

City of Calhoun, Georgia

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

Prepared by:

Department of Finance

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

TABLE OF CONTENTS

Introductory Section
(Unaudited)

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

Financial Section

Independent Auditors' Report	9-10
---	------

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

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position.....	22
Statement of Activities	23

Fund Financial Statements

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Basic Financial Statements	37-65
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City of Calhoun, Georgia
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2017

Required Supplementary Information

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

Supplementary Information

Combining and Individual Fund Statements and Schedules

Governmental Funds

General Fund

Balance Sheet	72
Statement of Revenues, Expenditures and Changes in Fund Balance.....	73

Major Governmental Funds

School Bond Debt Service Fund

Balance Sheet	76
Statement of Revenues, Expenditures and Changes in Fund Balance	77
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	78

Nonmajor Governmental Funds

Combining Balance Sheet – By Fund Type	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - By Fund Type	81

Nonmajor Special Revenue Funds

Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	83
<i>Urban Development Action Grant Fund</i>	
Balance Sheet	84
Statement of Revenues, Expenditures, and Changes in Fund Balance	85
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	86
<i>Home Investment Partnership Act Fund</i>	
Balance Sheet	87
Statement of Revenues, Expenditures, and Changes in Fund Balance	88
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	89
<i>Confiscated Assets Fund</i>	
Balance Sheet	90
Statement of Revenues, Expenditures and Changes in Fund Balance	91
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	92

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

<i>Hotel/Motel Tax Fund</i>	
Balance Sheet	93
Statement of Revenues, Expenditures and Changes in Fund Balance.....	94
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	95
<i>School Tax Fund</i>	
Balance Sheet	96
Statement of Revenues, Expenditures and Changes in Fund Balance.....	97
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	98
<i>Recreation Fund</i>	
Balance Sheet	99
Statement of Revenues, Expenditures and Changes in Fund Balance.....	100
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	101
Nonmajor Debt Service Funds	
<i>Revenue Bond Debt Service Fund</i>	
Balance Sheet.....	102
Statement of Revenues, Expenditures and Changes in Fund Balance.....	103
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	104
Nonmajor Capital Project Funds	
Combining Balance Sheet	105
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	106
<i>2005 SPLOST Fund</i>	
Balance Sheet	107
Statement of Revenues, Expenditures and Changes in Fund Balance.....	108
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	109
<i>School SPLOST Fund</i>	
Balance Sheet	110
Statement of Revenues, Expenditures and Changes in Fund Balance.....	111
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual	112
<i>2011 SPLOST Fund</i>	
Balance Sheet.....	113
Statement of Revenues, Expenditures and Changes in Fund Balance.....	114
Schedule of Revenues, Expenditures and Changes in Fund	
Balance – Budget and Actual.....	115

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

Proprietary Funds

Enterprise Funds

Major Enterprise Funds

Electric System Fund

Statement of Net Position	117
Statement of Revenues, Expenses and Changes in Fund Net Position	118
Statement of Cash Flows	119-120

Water and Sewerage System Fund

Statement of Net Position	121
Statement of Revenues, Expenses and Changes in Fund Net Position	122
Statement of Cash Flows	123-124

Nonmajor Enterprise Funds

Combining Statement of Net Position	127
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	128
Combining Statement of Cash Flows.....	129-130

Fields Ferry Golf Course Fund

Statement of Net Position	131
Statement of Revenues, Expenses and Changes in Fund Net Position.....	132
Statement of Cash Flows	133

Telecommunications Fund

Statement of Net Position	134
Statement of Revenues, Expenses and Changes in Fund Net Position.....	135
Statement of Cash Flows	136-137

Solid Waste Fund

Statement of Net Position	138
Statement of Revenues, Expenses and Changes in Fund Net Position.....	139
Statement of Cash Flows	140

Internal Service Fund-Individual Fund Statements

Utilities Administration Fund

Statement of Net Position	143
Statement of Revenues, Expenses and Changes in Fund Net Position.....	144
Statement of Cash Flows	145

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

Fiduciary Funds

Municipal Court Agency Fund

Statement of Changes in Assets and Liabilities.....	147
---	-----

Statistical Section
(Unaudited)

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

Full-time Equivalent Employees by Function.....	S-30
---	------

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

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

Internal Control and Federal Compliance Section

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

State Section

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

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City of Calhoun, Georgia

Site of New Echota in the Land of the Cherokee

December 31, 2016

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

The **Comprehensive Annual Financial Report** (CAFR) of the City of Calhoun for the fiscal year ended June 30, 2017, is submitted herewith. This report was prepared by the City's finance department and is intended to fulfill the requirements for audit prescribed by state laws for general-purpose local governments and to fulfill Single Audit requirements of Federal and State governments. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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

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

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

PROFILE OF THE GOVERNMENT

The City of Calhoun, incorporated in January 1852, is located in the northern portion of the state on I-75. The City of Calhoun occupies a land area of approximately 12 square miles and serves a residential population of approximately 15,650 and a service delivery population of approximately 55,000. The City of Calhoun is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, as deemed appropriate by the Mayor and Council.

The City of Calhoun operates under a Mayor, Council, City Administrator and General Manager form of government. Policy making and legislative authority are vested in the Mayor and Council, consisting of five members. The Mayor and Council are responsible for, among other things, passing of ordinances, zoning, adopting the budget, appointing committees, hiring the City Administrator, General Manager, and City Attorney, and for appointing the heads of various departments of the City government. The City Administrator and General Manager are responsible for carrying out the policies and ordinances adopted by the Mayor and Council and overseeing the day-to-day operations of the government. The Mayor and Council are elected on a non-partisan basis; they serve four-year, staggered terms, with two Council members elected every two years and the Mayor elected every four years. The Mayor and Council members are elected at large. However, the Council members are elected for specific Council posts; therefore, candidates seeking office declare a post number when qualifying.

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

MAJOR INITIATIVES

Utility division:

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

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

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

The City of Calhoun Electric fund performed work on major projects for fiscal year 2017 of approximately \$700,000 that included completion of lighting at the new recreation park expansion and various other improvements. The City has voted and signed contracts obligating the City to participate in the expansion of two additional generating units at Plant Vogtle. Our allotted capacity will secure a future power resource in 2021. This transaction should accommodate the community's power needs for the next 30 to 35 years.

General Government Division:

Public Safety:

Police:

The City of Calhoun Police Department case load remains average to last year with various types of property crimes, domestic disturbances, false alarms, and traffic related incidents being the highest in numbers. Violent crime statistics are similar to other southeastern municipalities which range in 1% from the past year. The DUI arrests are up this year due to the concentrated efforts of our department in conjunction with the Governor's Office of Highway Safety.

The police department continued to work as a partner with the Federal Bureau of Investigation's (F.B.I.) Safe Streets Program that provides Calhoun with assets such as manpower, vehicle and fuel, equipment, technical, and legal expertise for operations primarily associated with gang activity, drugs, illegal immigration, and forgery. This year we continue to partner with the Federal Alcohol Tobacco and Firearms division, where two of our officers are sworn as Federal Agents and are being provided with vehicles and fuel, at no cost to the City. Successful cases through this agency have also provided shared funds to assist the department without using City budget funds.

Fire:

The Calhoun Fire Department has an ISO Class 3 rating for property and casualty insurance purposes. The Fire Department has purchased property on Mauldin Road for the proposed 4th fire station as recommended in the last ISO review.

The Fire Department has a total of 41 employees, with 5 being administration, training and code enforcement and 36 being on shift in fire suppression.

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

service other emergency areas. The Fire Department hosts GSAR (Georgia Search And Rescue) Task Force 6, which is one of the State of Georgia sponsored Search and Rescue Teams. The department annually receives grant funding from State and Federal sources to maintain Task Force 6 and occasionally receives funding for the Hazardous Materials team in which the County jointly participates. Situations involving search and rescue, EMS/medical calls, vehicle accidents, industrial accidents, hazardous materials incidents and conditions (leaks, spills, toxic materials, and hazardous materials), severe weather and other incidents have caused the department to broaden its scope of operations, response, and expertise.

Public Works:

LMIG funds provided for paving and milling for the Street Department during fiscal year 2017 for twelve streets that included Harlan St., Forest Ave., S. Ind. Blvd., Lewis Dr., Cindy Ln., Thomas St., Thornwood Dr., Cumberland Dr., Caverns Dr., Garden Hills Dr., Buena Vista and Blvd. Heights. Gordon County paved River St. from Hwy. 53 to Pine St. in a joint agreement with the City of Calhoun.

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

New equipment purchases were made available with SPLOST funds.

Recreation:

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

The City's public golf course, Fields Ferry, saw increased play this year and continued to offer an eighteen-hole championship course to the surrounding population. Strong internal management and maintenance of the course allows them to provide an outstanding facility. The City maintained a Golf Advisory Commission, composed of businessmen active in the sport that met with Golf Management quarterly to review activity and to make recommendations on rates, budget projections, and to review financial reports. The Advisory Commission, established in 1991, continues to advise the Mayor and Council.

FINANCIAL INFORMATION

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

Long-term Financial Planning:

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

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Calhoun for its comprehensive annual financial report for the fiscal year ended June 30, 2016. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. In order to be awarded this achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe the current CAFR continues to meet the program requirement.

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

Respectfully Submitted,

A handwritten signature in cursive script, reading "Eddie Peterson".

Eddie Peterson
City Administrator



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Calhoun
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

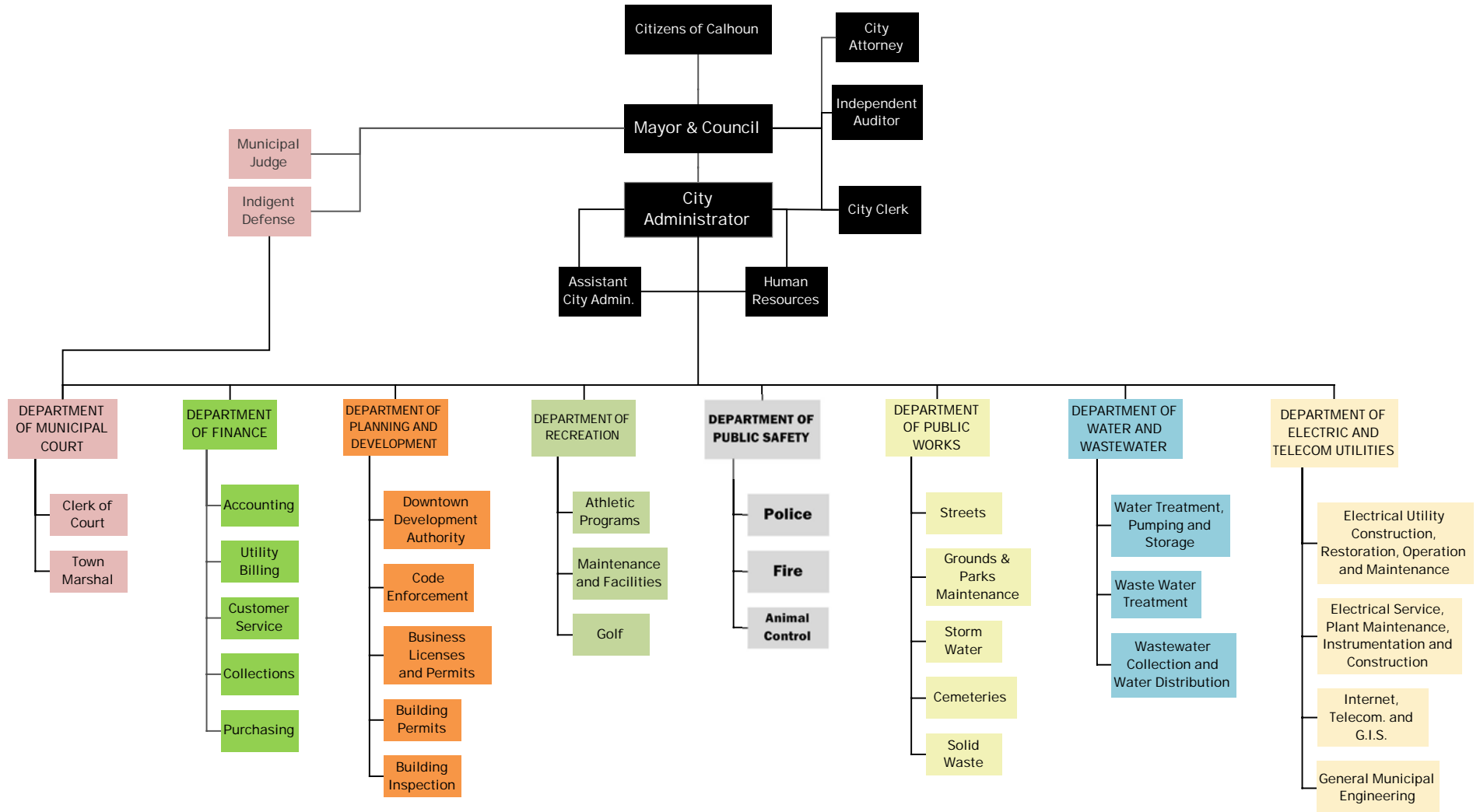
A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is fluid and cursive.

Executive Director/CEO

City of Calhoun, Georgia

Organizational Chart

June 30, 2017



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

Elected Officials:

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

Appointed Officials and Management:

AdministratorF. Eddie Peterson
Assistant City Administrator Paul Worley
Director of Finance Andrea K. Bramlett
Human Resources Linda Brookshire
Police ChiefGarry Moss
Fire Chief Lenny Nesbitt
Superintendent of Street Department..... Kevin McEntire
Town MarshalRandy Jackson
Code Enforcement.....Don McGinnis
Downtown DevelopmentSuzanne Roberts
Recreation Director.....Kim Townsend
Golf Professional Eric Stewart
Superintendent of Golf Maintenance..... David Locke
City Clerk.....Sharon Nelson
Director of Water & Sewer..... Jerry Crawford
 Brittany Drive Water Plant Superintendent..... Ben Hall
 Mauldin Rd. Water Plant Superintendent..... Jeremy King
 Sewer Plant Superintendent.....John Banks
 Water & Sewer Construction Superintendent Mark Williamson
 Water and Sewer Maintenance Superintendent.....Bobby Robertson
Superintendent of Electric Department..... Jeff Defoor
Superintendent of Telecommunications.....Brad Carrick

Appointed Professionals

Municipal Court Judge Suzanne Hutchinson Smith
Municipal Court Prosecutor..... George Govignon
Municipal Court Indigent Defense Attorney..... Giles Jones
City Attorney George Govignon

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R.M. DOBBS & COMPANY

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Calhoun, Georgia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Calhoun, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Calhoun, Georgia, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of pension amounts on pages 12-19 and 66-69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, on our consideration of the City of Calhoun, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Calhoun, Georgia's internal control over financial reporting and compliance.

A. M. Robbs & Company

Calhoun, Georgia
December 18, 2017

MANAGEMENT'S DISCUSSION & ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

- The City's assets exceeded its liabilities by \$254,944,654 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$186,593,090 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$15,307,003 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$53,044,561 represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$24,532,321 this year. This compares to the prior year ending fund balance of \$24,910,551 showing an decrease of \$378,230 during the current year. Unassigned and committed fund balance of \$9,183,838 for fiscal year 2017 shows a \$156,433 increase from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,140,395 or 41% of total general fund expenditures.
- Overall, the City continues to maintain a strong financial position, as the economy continues to recover.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash

was received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

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

The government-wide financial statements are presented on pages 22-23 of this report.

Fund Financial Statements

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

The City has three kinds of funds:

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

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

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

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

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

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

Fiduciary funds are reported only in the basic financial statements on pages 35-36 and in the supplementary financial statements. This category reports an agency fund to account for flow of resources through the municipal court, a cemetery trust fund, and a trust fund for the City's pension fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2017

City of Calhoun, Georgia

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 38 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the City's budget presentations. Budgetary comparison schedules are included as supplementary information for special revenue funds, debt service funds, and capital project funds, where applicable. These schedules demonstrate compliance with the City's adopted and final revised budget. As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 80.

Financial Analysis of the City as a Whole

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2017

City of Calhoun, Georgia

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

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

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

GOVERNMENTAL REVENUES

The City is heavily reliant on business and franchise taxes and local option sales taxes to support governmental operations. Business license and franchise taxes provided 17% of the City's total governmental revenues, as compared to 9% in the prior year. Sales taxes provided 14% of total governmental revenues versus 8% in fiscal year 2016. This includes SPLOST revenues for business-type activities that is included in revenue in the governmental funds and then transferred out to the utility funds for approved projects. Property taxes and charges for services and fines are also important revenue sources (excluding grants and contributions) providing 9% and 5% of total revenues, respectively. Total General Fund revenues remain essentially consistent with the prior year, with a 1% increase.

GOVERNMENTAL FUNCTIONAL EXPENSES

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

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

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

Approximately 7% of gross program costs for public safety functions were recovered from public safety revenues, primarily fines and forfeitures, which is the same as the prior year.

