

City of Calhoun, Georgia

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

Prepared by:

Department of Finance

City of Calhoun, Georgia
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2018

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City of Calhoun, Georgia

Site of New Echota in the Land of the Cherokee

December 27, 2018

***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, 2018, 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, 2018. 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 2018 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 2018 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, 2018. 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, 2018. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. In order to be awarded this achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe the current CAFR continues to meet the program requirement.

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

Respectfully Submitted,



Eddie Peterson
City Administrator and Clerk



Larry Vickery
General Manager



Government Finance Officers Association

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

Presented to

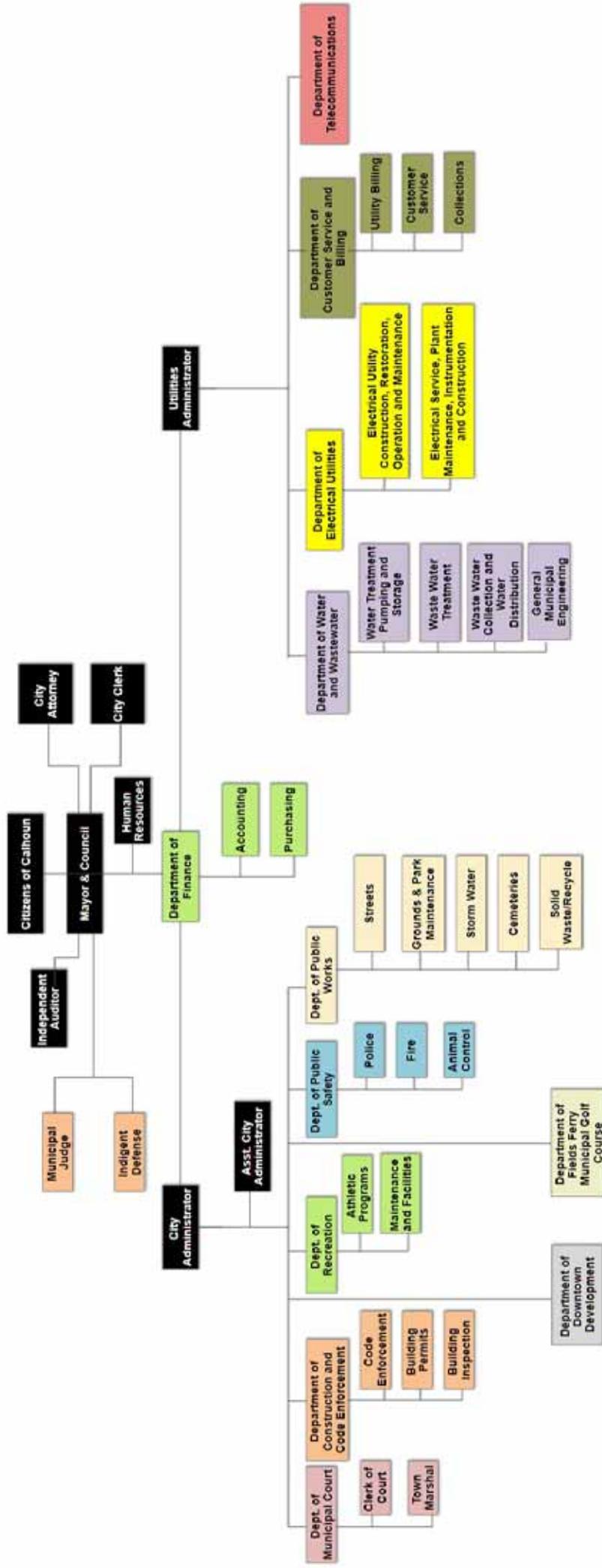
**City of Calhoun
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Executive Director/CEO

2018 City of Calhoun Organizational Chart



City of Calhoun, Georgia
Officials, Management and Appointed Professionals
July 1, 2018

Elected Officials:

Mayor James F. Palmer
 Mayor Pro Tempore George Crowley
 Councilperson Al Edwards
 Councilperson Ray Denmon
 Councilperson Jackie Palazzolo

City Officials and Management Related to General Government:

Administrator F. Eddie Peterson
 Assistant City Administrator Paul Worley
 Director of Finance Andrea K. Bramlett
 Police Chief Tony Pyle
 Fire Chief Lenny Nesbitt
 Superintendent of Street Department Kevin McEntire
 Town Marshal Randy Jackson
 Code Enforcement Don McGinnis
 Downtown Development Suzanne Roberts
 Recreation Director Kim Townsend
 Golf Professional Eric Stewart
 Superintendent of Golf Maintenance David Locke
 Human Resource Linda Brookshire
 City Clerk Sharon Nelson

Officials and Management Related to Calhoun Utilities:

Utilities Administrator Larry Vickery
 Director of Finance Andrea K. Bramlett
 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

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 423

CALHOUN, GEORGIA 30703-0423

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

INDEPENDENT AUDITOR'S REPORT

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, 2018, 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, 2018, 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 10-18 and 64-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

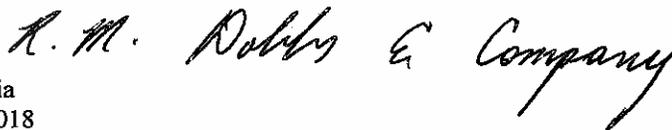
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Calhoun, Georgia's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary comparison schedules, statistical section, and the project costs 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 costs 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 27, 2018, 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 solely 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 the effectiveness of the City of Calhoun, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Calhoun, Georgia's internal control over financial reporting and compliance.



Calhoun, Georgia
December 27, 2018

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, 2018. 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 \$266,940,999 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$190,310,048 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 \$15,830,227 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$60,800,724 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 \$25,135,921 this year. This compares to the prior year ending fund balance of \$24,532,321 showing an increase of \$603,600 during the current year. Unassigned and committed fund balance of \$9,439,515 for fiscal year 2018 shows a \$255,677 increase from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,396,522 or 44% of total general fund expenditures.
- Overall, the City continues to maintain a strong financial position, as the economy continues to recover.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

The City has three kinds of funds:

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Supplementary Information

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

Financial Analysis of the City as a Whole

The City's net position at fiscal year end is \$266,940,999. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current assets	\$ 20,140,443	\$ 21,092,652	\$ 46,043,745	\$ 41,960,874	\$ 66,184,188	\$ 63,053,526
Other assets	7,492,929	6,665,009	34,710,790	30,969,596	42,203,719	37,634,605
Capital assets	127,311,959	124,745,634	117,047,140	117,249,571	244,359,099	241,995,205
Total assets	154,945,331	152,503,295	197,801,675	190,180,041	352,747,006	342,683,336
Deferred Outflows of Resources	627,508	584,561	625,460	600,868	1,252,968	1,185,429
Liabilities						
Current liabilities	2,226,170	3,393,500	7,901,009	16,587,237	10,127,179	19,980,737
Long-term liabilities	34,939,569	35,259,424	40,881,201	33,050,772	75,820,770	68,310,196
Total liabilities	37,165,739	38,652,924	48,782,210	49,638,009	85,947,949	88,290,933
Deferred Inflows of Resources	583,668	338,452	527,358	294,726	1,111,026	633,178
Net position						
Net investment in capital assets	93,726,195	90,763,283	96,583,853	95,829,807	190,310,048	186,593,090
Restricted	15,830,227	15,307,003	-	-	15,830,227	15,307,003
Unrestricted	8,267,010	8,026,194	52,533,714	45,018,367	60,800,724	53,044,561
Total net position	\$ 117,823,432	\$ 114,096,480	\$ 149,117,567	\$ 140,848,174	\$ 266,940,999	\$ 254,944,654

The City reported positive balances in net position for both governmental and business-type activities. Net position increased \$3,726,952 for governmental activities and by \$8,269,393 for business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2018

