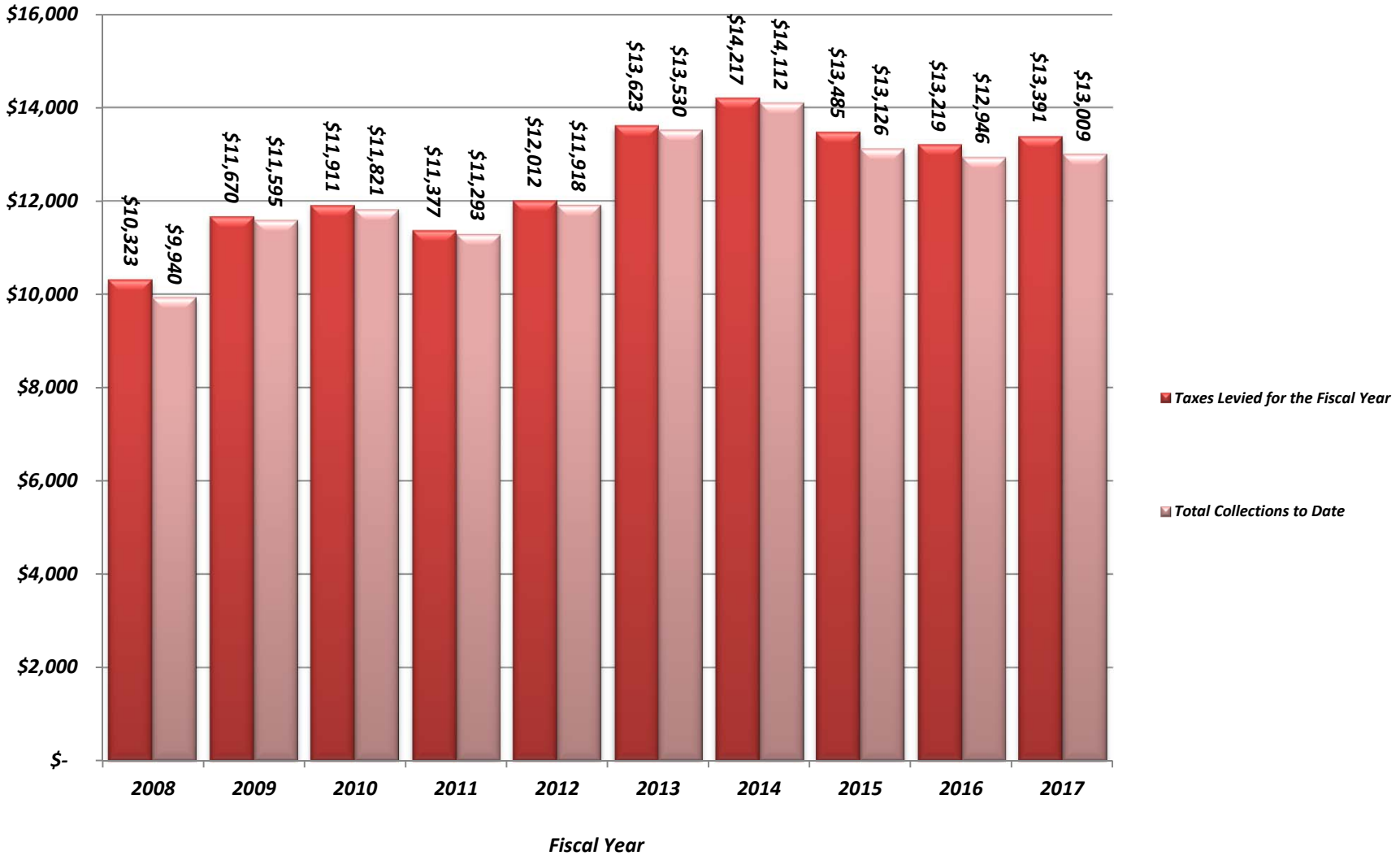
City of Calhoun, Georgia tax collection records.

**City of Calhoun Board of Education, Georgia**

***Chart-Property Tax Levies and Collections***

***Last Ten Fiscal Years***

***(amounts expressed in thousand dollars)***



# City of Calhoun Board of Education, Georgia

***Principal Property Taxpayers (Unaudited)***

***Fiscal Years Ended June 30, 2017 and 2008***

***(amounts expressed in thousands)***

| 2017 | | | | 2008 | | | |
|---|---|---|---|---|---|---|---|
| **Principal Taxpayer** | **Taxable Assessed Value [1]** | **Rank** | **Percentage of Total Taxable Assessed Value** | **Principal Taxpayer** | **Taxable Assessed Value [1]** | **Rank** | **Percentage of Total Taxable Assessed Value** |
| Mohawk Industries | $ 103,334 | 1 | 14.20% | Mohawk (Aladdin) | $ 73,362 | 1 | 10.86% |
| Shaw Industries Group, Inc. | 32,134 | 2 | 4.41% | Shaw Industries | 38,038 | 2 | 5.63% |
| CNH America (Kolbelco) | 22,760 | 3 | 3.13% | Mannington | 26,373 | 3 | 3.90% |
| Engineered Floors, LLC | 20,556 | 4 | 2.82% | Kobelco | 19,015 | 4 | 2.81% |
| Mannington | 19,698 | 5 | 2.71% | Calhoun Outlets LLC | 15,009 | 5 | 2.22% |
| Apache Mills, Inc. | 17,988 | 6 | 2.47% | Kerry Inc. | 6,913 | 6 | 1.02% |
| Field Turf | 15,923 | 7 | 2.19% | Springs Global USA Inc. | 6,060 | 7 | 0.90% |
| Nourison Industries | 14,269 | 8 | 1.96% | CAF Extrusion | 5,803 | 8 | 0.86% |
| Surya Carpet | 11,995 | 9 | 1.65% | Fiskars Brands Inc. | 5,459 | 9 | 0.81% |
| Staton Carpet | 11,390 | 10 | 1.56% | DMK Holdings Inc. | 5,441 | 10 | 0.81% |
| **Total Principal Taxpayers** | 270.047 | | 37.10% | **Total Principal Taxpayers** | 201,473 | | 29.81% |
| **All Other Taxpayers** | 457.912 | | 62.90% | **All Other Taxpayers** | 474,347 | | 70.19% |
| **Total** | $ 727.959 | | 100.00% | **Total** | $ 675,820 | | 100.00% |

***Data Source:***

City of Calhoun tax records.