Note that the education function reports excess of revenues over expenses. This presentation may be misleading, although required. Program revenue in the education function is from intergovernmental ESPLOST revenue restricted for debt service. Debt principal payments have been eliminated from the statement of activities and charged against the liability in the statement of net position, causing the education function to appear to have a \$3.2 million dollar net revenue. It is anticipated that once the debt is paid, education will have a net loss because of depreciation expense.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

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

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

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

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

Electric Fund - The other major enterprise fund is the electric system fund. The charges for services for this fund have decreased approximately 4% from 2016 to the current year due primarily to decreased consumption. Operating expenses have decreased as well, due to the decreased purchased power costs. These changes have resulted in a decreased operating income from 2016 of 1%.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds reported in the fund statements have a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$24,532,321. Of this year-end total, \$5,134,545 is unassigned indicating availability for continuing City service requirements. There is \$4,049,293 committed for working capital and contingencies. Restricted fund balances for program purposes, capital projects and debt service are \$15,062,642. Amounts equal to prepaid assets of \$285,841 are nonspendable for current expenditures.

The total ending fund balances of governmental funds show a decrease of \$378,230 or 2% from the prior year.

Major Governmental Funds

General Fund - The general fund is the City's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance increased by \$105,343 in fiscal year 2017.

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

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

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

School Bond Debt Service Fund – This governmental fund accounts for the issuance of bonds for various school needs. Citizens have approved an E-SPLOST to fund the payments on these bonds during the term of the SPLOST. Renewals on the E-SPLOST will be voted on as each term expires until all such debt is paid. The 2002 and the 2003, School Bonds were paid off prematurely during fiscal years 2013 and 2014, which reduced the funds balance substantially.

The Proprietary Funds

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

Budgetary Highlights

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

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

Capital Assets and Debt Administration

Capital Assets

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

The 2" Galvanized Pipe project was continued in this fiscal year with a loan from GEFA. We anticipate completion in fiscal 18. This loan also provided funds for a water and sewer extension on South Calhoun Bypass and a sewer replacement on Pisgah. Phase I of the Recreation improvements at the 58 acre Park were completed in this fiscal year. See Note 3-E for additional information about changes in capital assets during the fiscal year and amounts outstanding at the end of the year.

Long-term Debt

At the end of the fiscal year, the City had two types of bonds outstanding, notes payable, claims, compensated absences, landfill closure costs, and a pension liability. The City issued the 2016 Water/Sewer Bonds during this fiscal year to refinance three GEFA loans at a beneficial interest rate. See Note 3-H for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The City continues to feel the effects of the economic downturn. The City of Calhoun, along with many other local governments, have experienced a significant decrease in sales tax collections. With the current fiscal year, this has stabilized and we saw a small increase in collections over the prior year. With the downturn in the housing market, the City was given the opportunity to stabilize growth by improving development standards. The existence of a local technical college has allowed for the training and retraining of many in the work force for jobs where higher levels of education and technical skills are required or in areas where more jobs are available. With a large hotel chain completing construction of one of its premier facilities in the City of Calhoun, along with several other potential hotel projects in the near future, the Hotel/Motel collections have had a definite increase and is positioned extremely well going forward. The City does continue to get industrial prospects who inquire about the possibility of locating here, as close accessibility to Atlanta is attractive. The new I-75 and Union Grove Road interchange was completed and opened in November of 2015; the I-75 and Red Bud Road interchange recently underwent a multi-million dollar expansion; and the South Calhoun Bypass project is now under construction. The City has been able to increase its Freeport exemption up to 80% in an attempt to stay competitive with surrounding communities. There have been several new industrial buildings constructed and several existing industries expanding their facilities. The City of Calhoun has positioned itself very well for growth, due to capacity for expansion in the areas of water, sewer and electricity.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. The government-wide financial statements include not only the City itself (known as the primary government), but also the material component unit: Calhoun School District. Financial information for the component unit is reported separately from the financial information presented for the primary government. Complete financial statements for the unit are available from the City's Director of Finance upon request. If you have questions about this report or would like to request additional information, contact the Director of Finance, Andrea K. Bramlett at 700 W. Line Street, Calhoun, GA 30701, (706) 602-5840, abramlett@calnet-ga.net.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Calhoun, Georgia
Statement of Net Position
June 30, 2017

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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FUND FINANCIAL STATEMENTS

City of Calhoun, Georgia

Balance Sheet**Governmental Funds**

June 30, 2017

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

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Reconciliation of the Governmental Funds' Balance Sheet
to the Statement of Net Position
June 30, 2017

Total Governmental Fund Balances	\$	24,532,321
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**Amounts reported for governmental activities in the
statement of net position are different because:**

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds (exclusive of internal service funds' capital assets).

Cost of capital assets	\$	175,814,724	
Less accumulated depreciation		(51,069,090)	124,745,634

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Property taxes		262,445	
Fines		524,550	
Deferred outflow pension related		584,561	1,371,556

Interfund receivables and payables between governmental funds are reported on the governmental fund's balance sheet but eliminated on the government-wide statement of net position.

Interfund receivables		(632,490)	
Interfund payables		632,490	-

Liabilities not due and payable in the current period are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position.

Bonds		(33,982,351)	
Net pension obligation		(218,133)	
Net pension liability		(1,156,349)	
Claims		(67,749)	
Compensated absences		(289,405)	
Accrued interest		(520,906)	
Deferred inflow pension related		(318,138)	(36,553,031)

Net Position Of Governmental Activities	\$	114,096,480
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See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2017

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

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Reconciliation of the Governmental Funds' Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Net Changes In Fund Balances - Total Governmental Funds	\$ (378,230)
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**Amounts reported for governmental activities in the
statement of activities are different because:**

Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.

Depreciation expense	\$ (3,895,250)	
Capital outlay	3,833,897	(61,353)

Contributions of capital assets are reported on the government-wide statement of activities but not at the fund financial reporting level.	418,387
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.

Property taxes:		
Deferred @ 6/30/17	262,445	
Deferred @ 6/30/16	(415,888)	(153,443)
Fines:		
Deferred @ 6/30/17	524,550	
Deferred @ 6/30/16	(610,291)	(85,741)

Elimination of transfers between governmental funds, including net effect of transfers recorded for capital assets moved between governmental and enterprise funds.

Transfers in	(1,975,927)	
Transfers out	1,975,927	-

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities.	343,800
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Amortization of bond premiums/discounts are reported on the government-wide statement of activities but not reported on the fund financial reporting level.	35,187
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Pension expense represents the change in net pension obligation and liability from the beginning of the year to the end of the year on the statement of activities, but is measured by the amount actually paid in the governmental funds. This is the amount by which pension contributions paid in the current period exceeded the change in net pension obligation and liability and pension related deferrals.	77,780
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. The change in the current year expenses are as follows:

Accrued interest		
Liability @ 6/30/17	(520,906)	
Liability @ 6/30/16	523,288	2,382
Compensated absences		
Liability @ 6/30/17	(289,405)	
Liability @ 6/30/16	316,130	26,725
Claims		
Liability @ 6/30/17	(67,749)	
Liability @ 6/30/16	70,681	2,932

Change In Net Position of Governmental Activities	\$ 228,426
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See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements.

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

	Business-type Activities - Enterprise Funds				Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds	Total	Internal Service Fund
Assets					
Current assets					
Cash	\$ 1,182,653	\$ 4,096,592	\$ 644,346	\$ 5,923,591	\$ 629,367
Restricted Assets					
Cash	1,228,363	1,740,010	-	2,968,373	-
Investments	20,837,397	-	-	20,837,397	-
Receivables					
Accounts	797,259	915,105	85,566	1,797,930	-
Accrued revenue	3,096,388	1,237,655	106,198	4,440,241	-
Intergovernmental	1,130,146	632,188	1,921	1,764,255	-
Interfund	50,739	5,424	62,960	119,123	103,881
Other	41,535	-	2,558	44,093	-
Advances	298,810	-	-	298,810	-
Deposits	20,622	-	-	20,622	-
Inventory	1,909,168	1,094,713	309,353	3,313,234	-
Prepaid items	52,108	77,658	11,276	141,042	80,729
Total Current Assets	30,645,188	9,799,345	1,224,178	41,668,711	813,977
Noncurrent assets					
Investments	10,390,620	4,569,733	803,054	15,763,407	-
Restricted assets					
Cash	-	815,074	-	815,074	-
Investments	14,391,115	-	-	14,391,115	-
Advances receivable	1,769,763	-	-	1,769,763	-
Capital Assets					
Nondepreciable	99,637	8,120,088	1,142,234	9,361,959	26,977
Depreciable, net	14,932,954	89,455,552	2,090,242	106,478,748	1,381,887
Total Noncurrent Assets	41,584,089	102,960,447	4,035,530	148,580,066	1,408,864
Total Assets	72,229,277	112,759,792	5,259,708	190,248,777	2,222,841
Deferred Outflows of Resources					
Deferred bond refunding	-	59,325	-	59,325	-
Pension related	91,777	239,297	53,490	384,564	156,979
Total Deferred Outflows of Resources	91,777	298,622	53,490	443,889	156,979
Liabilities					
Current liabilities					
Accounts payable	2,791,229	483,067	66,555	3,340,851	62,017
Contractor bonds payable	-	38,468	-	38,468	-
Accrued payroll liabilities	70	52,186	8,220	60,476	34,168
Accrued expenses	21,783	-	18,581	40,364	-
Accrued interest payable	-	11,341	-	11,341	-
Intergovernmental payable	90,032	4,015	3,788	97,835	130
Interfund payable	-	4,107	520,972	525,079	509,453
Post-closure care payable	-	-	28,945	28,945	-
Compensated absences payable	40,897	108,847	26,793	176,537	88,608
Unearned revenue	17,168	-	12,210	29,378	79,200
Advances payable	-	70,004	112,069	182,073	74,553
Notes payable	-	7,685,901	-	7,685,901	-
Revenue bonds payable	-	2,045,000	-	2,045,000	-
Payable From Restricted Assets:					
Accrued interest payable	-	10,250	-	10,250	-
Customer deposits and interest	1,228,363	1,172,166	-	2,400,529	-
Total Current Liabilities	4,189,542	11,685,352	798,133	16,673,027	848,129
Long-term liabilities					
Net pension obligation	-	159,332	-	159,332	-
Net pension liability	181,548	473,362	105,810	760,720	310,525
Post-closure care payable (net of current portion)	-	-	90,356	90,356	-
Notes payable (net of current portion)	-	2,433,188	-	2,433,188	-
Revenue bonds payable (net of current portion)	-	9,315,000	-	9,315,000	-
Advances payable (net of current portion)	-	487,802	512,520	1,000,322	531,087
Payable From Restricted Assets:					
Regulatory liability	19,807,900	-	-	19,807,900	-
Total Long-Term Liabilities	19,989,448	12,868,684	708,686	33,566,818	841,612
Total Liabilities	24,178,990	24,554,036	1,506,819	50,239,845	1,689,741
Deferred Inflows of Resources					
Pension related	49,948	130,234	29,111	209,293	85,433
Net Position					
Net investment in capital assets	15,032,591	76,155,876	3,232,476	94,420,943	1,408,864
Unrestricted (deficit)	33,059,525	12,218,268	544,792	45,822,585	(804,218)
Total Net Position	\$ 48,092,116	\$ 88,374,144	\$ 3,777,268	\$ 140,243,528	\$ 604,646
Reconciliation of the fund level statement of net position to the government wide statement of net position.					
Internal service fund net position reported as business-type activities on the government wide statement				604,646	
Net Position of Business-type Activities				\$ 140,848,174	
Interfund receivables and payables between proprietary funds are reported on the fund level statement of net position but eliminated on the government-wide statement of net position					
				Interfund receivables	\$ (62,960)
				Interfund payables	\$ -
					\$ 62,960
					\$ (62,960)
					\$ 62,960
Interfund advances between proprietary funds are reported on the fund level statement of net position but eliminated on the government-wide statement of net position					
				Advances receivable	\$ (1,788,035)
				Advances payable	\$ 1,182,395
					\$ 605,640
					\$ (605,640)
					\$ 605,640
See accompanying notes to the basic financial statements					

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

	Business-type Activities - Enterprise Funds				Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds	Total	Internal Service Fund
Operating Revenues					
Charges for services	\$ 36,211,755	\$ 17,857,578	\$ 2,557,851	\$ 56,627,184	\$ 3,145,844
Miscellaneous	181,157	49,363	32,461	262,981	45,720
Intergovernmental revenue	117,949	103,979	-	221,928	-
Total Operating Revenues	36,510,861	18,010,920	2,590,312	57,112,093	3,191,564
Operating Expenses					
Personal services	1,327,603	3,478,735	903,475	5,709,813	2,189,316
Contractual services	1,885,360	964,260	888,840	3,738,460	471,306
Supplies	27,255,780	3,454,325	274,429	30,984,534	116,953
Interfund allocations	598,016	2,093,749	193,213	2,884,978	63,108
Depreciation	1,008,170	3,595,615	327,737	4,931,522	103,705
Amortization	-	27,293	1,222	28,515	-
Other	1,210	3,154	12,065	16,429	-
Total Operating Expenses	32,076,139	13,617,131	2,600,981	48,294,251	2,944,388
Operating Income (Loss)	4,434,722	4,393,789	(10,669)	8,817,842	247,176
Non-Operating Revenues (Expenses)					
Change in estimated landfill closure costs	-	-	(4,252)	(4,252)	-
Bond issuance charges	-	(110,788)	-	(110,788)	-
Interest and fiscal charges	-	(408,744)	(6,940)	(415,684)	(6,518)
Investment earnings	278,415	34,499	5,129	318,043	-
Intergovernmental revenue	-	-	89,814	89,814	-
Intergovernmental expenses	-	-	(6,622)	(6,622)	-
Gain on disposition of capital assets	11,599	53,175	-	64,774	-
Total Non-Operating Revenues (Expenses)	290,014	(431,858)	77,129	(64,715)	(6,518)
Income (Loss) Before Contributions and Transfers	4,724,736	3,961,931	66,460	8,753,127	240,658
Capital contributions	-	-	-	-	-
Transfers in	9,928	2,048,361	184,205	2,242,494	6,024
Transfers out	(2,163,609)	(1,405,385)	-	(3,568,994)	(39,600)
Total Contributions and Transfers	(2,153,681)	642,976	184,205	(1,326,500)	(33,576)
Change in Net Position	2,571,055	4,604,907	250,665	7,426,627	207,082
Net Position Beginning of Year	45,521,061	83,769,237	3,526,603	132,816,901	397,564
Net Position End of Year	\$ 48,092,116	\$ 88,374,144	\$ 3,777,268	\$ 140,243,528	\$ 604,646
Reconciliation of the fund level operating statements to the government wide statement of activities.					
Change in net position				\$ 7,426,627	
Internal service fund charges (credits) to enterprise funds, resulting in changes in operating expenses.				201,456	
Miscellaneous revenue				45,720	
Interest expense				(6,518)	
Transfers in				6,024	
Transfers out				(39,600)	
Change in Net position of business-type activities				\$ 7,633,709	

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

(continued)

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

(continued)

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

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

See accompanying notes to the basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Index

Summary of Significant Accounting Policies	1
Reporting Entity	1-A
Basis of Presentation	1-B
Measurement Focus	1-C
Basis of Accounting.....	1-D
Assets, Liabilities and Fund Equity	1-E
Cash, Cash Equivalents and Investments.....	1-E-1
Receivables.....	1-E-2
Interfund Balances	1-E-3
Consumable Inventories.....	1-E-4
Prepaid Items.....	1-E-5
Restricted Assets	1-E-6
Capital Assets.....	1-E-7
Compensated Absences.....	1-E-8
Accrued Liabilities and Long-term Obligations.....	1-E-9
Bond Premiums, Discounts, Issuance Costs and Debt Refunding Gains and Losses.....	1-E-10
Fund Equity.....	1-E-11
Operating Revenues and Expenses.....	1-E-12
Contributions of Capital.....	1-E-13
Interfund Activity.....	1-E-14
Estimates	1-E-15
 Stewardship, Compliance and Accountability	 2
Budgetary Information	2-A
 Detailed Notes on All Funds	 3
Deposits and Investments.....	3-A
Receivables	3-B
Property Taxes	3-C
Restricted Assets	3-D
Capital Assets.....	3-E
Interfund Balances and Transfers.....	3-F
Landfill Post-Closure Care.....	3-G
Long-Term Debt.....	3-H
Pension Plans	3-I
Net Investment in Capital Assets.....	3-J
Deficit Fund Balances.....	3-K
 Other Notes	 4
Risk Management.....	4-A
Contingent Liabilities	4-B
Related Organizations	4-C
Joint Ventures.....	4-D
Hotel-Motel Lodging Tax	4-E
Property Tax Abatements.....	4-F

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

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

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

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

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

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

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

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

Downtown Development Authority (Development Authority) – The Development Authority is a public body, corporate and politic, and was created upon the adoption and approval of the Development Authorities Law of the State of Georgia. The Mayor and City Council appoint all members of the Development Authority. To date, the only activities associated with the Development Authority relate to property deeded by the City to the Development Authority, which was sold in fiscal 2004. Financial statements of the Downtown Development Authority, if material, are required to be in the City's basic financial statements as a discretely presented component unit. This is in accordance with a determination made for such entities by the Georgia Department of Audits and Accounts. Specific information relative to these activities may be obtained at City Hall, City Administrator's Office, 226 South Wall Street, Calhoun, Georgia.