City of Calhoun, Georgia

Approximately 79% of the governmental activities' net position are invested in capital assets at June 30, 2018, which remains consistent with the previous year. The City uses these capital assets to provide services to its citizens. With business-type activities, the City has invested 64% of its net position in capital assets in this fiscal year as compared to 68% in fiscal year 2017. 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	
	2018	2017	2018	2017	2018	2017
Revenues						
Program						
Charges for services and fines	\$ 1,027,306	\$ 1,004,109	\$ 57,962,078	\$ 56,745,133	\$ 58,989,384	\$ 57,749,242
Operating grants	4,961,599	4,832,117	141,180	193,793	5,102,779	5,025,910
Capital grants	5,847,072	1,905,619	-	-	5,847,072	1,905,619
General						
Taxes	9,824,572	9,335,229	-	-	9,824,572	9,335,229
Other	253,813	166,365	918,972	691,518	1,172,785	857,883
Total revenues	21,914,362	17,243,439	59,022,230	57,630,444	80,936,592	74,873,883
Program expenses						
General government	953,158	1,013,767	-	-	953,158	1,013,767
Judicial	484,429	505,666	-	-	484,429	505,666
Public safety	7,871,922	7,674,963	-	-	7,871,922	7,674,963
Public works	3,276,997	3,510,523	-	-	3,276,997	3,510,523
Health and welfare	53,872	66,956	-	-	53,872	66,956
Culture and recreation	1,732,168	1,892,031	-	-	1,732,168	1,892,031
Housing and economic development	1,287,917	1,319,089	-	-	1,287,917	1,319,089
Education	2,129,460	875,341	-	-	2,129,460	875,341
Interest	1,499,261	1,516,753	-	-	1,499,261	1,516,753
Electric	-	-	32,955,590	32,143,619	32,955,590	32,143,619
Water and sewer	-	-	14,052,206	13,874,245	14,052,206	13,874,245
Golf course	-	-	821,372	867,388	821,372	867,388
Telecommunications	-	-	992,770	981,714	992,770	981,714
Solid waste	-	-	829,125	769,693	829,125	769,693
Total expenses	19,289,184	18,375,089	49,651,063	48,636,659	68,940,247	67,011,748
Excess	2,625,178	(1,131,650)	9,371,167	8,993,785	11,996,345	7,862,135
Transfers	1,101,774	1,360,076	(1,101,774)	(1,360,076)	-	-
Change in net position	3,726,952	228,426	8,269,393	7,633,709	11,996,345	7,862,135
Net position beginning of year	114,096,480	113,868,054	140,848,174	133,214,465	254,944,654	247,082,519
Ending net position	\$ 117,823,432	\$ 114,096,480	\$ 149,117,567	\$ 140,848,174	\$ 266,940,999	\$ 254,944,654

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 14% of the City’s total governmental revenues, as compared to 17% in the prior year. Sales taxes provided 12% of total governmental revenues versus 14% in fiscal year 2017. 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 8% and 5% of total revenues, respectively. Total General Fund revenues remain essentially consistent with the prior year, with a 2% increase this year and a 1% increase in the prior year.

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	
	2018	2017	2018	2017
General government	\$ 953,158	\$ 1,013,767	\$ 764,795	\$ 839,494
Judicial	484,429	505,666	444,960	472,678
Public safety	7,871,922	7,674,963	7,295,923	7,116,352
Public works	3,276,997	3,510,523	1,338,103	2,272,099
Health and welfare	53,872	66,956	53,872	66,956
Culture and recreation	1,732,168	1,892,031	696,952	550,167
Housing and economic development	1,287,917	1,319,089	997,945	1,087,311
Education	2,129,460	875,341	(5,638,604)	(3,288,566)
Interest	1,499,261	1,516,753	1,499,261	1,516,753
Total	\$ 19,289,184	\$ 18,375,089	\$ 7,453,207	\$ 10,633,244

Public safety expenses make up 41% of the governmental activities expenses. This compares to 42% in fiscal year 2017. The public works function is the second largest cost, making up 17% of governmental activities expenses, which compares to 19% 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 \$5.6 million dollar net revenue. It is anticipated that once the debt is paid, education will have a net loss because of depreciation expense.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The operating revenues for all enterprise funds, including the internal service fund, were \$1,186,227 or 2% more than 2017 and total operating expenses were \$1,151,164 or 2%, more than fiscal year 2017. Within the total business-type activities of the City, these activities reported \$9,100,081 in operating income compared to operating income of \$9,065,018 in the prior year, or an increase of .4%. After transfers in and out between other funds and other non-operating items, these funds reported a net change in net position of \$8,269,393 compared to a net change in net position of \$7,633,709 in 2017.

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

	<u>Amount Change</u>	<u>%</u>
Water and sewerage fund	\$ 961,016	22%
Electric system fund	(806,244)	(18%)
Field Ferry Golf Course fund	18,710	10%
Telecommunications fund	(9,906)	(7%)
Solid waste fund	(46,142)	(123%)

Water and Sewerage Fund – One of the major funds is the water and sewerage fund. The operating revenues increased 6% and operating expenses have increased 1%, resulting in an increase in operating income from 2017 of approximately 22%. The revenues increased due to a rate increase in both water and sewer and construction growth this year causing new meter installations. In expenditures, the only differences from the prior year that is notable, is the increase in supplies related to chemicals.

Electric Fund - The other major enterprise fund is the electric system fund. The charges for services for this fund have remained constant to the prior year. Operating expenses have increased 3%. This is due to salaries and benefits, which includes cost of living increases as well as the addition of one employee, as well as legal and consulting costs related to a territory issue. These changes have resulted in a decreased operating income from 2017 of 18%.

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 \$25,135,921. Of this year-end total, \$5,390,222 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 \$15,475,435. Amounts equal to prepaid assets of \$220,971 are nonspendable for current expenditures.

The total ending fund balances of governmental funds show a increase of \$603,600 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 \$189,754 in fiscal year 2018.

General fund revenue increased \$36,907 or .4% from the prior year and total general fund expenditures decreased \$297,107 when compared to the prior year, which represented 3%.

Sales tax revenues increased \$108,550, licenses and permits increased \$75,231, other taxes increased \$57,458 and charges for services increased \$24,639 as compared to the previous year due to the improving economy. Intergovernmental revenues decreased \$233,965 when compared to the prior year primarily due to the City not receiving a portion of the library funding from the County. The library is now operated beneath a regional umbrella.

Public Safety expenditures increased \$225,931 over the prior year due to salaries and benefits and capital outlay. Culture and Recreation decreased \$484,365 due to repairs to the Community Center and the Library in the prior year, expenditures in transferring the Library to the Regional Board and major renovations of the auditorium.

The general fund's unassigned and committed ending fund balance represents the equivalent of 77% of annual expenditures, as compared to 73% at June 30, 2017.

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 was one Council approved budget amendment 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 \$19,534 more than the final budget and 100% of final budgeted revenues were met. Budget amendments increased General Fund revenues by \$592,637 and accounted for additional insurance premium tax, sales tax revenue, business license and permits primarily.

The City spent 99% of the final authorized budgeted expenditures. General government expenditures actual was \$155,809 less than budget. The budget amendments to increase the General Fund \$137,682 were primarily to budget for transfers, additional legal fees, and additional infrastructure costs in SPLOST.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2018, the depreciable capital assets for governmental activities were 37% depreciated, while being 36% depreciated at fiscal 2017. For the City's business-type activities, 47% of the asset values were depreciated at June 30, 2018, in comparison with 46% at June 30th of the prior year. Consistent or decreasing percentages are a positive financial indicator.