*Exhibit XII*

## City of Calhoun Board of Education, Georgia

***Overlapping Sales and Use Tax Rates*** [1]

***Last Ten Fiscal Years***

| Fiscal Year Ended June 30, | Overlapping Gordon County LOST [2] | Gordon County SPLOST [3] | Schools [4] EDSPLOST | State of Georgia | Total |
|---|---|---|---|---|---|
| 2008 | 1.00% | 1.00% | 1.00% | 4.00% | 7.00% |
| 2009 | 1.00% | 1.00% | 1.00% | 4.00% | 7.00% |
| 2010 | 1.00% | 1.00% | 1.00% | 4.00% | 7.00% |
| 2011 | 1.00% | 1.00% | 1.00% | 4.00% | 7.00% |
| 2012 | 1.00% | 1.00% | 1.00% | 4.00% | 7.00% |
| 2013 | 1.00% | 1.00% | 1.00% | 4.00% | 7.00% |
| 2014 | 1.00% | 1.00% | 1.00% | 4.00% | 7.00% |
| 2015 | 1.00% | 1.00% | 1.00% | 4.00% | 7.00% |
| 2016 | 1.00% | 1.00% | 1.00% | 4.00% | 7.00% |
| 2017 | 1.00% | 1.00% | 1.00% | 4.00% | 7.00% |

***Notes:***

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

[3] The previous special purpose local option sales tax was approved effective April 1, 2001 and expired March 31, 2006. The current special purpose local option sales tax was approved effective April 1, 2006 and expired March 31, 2012.

[4] Effective January 1, 1998 the Gordon County Board of Education and the Calhoun City Board of Education began levying a 1% education special purpose local option sales tax, that is allocated between the City and County Schools. The tax was approved effective July 1, 2007 and expired June 30, 2012. In November 2010, the voters of Gordon County and the City of Calhoun approved the extension of the existing SPLOST effective July 1, 2012 expiring June 30, 2017.

***Data Source :***

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

**City of Calhoun Board of Education, Georgia**
***Taxable Sales by Category (Unaudited)***
***Calendar Years 2007 - 2016***

| | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent |
| **Category:** | | | | | | | | | | | | | | | | | | | | |
| NAICS codes | | | | | | | | | | | | | | | | | | | | |
| General merchandise | | | | | $ 165,009,085 | 20.23% | $ 159,810,958 | 19.21% | $150,726,327 | 17.96% | $ 162,152,035 | 18.39% | $ 166,046,005 | 19.92% | $ 164,123,993 | 19.44% | $ 166,940,088 | 20.57% | $ 153,738,305 | 19.48% |
| Food/bars | | | | | 74,397,977 | 9.12% | 134,101,103 | 16.13% | 120,551,365 | 14.36% | 124,424,295 | 14.11% | 131,449,880 | 15.77% | 124,802,770 | 14.79% | 104,266,683 | 12.84% | 78,504,350 | 9.95% |
| Manufacturing | | | | | 114,968,896 | 14.09% | 109,287,805 | 13.14% | 106,969,981 | 12.75% | 105,678,640 | 11.98% | 114,121,750 | 13.69% | 121,534,729 | 14.40% | 130,678,975 | 16.10% | 139,742,331 | 17.71% |
| Utilities | | | | | 85,951,003 | 10.54% | 98,120,054 | 11.80% | 158,443,411 | 18.88% | 161,778,163 | 18.35% | 160,151,527 | 19.20% | 156,900,803 | 18.59% | 142,796,890 | 17.59% | 131,741,106 | 16.70% |
| Other retail | | | | | 61,769,180 | 7.57% | 82,437,277 | 9.91% | 107,167,095 | 12.77% | 108,687,062 | 12.33% | 47,649,200 | 5.72% | 14,857,045 | 1.76% | 14,061,430 | 1.73% | 14,959,618 | 1.90% |
| Wholesale | | | | | 89,024,099 | 10.91% | 70,070,380 | 8.43% | 53,701,051 | 6.40% | 56,216,313 | 6.37% | 72,160,597 | 8.66% | 83,547,970 | 9.90% | 71,887,245 | 8.85% | 59,688,911 | 7.57% |
| Automotive | | | | | 106,428,249 | 13.05% | 61,702,722 | 7.42% | 30,915,366 | 3.68% | 41,003,958 | 4.65% | 20,647,441 | 2.47% | 36,071,458 | 4.27% | 32,008,549 | 3.94% | 30,314,400 | 3.84% |
| Home furnishings | | | | | 46,749,549 | 5.73% | 55,350,997 | 6.66% | 51,320,508 | 6.12% | 51,969,154 | 5.89% | 58,830,740 | 7.06% | 65,772,985 | 7.79% | 65,232,580 | 8.04% | 77,012,044 | 9.76% |
| Miscellaneous services | | | | | 51,269,676 | 6.28% | 38,867,124 | 4.67% | 31,769,995 | 3.79% | 35,136,136 | 3.98% | 37,314,307 | 4.48% | 44,238,743 | 5.24% | 50,077,274 | 6.17% | 51,199,510 | 6.49% |
| Other services | | | | | 10,967,548 | 1.34% | 13,940,083 | 1.68% | 19,996,879 | 2.38% | 27,587,821 | 3.13% | 17,133,357 | 2.05% | 22,242,610 | 2.64% | 20,845,999 | 2.57% | 38,755,144 | 4.91% |
| Accommodations | | | | | 8,134,834 | 1.00% | 6,637,362 | 0.80% | 6,168,429 | 0.73% | 6,287,902 | 0.71% | 6,814,726 | 0.82% | 7,040,519 | 0.83% | 9,303,836 | 1.15% | 10,175,142 | 1.29% |
| Construction | | | | | 1,157,038 | 0.14% | 1,228,360 | 0.15% | 1,523,562 | 0.18% | 905,255 | 0.11% | 1,359,056 | 0.16% | 2,912,118 | 0.35% | 3,629,179 | 0.45% | 3,175,798 | 0.40% |
| SIC codes | | | | | | | | | | | | | | | | | | | | |
| Food | $ 266,367,180 | 28.87% | $ 248,033,221 | 26.46% | | | | | | | | | | | | | | | | |
| General | 133,137,354 | 14.43% | 128,337,853 | 13.69% | | | | | | | | | | | | | | | | |
| Automotive | 127,872,364 | 13.86% | 181,476,183 | 19.36% | | | | | | | | | | | | | | | | |
| Utilities | 101,143,479 | 10.96% | 104,754,382 | 11.18% | | | | | | | | | | | | | | | | |
| Home | 71,209,452 | 7.72% | 56,555,421 | 6.03% | | | | | | | | | | | | | | | | |
| Lumber | 61,643,192 | 6.68% | 36,407,673 | 3.88% | | | | | | | | | | | | | | | | |
| Miscellaneous | 48,488,363 | 5.25% | 49,024,559 | 5.24% | | | | | | | | | | | | | | | | |
| Apparel | 41,698,856 | 4.52% | 44,186,632 | 4.71% | | | | | | | | | | | | | | | | |
| Manufacturing | 34,536,234 | 3.74% | 37,229,008 | 3.97% | | | | | | | | | | | | | | | | |
| Miscellaneous | 36,628,897 | 3.97% | 51,318,460 | 5.48% | | | | | | | | | | | | | | | | |
| **Total** | $ 922,725,371 | 100.00% | $ 937,323,392 | 100.00% | $ 815,827,134 | 100.00% | $ 831,554,225 | 100.00% | $ 839,253,969 | 100.00% | $ 881,826,734 | 100.00% | $ 833,678,586 | 100.00% | $ 844,045,743 | 100.00% | $ 811,728,728 | 100.00% | # $ 789,006,659 | 100.00% |
| ***Dollar increase from previous year*** | $ (11,033,307) | | $ 14,598,021 | | $ (121,496,258) | | $ 15,727,091 | | $ 7,699,744 | | $ 42,572,765 | | $ (48,148,148) | | $ 10,367,157 | | $ (32,317,015) | | $ (22,722,069) | |
| ***Percent increase from previous year*** | -1.18% | | 1.58% | | -12.96% | | 1.93% | | 0.93% | | 5.12% | | -5.74% | | 1.18% | | -3.88% | | -2.69% | |

***Notes:***

[1] Sales data only available for Gordon County.

[2] Beginning in 2009, the Georgia Department of Revenue changed the reporting of their sales classifications.

***Data Source:***
Georgia Department of Revenue

*Exhibit XIV*

## City of Calhoun Board of Education, Georgia

***Ratios of Total Debt Outstanding by Type (Unaudited)***

***Last Ten Fiscal Years***

| June 30, | Governmental Activities [2] Capital Leases | Percentage of Personal Income [3] | Estimated [3] Population | Per Capita |
|---|---|---|---|---|
| 2008 | $ 44,760 | 0.00003% | 14,753 | $ 3 |
| 2009 | - | 0.00000% | 14,807 | - |
| 2010 | - | 0.00000% | 14,955 | - |
| 2011 | - | 0.00000% | 15,650 | - |
| 2012 | - | 0.00000% | 15,773 | - |
| 2013 | - | 0.00000% | 15,812 | - |
| 2014 | - | 0.00000% | 15,899 | - |
| 2015 | - | 0.00000% | 16,052 | - |
| 2016 | - | 0.00000% | 16,309 | - |
| 2017 | - | 0.00000% | 16.360 | - |

***Notes:***

[1] In fiscal year 2006, the Board entered into a capital lease for the acquisition of three 72-passenger buses.

***Data Sources:***

[2] Applicable years' comprehensive annual financial report.

[3] Exhibit XVI

## City of Calhoun Board of Education, Georgia

***Overlapping Governmental Activities Debt [4] (Unaudited)***

***June 30, 2017***

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable [1] | Estimated Share of Overlapping Debt |
|---|---|---|---|
| **Overlapping Debt [2, 3]** | | | |
| Gordon County - Debt repaid with property taxes | $ 8,837,300 | 100.0% | $ 8,837,300 |
| City of Calhoun - general obligation bonds [3] | 33,361,400 | 100.0% | 33,361,400 |
| **Total Overlapping Debt** | | | $ 42,198,700 |

***Notes:***

[1] Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the Board's geographic boundaries and dividing it by each government's total assessed valuation.

[2] Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Board.