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1-B. Basis of Presentation

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

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

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

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

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

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

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

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

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

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

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

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

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

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

Internal Service Fund – This fund provides support services to the various City departments. This includes administration, engineering, work order dispatch and meter reading for Utility departments. Finance and purchasing are handled for all City funds through the Internal Service Fund. Utility billing, customer service and tellers are also recorded for all enterprise funds of the City.

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

1-C. Measurement Focus

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

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

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

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

1-D. Basis of Accounting

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

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

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

Unearned Revenue and Deferred Outflows/Inflows of Resources - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as unearned revenue (i.e., they are measurable but not available) rather than as revenue.

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

In addition to liabilities, the statement of financial position also reports a separate section for deferred inflows of resources. This separate element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property taxes, fines and the sale of cemetery plot receivables not collected within 60 days of year-end have been recorded as deferred revenue at the fund reporting level. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue at both reporting levels.

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

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. Investments are stated at fair value based on quoted market prices.

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

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

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

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

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

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue at June 30, 2017. The delinquent taxes receivable account represents past years of uncollected tax levies. The allowance for estimated uncollectibles is estimated at .57% of the tax digests for tax digest years 2008-2014, in addition to 100% of the receivable for all fiscal years prior to 2007.

1-E-3 Interfund Balances

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

1-E-4 Consumable Inventories

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

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

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items at both reporting levels using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

1-E-6 Restricted Assets

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

1-E-7 Capital Assets

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of five thousand dollars and twenty thousand dollars for infrastructure expenditures. The City's infrastructure consists of roads, curbs and gutters, sidewalks, bridges, drainage, traffic signals, water and sewer lines and the electric distribution systems. See Note 3-E for further information on capitalized infrastructure. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

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

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

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments. The expense resulting from the amortization of these assets is included with depreciation expense.

1-E-8 Compensated Absences

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

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

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

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

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

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

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1-E-10 Bond Premiums, Discounts and Issuance Costs and Debt Refunding Gains and Losses

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

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

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

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

1-E-11 Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by resolution of the City Council. A resolution is adopted by Council to establish any type of restriction on fund balance, modify the restriction or release it.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City’s finance committee or the City’s Director of Finance to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balance may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

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

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

1-E-12 Operating Revenues and Expenses

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

1-E-13 Contributions of Capital

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

1-E-14 Interfund Activity

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

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

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

1-E-15 Estimates

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

Note 2 – Stewardship, Compliance and Accountability

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

The budget officer can make a reallocation of budgeted amounts within a department; however, any reallocations between departments within a fund or any increase in the total departmental appropriation within a fund requires City Council approval. The City Council amended the original appropriations for fiscal year 2017 for some funds.

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

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

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

At June 30, 2017, the City did not have debt or equity investment in any one organization, other than those issued by the U.S. Government, which represented more than 5 percent of investments.

As of June 30, 2017, the City’s credit and interest rate risk related to the City’s cash equivalents and investments was as follows:

Investment	(Market Value) Fair Value	Segmented Time	Credit Quality
Federal agency securities	\$ 974,361	within 6 months	AAA
Negotiable certificates of deposit	2,450,000	within 6 months	n/a
Federal agency securities	8,887,061	1-3 yrs.	AAA
Negotiable certificates of deposit	1,960,000	1-3 yrs.	n/a
Federal agency securities	5,949,215	> 3 yrs.	AAA
Negotiable certificates of deposit	935,000	>3 yrs.	n/a
	<u>\$ 21,155,637</u>		

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

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

Primary Government’s Investments

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. It is currently the City’s policy to not invest in instruments with a variable interest rate, with the exception of the MCT and the pension trust fund. The investment portfolio will be invested in permitted investments with a stated maturity of no more than 5 years from the date of purchase.

At June 30, 2017, the City’s investments also included \$35,228,512 held in the First Union MEAG Flexible Operating Trust. The MCT investment is restricted to specific uses, as designated in the operating trust. All of the holdings of the MCT are fixed income (bond) investments and all are either direct obligations of or otherwise guaranteed by the government of the United States or one of its agencies, corporations, or instrumentalities. An institutional US Government Money Market Fund is also used in these accounts and that Fund invests in similar US Government obligations. MCT reports interest rate risk using a duration measure. The pension trust fund is monitored and managed by the Georgia Municipal Association.

Credit Quality Risk – Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. There is negligible credit risk associated with the City’s investments primarily since it is the City’s policy to invest in certificates of deposit, money market accounts that are covered by FDIC insurance or pledged collateral and securities of the U.S. government and its agencies. The Council has also authorized investments in the MCT and the pension trust. The municipal competitive trust is not rated.

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

Cash and Investment Reconciliation:

	<u>Cash</u>	<u>Investments</u>
Fund Reporting Level:		
Governmental Funds - Balance Sheet	\$ 17,141,979	\$ 5,392,230
Proprietary Fund Type Statement of Net Position	6,552,958	15,763,407
Proprietary Fund Type Statement of Net Position - R	3,783,447	35,228,512
Fiduciary Fund Type Statement of Net Position	<u>76,439</u>	<u>1,255,400</u>
Total	<u>\$ 27,554,823</u>	<u>\$ 57,639,549</u>

3-B. Receivables

Receivables at June 30, 2017, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

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

At June 30, 2017, the amount of allowance for uncollectables was \$797,721.

3-C. Property Taxes

Generally, property taxes attach as an enforceable lien on property as of January 1. The City Council levied property taxes September 12, 2016. Property taxes were billed on September 26, 2016 and were payable on December 20, 2016. Liens were issued on July 3, 2017.

3-D. Restricted Assets

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

Cash	
Construction bonds	\$ 38,468
Utility deposits of customers	2,400,529
Water and sewerage debt service	<u>1,344,450</u>
Total Cash	<u>3,783,447</u>
Investments	
Electric Fund- Flexible Trust account- MEAG	15,789,161
Electric Fund- Generation Trust account- MEAG	<u>19,439,351</u>
Total Investments	<u>35,228,512</u>
Total Restricted Assets	<u>\$ 39,011,959</u>

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

3-E. Capital Assets

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

	Balance 6/30/2016	Additions	Deductions	Balance 6/30/2017
Governmental activities				
Capital assets not being depreciated				
Land	\$ 31,476,734	\$ 118,696	\$ -	\$ 31,595,430
Construction in progress	1,977,422	748,619	-	2,726,041
Total capital assets not being depreciated	33,454,156	867,315	-	34,321,471
Depreciable capital assets				
Buildings	91,771,139	303,481	-	92,074,620
Improvements other than buildings	12,770,468	2,552,903	-	15,323,371
Machinery and equipment	8,274,542	110,198	-	8,384,740
Infrastructure	25,292,135	418,387	-	25,710,522
Total depreciable capital assets	138,108,284	3,384,969	-	141,493,253
Total capital assets	171,562,440	4,252,284	-	175,814,724
Accumulated depreciation				
Buildings	20,491,304	1,972,063	-	22,463,367
Improvements other than buildings	5,766,302	710,699	-	6,477,001
Machinery and equipment	6,137,095	500,891	-	6,637,986
Infrastructure	14,779,139	711,597	-	15,490,736
Total accumulated depreciation	47,173,840	3,895,250	-	51,069,090
Governmental activities capital assets, net	<u>\$ 124,388,600</u>	<u>\$ 357,034</u>	<u>\$ -</u>	<u>\$ 124,745,634</u>
Governmental activities depreciation expense				
General government	\$ 16,363			
Judicial	1,163			
Public safety	388,027			
Public works	1,202,782			
Culture and recreation	118,196			
Housing and development	22,774			
Education	2,145,945			
Total governmental activities depreciation expense	<u>\$ 3,895,250</u>			

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

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

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

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

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

Project Description	Project Budget	Expended to June 30, 2017	Future Financing
Foster Glen Sewer Project	\$ 34,842	\$ 16,519	\$ 18,323
Camden Court Sewer Extension	20,500	19,958	542
Park Place-Phase VIII Sewer Extension	7,000	5,984	1,016
South Calhoun Bypass	938,000	506,995	431,005
Motor Control Replacement	537,700	377,704	159,996
Mods to WWTP for NPDES Limits	374,000	369,222	4,778
Pisgah Area Sewer Replacement	1,457,000	524,396	932,604
Fiber to Brittany Well	164,661	131,661	33,000
Other	110,105	766	109,339
Total	<u>\$ 3,643,808</u>	<u>\$ 1,953,205</u>	<u>\$ 1,690,603</u>

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

3-F. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2017 consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The amount receivable in the 2011 SPLOST, represents excise taxes paid into the SPLOST quarterly to assist offset reduced revenues due to changes in legislation, with the 4th quarter due at year end. The City expects to repay all interfund balances within one year.

Payable to	Payable from						Total
	General fund	School bonds debt service fund	Nonmajor governmental funds	Water & sewerage system fund	Nonmajor enterprise funds	Internal service fund	
General fund	\$ -	\$ -	\$ 110,094	\$ 4,107	\$520,972	\$ 446,493	\$1,081,666
Nonmajor governmental funds	18,465	486,968	16,963	-	-	-	522,396
Water & sewerage system fund	5,424	-	-	-	-	-	5,424
Electric fund	50,739	-	-	-	-	-	50,739
Nonmajor enterprise funds	-	-	-	-	-	62,960	62,960
Internal service fund	103,881	-	-	-	-	-	103,881
Total	\$178,509	\$486,968	\$ 127,057	\$ 4,107	\$520,972	\$ 509,453	\$1,827,066

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

Fiscal Year	Principal	Interest	Total
2018	\$ 112,069	\$ 5,827	\$ 117,896
2019	113,194	4,702	117,896
2020	114,330	3,565	117,895
2021	115,478	2,418	117,896
2022	116,637	1,259	117,896
2023	52,881	132	53,013
	<u>\$ 624,589</u>	<u>\$ 17,903</u>	<u>\$ 642,492</u>

During fiscal year 2007, the electric system fund advanced the water & sewerage fund monies to construct the Pine Chapel water project and purchase property at the sewer plant. As of June 30, 2017, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 32,650	\$ 2,259	\$ 34,909
2019	32,977	1,932	34,909
2020	33,308	1,601	34,909
2021	33,643	1,266	34,909
2022	33,980	929	34,909
2023-2024	71,625	831	72,456
	<u>\$ 238,183</u>	<u>\$ 8,818</u>	<u>\$ 247,001</u>

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

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

During fiscal year 2007, the electric system fund advanced the utility internal service fund resources to renovate the building that is now their main location. As of June 30, 2017, the amounts to be repaid, including interest are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 74,553	\$ 5,777	\$ 80,330
2019	75,301	5,029	80,330
2020	76,057	4,273	80,330
2021	76,820	3,510	80,330
2022	77,591	2,739	80,330
2023-2025	225,318	3,492	228,810
Total	<u>\$ 605,640</u>	<u>\$ 24,820</u>	<u>\$ 630,460</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 42,184	\$ 2,816	\$ 45,000
2019	42,606	2,394	45,000
2020	43,032	1,968	45,000
2021	43,463	1,537	45,000
2022	43,897	1,103	45,000
2023	65,356	664	66,020
Total	<u>\$ 280,538</u>	<u>\$ 10,482</u>	<u>\$ 291,020</u>

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

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

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

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

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

3-G. Landfill Post-closure Care

The City's industrial landfill was closed under Georgia Environmental Protection Division (EPD) guidelines in 1992. During that year, eleven ground water monitoring wells and three surface water locators were installed under EPD *Solid Waste Guidelines*. The City has monitored the site and will continue such monitoring, as prescribed by the EPD guidelines. Annual costs associated with these requirements are estimated at \$30,000 each year for at least six more years to meet required monitoring and maintain a clear status for at least three years after the clearance is issued. This annual estimate is based on costs experienced during the initial years of required monitoring. The liability for these costs is reported in the solid waste fund. In the future, significant economic inflation or deflation, technology or applicable laws or regulations may change future estimates of the liability. The estimate of post-closure liability may change from year to year and the change in estimate is a component of net income in the year of revision.

3-H. Long-Term Debt

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

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

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Annual debt service requirements to amortize the 2000 series bonds at June 30, 2017 are as follows:

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

In fiscal 2011, the City issued \$21,000,000 in school general obligation bonds. These bonds bear interest at a rate of 5.12% and mature in September 2025. In fiscal 2012, the City issued \$12,000,000 in school general obligation bonds. These bonds bear interest at a rate of 4.0% and mature in September 2032. These bonds are being used to finance construction for the City's schools and will be repaid, in part, from special sales taxes currently approved and being assessed within the City.

Annual debt service requirements to amortize the school bonds at June 30, 2017 are as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ -	\$ 1,482,675	\$ 1,482,675
2019	-	1,482,675	1,482,675
2020	-	1,482,675	1,482,675
2021	-	1,482,675	1,482,675
2022	-	1,482,675	1,482,675
2023-2027	21,615,000	4,478,218	26,093,218
2028-2032	9,285,000	1,391,925	10,676,925
2033	2,100,000	42,000	2,142,000
Total	\$ 33,000,000	\$ 13,325,518	\$ 46,325,518

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

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

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

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

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 575,000	\$ 86,736	\$ 661,736
2019	580,000	37,388	617,388
2020	595,000	62,712	657,712
2021	595,000	50,336	645,336
2022	560,000	37,960	597,960
2023-2026	<u>1,265,000</u>	<u>51,376</u>	<u>1,316,376</u>
Total	<u>\$ 4,170,000</u>	<u>\$ 326,508</u>	<u>\$ 4,496,508</u>

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

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

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

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

Notes Payable-The City has obtained loans from the State Revolving Loan Fund for various water and sewer improvements, renovations and expansion. The total amount of interest incurred during this period of \$81,117 has been capitalized. Details of the various loans and note are as follows:

<u>% Rate</u>	<u>Monthly Payment</u>	<u>Payments Began</u>	<u>Date of Obligation</u>	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Balance 6/30/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2017</u>
State Revolving Loan Fund									
3.00%	19,215	1/1/2004	5/28/2002	3,259,841	8/1/2024	\$ 1,668,857	\$ -	\$ 1,668,857	\$ -
3.00%	11,835	5/1/2009	2/6/2003	2,133,992	4/1/2029	1,511,232	-	1,511,232	-
3.00%	14,079	8/1/2015	7/1/2015	2,770,000	N/A	2,666,306	-	115,366	2,550,940
3.00%	86,322	6/1/2007	2/28/2007	5,178,828	3/1/2027	3,162,739	-	3,162,739	-
1.40%	N/A	N/A	N/A	N/A	N/A	911,310	557,739	-	1,469,049
1.21%	N/A	N/A	N/A	N/A	N/A	5,461,842	637,258	-	6,099,100
TOTAL						<u>\$ 15,382,286</u>	<u>\$ 1,194,997</u>	<u>\$ 6,458,194</u>	<u>\$ 10,119,089</u>

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

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

Landfill Post-closure Care

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

Fiscal Year	Principal	Interest	Total
2018	\$ 28,945	\$ 2,386	\$ 31,331
2019	29,524	1,807	31,331
2020	30,115	1,217	31,332
2021	<u>30,717</u>	<u>614</u>	<u>31,331</u>
	<u>\$ 119,301</u>	<u>\$ 6,024</u>	<u>\$ 125,325</u>

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

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

The Recreation Authority revenue bonds principal and interest are paid by the general fund transferring resources to the debt service funds. The school bonds principal and interest are paid by the school bonds debt service fund. The governmental activities capital leases are being repaid from the general fund. Claims and pension liabilities are being repaid from the general fund and the water and sewerage funds. Amounts on landfill closure costs are being repaid from the solid waste enterprise fund. Principal and interest payments related to the City's water & sewerage system enterprise fund are financed from income derived from the operation of the water and sewerage system. Governmental compensated absences are primarily repaid from the general fund. Enterprise compensated absences are primarily paid out of the water and sewer fund.

3-1. Pension Plans

Primary Government

The City participates in four pension plans, three of which became effective July 1, 2004, and which effectively replaced the City of Calhoun Employees' Pension Plan adopted by the City in 1981, as amended in 1996. The fourth plan is the City Charter Unfunded Retirement Plan which includes retired employees who chose to remain in this plan in 1981 when the City of Calhoun Employees' Pension Plan was established. The General Fund is typically used to liquidate the net pension obligation of the governmental funds. The City has no other postemployment benefit obligation.

Plans Administered through the Georgia Municipal Association

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

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

Funding Policy - Employees are not required to contribute to the Plan. The City is required to contribute at an actuarially determined rate. The minimum annual contribution requirements of the City are established by Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). For fiscal year 2017, the City's annual pension contributions to the Plan were \$670,091, equal to the City's required contributions.