The City completed the GEFA phase of the 2" Galvanized Pipe project and is continuing with the City funded portion of this project. Construction on several lift stations began and they will be completed in early fiscal 2019. The water and sewer extension on South Calhoun Bypass and a sewer replacement on Pisgah were both 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, a capital lease, claims, compensated absences, landfill closure costs, and a pension liability. See Note 3-H for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The City is finally beginning to feel as though we are coming out of the economic downturn. The City of Calhoun, along with many other local governments, experienced a significant decrease in sales tax collections. With the prior fiscal year, this stabilized and we saw a small increase in collections and in the current year, we saw a somewhat more measureable increase. 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 was completed this fiscal year. 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, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Calhoun School District
Assets				
Current assets				
Cash	\$ 15,104,768	\$ 7,875,252	\$ 22,980,020	\$ 23,763,869
Investments	995,704	2,980,886	3,976,590	-
Restricted assets				
Cash	-	2,025,959	2,025,959	-
Investments	-	22,700,838	22,700,838	-
Receivables				
Property taxes	513,269	-	513,269	-
Franchise taxes	168,135	-	168,135	-
Other taxes	187,861	-	187,861	-
Accounts	18,922	1,829,918	1,848,840	10,819
Accrued revenue	-	4,506,009	4,506,009	-
Other	-	106,297	106,297	-
Fines	508,561	-	508,561	-
Intergovernmental	1,852,311	742,231	2,594,542	3,944,001
Deposits	-	19,365	19,365	-
Interest	4,345	24,021	28,366	-
Loans	254,723	-	254,723	-
Due from component unit	310,873	-	310,873	-
Due from primary government	-	-	-	226,240
Inventory	-	3,034,270	3,034,270	79,080
Prepaid items	220,971	198,699	419,670	7,236
Total Current Assets	20,140,443	46,043,745	66,184,188	28,031,245
Noncurrent assets				
Investments	5,569,964	17,905,209	23,475,173	-
Restricted assets				
Cash	-	1,346,888	1,346,888	-
Investments	-	15,458,693	15,458,693	-
Loans	1,922,965	-	1,922,965	-
Capital assets				
Nondepreciable	34,226,778	8,229,972	42,456,750	-
Depreciable, net	93,085,181	108,817,168	201,902,349	3,296,814
Noncurrent Assets	134,804,888	151,757,930	286,562,818	3,296,814
Total Assets	154,945,331	197,801,675	352,747,006	31,328,059
Deferred Outflows of Resources				
Deferred bond refunding	-	38,985	38,985	-
Pension related	627,508	586,475	1,213,983	6,824,220
Total Deferred Outflows of Resources	627,508	625,460	1,252,968	6,824,220
Liabilities				
Current liabilities				
Accounts payable	215,638	2,933,878	3,149,516	281,352
Contractor bonds payable	-	38,469	38,469	-
Accrued payroll liabilities	12,568	99,745	112,313	3,921,071
Accrued expenses	251,473	28,208	279,681	-
Compensated absences payable	90,683	96,913	187,596	101,535
Claims payable	6,341	-	6,341	-
Internal balances	45,041	(45,041)	-	-
Intergovernmental payable	726	98,091	98,817	-
Due to component unit	226,240	-	226,240	-
Due to primary government	-	-	-	310,873
Accrued interest payable	518,400	13,559	531,959	-
Unearned revenue	859,060	78,364	937,424	202,390
Post-closure care payable	-	29,524	29,524	-
Notes payable	-	502,457	502,457	-
Revenue bonds payable	-	1,475,000	1,475,000	-
Capital leases payable	-	36,952	36,952	-
Payable from restricted assets	-	2,514,890	2,514,890	-
Total Current Liabilities	2,226,170	7,901,009	10,127,179	4,817,221
Long-term liabilities (net of current portion)				
Compensated absences payable	211,594	179,982	391,576	33,845
Claims payable	52,214	-	52,214	-
Post-closure care payable	-	60,832	60,832	-
General obligation bonds payable	33,585,764	-	33,585,764	-
Revenue bonds payable	-	7,840,000	7,840,000	-
Notes payable	-	10,466,024	10,466,024	-
Capital leases payable	-	181,839	181,839	-
OPEB liability payable	-	-	-	26,681,576
Net pension liability payable	1,089,997	974,392	2,064,389	29,102,548
Payable from restricted noncurrent assets	-	21,178,132	21,178,132	-
Total Long-term Liabilities	34,939,569	40,881,201	75,820,770	55,817,969
Total Liabilities	37,165,739	48,782,210	85,947,949	60,635,190
Deferred Inflows of Resources				
Deferred grant revenues	19,414	-	19,414	-
Pension related	564,254	527,358	1,091,612	4,096,929
Total Deferred Inflows of Resources	583,668	527,358	1,111,026	4,096,929
Net Position				
Net investment in capital assets	93,726,195	96,583,853	190,310,048	3,296,814
Restricted for				
Debt service	10,958,680	-	10,958,680	-
Capital projects	1,791,039	-	1,791,039	-
Program purposes				
Education	346,957	-	346,957	1,051,345
Housing and development	2,525,872	-	2,525,872	-
Public safety	160,941	-	160,941	-
Culture and recreation	46,738	-	46,738	-
Unrestricted (deficit)	8,267,010	52,533,714	60,800,724	(30,927,999)
Total Net Position	\$ 117,823,432	\$ 149,117,567	\$ 266,940,999	\$ (26,579,840)

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Function/Program	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Unit Calhoun School District
	Charges for Services, Sales and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	
Primary Government						
Governmental Activities						
General government	\$ 953,158	\$ -	\$ -	\$ (764,795)	\$ -	\$ (764,795)
Judicial	484,429	-	-	(444,960)	-	(444,960)
Public safety	7,871,922	69,696	207,914	(7,295,923)	-	(7,295,923)
Public works	3,276,997	223,955	1,610,148	(1,338,103)	-	(1,338,103)
Health and welfare	53,872	-	-	(53,872)	-	(53,872)
Culture and recreation	1,732,168	283,274	554,098	(696,952)	-	(696,952)
Housing and economic dev.	1,287,917	91,522	-	(997,945)	-	(997,945)
Education	2,129,460	4,293,152	3,474,912	5,638,604	-	5,638,604
Interest	1,499,261	-	-	(1,499,261)	-	(1,499,261)
Total Governmental Activities	19,289,184	4,961,599	5,847,072	(7,453,207)	-	(7,453,207)
Business-Type Activities						
Electric system	32,955,590	52,998	-	-	3,422,728	3,422,728
Water and sewerage system	14,052,206	2,494	-	-	5,031,916	5,031,916
Fields ferry golf course	821,372	85,688	-	-	(107,309)	(107,309)
Telecommunications	992,770	-	-	-	130,586	130,586
Solid waste	829,125	-	-	-	(25,726)	(25,726)
Total Business-Type Activities	49,651,063	141,180	-	-	8,452,195	8,452,195
Total - Primary Government	\$ 68,940,247	\$ 5,102,779	\$ 5,847,072	(7,453,207)	8,452,195	998,988
Component Unit						
Calhoun School District	\$ 44,209,104	\$ 25,235,800	\$ 1,083,786	-	-	(15,336,996)
General Revenues						
Property taxes levied for general government purposes				1,832,516	-	1,832,516
Sales taxes				2,539,420	-	2,539,420
Franchise taxes				3,051,742	-	3,051,742
Insurance premium taxes				1,119,737	-	1,119,737
Gas marketers taxes				-	-	-
Other taxes				1,281,157	-	1,281,157
Unrestricted intergovernmental				56,689	-	56,689
Gain on disposal of capital assets				60,016	31,567	91,583
Investment earnings				86,993	532,847	619,840
Miscellaneous				50,115	354,558	404,673
Total General Revenues				10,078,385	918,972	10,997,357
Transfers				1,101,774	(1,101,774)	-
Total General Revenues and Transfers				11,180,159	(182,802)	10,997,357
Change in Net Position				3,726,952	8,269,393	11,996,345
Net Position Beginning of Year				114,096,480	140,848,174	254,944,654
Prior Period Adjustment				-	-	-
Net Position End of Year				\$ 117,823,432	\$ 149,117,567	\$ 266,940,999
						\$ (26,579,840)

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, 2018

	General	School Bonds Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 2,439,552	\$ 10,679,057	\$ 1,986,159	\$ 15,104,768
Investments- current	995,704	-	-	995,704
Investments- noncurrent	4,327,065	-	1,242,899	5,569,964
Receivables				
Property taxes	44,075	-	469,194	513,269
Franchise taxes	168,135	-	-	168,135
Other taxes	37,167	-	150,694	187,861
Accounts	11,033	-	7,889	18,922
Fines	508,561	-	-	508,561
Intergovernmental	1,539,465	-	312,846	1,852,311
Interest	-	-	4,345	4,345
Interfund	482,538	-	18,753	501,291
Loans	-	-	254,723	254,723
Loans- noncurrent	-	-	1,922,965	1,922,965
Component unit	31,250	279,623	-	310,873
Prepaid items	206,836	-	14,135	220,971
Total Assets	<u>\$ 10,791,381</u>	<u>\$ 10,958,680</u>	<u>\$ 6,384,602</u>	<u>\$ 28,134,663</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 109,355	\$ -	\$ 106,283	\$ 215,638
Accrued payroll liabilities	2,215	-	10,353	12,568
Accrued expenditures	138,955	-	112,518	251,473
Intergovernmental payable	-	-	726	726
Due to component unit	-	-	226,240	226,240
Interfund payable	133,908	-	178,461	312,369
Unearned revenue	-	-	859,060	859,060
Advances payable	233,963	-	-	233,963
Total Liabilities	<u>618,396</u>	<u>-</u>	<u>1,493,641</u>	<u>2,112,037</u>
Deferred Inflows of Resources				
Unavailable tax revenue	38,391	-	346,957	385,348
Unavailable fine revenue	481,943	-	-	481,943
Unavailable grant revenue	-	-	19,414	19,414
Total Deferred Inflows of Resources	<u>520,334</u>	<u>-</u>	<u>366,371</u>	<u>886,705</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,138,730</u>	<u>-</u>	<u>1,860,012</u>	<u>2,998,742</u>
Fund Balances				
Nonspendable				
Prepaid items	206,836	-	14,135	220,971
Restricted				
Debt service	-	10,958,680	-	10,958,680
Capital projects	-	-	1,791,039	1,791,039
Program purposes				
Education	-	-	-	-
Housing and development	-	-	2,525,872	2,525,872
Public safety	-	-	160,941	160,941
Culture and recreation	-	-	38,903	38,903
Committed				
Working capital/contingencies	4,049,293	-	-	4,049,293
Unassigned (deficits), reported in				
General fund	5,396,522	-	-	5,396,522
Special revenue funds	-	-	(6,300)	(6,300)
Total Fund Balances	<u>9,652,651</u>	<u>10,958,680</u>	<u>4,524,590</u>	<u>25,135,921</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,791,381</u>	<u>\$ 10,958,680</u>	<u>\$ 6,384,602</u>	<u>\$ 28,134,663</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, 2018