[3] The City issued these general obligation bonds for the construction of school buildings, which are owned by the City.

[4] The Board of Education has no outstanding debt.

***Data Sources:***

[3] Each specific government

## City of Calhoun Board of Education, Georgia

***Demographic and Economic Statistics (Unaudited)*** [1]

***Last Ten Years***

| Year | Population [2] | *(thousands of dollars)* Personal Income [2A] | Per Capita Personal Income [2] Gordon County | United States | % of U.S. | Median Age [3] | Unemployment Rate [7] City [2] | State of Georgia [4] | United States [5] |
|---|---|---|---|---|---|---|---|---|---|
| 2008 | 14,753 | $ 1,490,766 | $ 27,320 | $ 35,204 | 88.5% | 34.0 | 6.5% | 5.6% | 5.5% |
| 2009 | 14,807 | 1,403,403 | 25,675 | 38,615 | 90.2% | 34.4 | 13.5% | 10.1% | 9.5% |
| 2010 | 14,955 | 1,411,630 | 27,970 | 40,148 | 93.0% | 34.4 | 12.6% | 9.6% | 9.3% |
| 2011 | 15,650 | 1,467,371 | 28,649 | 41,353 | 95.3% | 37.5 | 12.4% | 10.2% | 9.6% |
| 2012 | 15,773 | 1,485,717 | 28,836 | 41,560 | 108.2% | 37.5 | 11.8% | 9.6% | 8.5% |
| 2013 | 15,812 | 1,509,681 | 29,529 | 40,661 | 102.4% | 35.3 | 10.2% | 8.8% | 7.9% |
| 2014 | 15,899 | 1,618,698 | 25,028 | 28,155 | 88.9% | 36.9 | 8.5% | 7.4% | 6.1% |
| 2015 | 16,052 | 1,619,727 | 29,050 | 35,610 | 81.6% | 36.9 | 6.1% | 6.1% | 5.3% |
| 2016 | 16,309 | 1,594,390 | 31,463 | 36,268 | 86.8% | 37.7 | 5.6% | 5.1% | 4.9% |
| 2017 | 16,360 | 1,779,975 | 32,234 | 44,163 | 73.0% | 37.8 | 5.2% | 4.8% | 4.4% |

***Notes:***

[1] Generally, the information in this table relates to the City of Calhoun, GA or Gordon County, GA, as specific information for the Board is not available.

[7] The significant increase in the 2009 unemployment relates to the nationwide recession.

***Data Sources:***

[2] City of Calhoun, Georgia comprehensive annual financial reports

[2A] Gordon County, Georgia comprehensive annual financial reports

[3] U.S. Census Bureau - http://usgovinfo.about.com/gi/dynamic/offsite.htm?site=http://factfinder.census.gov/ - 2001-2010 estimated by management

[4] U.S. Department of Labor, Bureau of Labor Statistics, http://data.bls.gov/cgi-bin/surveymost

[5] U.S. Department of Labor, Bureau of Labor Statistics, http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=LNS14000000

# City of Calhoun Board of Education, Georgia

***Principal Employers (Unaudited)***

***For the Fiscal Years Ended June 30, 2017 and 2008***

| | | 2017 | | |
|---|---|---|---|---|
| **Employer** | **Type of Business** | **Number of Employees** | **Rank** | **Percentage of Major County Employers** |
| Mohawk Industries, Inc. | Flooring | 2,772 | 1 | 10.00% |
| Gordon Hospital | Flooring | 1,166 | 2 | 4.20% |
| Shaw Industries | Hospital | 976 | 3 | 3.52% |
| Gordon County Schools | Government | 815 | 4 | 2.94% |
| Apache Mills | Flooring | 700 | 5 | 2.52% |
| Mannington Carpets | Flooring | 700 | 6 | 2.52% |
| Engineer Flooring | Flooring | 600 | 7 | 2.16% |
| Calhoun City Schools | Government | 450 | 8 | 1.63% |
| Gordon County Government | Government | 407 | 9 | 1.47% |
| Beaulieu Group | Flooring | 299 | 10 | 1.08% |
| **Total Principal Employers** | | 8,885 | | 32.04% |
| **Other Employers** | | 18,847 | | 67.96% |
| **Total Employers** [1] | | 27,732 | | 100.00% |

| | | 2008 | | |
|---|---|---|---|---|
| **Employer** | **Type of Business** | **Number of Employees** | **Rank** | **Percentage of Major County Employers** |
| Mohawk Industries, Inc. | Flooring | 2,818 | 1 | 10.14% |
| Shaw Industries | Flooring | 1,794 | 2 | 6.45% |
| Gordon County Schools | Government | 1,153 | 3 | 4.15% |
| Gordon Hospital | Flooring | 650 | 4 | 2.34% |
| Mannington Carpets | Hospital | 536 | 5 | 1.93% |
| Calhoun City Schools | Government | 463 | 6 | 1.67% |
| Apache Mills | Flooring | 400 | 7 | 1.44% |
| Beaulieu Group | Flooring | 382 | 8 | 1.38% |
| Gordon County Government | Government | 382 | 9 | 1.38% |
| City of Calhoun Government | Government | 355 | 10 | 1.28% |
| **Total Principal Employers** | | 8,933 | | 32.16% |
| **Other Employers** | | 18,847 | | 67.84% |
| **Total Employers** | | 27,780 | | 100.00% |

***Data Source:***

Estimated by Gordon County Chamber of Commerce.