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Plan Membership - Participation in this plan is comprised of the following as of the valuation date of January 1, 2017:

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

Actuarial Assumptions –The City’s pension liability was measured as of September 30, 2016. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions: (a) 7.75% investment rate of return and (b) projected salary increases of 3.25% per year plus service based merit increases (c) inflation at 3.25% and (d) cost of living adjustments at 0.00%. Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.75%
International equity	20%	7.45%
Real estate	10%	4.55%
Global fixed income	5%	3.30%
Domestic fixed income	20%	1.75%
Cash	0%	
Total	100%	

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

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Net Pension Liability – The changes in the components of the net pension liability of the City of Calhoun for the year ended June 30, 2017 were as follows:

	Changes in the Net Pension Liability		
	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)
	(a)	(b)	(a) - (b)
Balance at September 30, 2015	\$ 12,288,478	\$ 9,634,591	\$ 2,653,887
Changes for the year:			
Service cost	474,861	-	474,861
Interest	940,051	-	940,051
Difference between expected and actual experience	(107,578)	-	(107,578)
Contributions- employer	-	666,004	(666,004)
Contributions- employee	-	-	-
Net investment income	-	1,091,194	(1,091,194)
Benefit payments, including refunds of employer contributions	(317,563)	(317,563)	-
Administrative expense	-	(23,571)	23,571
Other	-	-	-
Net changes	989,771	1,416,064	(426,293)
Balance at September 30, 2016	\$ 13,278,249	\$ 11,050,655	\$ 2,227,594

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 4,025,070	\$ 2,227,594	\$ 726,890

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions- For the year ended June 30, 2017 the City recognized pension expense of \$679,940. At June 30, 2017 the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Demographic changes	\$ 250,415	\$ (116,966)
Changes of assumptions	-	(117,880)
Net difference between projected and actual earnings on pension plan	382,482	(378,018)
City contributions subsequent to the measurement date	493,207	-
	<u>\$ 1,126,104</u>	<u>\$ (612,864)</u>

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

Year ending June 30	
2018	\$ 177,577
2019	177,577
2020	177,577
2021	50,083
2022	50,083
Total	<u>\$ 632,897</u>

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

Year ending June 30	
2018	\$ (176,853)
2019	(176,853)
2020	(120,614)
2021	(120,614)
2022	(17,930)
Total	<u>\$ (612,864)</u>

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

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

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

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

	June 30, 2017
Retirees Currently Receiving Benefits:	
General government	1
Water and sewerage system	1
	<hr/>
Total Retirees Currently Receiving Benefits	2
Active Employees - Fully Vested	---
Active Employees - Nonvested	---
Terminated Employees, entitled to benefits, but not yet receiving benefits	---

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

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

Actuarial valuation date	6/30/2016
Actuarial cost method	Entry-Age Normal
Amortization method	Level Dollar
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return	4%
Projected salary increases	No Active Employees
Inflation	None
Post employment retirement increase	None
Mortality	Unix's Pension 1984 Mortality Table

Discount rate- The discount rate used to measure total pension liability was 4%. The projection of cash flows used to determine the discount rate assumed that contributions from the employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan is funded on a pay-as-you-go basis to provide benefits payments for retirees currently receiving benefits. Therefore, the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Net Pension Liability – The changes in the components of the net pension liability do not include any change to fiduciary net position since the plan is on the pay-as-you-go basis. The changes of the net pension liability of the City of Calhoun for the year ended June 30, 2017 were as follows:

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

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

Sensitivity of the net pension liability to the discount rate – The following presents the net pension liability of the City, calculated using the discount rate of 4%, as what as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3%) or one percentage point higher (5%) than the current rate:

	<u>1% Decrease (3%)</u>	<u>Current Discount Rate (4%)</u>	<u>1% Increase (5%)</u>
City's net pension liability	<u>\$ 423,618</u>	<u>\$ 402,436</u>	<u>\$ 383,219</u>

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

3-J. Net Investment in Capital Assets

The “net investment in capital assets” on the government-wide statement of net position as of June 30, 2017 is as follows:

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

3-K. Deficit Fund Balances

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

Note 4 - Other Notes

4-A. Risk Management

The City maintains liability insurance coverage with traditional carriers for group insurance coverage, public official liability, comprehensive law enforcement liability, commercial auto and uninsured motorists, property, public employee dishonesty, commercial general liability, and public official bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

4-B. Contingent Liabilities

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

Lawsuits - The City was a defendant in lawsuits at June 30, 2017. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

MEAG - The City, together with 47 other cities and one county in the State, has entered into Power Sales Contracts dated March 1, 1976 with the Municipal Electric Authority of Georgia (MEAG) under which the City purchases certain power and energy for resale to its electric system customers. Under the contract entitlement, if the City were unable to purchase budgeted power, MEAG would be obligated to make a good faith effort to sell the power elsewhere. If MEAG were unable to sell the power at a price above its cost, the difference would be an obligation of the City. The contracts are agreements to pay the cost of generating power

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

budgeted for the City. The obligation to pay MEAG certain amounts, whether or not power and energy are received, is a general obligation of the City to which its full faith and credit are pledged. If payments under the Power Sales Contracts are not made from revenues of the electric distribution system, the City is required under the contracts to include in its general revenue or appropriation measures sums sufficient together with other available revenues to make such payments. During the fiscal year, the City purchased electric power under these contracts for a total cost of \$28,083,691 net of off-system sales which reduced costs. Rebates of \$1,806,377 are reflected in the net power purchases of \$26,277,314.

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

The Trust originally created three types of accounts that are held by MEAG in the name of the City. The flexible operating trust account includes funds that are available to the City for operating costs and rate stabilization. As of June 30, 2017, the balance in this account was \$7,868,108. The intermediate flexible operating trust account has a balance of \$7,921,053 as of June 30 and is somewhat restrictive in nature, but the funds are available for a variety of uses, thus this account is included on the Electric funds books. The City of Calhoun also contributed to the generation trust account which has been established to set aside funds to provide generation for the future. As of June 30, 2017, the balance in this account was \$5,048,235 for a total of \$20,837,396 to be included in current restricted investments in the electric fund.

The funds in the reserve funded debt account can be only applied to charges related to MEAG's bond obligations. The balance of these accounts at June 30, 2017, was \$1,586,452. Due to the restrictive nature of these funds, neither is shown in the cash balance for the electric fund. The intermediate generation trust account provides a more restricted investment account to provide for future generation and the balance of that account at June 30, 2017 is \$14,391,116. This account has been included in long-term investments on the City's books, but is only available for very restricted purposes.

In March 2008 the City voted and signed contracts for the City to participate in the expansion of two additional generating units at Plant Vogtle thus obligating the City to future debt through MEAG in the purchase of approximately 25 megawatts of capacity. This generation is estimated to cost \$11,362 in the year 2021 while the cost per kW has risen, this should generally be offset by the reduction in financing costs due to lower interest rates. The City has secured power sales agreements with other entities that will cover a substantial portion of this obligation. The City of Calhoun will maintain 10 megawatts through the life of the project and 15 megawatts were sold through a purchased power agreement for twenty years. Our allotted capacity will secure a future power resource with Vogtle Unit 3 planned to come online in 2021 and Vogtle Unit 4 planned to come online in 2022, which should accommodate the community's power needs for the next 30 to 35 years.

4-C. Related Organizations

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

4-D. Joint Ventures

Northwest Georgia Regional Commission: Under Georgia law, the City in conjunction with other cities and counties in the Northwest Georgia area is a member of the Northwest Georgia Regional Commission (NWGRC). Membership in NWGRC is required by the Official Code of Georgia Annotated (OCGA) section 50-8-34 which provides for the organizational structure of the NWGRC. Membership in the NWGRC includes the chief elected of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a NWGRC. During fiscal year 2017, the City paid dues in the amount of \$16,309 to the NWGRC. Separate financial statements may be obtained from the Northwest Georgia Regional Commission, 1 Jackson Hill Drive, Rome, Georgia 30162.

The Calhoun-Gordon County Library: The Calhoun-Gordon County Library is a part of the Dalton, Georgia Regional Library System. This system consists of boards from four member counties. Of the five board members comprising the Gordon County Library Board, one is an appointee of the City. Other board members represent appointees from the City and County school boards and the Gordon County Board of Commissioners. The library board retains asset/equity ownership. The City, local school boards

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

and the Gordon County Board of Commissioners make regular contributions to the Calhoun-Gordon County Library Board. Though the City does provide various support services for the library, the City's ability to significantly influence operations is moderate or comparable in relation to influences of other governments involved. Payments/expenditures to/for the library for the fiscal year ended June 30, 2017, were \$195,479. The library issues an annual list of cash receipts and disbursements on a June 30 fiscal year basis. Separate schedules may be obtained from the Calhoun-Gordon County Library, 100 N Park Avenue, Calhoun, GA 30701.

The Calhoun-Gordon County Airport Authority: This Authority is a legally separate entity with full corporate powers, including power to establish rates necessary to finance any debt the Authority might incur. The City and Gordon County, Georgia appoint members of the Airport Authority. The City shares appointment powers with the County equally. The City does not significantly influence operations with contributions in excess of the County. The City and County participate in providing local funding when the Authority is recipient of grants that require matching funding. Both the City and County have entered into agreements to participate as joint lessees in order to guarantee certain debt of the Authority. Additionally, on August 1, 2001, the City, along with Gordon County, entered into an intergovernmental contract with the Calhoun-Gordon County Airport Authority. In the contract, the City and County each agree to provide one-half the debt service payments required on the Authority's 2001 bond issue. The issue, with total debt principal of \$685,000, financed construction of a new airport terminal. The City's portion (one-half) of the annual debt service is \$16,022. The airport is leased to and operated by a for-profit entity. Total expenditures paid by the City for the Airport Authority for fiscal 2017 were \$148,781. Separate financial statements may be obtained from the Calhoun-Gordon County Airport Authority, 1957 Hwy. 41 South, Calhoun, GA 30701.

4-E. Hotel-Motel Lodging Tax

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

		<u>Tax Rate</u>	<u>% of Receipts</u>		<u>Total</u>
Lodging Tax Receipts					\$ 747,541
Disbursements					
Gordon County Chamber of Commerce	Tourism	3.5%	43.75%	\$ 327,050	
Gordon County Industrial Development Authority	Economic Development	2%	25.00%	186,885	
Downtown Development Authority	Economic Development	0.5%	6.25%	46,721	
Calhoun Recreation Department	Tourism	1%	12.50%	93,443	
City of Calhoun	Tourism	0.5%	6.25%	46,721	
City of Calhoun	Economic Development	0.5%	6.25%	46,721	(747,541)
		<u>8%</u>	<u>100.00%</u>		<u>\$ -</u>
Difference					<u>\$ -</u>

4-F. Property Tax Abatements

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

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

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

	2017	2016	2015
<i>Total pension liability</i>			
Service cost	\$ 474,861	\$ 488,383	\$ 494,335
Interest	940,051	833,277	774,792
Difference between expected and actual experience	(107,578)	350,580	(47,806)
Changes of assumptions	-	-	(206,292)
Changes of benefit terms	-	-	-
Benefit payments, including refunds of employee contributions	(317,563)	(271,445)	(249,327)
Net change in total pension liability	989,771	1,400,795	765,702
Total pension liability- beginning	12,288,478	10,887,683	10,121,981
Total pension liability- ending (a)	\$13,278,249	\$12,288,478	\$10,887,683
<i>Plan fiduciary net position</i>			
Contributions- employer	\$ 666,004	\$ 705,986	\$ 715,308
Contributions- employee	-	-	-
Net investment income	1,091,194	86,669	902,314
Benefit payments- including refund of employee contributions	(317,563)	(271,445)	(249,327)
Administrative expense	(23,571)	(26,204)	(20,343)
Other	-	-	-
Net change in fiduciary net position	1,416,064	495,006	1,347,952
Plan fiduciary net position- beginning	9,634,591	9,139,585	7,791,633
Plan fiduciary net position- ending (b)	\$ 11,050,655	\$ 9,634,591	\$ 9,139,585
Net pension liability- ending (a-b)	\$ 2,227,594	\$ 2,653,887	\$ 1,748,098
Plans fiduciary net position as a percentage of the total pension liability	83.22%	78.40%	83.94%
Covered employee payroll	\$ 10,821,497	\$ 10,810,244	\$ 10,313,836
Net pension liability as a percentage of covered employee payroll	20.58%	24.55%	16.95%

Notes to the Schedule:

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

City of Calhoun, Georgia
Required Supplementary Information
City Charter Unfunded Pension Plan
Schedule of Changes in the Net Pension Liability and Related Ratios

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

Notes to the Schedule:

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

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

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

Notes to the Schedule:

The 2017 information will be determined after fiscal year end and included in the 2018 valuation report.

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

Valuation date

The actuarial determined contribution rate was determined as of January 1, 2017, with an interest adjustment to the fiscal year. Contributions in relation to the actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2017.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial assumptions:	
Net investment rate of return	7.75%
Projected salary increase	3.25% plus service based merit increases
Cost of living adjustments	0.00%
Retirement age	Where normal retirement is only available on or after age 65 retirement age is assumed to be 60% at ages 65 to 69 and 100% at age 70
Mortality	Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

City of Calhoun, Georgia
Required Supplementary Information
City Charter Unfunded Pension Plan
Schedule of Contributions

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

Notes to the Schedule:

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

Valuation date The actuarial determined contribution rate was determined as of July 1, 2016.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry-age normal

Amortization method Closed level dollar for remaining unfunded liability

Remaining amortization period Remaining amortization period varies for the bases, ranging from 5-10 years.

Asset valuation method The plan is funded on a pay-as-you-go basis. Benefits are secured by the general assets of the governing authority and are not secured by assets held in trust.

Actuarial assumptions:

Net investment rate of return 4.00%

Projected salary increase Not applicable (no active employees)

Cost of living adjustments 0.00%

Retirement age Attainment of 30 years of service.

Mortality Unisex Pension 1984 Mortality Table

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GENERAL FUND INDIVIDUAL FUND STATEMENTS

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

City of Calhoun, Georgia
General Fund
Balance Sheet
June 30, 2017

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

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

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

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MAJOR GOVERNMENTAL FUNDS INDIVIDUAL FUND STATEMENTS

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

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

City of Calhoun, Georgia
School Bond Debt Service Fund
Balance Sheet
June 30, 2017

Assets	
Cash	\$ 9,414,881
Due from component unit	<u>247,919</u>
Total Assets	<u><u>\$ 9,662,800</u></u>
Liabilities and Fund Balance	
Liabilities	
Interfund payable	\$ 486,968
Fund Balance	
Restricted for debt service	<u>9,175,832</u>
Total Liabilities and Fund Balance	<u><u>\$ 9,662,800</u></u>

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

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

City of Calhoun, Georgia
School Bonds Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017

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

NONMAJOR GOVERNMENTAL FUNDS COMBINING AND INDIVIDUAL FUND STATEMENTS

Special revenue funds are used to account for the proceeds of specific revenue sources, that are legally restricted to expenditures for specified purposes.