Total Governmental Fund Balances \$ 25,135,921

**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	\$ 182,218,609	
Less accumulated depreciation	<u>(54,906,650)</u>	127,311,959

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

Property taxes	385,348	
Fines	481,943	
Deferred outflow pension related	<u>627,508</u>	1,494,799

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	(44,476)	
Interfund payables	<u>44,476</u>	-

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	(33,585,764)	
Net pension obligation	(205,599)	
Net pension liability	(884,398)	
Claims	(58,555)	
Compensated absences	(302,277)	
Accrued interest	(518,400)	
Deferred inflow pension related	<u>(564,254)</u>	<u>(36,119,247)</u>

Net Position Of Governmental Activities \$ 117,823,432

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, 2018

	General	School Bonds Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Property	\$ 1,709,613	\$ -	\$ -	\$ 1,709,613
Sales	2,539,420	-	-	2,539,420
Other	4,661,940	-	790,696	5,452,636
Intergovernmental	447,985	4,191,338	2,561,847	7,201,170
Licenses and permits	373,129	-	-	373,129
Charges for services	166,689	-	197,844	364,533
Fines and forfeitures	313,461	-	18,790	332,251
Contributions	1,200	-	-	1,200
Investment earnings	(2,893)	101,814	65,325	164,246
Miscellaneous	6,578	-	28,247	34,825
Total Revenues	10,217,122	4,293,152	3,662,749	18,173,023
Expenditures				
Current				
General government	948,894	-	-	948,894
Judicial	479,960	-	-	479,960
Public safety	7,594,357	-	83,549	7,677,906
Public works	2,415,410	-	-	2,415,410
Health and welfare	54,106	-	-	54,106
Culture and recreation	174,129	-	1,184,941	1,359,070
Housing and economic development	673,882	-	595,522	1,269,404
Capital Outlay	-	-	2,689,611	2,689,611
Debt Service				
Principal retirement	-	-	361,400	361,400
Interest and fiscal charges	-	1,483,225	7,517	1,490,742
Total Expenditures	12,340,738	1,483,225	4,922,540	18,746,503
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,123,616)	2,809,927	(1,259,791)	(573,480)
Other Financing Sources (Uses)				
Sale of capital assets	46,346	-	13,670	60,016
Insurance reimbursement	15,290	-	-	15,290
Transfers in	3,688,361	-	2,016,092	5,704,453
Transfers out	(1,436,627)	(1,027,079)	(2,138,973)	(4,602,679)
Total Other Financing Sources (Uses)	2,313,370	(1,027,079)	(109,211)	1,177,080
Net Change in Fund Balances	189,754	1,782,848	(1,369,002)	603,600
Fund Balances Beginning of Year	9,462,897	9,175,832	5,893,592	24,532,321
Fund Balances End of Year	\$ 9,652,651	\$ 10,958,680	\$ 4,524,590	\$ 25,135,921

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, 2018

Net Changes In Fund Balances - Total Governmental Funds		\$ 603,600
 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	\$ (3,996,992)	
Capital outlay	<u>3,031,650</u>	(965,342)
 Contributions of capital assets are reported on the government-wide statement of activities but not at the fund financial reporting level.		
		3,539,525
 The net book value of capital assets that were disposed of are reported in the government-wide statement of activities but not reported at the fund financial reporting level.		
		(7,858)
 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 @ 6/30/18	385,348	
Deferred @ 6/30/17	<u>(262,445)</u>	122,903
Fines:		
Deferred @ 6/30/18	481,943	
Deferred @ 6/30/17	<u>(524,550)</u>	(42,607)
 Elimination of transfers between governmental funds, including net effect of transfers recorded for capital assets moved between governmental and enterprise funds.		
Transfers in	(2,107,991)	
Transfers out	<u>2,107,991</u>	-
 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.		
		361,400
 Amortization of bond premiums/discounts are reported on the government-wide statement of activities but not reported on the fund financial reporting level.		
		35,187
 Pension expense represents the change in net pension obligation and liability from the beginning of the year to the end of the year on the statement of activities, but is measured by the amount actually paid in the governmental funds. This is the amount by which the change in net pension obligation and liability and pension related deferrals reduced the expenditures for contributions actually paid.		
		81,316
 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 @ 6/30/18	(518,400)	
Liability @ 6/30/17	<u>520,906</u>	2,506
Compensated absences		
Liability @ 6/30/18	(302,277)	
Liability @ 6/30/17	<u>289,405</u>	(12,872)
Claims		
Liability @ 6/30/18	(58,555)	
Liability @ 6/30/17	<u>67,749</u>	9,194
 Change In Net Position of Governmental Activities		 <u>\$ 3,726,952</u>

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, 2018**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Property taxes	\$ 1,695,500	\$ 1,798,167	\$ 1,709,613	\$ (88,554)
Sales taxes	2,377,500	2,531,622	2,539,420	7,798
Other taxes	4,461,402	4,659,432	4,661,940	2,508
Intergovernmental	396,879	445,051	447,985	2,934
Licenses and permits	288,509	342,585	373,129	30,544
Charges for services	105,844	141,414	166,689	25,275
Fines and forfeitures	283,974	283,974	313,461	29,487
Contributions	200	200	1,200	1,000
Investment earnings (loss)	(7,857)	(7,857)	(2,893)	4,964
Miscellaneous	3,000	3,000	6,578	3,578
Total Revenues	9,604,951	10,197,588	10,217,122	19,534
Expenditures				
General administration				
Mayor and council	85,879	85,879	74,683	11,196
Elections	3,700	3,700	3,565	135
City administrator	674,887	693,896	649,696	44,200
Tax administration	74,650	80,157	80,157	-
General teller	61,084	61,084	59,192	1,892
Human resources	83,355	83,355	77,961	5,394
Risk management	4,350	4,350	3,640	710
Judicial				
Municipal court	316,962	462,514	462,514	-
Custody of prisoners	41,500	21,500	17,446	4,054
Public safety				
Police	4,247,992	4,234,789	4,197,580	37,209
Fire	3,418,407	3,410,276	3,396,777	13,499
Public works				
Animal control	91,180	94,835	87,237	7,598
Highways and streets	2,183,539	2,150,281	2,148,641	1,640
Cemetery	178,186	178,186	177,022	1,164
Parks beautification	4,900	4,900	2,510	2,390
Health and welfare related				
Culture and recreation	60,487	60,487	54,106	6,381
Auditorium	99	100	100	-
Depot	22,725	22,725	20,743	1,982
Community center	8,662	8,662	4,668	3,994
Library	138,950	148,618	148,618	-
Housing and economic development				
Regulatory inspections and enforcement	324,164	344,000	333,462	10,538
Downtown development	90,441	97,978	97,978	-
Airport	242,766	244,275	242,442	1,833
Total Expenditures	12,358,865	12,496,547	12,340,738	155,809
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,753,914)	(2,298,959)	(2,123,616)	175,343
Other Financing Sources (Uses)				
Sale of capital assets	5,000	5,000	46,346	41,346
Insurance reimbursement	1,000	1,000	15,290	14,290
Transfers in	3,729,586	3,729,586	3,688,361	(41,225)
Transfers out	(981,672)	(1,436,627)	(1,436,627)	-
Total Other Financing Sources (Uses)	2,753,914	2,298,959	2,313,370	14,411
Net Change in Fund Balance	\$ -	\$ -	189,754	\$ 189,754
Fund Balance Beginning of Year			9,462,897	
Fund Balance End of Year			\$ 9,652,651	

See accompanying notes to the basic financial statements.