**City of Calhoun Board of Education, Georgia**

***Full Time Equivalent (FTE) Positions - by Function***

***Last Ten Fiscal Years*** [1]

| Positions | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Calhoun Primary School**[2] | | | | | | | | | | |
| Classroom Teachers | 56 | 57 | 53 | 52 | 52 | 54 | 54 | 59 | 56 | 54 |
| Support Personnel | 64 | 61 | 44 | 43 | 42 | 42 | 45 | 39 | 42 | 39 |
| Administrators | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| **Calhoun Elementary School** | | | | | | | | | | |
| Classroom Teachers | 47 | 47 | 44 | 44 | 43 | 45 | 48 | 50 | 48 | 50 |
| Support Personnel[1] | 25 | 24 | 26 | 27 | 25 | 27 | 27 | 27 | 28 | 27 |
| Administrators | 3 | 3 | 2 | 2 | 2 | 2 | 3 | 2 | 2 | 2 |
| **Calhoun Middle School** | | | | | | | | | | |
| Classroom Teachers | 49 | 48 | 43 | 44 | 44 | 45 | 45 | 48 | 47 | 48 |
| Support Personnel[1] | 32 | 31 | 22 | 23 | 23 | 23 | 22 | 21 | 22 | 19 |
| Administrators | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| **Calhoun High School** | | | | | | | | | | |
| Classroom Teachers | 62 | 63 | 59 | 54 | 56 | 56 | 59 | 60 | 60 | 60 |
| Support Personnel[1] | 46 | 44 | 35 | 32 | 27 | 28 | 27 | 26 | 27 | 29 |
| Administrators | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 3 | 3 | 4 |
| **Pre-K Program** | | | | | | | | | | |
| Classroom Teachers | 8 | 8 | 10 | 10 | 10 | 10 | 10 | 10 | 8 | 9 |
| Support Personnel[1] | 10 | 12 | 15 | 14 | 13 | 14 | 14 | 14 | 11 | 11 |
| Administrators | - | - | - | - | - | - | - | - | - | 0.5 |
| **Central Office** | | | | | | | | | | |
| Support Personnel | 16 | 16 | 16 | 15 | 16 | 16 | 11 | 14 | 13 | 11 |
| Administrators | 6 | 6 | 5 | 5 | 5 | 5 | 4 | 6 | 7 | 11 |
| **Maintenance** | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 3 | 2 |
| **Transportation** | 17 | 17 | 15 | 14 | 16 | 18 | 16 | 16 | 18 | 19 |
| **Community Education** | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 3 | 3 | 4 |
| **Total** | 452 | 452 | 402 | 392 | 386 | 397 | 398 | 404 | 402 | 403.5 |
| ***Percentage Change From Prior Year*** | 1.4% | 0.0% | -11.1% | -2.5% | -1.5% | 2.8% | 0.3% | 1.5% | -0.5% | 0.4% |

***Notes:***

[1] School nutrition personnel included as support personnel at their respective schools.

[2] School Nutrition personnel at Primary/Elementary Complex listed with Primary Support Personnel fiscal year 2005 forward.

***Data Source:***

CPI Data Collection System (report Georgia Department of Education - CP0026)

*Exhibit XIX*

## *City of Calhoun Board of Education, Georgia*
### *Teachers' Salaries*
### *Last Ten Fiscal Years*

| *Fiscal Year* | *Minimum Salary* [1] | *Minimum State Salary* [2] | *Minimum Salary as a % of Minimum State Salary* | *Maximum Salary* [1] | *Average Salary* [1] | *Statewide Average Salary* [3] |
|---|---|---|---|---|---|---|
| 2008 | $ 34,909 | $ 30,816 | 113.3% | $ 75,211 | $ 49,810 | $ 51,466 |
| 2009 | 35,724 | 31,586 | 113.1% | 76,890 | 52,775 | 49,836 |
| 2010 | 34,596 | 31,586 | 109.5% | 74,549 | 53,723 | 53,155 |
| 2011 | 33,844 | 31,586 | 107.1% | 72,929 | 52,142 | 52,871 |
| 2012 | 34,973 | 31,586 | 110.7% | 75,360 | 54,400 | 53,072 |
| 2013 | 34,973 | 31,586 | 110.7% | 75,360 | 55,934 | 53,031 |
| 2014 | 34,973 | 31,586 | 110.7% | 75,360 | 56,826 | 52,973 |
| 2015 | 33,887 | 31,586 | 107.3% | 76,980 | 56,821 | 53,424 |
| 2016 | 34,805 | 31,586 | 110.2% | 76,980 | 58,057 | 54,215 |
| 2017 | 33,887 | 31,586 | 107.3% | 76,980 | 57,354 | 56,815 |

***Notes:***

[4] Information not completed is not available.

***Data Sources:***

[1] District records

[2] Georgia Department of Education, http://www.doe.k12.ga.us/fbo_budget.aspx

[3] State of Georgia, 2009-2010 Report Card

*Exhibit XX*

*City of Calhoun Board of Education, Georgia*
*School Building Information [1, 2]*
*Last Ten Fiscal Years*

| School | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| School: Calhoun Primary | | | | | | | | | | |
| Square feet | 93,456 | 93,456 | 93,456 | 93,456 | 93,456 | 93,456 | 93,456 | 111,451 | 111,451 | 111,451 |
| Enrollment[3] | 798 | 804 | 856 | 928 | 933 | 940 | 919 | 1,149 | 1,084 | 1,052 |
| School: Calhoun Elementary | | | | | | | | | | |
| Square feet | 93,456 | 93,456 | 93,456 | 93,456 | 93,456 | 93,456 | 93,456 | 111,451 | 111,451 | 111,451 |
| Enrollment[3] | 788 | 792 | 773 | 776 | 766 | 839 | 903 | 936 | 969 | 971 |
| School: Calhoun Middle | | | | | | | | | | |
| Square feet | 85,645 | 85,645 | 85,645 | 85,645 | 85,645 | 85,645 | 94,628 | 125,915 | 125,915 | 125,915 |
| Enrollment[3] | 717 | 712 | 726 | 772 | 794 | 788 | 841 | 853 | 956 | 969 |
| School: Calhoun High | | | | | | | | | | |
| Square feet | 171,248 | 171,248 | 171,248 | 171,248 | 94,628 | 94,628 | 246,020 | 259,140 | 259,140 | 259,140 |
| Enrollment[3] | 850 | 904 | 878 | 869 | 863 | 909 | 997 | 1,059 | 1,084 | 1,089 |

***Notes:***

[1] School capacity data not available.