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

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

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

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

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

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

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

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

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

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

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

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

City of Calhoun, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2017

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

City of Calhoun, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Fiscal Year Ended June 30, 2017

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

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

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

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

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

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

<hr/> <hr/>	
Assets	
Cash	\$ 970,394
Receivables (net)	
Loans	239,011
Interest	2,514
Loans - noncurrent	<u>1,272,779</u>
Total Assets	<u><u>\$ 2,484,698</u></u>
Fund Balance	
Restricted for housing	<u><u>\$ 2,484,698</u></u>

City of Calhoun, Georgia
Urban Development Action Grant Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2017

Revenues	
Investment earnings	<u>\$ 41,877</u>
Expenditures	
Current	
Housing and economic development	<u>2,500</u>
Net Change in Fund Balance	39,377
Fund Balance Beginning of Year	<u>2,445,321</u>
Fund Balance End of Year	<u><u>\$ 2,484,698</u></u>

City of Calhoun, Georgia
Urban Development Action Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Fiscal Year Ended June 30, 2017

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

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

Assets	
Loans receivable	\$ 19,414
	<hr/> <hr/>
Deferred Inflows of Resources	
Unavailable grant revenue	\$ 19,414
	<hr/> <hr/>

City of Calhoun, Georgia
Home Investment Partnership Act Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2017

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

City of Calhoun, Georgia
Home Investment Partnership Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017

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

City of Calhoun, Georgia
Confiscated Assets Fund
Balance Sheet
June 30, 2017

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

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

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

City of Calhoun, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017

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

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

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

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

<hr/> <hr/>	
Revenues	
Hotel/motel taxes	<u>\$ 747,541</u>
Expenditures	
Current	
Housing and economic development	<u>560,656</u>
Excess of Revenues Over Expenditures	186,885
Other Financing Sources (Uses)	
Transfers out	<u>(186,885)</u>
Net Change in Fund Balance	-
Fund Balance Beginning of Year	<u>-</u>
Fund Balance End of Year	<u><u>\$ -</u></u>

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

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Hotel/motel taxes	\$ 741,011	\$ 747,541	\$ 747,541	\$ -
Expenditures				
Current				
Housing and economic development	555,759	560,656	560,656	-
Excess of Revenues Over Expenditures	185,252	186,885	186,885	-
Other Financing Sources (Uses)				
Transfers out	(185,252)	(186,885)	(186,885)	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance Beginning of Year			-	
Fund Balance End of Year			<u>\$ -</u>	

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

Assets	
Cash	\$ 8,615
Property taxes receivable	<u>471,923</u>
Total Assets	<u>\$ 480,538</u>
Liabilities and Deferred Inflows of Resources	
Liabilities	
Due to component unit	<u>\$ 242,959</u>
Deferred Inflows of Resources	
Unavailable tax revenue	<u>237,579</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 480,538</u>

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

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

City of Calhoun, Georgia
School Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017

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

City of Calhoun, Georgia
Recreation Fund
Balance Sheet
June 30, 2017

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

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

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

City of Calhoun, Georgia
Recreation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017

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

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

<hr/> <hr/>	
Assets	
Cash	\$ -
	<hr/> <hr/>
Fund Balance	
Restricted for debt service	\$ -
	<hr/> <hr/>

City of Calhoun, Georgia
Revenue Bonds Debt Service Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2017

Revenues	
Investment earnings	\$ -
Expenditures	
Debt Service	
Principal retirement	343,800
Interest and fiscal charges	23,835
Total Expenditures	367,635
Excess (Deficiency) of Revenues Over (Under) Expenditures	(367,635)
Other Financing Sources	
Transfers in	367,635
Net Change in Fund Balance	-
Fund Balance Beginning of Year	-
Fund Balance End of Year	\$ -

City of Calhoun, Georgia
Revenue Bonds Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Expenditures				
Debt Service				
Principal	343,800	343,800	343,800	-
Interest and fiscal charges	23,835	23,835	23,835	-
Total Expenditures	367,635	367,635	367,635	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(367,635)	(367,635)	(367,635)	-
Other Financing Sources				
Transfers in	367,635	367,635	367,635	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance Beginning of Year			<u>-</u>	
Fund Balance End of Year			<u>\$ -</u>	

City of Calhoun, Georgia
Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2017

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

City of Calhoun, Georgia
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

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

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

Assets	
Cash	\$ 1,884,654
	<hr/> <hr/>
Fund Balance	
Restricted for capital projects	\$ 1,884,654
	<hr/> <hr/>

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

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

City of Calhoun, Georgia
2005 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017

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

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

Assets

Interfund receivable	<u>\$ 486,968</u>
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Liabilities

Due to component unit	<u>\$ 486,968</u>
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City of Calhoun, Georgia
School SPLOST Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2017

<hr/>	
Revenues	
Investment earnings	\$ -
Expenditures	
Capital Outlay	
Education	876,194
Excess (Deficiency) of Revenues Over (Under) Expenditures	(876,194)
Other Financing Sources (Uses)	
Transfer in	876,194
Net Change in Fund Balances	-
Fund Balance Beginning of Year	-
Fund Balance End of Year	\$ -

City of Calhoun, Georgia
School SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Expenditures				
Capital Outlay				
Education	-	876,194	876,194	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(876,194)	(876,194)	-
Other Financing Sources (Uses)				
Transfer in	-	876,194	876,194	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance Beginning of Year			<u>-</u>	
Fund Balance End of Year			<u>\$ -</u>	

City of Calhoun, Georgia
2011 SPLOST Fund
Balance Sheet
June 30, 2017

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

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

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

City of Calhoun, Georgia
2011 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017

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

MAJOR PROPRIETARY FUNDS INDIVIDUAL FUND STATEMENTS

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

Electric Fund - generates and distributes electricity.

Water and Sewer Fund - provides water and sewer services.

City of Calhoun, Georgia
Electric System Fund
Statement of Net Position
June 30, 3017

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

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

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

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

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

(continued)

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

(continued)

Reconciliation of Operating Income to Net Cash
Provided by (Used in) Operating Activities

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

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

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

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

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

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

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

(continued)

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

(continued)

**Reconciliation of Operating Income to Net Cash
Provided by (Used in) Operating Activities**

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

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NONMAJOR PROPRIETARY FUNDS COMBINING AND INDIVIDUAL FUND STATEMENTS

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

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

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

Telecom Fund - provides communication and data services.

City of Calhoun, Georgia
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2017

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

City of Calhoun, Georgia
Combining Statement of Revenues,
Expenses and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2017

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

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

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

(continued)

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

(continued)

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

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Statement of Net Position
June 30, 2017

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

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2017

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

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

Cash Flows from Operating Activities	
Cash received from customers	\$ 671,322
Cash payments for personal services	(521,735)
Cash payments for goods and services	(202,640)
Cash payments for interfund services used	(212,200)
Net Cash Provided by (Used in) Operating Activities	(265,253)
Cash Flows from Noncapital Financing Activities	
Intergovernmental revenues	83,192
Intergovernmental expenses	(33)
Transfers in	182,094
Net Cash Provided by (Used in) Noncapital Financing Activities	265,253
Net Increase (Decrease) in Cash	-
Cash Beginning of Year	400
Cash End of Year	\$ 400
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating Income (Loss)	\$ (195,682)
Adjustments	
Depreciation	135,006
(Increase) Decrease in Assets	
Accounts receivable	(2,040)
Interfund receivable	1,940
Prepaid expenses	(266)
Deferred outflow pension related	3,812
Increase (Decrease) in Liabilities	
Accounts payable	(6,601)
Accrued expenses	(9,796)
Accrued payroll liabilities	(13,522)
Interfund payable	(176,512)
Unearned revenue	1,656
Net pension liability	(10,673)
Deferred inflow pension related	7,425
Net Cash Provided by (Used in) Operating Activities	\$ (265,253)

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

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

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

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

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

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

(continued)

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

(continued)

**Reconciliation of Operating Income to Net Cash
Provided by (Used in) Operating Activities**

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

City of Calhoun, Georgia
Solid Waste Fund
Statement of Net Position
June 30, 2017

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

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

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

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

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

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INTERNAL SERVICE FUND INDIVIDUAL FUND STATEMENTS

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

City of Calhoun, Georgia
Utilities Administration Fund
Statement of Net Position
June 30, 2017

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

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

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

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

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

**AGENCY FUND
INDIVIDUAL FUND STATEMENT**

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

City of Calhoun, Georgia
Municipal Court Agency Fund
Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2017

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

City of Calhoun, Georgia
Statistical Section
(Unaudited)

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

Contents

Exhibit

Financial Trends

I - X

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

Revenue Capacity

XI - XIX

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

Debt Capacity

XX - XXV

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

Demographic and Economic Information

XXVI - XXVII

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

Operating Information

XXVIII - XXXII

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

Data Source:

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

City of Calhoun, Georgia
Government-wide Net Position by Category¹
Last Ten Fiscal Years
(accrual basis of accounting)

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Governmental Activities										
Net investment in capital assets	\$ 53,918,878	\$ 54,267,923	\$ 53,654,505	\$ 52,338,593	\$ 51,462,689	\$ 67,313,839	\$ 73,836,731	\$ 75,629,332	\$ 90,027,262	\$ 90,763,283
Restricted	4,475,779	6,667,786	8,688,195	15,431,931	19,122,020	9,229,059	12,131,969	15,182,825	15,927,712	15,307,003
Unrestricted	10,331,222	9,368,345	9,567,669	7,232,639	7,685,307	7,580,277	7,883,436	7,846,802	7,913,080	8,026,194
Subtotal Governmental Activities Net Position	68,725,879	70,304,054	71,910,369	75,003,163	78,270,016	84,123,175	93,852,136	98,658,959	113,868,054	114,096,480
Business-type Activities										
Net investment in capital assets	76,306,384	80,087,162	83,941,618	87,690,678	89,563,303	93,127,138	94,358,323	94,811,808	94,918,861	95,829,807
Restricted	2,426,382	-	-	-	-	-	-	-	-	-
Unrestricted	17,957,256	20,350,076	21,452,054	22,718,371	23,006,694	23,443,784	26,334,092	32,086,863	38,295,604	45,018,367
Subtotal Business-Type Activities Net Position	96,690,022	100,437,238	105,393,672	110,409,049	112,569,997	116,570,922	120,692,415	126,898,671	133,214,465	140,848,174
Primary Government										
Net investment in capital assets	130,225,262	134,355,085	137,278,601	140,029,271	141,025,992	160,440,977	168,195,054	170,441,140	184,946,123	186,593,090
Restricted	6,902,161	6,667,786	8,688,195	15,431,931	19,122,020	9,229,059	12,131,969	15,182,825	15,927,712	15,307,003
Unrestricted	28,288,578	29,718,421	31,337,245	29,951,010	30,691,981	31,024,061	34,217,528	39,933,665	46,208,684	53,044,561
Total Primary Government Net Position	\$ 165,416,001	\$ 170,741,292	\$ 177,304,041	\$ 185,412,212	\$ 190,839,993	\$ 200,694,097	\$ 214,544,551	\$ 225,557,630	\$ 247,082,519	\$ 254,944,654

Notes:

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

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

	Fiscal Year Ended June 30,									
Source	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
General government	\$ 740,757	\$ 1,027,285	\$ 913,704	\$ 776,593	\$ 810,234	\$ 802,314	\$ 910,295	\$ 1,181,829	\$ 1,040,464	\$ 1,013,767
Judicial	362,286	368,035	369,108	370,600	373,132	452,375	553,636	516,959	547,397	505,666
Public safety	6,520,476	6,660,064	6,535,237	6,613,869	6,536,010	6,915,456	7,728,025	7,250,790	7,516,868	7,674,963
Public works	2,440,432	2,671,335	2,652,196	3,049,832	2,840,555	2,886,680	3,145,644	3,199,338	2,996,883	3,510,523
Health and welfare	55,875	57,673	63,526	58,247	53,383	61,103	67,362	61,348	67,675	66,956
Culture and recreation	1,830,845	1,623,602	1,589,819	1,696,938	1,633,489	1,640,601	1,680,368	1,674,895	1,700,294	1,892,031
Housing and economic development	1,040,290	1,033,443	953,607	970,940	941,496	925,367	1,021,466	1,092,843	1,178,539	1,319,089
Education	887,135	963,995	937,959	516,728	1,136,156	1,958,815	1,472,938	2,031,197	2,111,724	875,341
Interest and fiscal charges	708,843	716,362	677,260	523,229	1,871,332	1,669,843	1,570,566	1,547,478	1,531,029	1,516,753
Total Expenses	14,586,939	15,121,794	14,692,416	14,576,976	16,195,787	17,312,554	18,150,300	18,556,677	18,690,873	18,375,089
Program Revenues:										
Charges for services:										
General government	124,752	139,888	136,106	134,956	128,669	167,154	167,604	175,896	188,107	174,273
Judicial	-	-	-	-	-	-	-	-	36,743	32,988
Public safety	1,026,933	794,988	856,148	920,826	1,021,023	1,119,975	813,915	245,577	301,023	337,639
Public works	23,093	25,710	17,094	16,111	14,955	1,685	22,355	(121)	68,219	86,357
Culture and recreation	176,613	160,558	159,990	215,276	223,302	237,350	226,206	241,220	216,241	235,544
Housing and economic development	154,646	136,787	98,116	76,305	78,006	70,671	221,330	113,815	116,216	137,308
Operating grants and contributions	1,234,401	3,567,012	3,858,010	3,700,825	4,525,283	5,165,209	5,041,478	4,657,363	4,517,400	4,832,117
Capital grants and contributions	3,670,024	717,406	361,368	2,444,463	2,628,092	5,551,820	9,868,682	6,171,787	16,503,543	1,905,619
Total Program Revenues	6,410,462	5,542,349	5,486,832	7,508,762	8,619,330	12,313,864	16,361,570	11,605,537	21,947,492	7,741,845
Net (Expense) Revenue	(8,176,477)	(9,579,445)	(9,205,584)	(7,068,214)	(7,576,457)	(4,998,690)	(1,788,730)	(6,951,140)	3,256,619	(10,633,244)
General Revenues and Transfers In:										
Taxes:										
Property	1,111,884	1,784,007	1,818,434	1,255,359	996,417	1,325,528	1,724,301	1,549,711	1,599,632	1,552,336
Sales	4,075,815	3,940,661	4,100,660	2,057,988	2,257,286	2,363,077	2,420,660	2,494,441	2,407,943	2,430,870
Business license and franchise taxes	2,821,431	2,653,235	2,599,128	2,819,216	2,879,471	2,866,079	2,952,147	3,006,179	2,944,961	2,980,677
Insurance premium	606,368	605,645	566,412	718,274	779,685	807,870	807,289	882,703	960,483	1,053,070
Gas marketers	94,575	89,812	88,840	69,149	54,460	92,039	88,301	92,159	78,981	76,067
Other	696,941	697,715	673,066	691,253	691,409	763,971	932,803	1,085,490	1,188,040	1,242,209
Unrestricted intergovernmental	60,384	62,496	33,636	29,732	28,913	30,590	34,624	31,763	46,081	35,173
Investment earnings	462,878	230,986	145,205	95,043	52,642	40,774	105,565	79,132	188,986	98,532
Miscellaneous	62,687	127,259	54,037	53,715	42,583	109,821	139,592	55,965	57,375	32,660
Transfers in	1,212,939	965,704	732,481	2,371,279	3,060,444	2,452,100	2,312,409	2,480,420	2,479,994	1,360,076
Total General Revenues and Transfers In	11,205,902	11,157,520	10,811,899	10,161,008	10,843,310	10,851,849	11,517,691	11,757,963	11,952,476	10,861,670
Change in Net Position	\$ 3,029,425	\$ 1,578,075	\$ 1,606,315	\$ 3,092,794	\$ 3,266,853	\$ 5,853,159	\$ 9,728,961	\$ 4,806,823	\$ 15,209,095	\$ 228,426

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

Fiscal Year Ended June 30,	Amounts						Total
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other ¹	
2008	1,111,884	4,075,815	2,821,431	606,368	94,575	696,941	9,407,014
2009	1,784,007	3,940,661	2,653,235	605,645	89,812	687,715	9,761,075
2010	1,818,434	4,100,660	2,599,128	566,412	88,840	673,066	9,846,540
2011	1,255,359	2,057,988	2,819,216	718,274	69,149	691,253	7,611,239
2012	996,417	2,257,286	2,879,471	779,685	54,460	691,409	7,658,728
2013	1,325,528	2,363,077	2,866,079	807,870	92,039	763,971	8,218,564
2014	1,724,301	2,420,660	2,952,147	807,289	88,301	932,803	8,925,501
2015	1,549,711	2,494,441	3,006,179	882,703	92,159	1,085,490	9,110,683
2016	1,599,632	2,407,943	2,944,961	960,483	78,981	1,188,040	9,180,040
2017	1,552,336	2,430,870	2,980,677	1,053,070	76,067	1,242,209	9,335,229
% Change From 2008-2017	39.6%	-40.4%	5.6%	73.7%	-19.6%	78.2%	-0.8%
Fiscal Year Ended June 30,	Percentage of Total						Total
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other ¹	
2008	11.8%	43.3%	30.0%	6.4%	1.0%	7.5%	100.0%
2009	18.3%	40.4%	27.2%	6.2%	0.9%	7.1%	100.0%
2010	18.5%	41.6%	26.4%	5.8%	0.9%	6.9%	100.0%
2011	16.5%	27.0%	37.0%	9.4%	0.9%	9.1%	100.0%
2012	13.0%	29.5%	37.6%	10.2%	0.7%	9.0%	100.0%
2013	16.1%	28.8%	34.9%	9.8%	1.1%	9.3%	100.0%
2014	19.3%	27.1%	33.1%	9.0%	1.0%	10.5%	100.0%
2015	17.0%	27.4%	33.0%	9.7%	1.0%	11.9%	100.0%
2016	17.4%	26.2%	32.1%	10.5%	0.9%	12.9%	100.0%
2017	16.6%	26.0%	31.9%	11.3%	0.8%	13.3%	100.0%

Notes:

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

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

For the Fiscal Year Ended June 30,										
Source	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Electric system	\$ 24,022,988	\$ 21,109,534	\$ 22,037,788	\$ 26,478,078	\$ 31,075,351	\$ 32,655,400	\$ 34,244,876	\$ 34,977,948	\$ 33,515,937	\$ 32,143,619
Water and sewerage system	14,243,150	13,489,650	12,611,049	11,880,631	12,228,646	11,987,691	13,499,523	12,874,952	13,713,662	13,874,245
Fields Ferry golf course	1,124,018	1,109,778	1,055,421	1,004,562	939,840	906,523	891,316	893,286	882,358	867,388
Telecommunications	702,866	796,054	748,676	911,041	927,374	871,141	949,969	992,405	1,062,052	981,714
Solid waste	801,965	751,610	783,757	746,211	589,174	655,980	678,349	732,389	852,421	769,693
Total Expenses	40,894,987	37,256,626	37,236,691	41,020,523	45,760,385	47,076,735	50,264,033	50,470,980	50,026,430	48,636,659
Program Revenues:										
Charges for services:										
Electric system	27,249,318	24,485,503	25,043,967	29,853,546	32,322,520	35,583,995	38,156,073	39,534,351	37,810,552	36,329,704
Water and sewerage system	15,595,960	14,080,039	14,807,017	14,440,652	15,070,678	14,713,066	15,423,818	16,338,197	17,268,280	17,857,578
Fields Ferry golf course	947,832	815,499	752,590	728,464	534,143	526,871	563,899	512,221	538,094	656,482
Telecommunications	901,719	955,306	943,803	949,524	988,103	991,022	1,059,358	1,119,205	1,144,786	1,113,183
Solid waste	450,665	447,411	687,647	692,077	705,364	708,741	715,741	747,780	748,294	788,186
Operating grants and contributions	-	-	-	123,040	342,410	84,020	81,246	359,465	384,866	193,793
Capital grants and contributions	409,519	332,915	64,200	900,000	691,825	371,021	-	9,571	85,224	-
Total Program Revenues	45,555,013	41,116,673	42,299,224	47,687,303	50,655,043	52,978,736	56,000,135	58,620,790	57,980,096	56,938,926
Net (Expense) Revenue	4,660,026	3,860,047	5,062,533	6,666,780	4,894,658	5,902,001	5,736,102	8,149,810	7,953,666	8,302,267
General Revenues and Net Transfers :										
Investment earnings	705,127	550,438	308,070	309,784	243,757	126,834	198,415	224,959	512,783	318,043
Miscellaneous	449,423	302,435	318,312	410,092	289,235	424,210	499,385	311,907	329,339	373,475
Net transfers	(1,212,939)	(965,704)	(732,481)	(2,371,279)	(3,060,444)	(2,452,100)	(2,312,409)	(2,480,420)	(2,479,994)	(1,360,076)
Total General Revenues and Transfers	(58,389)	(112,831)	(106,099)	(1,651,403)	(2,527,452)	(1,901,056)	(1,614,609)	(1,943,554)	(1,637,872)	(668,558)
Change in Net Position	\$ 4,601,637	\$ 3,747,216	\$ 4,956,434	\$ 5,015,377	\$ 2,367,206	\$ 4,000,945	\$ 4,121,493	\$ 6,206,256	\$ 6,315,794	\$ 7,633,709

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

Source	For the Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities ¹	\$ 14,586,939	\$ 15,121,794	\$ 14,692,416	\$ 14,576,976	\$ 16,195,787	\$ 17,312,554	\$ 18,150,300	\$ 18,556,677	\$ 18,690,873	\$ 18,375,089
Business-type activities ²	40,894,987	37,256,626	37,236,691	41,020,523	45,760,385	47,076,735	50,264,033	50,470,980	50,026,430	48,636,659
Total Expenses	<u>55,481,926</u>	<u>52,378,420</u>	<u>51,929,107</u>	<u>55,597,499</u>	<u>61,956,172</u>	<u>64,389,289</u>	<u>68,414,333</u>	<u>69,027,657</u>	<u>68,717,303</u>	<u>67,011,748</u>
Program Revenues										
Governmental activities ¹	6,410,462	5,542,349	5,486,832	7,508,762	8,619,330	12,313,864	16,361,570	11,605,538	21,947,492	7,741,845
Business-type activities ²	45,555,013	41,116,673	42,299,224	47,687,303	50,655,043	52,978,736	56,000,135	58,620,790	57,980,096	56,938,926
Total Program Revenues	<u>51,965,475</u>	<u>46,659,022</u>	<u>47,786,056</u>	<u>55,196,065</u>	<u>59,274,373</u>	<u>65,292,600</u>	<u>72,361,705</u>	<u>70,226,328</u>	<u>79,927,588</u>	<u>64,680,771</u>
Net (Expense) Revenue	<u>(3,516,451)</u>	<u>(5,719,398)</u>	<u>(4,143,051)</u>	<u>(401,434)</u>	<u>(2,681,799)</u>	<u>903,311</u>	<u>3,947,372</u>	<u>1,198,671</u>	<u>11,210,285</u>	<u>(2,330,977)</u>
General Revenues and Transfers:										
Governmental activities ¹	11,205,902	11,157,520	10,811,899	10,161,008	10,843,310	10,851,849	11,517,691	11,757,962	11,952,476	10,861,670
Business-type activities ²	(58,389)	(112,831)	(106,099)	(1,651,403)	(2,527,452)	(1,901,056)	(1,614,609)	(1,943,554)	(1,637,872)	(668,558)
Total General Revenues and Transfers	<u>11,147,513</u>	<u>11,044,689</u>	<u>10,705,800</u>	<u>8,509,605</u>	<u>8,315,858</u>	<u>8,950,793</u>	<u>9,903,082</u>	<u>9,814,408</u>	<u>10,314,604</u>	<u>10,193,112</u>
Change in Net Position	<u>\$ 7,631,062</u>	<u>\$ 5,325,291</u>	<u>\$ 6,562,749</u>	<u>\$ 8,108,171</u>	<u>\$ 5,634,059</u>	<u>\$ 9,854,104</u>	<u>\$ 13,850,454</u>	<u>\$ 11,013,079</u>	<u>\$ 21,524,889</u>	<u>\$ 7,862,135</u>

Data Source:¹ Exhibit II.² Exhibit IV.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 130,383	\$ 393,709	\$ 509,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	8,256,074	6,863,088	5,934,113	-	-	-	-	-	-	-
Nonspendable	-	-	-	465,476	401,073	368,452	330,824	331,871	324,299	273,209
Committed	-	-	-	4,000,757	3,959,964	1,048,544	4,015,916	4,015,916	4,048,047	4,049,293
Unassigned	-	-	-	2,348,480	3,409,176	6,294,679	4,541,672	4,800,246	4,985,208	5,140,395
Subtotal General Fund	8,386,457	7,256,797	6,443,550	6,814,713	7,770,213	7,711,675	8,888,412	9,148,033	9,357,554	9,462,897
General Fund Percentage Change	-7.4%	-13.5%	-11.2%	5.8%	14.0%	-0.8%	15.3%	2.9%	2.3%	1.1%
All Other Governmental Funds										
Reserved ¹	4,235,633	6,032,693	7,664,639	-	-	-	-	-	-	-
Unreserved										
Special Revenue Funds	23,051	(20,804)	(1,385)	-	-	-	-	-	-	-
Capital Projects Funds	2,350,758	2,487,585	3,197,082	-	-	-	-	-	-	-
Nonspendable	-	-	-	55,232	6,343	6,266	15,174	12,132	12,688	12,632
Restricted	-	-	-	34,663,373	30,122,295	17,842,243	12,183,680	14,710,290	15,546,159	15,062,642
Unassigned										
Special Revenue Funds	-	-	-	(4,390)	-	-	-	(5,850)	(5,850)	(5,850)
Subtotal All Other Governmental Funds	6,609,442	8,499,474	10,860,336	34,714,215	30,128,638	17,848,509	12,198,854	14,716,572	15,552,997	15,069,424
Total Governmental Funds										
Reserved	4,366,016	6,426,402	8,174,076	-	-	-	-	-	-	-
Unreserved	10,629,883	9,329,869	9,129,810	-	-	-	-	-	-	-
Nonspendable	-	-	-	520,708	407,416	374,718	345,998	344,003	336,987	285,841
Restricted	-	-	-	34,663,373	30,122,295	17,842,243	12,192,680	14,710,290	15,546,159	15,062,642
Committed	-	-	-	4,000,757	3,959,964	1,048,544	4,015,916	4,015,916	4,048,047	4,049,293
Unassigned										
General Fund	-	-	-	2,348,480	3,409,176	6,294,679	4,541,672	4,800,246	4,985,208	5,140,395
Special Revenue Funds	-	-	-	(4,390)	-	-	(9,000)	(5,850)	(5,850)	(5,850)
	\$ 14,995,899	\$ 15,756,271	\$ 17,303,886	\$ 41,528,928	\$ 37,898,851	\$ 25,560,184	\$ 21,087,266	\$ 23,864,605	\$ 24,910,551	\$ 24,532,321
All Governmental Funds Percentage Change	18.0%	5.1%	9.8%	140.0%	-8.7%	-32.6%	-17.5%	13.2%	4.4%	-1.5%

Notes:

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

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

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

Source	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes	\$ 7,698,581	\$ 7,404,954	\$ 7,256,952	\$ 7,715,262	\$ 7,841,840	\$ 8,450,448	\$ 8,970,278	\$ 9,222,031	\$ 9,281,546	\$ 9,488,672
Intergovernmental	6,688,782	6,242,934	6,388,360	6,107,358	7,122,576	6,035,392	7,480,646	6,514,159	6,300,086	6,307,036
Licenses and permits	258,454	262,284	219,490	201,293	200,394	220,735	372,340	276,113	291,207	297,898
Charges for services	406,544	391,946	375,453	404,449	414,540	459,274	471,398	458,968	430,961	377,594
Fines and forfeitures	767,025	594,969	588,606	556,013	655,469	717,800	599,746	488,686	348,436	414,358
Contributions and donations	1,929	28,138	1,393	783	-	381,032	309	331,734	898	1,652
Investment earnings	462,878	230,986	145,205	94,878	101,001	63,295	48,373	49,942	167,757	98,154
Miscellaneous	71,977	38,330	35,097	48,782	39,422	29,994	32,622	26,503	26,028	27,644
Total Revenues	\$ 16,356,170	\$ 15,194,541	\$ 15,010,556	\$ 15,128,818	\$ 16,375,242	\$ 16,357,970	\$ 17,975,712	\$ 17,368,136	\$ 16,846,919	\$ 17,013,008
% change from prior year	12.6%	-7.1%	-1.2%	0.8%	8.2%	-0.1%	9.9%	-3.4%	-3.0%	1.0%
Taxes	47.1%	48.7%	48.3%	51.0%	47.9%	51.7%	49.9%	53.1%	55.1%	55.8%
Intergovernmental	40.9%	41.1%	42.6%	40.4%	43.5%	36.9%	41.6%	37.5%	37.4%	37.1%
Licenses and permits	1.6%	1.7%	1.5%	1.3%	1.2%	1.3%	2.1%	1.6%	1.7%	1.8%
Fines and forfeitures	2.5%	2.6%	2.5%	2.7%	2.5%	2.8%	2.6%	2.6%	2.6%	2.2%
Charges for services	4.7%	3.9%	3.9%	3.7%	4.0%	4.4%	3.3%	2.8%	2.1%	2.4%
Contributions and donations	0.0%	0.2%	0.0%	0.0%	0.0%	2.3%	0.0%	1.9%	0.0%	0.0%
Investment earnings	2.8%	1.5%	1.0%	0.6%	0.6%	0.4%	0.3%	0.3%	1.0%	0.6%
Miscellaneous	0.4%	0.3%	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

¹ Includes all governmental fund types.

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

Fiscal Year Ended June 30,	Amounts ¹						Total
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other ²	
2008	1,220	2,259	2,813	606	95	706	7,699
2009	1,342	2,017	2,653	606	90	698	7,406
2010	1,386	1,943	2,600	566	89	673	7,257
2011	1,315	2,102	2,944	718	69	567	7,715
2012	1,180	2,257	2,880	780	54	691	7,842
2013	1,557	2,363	2,866	808	92	764	8,450
2014	1,769	2,421	2,952	807	88	933	8,970
2015	1,661	2,494	3,006	883	92	1,086	9,222
2016	1,701	2,246	2,943	960	79	1,191	9,120
2017	1,706	2,247	2,977	1,053	76	1,430	9,489
% Change From 2008-2017	39.8%	-0.5%	5.8%	73.8%	-20.0%	102.5%	23.2%
Fiscal Year Ended June 30,	Percentage of Total						Total
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other ²	
2008	15.8%	29.3%	36.5%	7.9%	1.2%	9.2%	100.0%
2009	18.1%	27.2%	35.8%	8.2%	1.2%	9.4%	100.0%
2010	19.1%	26.8%	35.8%	7.8%	1.2%	9.3%	100.0%
2011	17.0%	27.2%	38.2%	9.3%	0.9%	7.3%	100.0%
2012	15.0%	28.8%	36.7%	9.9%	0.7%	8.8%	100.0%
2013	18.4%	28.0%	33.9%	9.6%	1.1%	9.0%	100.0%
2014	19.7%	27.0%	32.9%	9.0%	1.0%	10.4%	100.0%
2015	18.0%	27.0%	32.6%	9.6%	1.0%	11.8%	100.0%
2016	18.7%	24.6%	32.3%	10.5%	0.9%	13.1%	96.1%
2017	18.0%	23.7%	31.4%	11.1%	0.8%	15.1%	100.0%

Notes:

¹ Amounts presented in \$1,000's.

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

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

Function	For the Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenditures:										
Current:										
General government ²	\$ 1,126,658	\$ 1,004,306	\$ 897,578	\$ 927,518	\$ 821,051	\$ 852,445	\$ 872,008	\$ 1,169,257	\$ 1,022,902	\$ 992,609
Judicial	360,207	400,454	363,530	364,090	367,148	447,648	531,784	517,576	547,567	507,645
Public safety	7,357,039	7,046,335	6,263,391	6,259,795	6,273,075	7,634,758	6,890,854	7,084,239	7,226,046	7,401,684
Public works	1,408,513	1,888,208	1,770,722	1,763,779	2,001,412	2,623,342	2,433,774	2,776,785	2,058,190	2,311,671
Health and welfare	55,905	58,254	63,698	58,678	53,469	61,103	63,113	61,880	67,547	66,832
Culture and recreation	2,122,797	1,279,260	1,181,283	1,315,642	1,212,754	1,274,917	1,217,521	1,308,902	1,378,146	1,917,645
Housing and economic development	1,064,702	1,020,584	939,055	974,467	884,600	915,059	978,153	1,115,979	1,175,826	1,295,324
Education	97,775	133,712	112,978	99,103	81,758	-	-	-	-	-
Less capital outlay included above	-	-	-	-	-	-	-	-	(200,388)	(254,252)
Total Current	13,593,596	12,831,113	11,592,235	11,763,072	11,695,267	13,809,272	12,987,207	14,034,618	13,275,836	14,239,158
% Change From Prior Year	18.3%	-5.6%	-9.7%	1.5%	-0.6%	18.1%	-6.0%	8.1%	-5.4%	7.3%
Capital Outlay	1,706,004	1,375,312	897,516	410,053	8,902,937	18,216,169	9,084,148	1,093,524	3,162,554	2,665,262
% Change From Prior Year	0.2%	-19.4%	-34.7%	-54.3%	2071.2%	104.6%	-50.1%	-88.0%	65.4%	-15.7%
Debt Service										
Principal ³	1,731,681	979,602	1,068,637	1,146,243	1,098,439	10,339,080	1,274,976	433,888	351,628	343,800
Interest and fees	744,110	710,875	676,517	823,716	1,375,080	1,795,083	1,568,673	1,538,649	1,522,296	1,508,110
Total Debt Service	2,475,791	1,690,477	1,745,154	1,969,959	2,473,519	12,134,163	2,843,649	1,972,537	1,873,924	1,851,910
% Change From Prior Year	-12.5%	-31.7%	3.2%	12.9%	25.6%	390.6%	-76.6%	-30.6%	-5.0%	-1.2%
Total Expenditures	\$ 17,775,391	\$ 15,896,902	\$ 14,234,905	\$ 14,143,084	\$ 23,071,723	\$ 44,159,604	\$ 24,915,004	\$ 17,100,679	\$ 18,312,314	\$ 18,756,330
Debt Service as a % of Noncapital Expenditures	15.4%	11.6%	13.1%	14.3%	17.5%	46.8%	18.0%	12.3%	12.4%	11.5%

Notes:

¹ Includes all governmental fund types.