City of Calhoun, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities - Enterprise Funds				Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds	Total	Internal Service Fund
Assets					
Current assets					
Cash	\$ 2,057,463	\$ 4,442,007	\$ 739,388	\$ 7,238,858	\$ 636,394
Investments	2,146,237	745,222	89,427	2,980,886	-
Restricted Assets					
Cash	838,819	1,187,140	-	2,025,959	-
Investments	22,700,838	-	-	22,700,838	-
Receivables					
Accounts	856,875	871,535	101,508	1,829,918	-
Accrued revenue	3,129,164	1,272,320	104,525	4,506,009	-
Intergovernmental	735,307	3,516	3,408	742,231	-
Interfund	49,419	134,600	62,207	246,226	83,738
Interest	-	24,021	-	24,021	-
Other	70,449	33,428	2,420	106,297	-
Advances	306,861	-	-	306,861	-
Deposits	19,365	-	-	19,365	-
Inventory	1,834,677	926,096	273,497	3,034,270	-
Prepaid items	21,050	74,584	10,578	106,212	92,487
Total Current Assets	34,766,524	9,714,469	1,386,958	45,867,951	812,619
Noncurrent assets					
Investments	9,650,205	7,452,649	802,355	17,905,209	-
Restricted assets					
Cash	-	1,346,888	-	1,346,888	-
Investments	15,458,693	-	-	15,458,693	-
Advances receivable	1,458,511	-	-	1,458,511	-
Capital Assets					
Nondepreciable	99,637	6,950,876	1,152,482	8,202,995	26,977
Depreciable, net	14,039,383	91,338,836	2,106,703	107,484,922	1,332,246
Total Noncurrent Assets	40,706,429	107,089,249	4,061,540	151,857,218	1,359,223
Total Assets	75,472,953	116,803,718	5,448,498	197,725,169	2,171,842
Deferred Outflows of Resources					
Deferred bond refunding	-	38,985	-	38,985	-
Pension related	102,824	257,122	60,699	420,645	165,830
Total Deferred Outflows of Resources	102,824	296,107	60,699	459,630	165,830
Liabilities					
Current liabilities					
Accounts payable	2,612,273	238,415	62,900	2,913,588	20,290
Contractor bonds payable	-	38,469	-	38,469	-
Accrued payroll liabilities	56	56,819	8,242	65,117	34,628
Accrued expenses	22,420	-	5,788	28,208	-
Accrued interest payable	-	13,559	-	13,559	-
Intergovernmental payable	87,253	2,731	8,107	98,091	-
Interfund payable	64	-	-	64	518,822
Post-closure care payable	-	-	29,524	29,524	-
Compensated absences payable	14,435	42,322	10,677	67,434	29,479
Unearned revenue	17,218	-	21,546	38,764	39,600
Advances payable	-	70,706	113,194	183,900	75,301
Notes payable	-	502,457	-	502,457	-
Revenue bonds payable	-	1,475,000	-	1,475,000	-
Capital leases payable	-	-	36,952	36,952	-
Payable From Restricted Assets:					
Accrued interest payable	-	8,032	-	8,032	-
Customer deposits and interest	1,290,260	1,216,598	-	2,506,858	-
Total Current Liabilities	4,043,979	3,665,108	296,930	8,006,017	718,120
Long-term liabilities					
Compensated absences payable (net of current portion)	26,808	78,598	19,829	125,235	54,747
Net pension liability	144,919	510,206	85,549	740,674	233,718
Post-closure care payable (net of current portion)	-	-	60,832	60,832	-
Notes payable (net of current portion)	-	10,466,024	-	10,466,024	-
Revenue bonds payable (net of current portion)	-	7,840,000	-	7,840,000	-
Capital leases payable (net of current portion)	-	-	181,839	181,839	-
Advances payable (net of current portion)	-	417,096	399,326	816,422	455,786
Payable From Restricted Assets:					
Regulatory liability	21,178,132	-	-	21,178,132	-
Total Long-Term Liabilities	21,349,859	19,311,924	747,375	41,409,158	744,251
Total Liabilities	25,393,838	22,977,032	1,044,305	49,415,175	1,462,371
Deferred Inflows of Resources					
Pension related	92,459	231,204	54,581	378,244	149,114
Net Position					
Net investment in capital assets	14,139,020	78,045,216	3,040,394	95,224,630	1,359,223
Unrestricted (deficit)	35,950,460	15,846,373	1,369,917	53,166,750	(633,036)
Total Net Position	\$ 50,089,480	\$ 93,891,589	\$ 4,410,311	\$ 148,391,380	\$ 726,187
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				726,187	
Net Position of Business-type Activities				\$ 149,117,567	
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	\$ (62,071)	\$ -
			Interfund payables	-	62,071
				\$ (62,071)	\$ 62,071
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	\$ (1,531,409)	\$ -
			Advances payable	1,000,322	531,087
				\$ (531,087)	\$ 531,087

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, 2018

	Business-type Activities - Enterprise Funds			Total	Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds		Internal Service Fund
Operating Revenues					
Charges for services	\$ 36,325,320	\$ 19,081,628	\$ 2,555,130	\$ 57,962,078	\$ 3,117,756
Miscellaneous	232,426	43,111	33,527	309,064	45,494
Intergovernmental revenue	52,998	2,494	-	55,492	-
Total Operating Revenues	<u>36,610,744</u>	<u>19,127,233</u>	<u>2,588,657</u>	<u>58,326,634</u>	<u>3,163,250</u>
Operating Expenses					
Personal services	1,439,145	3,432,298	917,917	5,789,360	2,277,681
Contractual services	2,045,310	758,287	949,433	3,753,030	447,991
Supplies	27,817,486	3,831,542	317,400	31,966,428	97,737
Interfund allocations	630,716	2,053,678	188,924	2,873,318	58,933
Depreciation	1,048,360	3,652,665	253,242	4,954,267	116,103
Amortization	-	25,770	936	26,706	-
Other	1,249	18,188	8,812	28,249	-
Total Operating Expenses	<u>32,982,266</u>	<u>13,772,428</u>	<u>2,636,664</u>	<u>49,391,358</u>	<u>2,998,445</u>
Operating Income (Loss)	<u>3,628,478</u>	<u>5,354,805</u>	<u>(48,007)</u>	<u>8,935,276</u>	<u>164,805</u>
Non-Operating Revenues (Expenses)					
Change in estimated landfill closure costs	-	-	(255)	(255)	-
Interest and fiscal charges	-	(366,636)	(6,348)	(372,984)	(5,777)
Investment earnings	508,252	22,957	1,638	532,847	-
Intergovernmental revenue	-	-	85,688	85,688	-
Gain (loss) on disposition of capital assets	-	37,851	(6,284)	31,567	-
Total Non-Operating Revenues (Expenses)	<u>508,252</u>	<u>(305,828)</u>	<u>74,439</u>	<u>276,863</u>	<u>(5,777)</u>
Income (Loss) Before Contributions and Transfers	<u>4,136,730</u>	<u>5,048,977</u>	<u>26,432</u>	<u>9,212,139</u>	<u>159,028</u>
Transfers in	10,024	1,911,698	606,611	2,528,333	2,113
Transfers out	(2,149,390)	(1,443,230)	-	(3,592,620)	(39,600)
Total Contributions and Transfers	<u>(2,139,366)</u>	<u>468,468</u>	<u>606,611</u>	<u>(1,064,287)</u>	<u>(37,487)</u>
Change in Net Position	1,997,364	5,517,445	633,043	8,147,852	121,541
Net Position Beginning of Year	48,092,116	88,374,144	3,777,268	140,243,528	604,646
Net Position End of Year	<u>\$ 50,089,480</u>	<u>\$ 93,891,589</u>	<u>\$ 4,410,311</u>	<u>\$ 148,391,380</u>	<u>\$ 726,187</u>
Reconciliation of the fund level operating statements to the government wide statement of activities.					
Change in net position				\$ 8,147,852	
Internal service fund charges (credits) to enterprise funds, resulting in changes in operating expenses.				119,311	
Miscellaneous revenue				45,494	
Interest expense				(5,777)	
Transfers in				2,113	
Transfers out				(39,600)	
Change in Net position of business-type activities				<u>\$ 8,269,393</u>	

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, 2018

	Business-type Activities - Enterprise Funds			Total	Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds		Internal Service Fund
Cash Flows from Operating Activities					
Cash received from customers	\$ 35,403,150	\$ 19,406,208	\$ 2,285,049	\$ 57,094,407	\$ -
Cash received from other	-	-	-	-	45,494
Cash received from interfund services provided	1,544,332	345,585	298,079	2,187,996	3,137,899
Cash payments for personal services	(1,443,978)	(3,454,935)	(916,182)	(5,815,095)	(2,303,580)
Cash payments for goods and services	(29,934,607)	(3,281,769)	(1,113,823)	(34,330,199)	(526,842)
Cash payments for interfund services used	(664,129)	(3,567,982)	(851,612)	(5,083,723)	(161,665)
Other cash receipts (payments)	29,809	(19,471)	-	10,338	-
Net Cash Provided by (Used in) Operating Activities	<u>4,934,577</u>	<u>9,427,636</u>	<u>(298,489)</u>	<u>14,063,724</u>	<u>191,306</u>
Cash Flows from Noncapital Financing Activities					
Intergovernmental revenues	-	-	85,688	85,688	-
Intergovernmental expense	-	-	4,319	4,319	-
Transfers in	10,024	30,966	606,611	647,601	2,113
Transfers out	(2,149,390)	(1,443,230)	-	(3,592,620)	(39,600)
Payments received on advances	303,201	-	-	303,201	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,836,165)</u>	<u>(1,412,264)</u>	<u>696,618</u>	<u>(2,551,811)</u>	<u>(37,487)</u>
Cash Flows from Capital and Related Financing Activities					
Transfers in- SPLOST	-	1,880,732	-	1,880,732	-
Proceeds from debt	-	1,045,731	-	1,045,731	-
Proceeds from sale of capital assets	-	37,851	2,851	40,702	-
Payments for landfill post-closure costs	-	-	(29,201)	(29,201)	-
Principal paid on revenue bonds	-	(2,045,000)	-	(2,045,000)	-
Interest paid on revenue bonds	-	(211,445)	-	(211,445)	-
Principal paid on notes and leases	-	(196,339)	(3,376)	(199,715)	-
Interest paid on notes and leases	-	(149,875)	(521)	(150,396)	-
Payments for capital acquisitions and construction	(154,789)	(4,348,146)	(67,854)	(4,570,789)	(66,462)
Principal paid on advance	-	(70,004)	(112,069)	(182,073)	(74,553)
Interest paid on advance	-	(5,316)	(5,827)	(11,143)	(5,777)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(154,789)</u>	<u>(4,061,811)</u>	<u>(215,997)</u>	<u>(4,432,597)</u>	<u>(146,792)</u>
Cash Flows from Investing Activities					
Purchase of investments	(2,966,609)	(3,628,138)	(88,728)	(6,683,475)	-
Investment earnings (losses)	508,252	(1,064)	1,638	508,826	-
Net Cash Provided by (Used in) Investing Activities	<u>(2,458,357)</u>	<u>(3,629,202)</u>	<u>(87,090)</u>	<u>(6,174,649)</u>	<u>-</u>
Net Increase (Decrease) in Cash	485,266	324,359	95,042	904,667	7,027
Cash Beginning of Year	<u>2,411,016</u>	<u>6,651,676</u>	<u>644,346</u>	<u>9,707,038</u>	<u>629,367</u>
Cash End of Year	<u>\$ 2,896,282</u>	<u>\$ 6,976,035</u>	<u>\$ 739,388</u>	<u>\$ 10,611,705</u>	<u>\$ 636,394</u>