[3] Georgia Department of Education, Enrollment, 1st annual count, October of each fiscal year.

***Data Sources:***

[2] District records

*Exhibit XXI*

***City of Calhoun Board of Education, Georgia***
***Operating Statistics***
***Last Ten Fiscal Years***

| Fiscal Year | Operating Expenditures [2] | Fall Student Count (FTE) | Cost Per Pupil | % Change | Teaching Staff | Pupil/ Teacher Ratio | Enrollment Eligibility % of Free and Reduced Meals [1] |
|---|---|---|---|---|---|---|---|
| 2008 | $ 25,802,346 | 3,298 | $ 7,824 | 4.54% | 215 | 15.34 | 53.34% |
| 2009 | 25,487,759 | 3,361 | 7,583 | -3.07% | 221 | 15.21 | 52.59% |
| 2010 | 24,017,387 | 3,423 | 7,016 | -7.48% | 210 | 16.30 | 59.08% |
| 2011 | 23,602,090 | 3,531 | 6,684 | -4.73% | 210 | 16.81 | 57.78% |
| 2012 | 25,133,976 | 3,574 | 7,032 | 5.21% | 210 | 17.02 | 65.25% |
| 2013 | 26,822,436 | 3,560 | 7,534 | 7.14% | 213 | 16.71 | 61.21% |
| 2014 | 28,392,859 | 3,764 | 7,543 | 0.12% | 213 | 17.67 | 61.21% |
| 2015 | 28,949,006 | 3,903 | 7,417 | -1.67% | 227 | 17.19 | 58.94% |
| 2016 | 29,586,166 | 4,093 | 7,228 | -2.54% | 219 | 18.69 | 60.14% |
| 2017 | 31,030,366 | 4,081 | 7,604 | 5.19% | 221 | 18.47 | 56.89% |

***Data Sources:***

[1] Georgia Department of Education,
http://app.doe.k12.ga.us/ows-bin/owa/fte_pack_frl001_public.entry_form

[2] Georgia Department of Education,
https://app3.doe.k12.ga.us/ows-bin/owa/fin_pack_revenue.entry_form

**City of Calhoun Board of Education, Georgia**

***Enrollment by Grade Level (Unaudited)***

***Last Ten Fiscal Years*** [1]

| Grade Level | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| PK | 145 | 149 | 190 | 189 | 218 | 216 | 202 | 203 | 164 | 160 |
| KK | 290 | 294 | 306 | 343 | 312 | 301 | 307 | 294 | 290 | 277 |
| Grade 1 | 259 | 267 | 288 | 305 | 324 | 321 | 313 | 328 | 313 | 298 |
| Grade 2 | 249 | 243 | 262 | 278 | 297 | 318 | 299 | 324 | 317 | 317 |
| Grade 3 | 272 | 252 | 240 | 263 | 266 | 295 | 306 | 306 | 331 | 315 |
| Grade 4 | 265 | 272 | 268 | 241 | 256 | 282 | 294 | 318 | 320 | 336 |
| Grade 5 | 251 | 268 | 265 | 271 | 244 | 262 | 303 | 312 | 318 | 320 |
| Grade 6 | 233 | 251 | 254 | 262 | 271 | 258 | 279 | 306 | 329 | 314 |
| Grade 7 | 229 | 230 | 247 | 258 | 264 | 271 | 274 | 282 | 320 | 334 |
| Grade 8 | 255 | 231 | 225 | 252 | 259 | 259 | 288 | 265 | 307 | 321 |
| Grade 9 | 267 | 273 | 241 | 221 | 265 | 269 | 302 | 293 | 280 | 308 |
| Grade 10 | 216 | 246 | 234 | 222 | 195 | 251 | 264 | 287 | 288 | 268 |
| Grade 11 | 201 | 200 | 220 | 221 | 185 | 201 | 244 | 253 | 280 | 266 |
| Grade 12 | 166 | 185 | 183 | 205 | 218 | 187 | 187 | 226 | 236 | 247 |
| Total | 3,298 | 3,361 | 3,423 | 3,531 | 3,574 | 3,691 | 3,862 | 3,997 | 4,093 | 4,081 |
| Annual % Change | 0.5% | 1.9% | 1.8% | 3.2% | 1.2% | 3.3% | 4.6% | 3.5% | 2.4% | -0.3% |

***Notes:***

[1] Georgia Department of Education, 1st annual count, October of each fiscal year