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

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

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

	For the Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Revenues - Exhibit VII	\$ 16,356,170	\$ 15,194,541	\$ 15,010,556	\$ 15,128,818	\$ 16,375,242	\$ 16,357,970	\$ 17,975,712	\$ 17,368,136	\$ 16,846,919	\$ 17,013,008
Total Expenditures - Exhibit IX	17,775,391	15,896,902	14,234,905	14,143,084	23,071,723	44,159,604	24,915,004	17,100,679	18,312,314	18,756,330
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,419,221)	(702,361)	775,651	985,734	(6,696,481)	(27,801,634)	(6,939,292)	267,457	(1,465,395)	(1,743,322)
Other Financing Sources (Uses)										
Sale of capital assets	15,966	8,561	39,482	15,029	5,960	75,028	149,325	18,309	18,223	-
General obligation bonds issued	-	-	-	21,000,000	-	12,000,000	-	-	-	-
Premium on debt issuance	-	-	-	(147,000)	-	924,239	-	-	-	-
Inception of capital lease	694,872	392,733	-	-	-	-	-	-	-	-
Insurance reimbursement	-	95,735	-	-	-	11,600	4,640	11,153	13,124	5,016
Transfers in	3,991,525	3,446,361	3,351,073	3,721,872	4,812,524	3,859,103	4,506,462	4,140,213	5,117,246	5,554,620
Transfers out	(2,655,165)	(2,480,657)	(2,618,591)	(1,350,593)	(1,752,080)	(1,407,003)	(2,194,053)	(1,659,793)	(2,637,252)	(4,194,544)
Total Other Financing Sources (Uses)	2,047,198	1,462,733	771,964	23,239,308	3,066,404	15,462,967	2,466,374	2,509,882	2,511,341	1,365,092
Net Change in Fund Balances	<u>\$ 627,977</u>	<u>\$ 760,372</u>	<u>\$ 1,547,615</u>	<u>\$ 24,225,042</u>	<u>\$ (3,630,077)</u>	<u>\$ (12,338,667)</u>	<u>\$ (4,472,918)</u>	<u>\$ 2,777,339</u>	<u>\$ 1,045,946</u>	<u>\$ (378,230)</u>

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

Amounts ⁵ (in thousands of dollars)												
Fiscal ¹ Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Conservation Use Property	Utility Property	Motor Vehicles and Mobile Homes	Less: Tax Exempt Property ²	Total Taxable Assessed Value ³	Total Direct Tax Rate ⁴	Estimated Actual Value	Annual Percentage Change
2008	175,725	263,465	253,689	3,326	845	4,250	30,465	55,945	675,820	15.695	1,732,198	16.1%
2009	181,712	283,681	336,873	2,800	709	4,220	29,822	30,054	809,763	15.695	2,024,408	16.9%
2010	212,661	302,044	295,462	3,417	1,353	4,007	31,740	22,115	828,569	15.456	2,071,422	2.3%
2011	206,865	329,964	234,597	4,545	1,444	4,007	35,220	20,936	795,706	15.456	1,989,265	-4.0%
2012	173,589	324,327	204,160	3,377	1,006	4,468	27,677	24,069	714,535	17.603	1,786,338	-10.2%
2013	174,704	338,876	205,646	2,550	1,180	4,824	29,436	30,090	727,126	19.742	1,798,065	0.7%
2014	176,063	226,201	332,175	2,673	1,171	4,963	30,959	31,281	742,924	19.793	1,836,098	2.1%
2015	176,955	245,355	332,465	2,355	1,162	6,105	25,862	60,076	730,183	19.965	1,886,938	2.8%
2016	186,450	277,700	359,488	2,351	1,170	6,177	19,661	131,799	721,198	19.965	2,059,095	9.1%
2017	193,900	264,397	414,704	1,771	1,080	5,553	15,489	168,935	727,959	19.965	1,819,898	-11.6%
% Change From 2008-2017	10.34%	0.35%	63.47%	-46.75%	27.81%	30.66%	-49.16%	201.97%	7.71%	27.21%	5.06%	-172.10%
Percentage of Total Assessed Valuation												
2008	24.0%	36.0%	34.7%	0.5%	0.1%	0.6%	4.2%	7.6%	92.4%			
2009	21.6%	33.8%	40.1%	0.3%	0.1%	0.5%	3.6%	3.6%	96.4%			
2010	25.0%	35.5%	34.7%	0.4%	0.2%	0.5%	3.7%	2.6%	97.4%			
2011	25.3%	40.4%	28.7%	0.6%	0.2%	0.5%	4.3%	2.6%	97.4%			
2012	23.5%	43.9%	27.6%	0.5%	0.1%	0.6%	3.7%	3.3%	96.7%			
2013	23.1%	44.8%	27.2%	0.3%	0.2%	0.6%	3.9%	4.0%	96.0%			
2014	22.7%	29.2%	42.9%	0.3%	0.2%	0.6%	4.0%	4.0%	96.0%			
2015	22.4%	31.0%	42.1%	0.3%	0.1%	0.8%	3.3%	7.6%	92.4%			
2016	21.9%	32.6%	42.1%	0.3%	0.1%	0.7%	2.3%	15.5%	84.5%			
2017	21.6%	29.5%	46.2%	0.2%	0.1%	0.6%	1.7%	18.8%	81.2%			

Notes:

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

²Excludes homestead property exemptions. All prior years restated.

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

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

Data Source:

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

City of Calhoun, Georgia
Direct and Overlapping Property Tax Rates¹
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Direct			Overlapping Rates ^{2,3}		Combined Total Rate ⁶
	City of Calhoun	City of Calhoun Schools ⁵	Total Direct Rate	State of Georgia ⁴	Gordon County	
2008	1.615	14.080	15.695	0.250	10.174	26.119
2009	1.615	14.080	15.695	0.250	9.528	25.473
2010	1.591	13.865	15.456	0.250	8.815	24.521
2011	1.591	13.865	15.456	0.250	8.919	24.625
2012	1.591	16.012	17.603	0.250	9.800	27.653
2013	1.980	17.762	19.742	0.200	9.800	29.742
2014	1.980	17.813	19.793	0.150	9.800	29.743
2015	1.980	17.985	19.965	0.100	9.747	29.812
2016	1.980	17.985	19.965	0.050	9.930	29.945
2017	1.980	17.985	19.965	-	9.853	29.818
% Change						
From 2008-2017	22.6%	27.7%	27.2%	-100.0%	-3.2%	14.2%

Notes:

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

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

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

⁴ The State of Georgia levied one tenth of one mill on each county's taxable property to help finance their certification of each Georgia county's tax digests. This is no longer taxed as of FY 17.

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

Data Source:

⁶ Georgia Department of Revenue, Property Tax Division.

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

Fiscal Year	Revenue Base	Total Direct Tax Rate¹	Franchise Tax Revenue²	Annual Percentage Change
2008	47,805,513	4.13%	1,974,068	6.5%
2009	43,168,888	4.14%	1,788,165	-9.4%
2010	43,080,467	4.14%	1,782,104	-0.3%
2011	47,376,503	4.12%	1,954,013	9.6%
2012	49,065,272	4.12%	2,022,131	3.5%
2013	49,208,913	4.12%	2,025,527	0.2%
2014	50,735,999	4.12%	2,090,206	3.2%
2015	52,017,728	4.12%	2,146,187	2.7%
2016	53,336,602	4.13%	2,105,088	-1.9%
2017	64,619,553	4.07%	2,626,844	24.8%
% Change From 2008-2017	35.17%	-1.56%	33.07%	

Notes:

¹ This is an average of rates for different providers.

² Per tax collections of the City of Calhoun.

Exhibit XIV

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

Fiscal Year Ended June 30,	Direct			Overlapping Rates²		Total City Rate
	City of Calhoun	City of Calhoun Schools⁴	Total Direct Rate	State of Georgia³	Gordon County⁵	
2008	4.129	-	4.129	-	5.000	9.129
2009	4.142	-	4.142	-	5.000	9.142
2010	4.137	-	4.137	-	5.000	9.137
2011	4.124	-	4.124	-	5.000	9.124
2012	4.121	-	4.121	-	5.000	9.121
2013	4.116	-	4.116	-	5.000	9.116
2014	4.120	-	4.120	-	5.000	9.120
2015	4.120	-	4.120	-	5.000	9.120
2016	4.130	-	4.130	-	5.000	9.130
2017	4.065	-	4.065	-	5.000	9.065
% Change						
From 2008-2017	-1.6%		-1.6%		0.0%	-0.7%

Notes:

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

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

³ The State of Georgia does not levy a franchise tax. These funds are payable to the county or municipality.

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

Data Source:

⁵ Gordon County Finance Department.

City of Calhoun, Georgia
Principal Franchise Taxpayers¹
 Current Year and Nine Years Ago

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

Data Source:

¹ City financial records

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

Principal Taxpayer	Fiscal Year Ended June 30, 2017			Principal Taxpayer	Fiscal Year Ended June 30, 2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mohawk Industries	\$ 103,334	1	14.2%	Mohawk (Aladdin)	\$ 73,362	1	11.0%
Shaw Industries Group, Inc.	32,134	2	4.4%	Shaw Industries	38,038	2	5.6%
Engineered Floors, LLC	22,760	3	3.1%	Kobelco	26,373	3	3.9%
Mannington	20,556	4	2.8%	Mannington Carpets	19,015	4	2.8%
Surya Carpet	19,698	5	2.7%	Faus	15,009	5	2.2%
Development Authority of Gordon County	17,988	6	2.5%	Calhoun Outlets	6,913	6	1.0%
Field Turf	15,923	7	2.2%	Wal-Mart Stores	6,060	7	0.9%
CNH America (Kolbelco)	14,269	8	2.0%	Spring Industries	5,803	8	0.9%
Nourison Industries	11,995	9	1.6%	Kerry Inc.	5,459	9	0.8%
Apache Mills, Inc.	11,390	10	1.6%	CAF Extrusion	5,441	10	0.8%
Total Principal Taxpayers	270,047		37.1%	Total Principal Taxpayers	201,473		29.9%
All Other Taxpayers	457,912		62.9%	All Other Taxpayers	474,347		70.1%
Total	<u><u>\$ 727,959</u></u>		<u><u>100.00%</u></u>	Total	<u><u>\$ 675,820</u></u>		<u><u>100.00%</u></u>

Data Source:

¹ City tax records

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Uncollected Taxes	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2008	10,323	9,940	96.29%	317	10,257	99.36%	66	0.64%
2009	11,670	10,430	89.37%	1,165	11,595	99.36%	75	0.64%
2010	11,911	10,939	91.84%	882	11,821	99.24%	90	0.76%
2011	11,377	10,631	93.44%	662	11,293	99.26%	84	0.74%
2012	12,012	11,341	94.41%	577	11,918	99.22%	94	0.78%
2013	13,623	13,057	95.85%	473	13,530	99.32%	93	0.68%
2014	14,217	13,798	97.05%	314	14,112	99.26%	105	0.74%
2015	13,485	12,861	95.37%	265	13,126	97.34%	359	2.66%
2016	13,219	12,744	96.41%	202	12,946	97.93%	273	2.07%
2017	13,391	13,009	97.15%	-	13,009	97.15%	382	2.85%

Notes:

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

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

Data Source:

³ City tax collection records.

City of Calhoun, Georgia
Consumption Billed¹
By Service
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Electric		Water		Sewer	
	kWh	% Change	Gallons ²	% Change	Gallons ²	% Change
2008	334,648,148	-4.9%	3,311,812	-8.8%	1,771,938	-7.8%
2009	308,844,230	-7.7%	3,021,126	-8.8%	1,502,199	-15.2%
2010	301,476,976	-2.4%	3,087,921	2.2%	1,582,014	5.3%
2011	375,614,834	24.6%	2,969,329	-3.8%	1,361,467	-13.9%
2012	410,945,400	9.4%	2,851,906	-4.0%	1,302,302	-4.3%
2013	430,659,656	4.8%	2,662,934	-6.6%	1,202,521	-7.7%
2014	440,540,822	2.3%	2,687,543	0.9%	1,184,644	-1.5%
2015	437,369,857	-0.7%	2,697,545	0.4%	1,120,559	-5.4%
2016	436,508,643	-0.2%	2,789,082	3.4%	1,149,950	2.6%
2017	430,890,025	-1.3%	2,927,276	5.0%	1,120,919	-2.5%

Notes:

² Amount expressed in thousands of gallons

Data Source:

¹ City's utility consumption/billing reports

City of Calhoun, Georgia
Electric Service Rates¹
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Residential:										
Base Charge	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000
Transmission/kWh	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Generation/kWh	0.0640	0.0640	0.0640	0.0640	0.0640	0.0640	0.0640	0.0640	0.0640	0.0640
Energy Charge	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Small Power Non-demand										
Base Charge	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000	15.0000
Transmission/kWh	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Generation/kWh										
First 3,000/kWh	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100
Over 3,000/kWh	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Energy Charge	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
Small Power										
Base Charge	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000	30.0000
Generation/kWh										
First 200HUD	0.1060	0.1060	0.1060	0.1060	0.1060	0.1060	0.1060	0.1060	0.1060	0.1060
Next 200 HUD	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440
Over400 HUD	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Transmission/kWh	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Demand Charge	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
Medium Power										
Base Charge	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000
Transmission&Demand/kWh	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
Generation/kWh										
First 6,000/kWh	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000
Over 6,000/kWh	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000
First 200 HUD	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Next 200 HUD	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Next 200 HUD	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440
Over 600 HUD	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400

City of Calhoun, Georgia
Ratios of Total Debt Outstanding by Type^{1,2}
Last Ten Fiscal Years

June 30,	Governmental Activities			Business-type Activities			Total	Percentage of Personal Income	Estimated Population ³	Per Capita
	Recreation Authority Revenue	School General Obligation	Capital	Revenue	Notes	Capital				
	Bonds	Bonds	Leases	Bonds	Payable	Leases				
2008	3,011,900	12,885,000	1,108,059	11,154,084	22,841,749	47,365	51,048,157	13.27%	14,753	3,460
2009	2,764,300	12,415,000	1,238,791	9,590,189	21,558,909	14,164	47,581,353	12.37%	14,807	3,213
2010	2,504,800	11,895,000	949,655	7,956,239	21,217,194	-	44,522,888	11.57%	14,955	2,977
2011	2,233,900	32,320,000	649,312	6,385,000	19,216,825	-	60,805,037	15.81%	15,650	3,885
2012	1,952,100	31,685,000	467,673	9,445,000	13,350,751	-	56,900,524	14.79%	15,773	3,607
2013	1,659,800	33,800,000	305,893	11,235,000	9,139,218	-	56,139,911	14.60%	15,812	3,550
2014	1,352,500	33,000,000	138,216	9,830,000	10,773,093	-	55,093,809	14.32%	15,899	3,465
2015	1,035,800	33,000,000	21,028	8,405,000	13,932,278	-	56,394,106	14.66%	16,052	3,513
2016	705,200	33,000,000	-	6,955,000	15,382,286	-	56,042,486	14.57%	16,309	3,436
2017	361,400	33,000,000	-	11,360,000	10,119,089	-	54,840,489	14.26%	16,360	3,352

Notes:

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

Data Source:

² Applicable years' comprehensive annual financial report.

³ Exhibit XXVII

(continued)

City of Calhoun, Georgia
Electric Service Rates¹
Last Ten Fiscal Years

(continued)

	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
<i>Large Power:</i>										
Base Charge	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000
Transmission & Demand/kWh	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
Generation kWh										
First 200 HUD										
First 100,000 kWh	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880
Over 100,000 kWh	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780
Next 200 HUD	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440
Next 200 HUD	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Over 600 HUD	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375
<i>Large Industrial IND</i>										
Customer Charge	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000
Transmission Demand/kWh	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
First 200 HUD										
First 160,000 kWh	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Over 160,000 kWh	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Next 300 HUD	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420
Over 500 HUD	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375

Data Source:¹ City's utility billing department.

City of Calhoun, Georgia
Ratios of Net General Bonded Debt Outstanding²
Last Ten Fiscal Years

June 30,	General Obligation Bonds¹	Less Amounts Available in Debt Service Funds	Net General Obligation Bonds	Percentage of Estimated Actual Value of Taxable Property²	Estimated Population³	Total General Bonded Debt Per Capita³
2008	12,885,000	2,187,747	10,697,253	0.618%	14,753	725
2009	12,415,000	3,970,068	8,444,932	0.417%	14,807	570
2010	11,895,000	5,618,978	6,276,022	0.303%	14,955	420
2011	32,320,000	7,319,269	25,000,731	1.257%	15,650	1,597
2012	31,685,000	10,129,701	21,555,299	1.207%	15,773	1,367
2013	33,800,000	2,668,962	31,131,038	1.731%	15,812	1,969
2014	33,000,000	4,114,093	28,885,907	1.573%	15,899	1,817
2015	33,000,000	6,445,867	26,554,133	1.407%	16,052	1,654
2016	33,000,000	7,887,746	25,112,254	1.220%	16,309	1,540
2017	33,000,000	9,662,800	23,337,200	1.282%	16,360	1,426

Notes:

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

Data Source:

² Applicable years' comprehensive annual financial report.

³ Exhibit XXVI

City of Calhoun, Georgia
Direct and Overlapping Debt
June 30, 2017

Governmental Unit:	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
City Direct Debt²	<u>\$ 33,361,400</u>	100%	<u>\$ 33,361,400</u>
Overlapping Debt			
Gordon County debt repaid with property taxes	<u>8,837,300</u>	43%	<u>3,840,712</u>
Total Direct and Overlapping	<u><u>\$ 42,198,700</u></u>		<u><u>\$ 37,202,112</u></u>

Notes:

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

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

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

Sources

Gordon County Comprehensive Annual Financial Report for June 30, 2017

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed Value¹	<u>\$ 675,820</u>	<u>\$ 809,763</u>	<u>\$ 828,569</u>	<u>\$ 795,706</u>	<u>\$ 714,536</u>	<u>\$ 727,126</u>	<u>\$ 742,924</u>	<u>\$ 730,183</u>	<u>\$ 721,198</u>	<u>\$ 727,959</u>
Legal Debt Margin										
Debt limit (10% of assessed value) ²	<u>\$ 67,582</u>	<u>\$ 80,976</u>	<u>\$ 82,857</u>	<u>\$ 79,571</u>	<u>\$ 71,454</u>	<u>\$ 72,713</u>	<u>\$ 74,292</u>	<u>\$ 73,018</u>	<u>\$ 72,120</u>	<u>\$ 72,796</u>
Debt applicable to limit:										
General obligation bonds	12,885	12,415	11,895	32,320	31,685	33,800	33,000	33,000	33,000	33,000
Less: Amount reserved for repayment of general obligation debt	<u>2,188</u>	<u>3,970</u>	<u>5,619</u>	<u>7,319</u>	<u>10,130</u>	<u>2,669</u>	<u>4,114</u>	<u>6,446</u>	<u>7,888</u>	<u>9,663</u>
Total debt applicable to limit	<u>10,697</u>	<u>8,445</u>	<u>6,276</u>	<u>25,001</u>	<u>21,555</u>	<u>31,131</u>	<u>28,886</u>	<u>26,554</u>	<u>25,112</u>	<u>23,337</u>
Legal debt margin	<u>\$ 56,885</u>	<u>\$ 72,531</u>	<u>\$ 76,581</u>	<u>\$ 54,570</u>	<u>\$ 49,899</u>	<u>\$ 41,582</u>	<u>\$ 45,406</u>	<u>\$ 46,464</u>	<u>\$ 47,008</u>	<u>\$ 49,459</u>
As a percentage of debt limit	<u>84.17%</u>	<u>89.57%</u>	<u>92.43%</u>	<u>68.58%</u>	<u>69.83%</u>	<u>57.19%</u>	<u>61.12%</u>	<u>63.63%</u>	<u>65.18%</u>	<u>67.94%</u>

Notes:¹ Exhibit XI² Under Article 9, Section 5, Paragraph 1 of the State of Georgia Constitution, the City's outstanding general obligation debt should not exceed 10% of the assessed valuation of taxable property within the City.