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, 2018

(continued)

	Business-type Activities - Enterprise Funds			Total	Business-type Activities
	Electric System	Water & Sewerage System	Nonmajor Proprietary Funds		Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ 3,628,478	\$ 5,354,805	\$ (48,007)	\$ 8,935,276	\$ 164,805
Adjustments					
Depreciation	1,048,360	3,652,665	253,242	4,954,267	116,103
Amortization	-	25,770	936	26,706	-
(Increase) Decrease in Assets					
Accounts receivable and accrued revenues	(121,306)	580,128	(15,886)	442,936	-
Inventories	74,491	168,617	35,856	278,964	-
Interfund receivables	1,320	(129,176)	753	(127,103)	20,143
Intergovernmental receivable	394,839	-	(1,487)	393,352	-
Deposits	1,257	-	-	1,257	-
Prepaid expenses	31,058	3,074	698	34,830	(11,758)
Deferred outflows pension related	(11,047)	(17,825)	(7,209)	(36,081)	(8,851)
Increase (Decrease) in Liabilities					
Accounts payable and accrued liabilities	(178,319)	(244,651)	(16,448)	(439,418)	(41,727)
Net pension obligation	-	(159,332)	-	(159,332)	-
Net pension liability	(36,629)	36,844	(20,261)	(20,046)	(76,807)
Accrued payroll liabilities	332	16,706	3,735	20,773	(3,922)
Intergovernmental payable	(2,779)	(1,284)	-	(4,063)	(130)
Deposits payable	61,897	44,432	-	106,329	-
Interfund payable	64	(4,107)	(519,217)	(523,260)	9,369
Unearned revenue	50	-	9,336	9,386	(39,600)
Deferred inflows pension related	42,511	100,970	25,470	168,951	63,681
Net Cash Provided by (Used in) Operating Activities	<u>\$ 4,934,577</u>	<u>\$ 9,427,636</u>	<u>\$ (298,489)</u>	<u>\$ 14,063,724</u>	<u>\$ 191,306</u>
Noncash Investing, Capital and Financing Activities					
The acquisition of assets by assuming directly related liabilities	\$ -	\$ -	\$ 222,167	\$ -	\$ -

See accompanying notes to the basic financial statements

City of Calhoun, Georgia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Municipal Court Agency Fund	Cemetery Trust Fund
Assets		
Cash	\$ 9,035	\$ 61,046
Investments	-	1,389,214
Total Assets	\$ 9,035	\$ 1,450,260
Liabilities and Net Position		
Liabilities		
Intergovernmental Payable	\$ 9,035	\$ -
Net Position		
Assets held in trust for cemetery perpetual care	-	1,450,260
Liabilities and Net Position	\$ 9,035	\$ 1,450,260

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, 2018

	<u>Pension Trust Fund</u>	<u>Cemetery Trust Fund</u>
Additions		
Employer contributions	\$ 72,888	\$ -
Cemetery lot sales- trust portion	-	28,700
Investment income	-	120,239
Total Additions	<u>72,888</u>	<u>148,939</u>
Deductions		
Benefits	72,888	-
Administrative expenses	-	21,250
Total Deductions	<u>72,888</u>	<u>21,250</u>
Change in Net Position	-	127,689
Net Position Beginning of Year	<u>-</u>	<u>1,322,571</u>
Net Position End of Year	<u>\$ -</u>	<u>\$ 1,450,260</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, 2018

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City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018

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, 2018

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, 2018

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

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

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

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

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue at June 30, 2018. The delinquent taxes receivable account represents past years of uncollected tax levies. The allowance for estimated uncollectibles is estimated at .44% of the tax digests for tax digest years 2013-2017, in addition to 100% of the receivable for all fiscal years prior to 2013.

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, 2018, 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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position. The City owns and reports all School District land and buildings.

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

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

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 the these funds. However, compensated absences, claims and unfunded pension benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

extent that they are “due for payment” during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements “when due”.

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

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

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

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

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

1-E-11 Fund Equity

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

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

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

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

- Committed
- Assigned
- Unassigned

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

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

1-E-12 Operating Revenues and Expenses

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

1-E-13 Contributions of Capital

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

1-E-14 Interfund Activity

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

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

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

1-E-15 Estimates

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

Note 2 – Stewardship, Compliance and Accountability

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

The budget officer can make a reallocation of budgeted amounts within a department; however, any reallocations between departments within a fund or any increase in the total departmental appropriation within a fund requires City Council approval. The City Council amended the original appropriations for fiscal year 2018 for some funds.

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018, 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, 2018, the City’s credit and interest rate risk related to the City’s cash equivalents and investments was as follows:

Investment	(Market Value) Fair Value	Segmented Time Distrib.	Credit Quality
Federal agency securities	\$ 3,486,590	within 6 months	AAA
Negotiable certificates of deposit	490,000	within 6 months	n/a
Federal agency securities	13,229,685	1-3 yrs.	AAA
Negotiable certificates of deposit	2,895,000	1-3 yrs.	n/a
Federal agency securities	4,655,610	> 3 yrs.	AAA
Negotiable certificates of deposit	2,694,878	>3 yrs.	n/a
	<u>\$ 27,451,763</u>		

The City’s investments were all valued at fair value measurements using significant other observable inputs (Level 2) and using the market approach as of June 30, 2018. We have had no change in our valuation method. We do not utilize the nonrecurring fair value measurements. Of the City’s investments, \$6,079,878 were in negotiable certificates of deposit and \$21,371,885 were in federal agency securities.

At June 30, 2018, the carrying amount of the City's deposits, not including cash on hand, was \$26,415,394 and the related bank balances totaled \$27,333,468. All bank balances were covered by Federal Depository Insurance or by collateral held by the City's agent. Cash on hand at June 30, 2018 was \$7,554.

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, 2018, the City’s investments also included \$38,159,531 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.

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

government and its agencies. The Council has also authorized investments in the MCT and the pension trust. The municipal competitive trust is not rated.

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

Cash and Investment Reconciliation:

	Cash	Investments
Fund Reporting Level:		
Governmental Funds - Balance Sheet	\$ 15,104,768	\$ 6,565,668
Proprietary Fund Type Statement of Net Position	7,875,252	20,886,095
Proprietary Fund Type Statement of Net Position - Restricted	3,372,847	38,159,531
Fiduciary Fund Type Statement of Net Position	70,081	1,389,214
 Total	 \$ 26,422,948	 \$ 67,000,508

3-B. Receivables

Receivables at June 30, 2018, 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, 2018, the amount of allowance for uncollectables was \$683,530.

3-C. Property Taxes

Generally, property taxes attach as an enforceable lien on property as of January 1. The City Council levied and billed property taxes on October 2, 2017. Property taxes were payable on December 20, 2017. There were no liens issued this fiscal year.