***Data Source:***

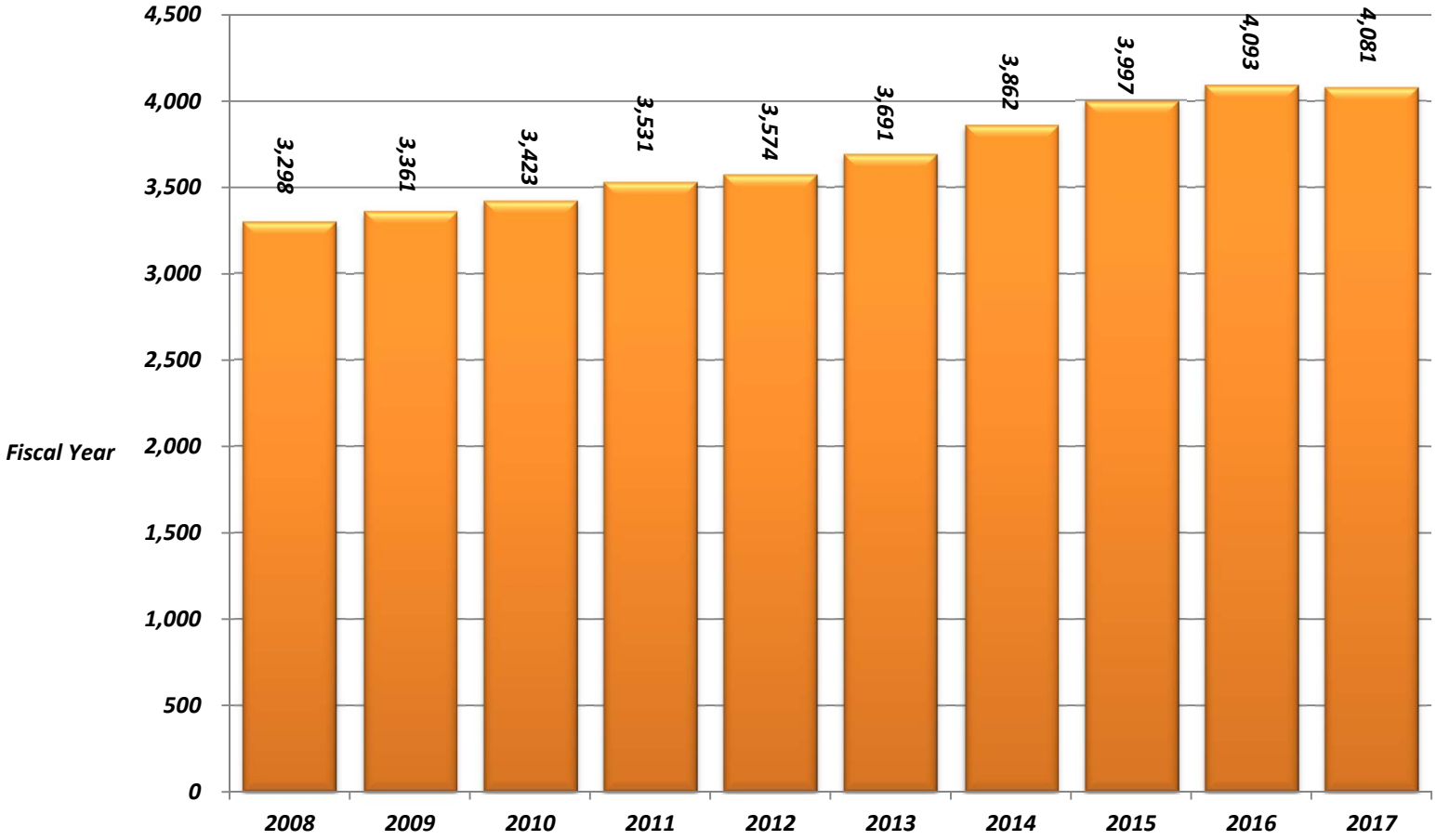
https://app3.doe.k12.ga.us/ows-bin/owa/fte_pack_enrollgrade.entry_form

**City of Calhoun Board of Education, Georgia**

***Chart-Enrollment by Grade Level***

***Last Ten Fiscal Years***

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



# Compliance Section

# R.M. DOBBS & COMPANY

JERRY L. CLEMENTS, C.P.A.
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CERTIFIED PUBLIC ACCOUNTANTS


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

To the Superintendent and Members of the
City of Calhoun Board of Education
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, each major fund, and the aggregate remaining fund information of the City of Calhoun Board of Education, 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 Board of Education, 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 Board of Education, 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 Board of Education, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Calhoun Board of Education, 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.

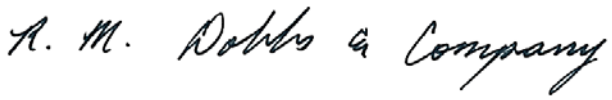
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

JERRY L. CLEMENTS, C.P.A.
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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Calhoun Board of Education, 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 Board of Education, Georgia's major federal programs for the year ended June 30, 2017. City of Calhoun Board of Education, 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 Board of Education, 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 Board of Education, 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 Board of Education, Georgia's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Calhoun Board of Education, 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.

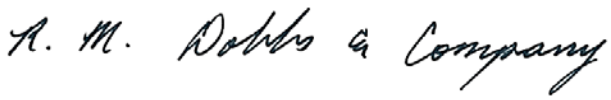
**Report on Internal Control over Compliance**

Management of the City of Calhoun Board of Education, 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 Board of Education, 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 Board of Education, Georgia's internal control over compliance.