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

Fiscal Year Ended June 30,	Revenues¹	Less Operating Expenses²	Net Available Revenues	Principal³	Interest³	Total³	Times Coverage
2008	15,696	9,930	5,766	690	295	985	5.85
2009	14,116	9,581	4,535	1,610	397	2,007	2.26
2010	14,861	8,834	6,027	1,675	332	2,007	3.00
2011	14,564	7,845	6,719	1,730	280	2,010	3.34
2012	15,166	8,317	6,849	1,880	259	2,139	3.20
2013	15,053	8,296	6,757	2,270	339	2,609	2.59
2014	15,517	9,405	6,112	1,405	227	1,632	3.75
2015	16,408	9,479	6,929	1,425	199	1,624	4.27
2016	17,479	9,689	7,790	1,450	170	1,620	4.81
2017	18,045	9,994	8,051	1,905	211	2,116	3.80

Notes:

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

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

³ Includes the 2003, 2008, 2011, 2012 and 2016 water and sewerage revenue bonds. Only the amount of regular principal payments have been included. Payments to retire the debt through proceeds from the issuance of new bonds were not included as they would skew the coverage calculation.

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

Fiscal Year Ended June 30,	Revenues¹	Less Operating Expenses²	Net Available Revenues	Principal³	Interest	Total	Times Coverage
2008	15,696	9,930	5,766	1,123	668	1,791	3.22
2009	14,116	9,581	4,535	1,984	657	2,641	1.72
2010	14,861	8,834	6,027	1,749	630	2,379	2.53
2011	14,564	7,845	6,719	1,821	666	2,487	2.70
2012	15,166	8,317	6,849	922	480	1,402	4.89
2013	15,053	8,296	6,757	729	312	1,041	6.49
2014	15,517	9,405	6,112	526	282	808	7.56
2015	16,408	9,479	6,929	503	299	802	8.64
2016	17,479	9,689	7,790	622	314	936	8.32
2017	18,045	9,994	8,051	271	192	463	17.39

Notes:

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

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

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

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

Calendar Year	Population ¹	(in thousands of dollars) Personal Income ⁵	Per Capita Income ⁵			Median Age ³	City School Enrollment ²	Unemployment Rates ⁴		
			Gordon County	United States	County as a % of U.S.			City	State of Georgia	United States
2008	14,753	1,459,503	25,828	29,173	89%	34.0	3,288	6.5%	5.6%	5.5%
2009	14,807	1,419,678	25,978	28,812	90%	34.4	3,361	13.5%	10.1%	9.5%
2010	14,955	1,415,787	26,393	28,374	93%	34.4	3,423	12.6%	9.6%	9.3%
2011	15,650	1,503,261	27,185	28,538	95%	37.5	3,531	12.4%	10.2%	9.6%
2012	15,773	1,598,019	31,050	28,692	108%	36.8	3,342	11.8%	9.6%	8.5%
2013	15,812	1,554,171	29,529	28,829	102%	35.3	3,692	10.2%	8.8%	7.9%
2014	15,899	1,618,698	25,028	28,155	89%	36.9	3,862	8.5%	7.4%	6.1%
2015	16,052	1,619,727	29,050	35,610	82%	36.9	4,103	6.1%	6.1%	5.3%
2016	16,309	1,594,390	31,463	36,268	87%	37.7	4,093	5.6%	5.1%	4.9%
2017	16,360	1,779,975	32,234	44,163	73%	37.8	4,081	5.2%	4.8%	4.4%

Data Sources:

¹ Gordon County Chamber of Commerce

² Calhoun City Schools

³ Demographics - <http://www.georgia-demographics.com/>

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

⁵ US Dept. of Commerce-Bureau of Economic Analysis

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

Employer	2017			Employer	2008		
	Number of Employees	Rank	Percentage of Total City Employment		Number of Employees	Rank	Percentage of Total City Employment
Mohawk Industries, Inc.	2,772	1	10.0%	Mohawk Industries, Inc.	2,818	1	10.5%
Gordon Hospital	1,166	2	4.2%	Shaw Industries	1,794	2	6.6%
Shaw Industries	976	3	3.5%	Gordon County Schools	1,153	3	4.3%
Gordon County Schools	815	4	2.9%	Gordon Hospital	650	4	2.4%
Apache Mills	700	5	2.5%	Mannington Carpets	536	5	2.0%
Mannington Carpets	700	6	2.5%	Calhoun City Schools	463	6	1.7%
Engineer Flooring	600	7	2.2%	Apache Mills	400	7	1.5%
Calhoun City Schools	450	8	1.6%	Beaulieu Group	382	8	1.4%
Gordon County Government	407	9	1.5%	Gordon County Government	382	9	1.4%
Beaulieu Group	299	10	1.1%	City of Calhoun Government	355	10	1.3%
Total Principal Employers	8,885		32.0%	Total Principal Employers	8,933		33.1%
Other Employers	18,847		68.0%	Other Employers²	18,067		66.9%
Total Employers¹	27,732		100.0%	Total Employers	27,000		100.0%

Data Source:

Gordon County Chamber of Commerce and 2008 Annual Financial Report

¹ Estimated by Gordon County Chamber of Commerce.² Estimated by management.

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

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

Data Source:

¹ City of Calhoun, Human Resource Department 2018 Budget

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

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

Notes:

N/A Not available in some categories

Data Sources:

Various City departments.

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

² No longer collecting parking violations.

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

Utility Service	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Electric Service:										
Coincident peak (kW)	66,536	56,758	60,838	74,830	74,252	72,437	76,121	76,525	76,280	76,247
Reserves (kW)	8,867	6,418	9,126	11,125	10,022	10,192	9,293	9,353	9,237	9,232
Total requirements (kW)	75,403	63,176	69,964	85,955	84,274	82,629	85,414	85,878	85,517	85,479
Southeastern Power Administration (kW)	7,660	7,660	7,660	7,437	7,437	7,437	7,437	7,437	7,437	7,437
MEAG projects 1, 2, 3 & 4 (kW)	47,200	47,200	47,200	45,453	45,453	46,736	46,842	48,125	48,009	48,150
MEAG combined cycle (kW)	15,630	15,630	15,630	15,497	15,497	15,497	15,497	15,497	15,388	15,257
Calhoun Simple Cycle	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Inter-participant Transfer(IPT) College Park	-	-	-	4,855	4,855	4,855	4,855	4,855	4,855	4,855
Total resources (kW)	90,490	70,490	70,490	93,242	93,242	94,525	94,631	95,914	95,689	95,699
Excess capacity (deficit) (kW)	15,087	7,314	526	7,287	8,968	11,896	9,217	10,036	10,171	10,219
Per cent reserve of capacity ¹	16.7%	10.4%	0.7%	7.8%	9.6%	12.6%	9.7%	10.5%	10.6%	10.7%
Water Service:										
Daily average consumption	9,176,000	10,661,191	10,236,000	9,842,082	10,560,000	9,360,000	9,791,666	7,849,766	9,763,300	9,477,500
Maximum daily capacity of wells (in gallons)	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000
Maximum daily capacity of plant (in gallons)	18,000,000	18,000,000	23,800,000	23,800,000	23,800,000	23,800,000	23,800,000	29,600,000	29,800,000	29,800,000
Reservoir storage capacity (gallons)	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000	24,600,000
Sewer Service:										
Maximum daily capacity of treatment plant (gallons)	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Daily average treatment (gallons)	5,277,000	6,525,833	5,688,000	6,062,000	5,613,000	5,374,000	5,948,000	5,998,000	5,211,333	4,000,000
Unused capacity	10,723,000	9,474,167	10,312,000	9,938,000	10,387,000	10,626,000	10,052,000	10,002,000	10,788,667	12,000,000
Percentage of capacity used	0.329813	0.407865	0.355500	0.378875	0.350813	0.335875	0.371750	0.374875	0.325700	0.250000

Data Source:

Applicable Department

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

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

<u>Function/program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Electric Service:										
Miles of line	222	227	234	242	242	245	246	254	261	261
Service area (square miles)	13	13	13	13	13	13	13	13	13	13
Number of sub-stations	3	3	3	3	3	3	3	3	4	4
20 megawatt generator	1	1	1	1	1	1	1	1	1	1
Water Service:										
Miles of water mains	640	720	770	819	819	826	830	836	834	848
Number of wells	4	4	4	4	4	4	4	4	4	4
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of elevated tanks	-	-	-	-	-	-	-	-	-	-
Number of reservoirs	15	15	15	15	15	15	15	15	15	15
Sewer Service:										
Miles of sanitary sewers	120	137	134	136	136	136	136	141	141	142
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	9	9	9	9	9	9	9	9	9	9

Data Source:

Various Departments

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

Function/program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Stations	2	2	2	2	3	3	4	4	4	4
Patrol units	27	32	33	33	33	33	34	34	34	34
Fire stations	3	3	3	3	3	3	3	3	3	3
Streets and highways										
Streets (miles)	99	99	99	99	99	100	103	103	103	106
Street Lights	973	973	979	979	1,451	1,488	1,525	1,625	1,686	1,773
Parks and recreation										
Acreage	342	342	342	342	342	342	342	342	342	362
Water										
Water mains (miles)	640	720	770	819	819	826	830	836	834	847
Fire hydrants	741	900	775	771	771	771	780	811	827	831
Storage capacity (thousands of gallons)	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600
Wastewater										
Sanitary sewers (miles)	119	137	134	136	136	136	136	141	141	142
Treatment capacity (thousands of gallons)	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Storm sewers (miles)	30	30	30	30	30	30	31	31	31	31

Data Source:

Various City Departments.

R.M. DOBBS & COMPANY

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Calhoun, Georgia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Calhoun, Georgia's basic financial statements, and have issued our report thereon dated December 18, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A. M. Robbs & Company

Calhoun, Georgia
December 18, 2017

R.M. DOBBS & COMPANY

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Calhoun, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Calhoun, Georgia's major federal programs for the year ended June 30, 2017. The City of Calhoun, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Calhoun, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Calhoun, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Calhoun, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Calhoun, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the City of Calhoun, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Calhoun, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Calhoun, Georgia's internal control over compliance.

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

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

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

A. M. Robbs & Company

Calhoun, Georgia
December 18, 2017

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

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Grant/Loan Identification Number	Program or Award Amount	Federal Expenditures
<u>U.S. Department of Housing and</u>				
<u>Urban Development</u>				
Passed Through Georgia Department of Community Affairs Urban Development Action Grant	14.221	10-64-586000530		\$ 2,484,684
Calhoun Housing Authority Payment in Lieu of Taxes	15.226	Ga. Projects 11900199M Contract A-3103		35,174
Total U. S. Department of Housing and Urban Development				<u>2,519,858</u>
<u>U.S. Environmental Protection Agency</u>				
Georgia Environmental Protection Division/ Georgia Environmental Facilities Authority Capitalized Grant for Drinking Water State Revolving Loan Fund Federal Money Loan	66.468	DWSRF 13-003	\$ 6,943,847	637,258
Georgia Environmental Protection Division/ Georgia Environmental Facilities Authority Capitalized Grant for Clean Water State Revolving Loan Fund Federal Money Loan	66.458	CWSRF 13-001	\$ 2,121,643	557,739
Total U. S. Environmental Protection Agency				<u>1,194,997</u>
<u>U.S. Department of Justice</u>				
Bureau of Justice Assistance Bulletproof Vest Partnership Program	16.607	1121-0235		1,716
Total U. S. Department of Justice				<u>1,716</u>
<u>U.S. Department of Homeland Security</u>				
Georgia Emergency Management Agency Domestic Preparedness State Homeland Grant Program	97.067	EMW-2016-SS-0007-S01	\$ 42,000	43,578
Federal Emergency Management Agency Public Assistance Funded Projects	97.036	FEMA-DR-4284 FEMA-DR-4297 FEMA-DR-4283	\$ 5,054 \$ 46,928 \$ 82,463	5,054 46,928 82,463
Total U. S. Department of Homeland Security				<u>134,445</u> <u>178,023</u>
<u>U.S. Department of the Interior</u>				
Georgia Department of Natural Resources Outdoor Recreation Acquisition, Development and Planning	15.916	LWCF 13-00962	\$ 100,000	100,000
Total U. S. Department of the Interior				<u>100,000</u>
				<u>\$ 3,994,594</u>

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

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Calhoun, Georgia under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *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 are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

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

NOTE D - LOANS OUTSTANDING

Balance of Federal loans outstanding:

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

NOTE E - AWARDS PASSED THROUGH TO SUBRECIPIENTS

There were no awards passed through to sub-recipients.

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

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

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

	RLF Reports	Adjustments	Financial
Total Assets	<u>\$ 2,484,698</u>	<u>\$ -</u>	<u>\$ 2,484,698</u>
Total Liabilities and Fund Balance	<u>\$ 2,484,698</u>	<u>\$ -</u>	<u>\$ 2,484,698</u>
Net Revenues (Expenditures)	<u>\$ 39,377</u>	<u>\$ -</u>	<u>\$ 39,377</u>

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

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Calhoun, Georgia were prepared in accordance with GAAP.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the City of Calhoun, Georgia which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.
5. The auditor's report on compliance for the major federal award program for the City of Calhoun expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program is: Urban Development Action Grant (CFDA #14.221).
8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. The City of Calhoun, Georgia was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

None reported

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported

CITY OF CALHOUN, GEORGIA
PROJECT COST SCHEDULE FOR PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
FROM INCEPTION THROUGH JUNE 30, 2017 (CUMULATIVE TOTAL)

Board Approved Projects								
	Referendum Authorized Amounts	Original Estimated Cost	Additional Projects, Additions & Revisions	Revised Estimated Cost	Prior Years' Expenditures	Current Year	Cumulative Total	Estimated % of Compl. Referendum Auth. Amts.
2011 SPLOST								
Peters Street	\$ 2,000,000	\$ 2,000,000	\$ 1,982,440	\$ 3,982,440	\$ 843,500	\$ 436,132	\$ 1,279,632	32.1%
Public Safety - Police vehicle fleet	650,000	650,000	90,000	740,000	743,087	-	743,087	100.4%
Public Safety - Police & Fire communications upgrades	100,000	100,000	-	100,000	99,754	-	99,754	99.8%
Library upgrades	400,000	400,000	897,000	1,297,000	1,293,953	-	1,293,953	99.8%
Recreation Improvements	2,500,000	2,500,000	612,000	3,112,000	2,131,904	979,604	3,111,508	100.0%
Public Works	850,000	850,000	-	850,000	760,840	41,610	802,450	94.4%
Utility fleet and service equipment	700,000	700,000	-	700,000	472,283	-	472,283	67.5%
Utility system upgrades	2,421,049	2,421,049	(725,000)	1,696,049	-	-	-	0.0%
	<u>\$ 9,621,049</u>	<u>\$ 9,621,049</u>	<u>\$ 2,856,440</u>	<u>\$ 12,477,489</u>	<u>\$ 6,345,321</u>	<u>\$ 1,457,346</u>	<u>\$ 7,802,667</u>	
	Referendum Authorized Amounts	Original Estimated Cost	Additional Projects, Additions & Revisions	Revised Estimated Cost	Prior Years' Expenditures	Current Year	Cumulative Total	Estimated % of Compl. Referendum Auth. Amts.
2005 SPLOST								
Water/Sewer System Improvements	\$ 4,734,297	\$ 4,734,297	\$ 1,000,000	\$ 5,734,297	\$ 4,362,332	\$ 775,847	\$ 5,138,179	89.6%
Waste Treatment Plant Improvements	4,000,000	4,000,000	(1,000,000)	3,000,000	537,872	1,245,044	1,782,916	59.4%
4th Fire Station & Equipment	1,500,000	1,500,000	-	1,500,000	1,427,767	77,470	1,505,237	100.3%
Overage - Water & Sewer	-	-	298,891	298,891	298,891	-	298,891	100.0%
	<u>\$ 10,234,297</u>	<u>\$ 10,234,297</u>	<u>\$ 298,891</u>	<u>\$ 10,533,188</u>	<u>\$ 6,626,862</u>	<u>\$ 2,098,361</u>	<u>\$ 8,725,223</u>	

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

**CITY OF CALHOUN, GEORGIA
NOTES TO PROJECT COST SCHEDULES
FOR PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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