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		1,986,690
Water and sewerage debt service		1,347,689
Total Cash		3,372,847
 Investments		
Electric Fund- Flexible Trust account- MEAG		17,580,081
Electric Fund- Generation Trust account- MEAG		20,579,450
Total Investments		38,159,531
 Total Restricted Assets	 \$	 41,532,378

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

3-E. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance 6/30/2017	Adjustments	Additions	Deductions	Balance 6/30/2018
Governmental activities					
Capital assets not being depreciated					
Land	\$ 31,595,430	\$ -	\$ 266,275	\$ -	\$ 31,861,705
Construction in progress	2,726,041	-	5,434,314	5,795,282	2,365,073
Total capital assets not being depreciated	34,321,471	-	5,700,589	5,795,282	34,226,778
Depreciable capital assets					
Buildings	92,074,620	-	5,921,865	-	97,996,485
Improvements other than buildings	15,323,371	-	440,889	-	15,764,260
Machinery and equipment	8,384,740	39,782	291,000	207,072	8,508,450
Infrastructure	25,710,522	-	12,114	-	25,722,636
Total depreciable capital assets	141,493,253	39,782	6,665,868	207,072	147,991,831
Total capital assets	175,814,724	39,782	12,366,457	6,002,354	182,218,609
Accumulated depreciation					
Buildings	22,463,367	-	1,941,250	-	24,404,617
Improvements other than buildings	6,477,001	-	845,826	-	7,322,827
Machinery and equipment	6,637,986	39,782	505,801	199,214	6,984,355
Infrastructure	15,490,736	-	704,115	-	16,194,851
Total accumulated depreciation	51,069,090	39,782	3,996,992	199,214	54,906,650
Governmental activities capital assets, net	\$ 124,745,634	\$ -	\$ 8,369,465	\$ 5,803,140	\$ 127,311,959

Governmental activities depreciation expense

General government	\$ 14,688
Judicial	1,163
Public safety	396,825
Public works	889,533
Culture and recreation	542,154
Housing and development	23,169
Education	2,129,460

Total governmental activities depreciation expense \$ 3,996,992

Construction in progress for governmental activities at June 30, 2018 includes the following:

Project Description	Project Authorized	Expended to June 30, 2018	Future Financing
Peters Street - Phase I	\$ 3,982,440	\$ 2,171,621	\$ 1,810,819
Peters Street - Phase II	2,000,000	105,000	1,895,000
Police Complex	3,200,000	88,452	3,111,548
Total	\$ 9,182,440	\$ 2,365,073	\$ 6,817,367

City of Calhoun, Georgia
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For the Fiscal Year Ended June 30, 2018

Included in governmental capital assets are leased assets of \$215,535 with an accumulated depreciation of \$2,994 at fiscal yearend.

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

	Balance 6/30/2017	Additions	Deductions	Balance 6/30/2018
Business-type activities				
Nondepreciable capital assets				
Land	\$ 7,389,307	\$ 12,000	\$ -	\$ 7,401,307
Intangibles	46,424	-	-	46,424
Construction in progress	1,953,205	607,354	1,778,318	782,241
Total nondepreciable capital assets	9,388,936	619,354	1,778,318	8,229,972
Depreciable capital assets				
Buildings, plant and tanks	40,228,182	-	-	40,228,182
Improvements other than buildings	5,670,859	16,435	-	5,687,294
Machinery and equipment	26,267,099	2,489,731	413,354	28,343,476
Utility systems	126,338,996	3,529,870	-	129,868,866
Total depreciable assets	198,505,136	6,036,036	413,354	204,127,818
Total capital assets	207,894,072	6,655,390	2,191,672	212,357,790
Accumulated depreciation				
Buildings, plant and tanks	22,475,443	789,469	-	23,264,912
Improvements other than buildings	4,241,023	70,009	-	4,311,032
Machinery and equipment	17,728,907	1,187,651	404,219	18,512,339
Utility systems	46,199,128	3,023,239	-	49,222,367
Total accumulated depreciation	90,644,501	5,070,368	404,219	95,310,650
Business-type activities capital assets, net	\$ 117,249,571	\$ 1,585,022	\$ 1,787,453	\$ 117,047,140

Construction in progress for business-type activities at June 30, 2018 includes the following:

Project Description	Project Authorized	Expended to June 30, 2018	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
Lift Stations	990,515	553,295	437,220
Sludge pit cover	49,275	43,810	5,465
Fiber to Brittany Well	166,909	141,909	25,000
Other	110,105	766	109,339
Total	\$ 1,379,146	\$ 782,241	\$ 596,905

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

3-F. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2018 consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City expects to repay all interfund balances within one year.

Payable to	Payable from				Total
	General fund	Nonmajor governmental funds	Nonmajor enterprise funds	Internal service fund	
General fund	\$ -	\$ 25,723	\$ 64	\$ 456,751	\$ 482,538
Nonmajor governmental funds	-	18,753	-	-	18,753
Water & sewerage system fund	615	133,985	-	-	134,600
Electric fund	49,419	-	-	-	49,419
Nonmajor enterprise funds	136	-	-	62,071	62,207
Internal service fund	83,738	-	-	-	83,738
Total	\$ 133,908	\$ 178,461	\$ 64	\$ 518,822	\$ 831,255

Long-term Balances - The electric system fund originally advanced the telecommunications fund resources to start this fund. As of June 30, 2018, the amounts to be repaid, including interest are as follows:

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, 2018, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
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	34,321	588	34,909
2024	37,305	243	37,548
	<u>\$ 205,534</u>	<u>\$ 6,559</u>	<u>\$ 212,093</u>

Fiscal Year	Principal	Interest	Total
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>\$ 512,520</u>	<u>\$ 12,076</u>	<u>\$ 524,596</u>

City of Calhoun, Georgia
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For the Fiscal Year Ended June 30, 2018

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, 2018, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
2019	\$ 37,729	\$ 2,682	\$ 40,411
2020	38,108	2,303	40,411
2021	38,491	1,920	40,411
2022	38,877	1,534	40,411
2023	39,267	1,144	40,411
2024-2026	89,796	1,127	90,923
	<u>\$ 282,268</u>	<u>\$ 10,710</u>	<u>\$ 292,978</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, 2018, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
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	78,370	1,960	80,330
2024-2025	146,948	1,532	148,480
Total	<u>\$ 531,087</u>	<u>\$ 19,043</u>	<u>\$ 550,130</u>

During fiscal year 2017, the electric system fund advanced the general fund resources for lighting construction at Exit 312. As of June 30, 2018, the amounts to be repaid, including interest are as follows:

Fiscal Year	Principal	Interest	Total
2019	\$ 47,660	\$ 2,340	\$ 50,000
2020	48,137	1,863	50,000
2021	48,618	1,382	50,000
2022	49,105	895	50,000
2023	40,443	404	40,847
Total	<u>\$ 233,963</u>	<u>\$ 6,884</u>	<u>\$ 240,847</u>

Changes to the City's long-term advances from the electric fund consisted of the following for the year ended June 30, 2018:

Advances to:	Outstanding 6/30/2017	Reductions	Outstanding 6/30/2018	Amounts Due in One Year
Telecommunications fund	\$ 624,589	\$ 112,069	\$ 512,520	\$ 113,194
Water and sewerage fund	557,806	70,004	487,802	70,706
Internal service fund	605,640	74,553	531,087	75,301
General fund	280,538	46,575	233,963	47,660
Total Advances	<u>\$ 2,068,573</u>	<u>\$ 303,201</u>	<u>\$ 1,765,372</u>	<u>\$ 306,861</u>

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Interfund Transfers – The following interfund transfers were made in fiscal year 2018:

	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	\$ -	\$ -	\$ 98,837	\$ 2,107,155	\$ 1,442,769	\$ 39,600	\$ 3,688,361
Nonmajor governmental funds	883,238	1,027,079	98,837	6,938	-	-	2,016,092
Electric system	10,024	-	-	-	-	-	10,024
Water & sewerage	465	-	1,880,732	30,501	-	-	1,911,698
Nonmajor enterprise funds	541,781	-	60,567	3,802	461	-	606,611
Internal service fund	1,119	-	-	994	-	-	2,113
Total	<u>\$ 1,436,627</u>	<u>\$ 1,027,079</u>	<u>\$ 2,138,973</u>	<u>\$ 2,149,390</u>	<u>\$ 1,443,230</u>	<u>\$ 39,600</u>	<u>\$ 8,234,899</u>

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 three 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.