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

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

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



Calhoun, Georgia
December 18, 2017

**City of Calhoun Board of Education, Georgia**
***Schedule of Expenditures of Federal Awards***
***For the Year Ended June 30, 2017***

| **Federal Grantor/Pass-through Grantor**<br>**Program or Cluster Title** | CFDA Number | Pass-through Entity Identifying Number | Total Federal Expenditures |
|---|---|---|---|
| **U.S. Department of Agriculture** | | | |
| Child Nutrition Cluster | | | |
| Pass-Through From Georgia Department of Education | | | |
| Food and Nutrition Program Food Services | | | |
| School Breakfast Program | 10.553 | 16165GA324N1099 | $ 502,800 |
| National School Lunch Program | 10.555 | 16165GA324N1099 | 1,516,429 |
| Total Child Nutrition Cluster | | | 2,019,229 |
| Total U.S. Department of Agriculture | | | 2,019,229 |
| **U.S. Department of Education** | | | |
| Special Education Cluster | | | |
| Pass-Through From Georgia Department of Education | | | |
| Individuals with Disabilities Education Act Part B | | | |
| Flow Through | 84.027 | H027A150073 | 609,699 |
| Preschool | 84.173 | H173A150081 | 23,846 |
| Total Special Education Cluster | | | 633,545 |
| Other Programs | | | |
| Pass-Through From Georgia Department of Education | | | |
| Elementary and Secondary Education Act | | | |
| Title 1-A | | | |
| Improving the Academic Achievement of the Disadvantaged | 84.010 | S010A150010 | 804,866 |
| Title II | 84.367 | S367A150001 | 63,663 |
| Title III-A | | | |
| Limited English Proficient and Immigrant | 84.365 | S365A150010 | 72,774 |
| Title VI - Part B | | | |
| Rural & Low-Income Schools | 84.358 | S358B150010 | 89,320 |
| Education for Homeless Children and Youth | 84.196 | S196A150011 | 39,232 |
| CTE-Perkins IV Grants-Program Improvement | 84.048 | V048A150010 | 42,756 |
| Direct Award - Elementary and Secondary School Counseling Programs | 84.215E | | 21,178 |
| Total U. S. Department of Education | | | 1,767,334 |
| Total Federal Financial Assistance | | | $ 3,786,563 |

See accompanying notes to schedule of expenditures of federal awards

**City of Calhoun Board of Education, Georgia**
***Notes to the Schedule of Expenditures of Federal Awards***
***For the Year Ended June 30, 2017***

Note A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Calhoun Board of Education, 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, *Uniform 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 ar enot allowable or are limited as to reimbursement.

The Federally assigned value of donated commodities for the Food Donation Program in the amount of $52,048 is included in the national lunch program.

NOTE C - INDIRECT COST RATE

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

NOTE D - AWARDS PASSED-THROUGH TO SUBRECIPIENTS

There were no awards passed-through to subrecipients.

NOTE E - RECONCILIATION

**Reconciliation of the Schedule of Expenditures of Federal Awards to total federal revenues:**

| | |
|---|---|
| Total expenditures of federal awards (SEFA) | $ 3,786,563 |
| Erate not included on SEFA | 311,967 |
| Total Federal Revenues | $ 4,098,530 |

**City of Calhoun Board of Education, Georgia**
***Summary Schedule of Prior Audit Findings***
***For the Year Ended June 30, 2017***

None Reported

**City of Calhoun Board of Education, Georgia**
***Schedule of Findings and Questioned Costs***
***For the 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 Board of Education 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 Board of Education 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 Board of Education expresses an unmodified opinion on all major federal programs.

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

7. The programs tested as major programs are: Child Nutrition Cluster (CFDA 10.553 and 10.555).

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

9. The City of Calhoun Board of Education was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

-

**CALHOUN CITY BOARD OF EDUCATION**
**SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS**
**FOR THE YEAR ENDED JUNE 30, 2017**

| PROJECT | ORIGINAL ESTIMATED COST (1) | CURRENT ESTIMATED COST (2) | AMOUNT EXPENDED IN CURRENT YEAR (3) (4) | AMOUNT EXPENDED IN PRIOR YEARS (3) (4) | TOTAL COMPLETION COST | EXCESS PROCEEDS NOT EXPENDED | ESTIMATED COMPLETION DATE |
|---|---|---|---|---|---|---|---|
| Bond Proceeds used to be repaid from:<br>ESPLOST IV (July 2012 - June 2017)<br>(iii) (a) acquisition, construction, furnishing and equipping of a new high-middle school complex<br>(b) acquisition of real property for future schools, facilities, admin offices, support services, or any other purpose of the Calhoun City School System;<br>c) equipping, renovation, construction, improvements and additions to existing academic and athletic facilities<br>d) acquisition of new and refurbish existing school buses<br>e) equipping, renovation and improvement of existing auditorium to adapt for use by all schools in the System<br>f) acquisition and installation of computers and new technology throughout the Calhoun School System<br>g) retirement of prevously incurred GO debt<br>h) repaying, in part, principal of and interest on GO debt of the City of Calhoun anticipated to be issued for capital outlay projects of the City of Calhoun | $50,108,666 | $56,293,137 | $218,712 | $56,074,425 | $56,293,137 | $0 | 6/30/2017 |
| Stem/Cola Building | 1,856,705 | 1,856,705 | 936,270 | 0 | | | 11/1/2017 |
| Performing Art Center Renovation | 2,078,406 | 2,078,406 | 971,945 | 0 | | | 11/1/2017 |
| | $54,043,777 | $60,228,248 | $2,126,927 | $56,074,425 | $56,293,137 | $0 | |

(1) The School District's original project cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax, with sales tax proceeds estimated at $19,873,000 to retire bonds issued for the project. All project cost estimated are included and will be paid from bond proceeds, federal, state and local funds.

(2) The School District's current estimate of total cost for the projects, including all costs from project inception to completion.

(3) The voters of Gordon County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt.

(4) Actual project cost incurred in current and prior years.

**City of Calhoun Board of Education, Georgia**
***Notes to Schedule of Approved***
***Local Option Sales Tax Projects***
***For the Year Ended June 30, 2017***

The accompanying schedule includes 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.