City of Calhoun, Georgia
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For the Fiscal Year Ended June 30, 2018

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

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, 2018 are as follows:

Fiscal Year	Principal	Interest	Total
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	4,880,000	1,369,923	6,249,923
2024-2028	18,345,000	3,531,096	21,876,096
2029-2033	9,775,000	1,011,125	10,786,125
Total	<u>\$ 33,000,000</u>	<u>\$ 11,842,844</u>	<u>\$ 44,842,844</u>

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, 2018 are as follows:

Fiscal Year	Principal	Interest	Total
2019	\$ 290,000	\$ 8,321	\$ 298,321
2020	140,000	2,709	142,709
Total	<u>\$ 430,000</u>	<u>\$ 11,030</u>	<u>\$ 441,030</u>

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
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For the Fiscal Year Ended June 30, 2018

Maturities and debt service requirements remaining on the bond issue at June 30, 2018 are as follows:

Fiscal Year	Principal	Interest	Total
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	570,000	26,312	596,312
2024-2026	695,000	25,064	720,064
Total	<u>\$ 3,595,000</u>	<u>\$ 239,772</u>	<u>\$ 3,834,772</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, 2018 are as follows:

Fiscal Year	Principal	Interest	Total
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	645,000	47,489	692,489
2024-2028	2,070,000	92,697	2,162,697
2029	95,000	1,606	96,606
Total	<u>\$ 5,290,000</u>	<u>\$ 437,374</u>	<u>\$ 5,727,374</u>

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the \$10 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 \$10,003,176, 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 \$55,923 has been capitalized. Details of the various loans are as follows:

%	Monthly	Payments	Date of	Original	Maturity	Balance			Balance
Rate	Payment	Began	Obligation	Amount	Date	6/30/2017	Additions	Reductions	6/30/2018
State Revolving Loan Fund									
2.05%	\$14,079	8/1/2015	7/1/2015	\$ 2,770,000	7/31/2035	\$ 2,550,940	\$ -	\$ 117,753	\$ 2,433,187
1.40%	10,141	3/1/2018	2/1/2018	2,121,643	2/1/2038	1,469,049	652,594	30,715	2,090,928
1.21%	30,470	5/1/2018	4/1/2018	6,492,237	4/1/2038	6,099,100	393,137	47,871	6,444,366
TOTAL						<u>\$10,119,089</u>	<u>\$ 1,045,731</u>	<u>\$ 196,339</u>	<u>\$10,968,481</u>

City of Calhoun, Georgia
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The following shows the required debt service for future years for notes payable:

Fiscal Year	Principal	Interest	Total
2019	\$ 502,457	\$ 153,809	\$ 656,266
2020	509,775	146,492	656,267
2021	517,204	139,061	656,265
2022	524,750	131,517	656,267
2023	532,409	123,857	656,266
2024-2028	2,781,177	500,152	3,281,329
2029-2033	2,991,315	290,015	3,281,330
2034-2038	2,609,394	77,686	2,687,080
	<u>\$ 10,968,481</u>	<u>\$ 1,562,589</u>	<u>\$ 12,531,070</u>

Capital Lease

During fiscal year 2018, the Fields Ferry Golf Course entered a capital lease for 65 golf carts, in the amount of \$163,667 plus a lease purchase option of \$900 per cart or \$58,500 after the final lease payment. The lease is payable in 48 monthly installments of \$3,897, bears an interest rate of 4.20%, and matures in May 2022.

Maturities and debt service requirement at June 30, 2018 are as follows:

Fiscal Year	Principal	Interest	Total
2019	\$ 36,952	\$ 9,809	\$ 46,761
2020	39,557	7,204	46,761
2021	42,346	4,415	46,761
2022	<u>99,936</u>	<u>1,429</u>	<u>101,365</u>
	<u>\$ 218,791</u>	<u>\$ 22,857</u>	<u>\$ 241,648</u>

The assets acquired through this lease are as follows.

Equipment	\$ 215,535
Accumulated Depreciation	<u>(2,994)</u>
Book Value	<u>\$ 212,541</u>

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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
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>\$ 90,356</u>	<u>\$ 3,638</u>	<u>\$ 93,994</u>

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended June 30, 2018:

	Outstanding 6/30/2017	Additions	Reductions	Outstanding 6/30/2018	Amounts Due in One Year
Governmental Activities					
Revenue bonds	\$ 361,400	\$ -	\$ 361,400	\$ -	\$ -
General obligation school bonds	33,000,000	-	-	33,000,000	-
Claims	67,749	-	9,194	58,555	6,341
Compensated absences	289,405	302,277	289,405	302,277	90,683
Net pension liability	<u>1,374,472</u>	<u>-</u>	<u>284,475</u>	<u>1,089,997</u>	<u>-</u>
Total Governmental Activities	<u>\$ 35,093,026</u>	<u>\$ 302,277</u>	<u>\$ 944,474</u>	34,450,829	97,024
Plus Deferred Bond Related Items				<u>585,764</u>	<u>-</u>
Net Governmental Activities				<u>\$ 35,036,593</u>	<u>\$ 97,024</u>

	Outstanding 6/30/2017	Additions	Reductions	Outstanding 6/30/2018	Amounts Due in One Year
Business-Type Activities					
Revenue bonds	\$ 11,360,000	\$ -	\$ 2,045,000	\$ 9,315,000	\$ 1,475,000
Notes payable	10,119,089	1,045,731	196,339	10,968,481	502,457
Capital lease	-	222,167	3,376	218,791	36,952
Estimated landfill closure costs	119,301	-	28,945	90,356	29,524
Compensated absences	265,145	276,895	265,145	276,895	96,913
Net pension liability	<u>1,230,577</u>	<u>-</u>	<u>256,185</u>	<u>974,392</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 23,094,112</u>	<u>\$ 1,544,793</u>	<u>\$ 2,794,990</u>	<u>\$ 21,843,915</u>	<u>\$ 2,140,846</u>

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

City of Calhoun, Georgia
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operation of the water and sewerage system. Governmental compensated absences are primarily repaid from the general fund. Enterprise compensated absences are primarily paid out of the water and sewer fund.

3-I. Pension Plans

Primary Government

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

Plans Administered through the Georgia Municipal Association

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

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

Funding Policy - Employees are not required to contribute to the Plan. The City is required to contribute at an actuarially determined rate. The minimum annual contribution requirements of the City are established by Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). For fiscal year 2018, the City's annual pension contributions to the Plan were \$665,616, equal to the City's required contributions.

Plan Membership - Participation in this plan is comprised of the following as of the valuation date of January 1, 2018:

Retirees and beneficiaries receiving benefits	76
Terminated plan members entitled to, but not yet receiving benefits	67
Active plan members	267
Active elected officials	4
Total	414

Actuarial Assumptions -The City's pension liability was measured as of September 30, 2017. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions: (a) 7.50% investment rate of return and (b) projected salary increases of 2.75% per year plus service based merit increases (c) inflation at 2.75% 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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014. Effective with this valuation, the investment rate of return was decreased from 7.75% to 7.50% and the inflation assumption was decreased from 3.25% to 2.75%.

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

City of Calhoun, Georgia
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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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.71%
International equity	20%	7.71%
Real estate	10%	5.21%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Cash	0%	
Total	100%	

Discount rate- The discount rate used to measure total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from the employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Net Pension Liability – The changes in the components of the net pension liability of the City of Calhoun for the year ended June 30, 2018 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, 2016	\$ 13,278,249	\$ 11,050,655	\$ 2,227,594
Changes for the year:			
Service cost	457,156	-	457,156
Interest	1,015,045	-	1,015,045
Difference between expected and actual experience	166,970	-	166,970
Contributions- employer	-	684,927	(684,927)
Contributions- employee	-	-	-
Net investment income	-	1,686,899	(1,686,899)
Benefit payments, including refunds of employer contributions	(361,787)	(361,787)	-
Administrative expense	-	(39,979)	39,979
Other	176,050	-	176,050
Net changes	1,453,434	1,970,060	(516,626)
Balance at September 30, 2017	\$ 14,731,683	\$ 13,020,715	\$ 1,710,968

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.

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 7.50%, 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 (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability	\$ 3,698,518	\$ 1,710,968	\$ 50,111

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions- For the year ended June 30, 2018 the City recognized pension expense of \$538,773. At June 30, 2018 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	\$ 339,472	\$ (92,207)
Changes of assumptions	146,710	(88,410)
Net difference between projected and actual earnings on pension plan investments	254,988	(910,995)
City contributions subsequent to the measurement date	472,813	-
	\$ 1,213,983	\$ (1,091,612)

City contributions subsequent to the measurement date but before fiscal year end, will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources related to pensions will be recognized against pension expense as follows:

Year ending June 30	
2019	\$ 234,747
2020	234,747
2021	107,253
2022	107,253
2023	57,170
Total	\$ 741,170

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

Year ending June 30	
2019	\$ (340,753)
2020	(284,514)
2021	(284,514)
2022	(181,831)
2023	-
Total	\$ (1,091,612)

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.

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

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

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

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

June 30, 2018

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

Plan Assets, Annual Pension Cost and Net Pension Obligation - There are no assets legally reserved for future funding of the obligations associated with this defined benefit plan. All obligations, including administrative costs, of the plan are paid in conjunction with appropriated annual budgets of funds, which experience costs associated with this plan. The plan is administered by the City, who is 100% responsible for the net pension liability as the only contributor. There has been no change in the ownership percentage since the prior measurement date. 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, 2018 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	6/30/2018
Actuarial measurement date	6/30/2018
Actuarial cost method	Entry-Age Normal
Amortization method	Level Dollar
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return	3.87%
Projected salary increases	No Active Employees
Inflation	None
Post employment retirement increases	None
Mortality	Unix’s Pension 1984 Mortality Table

City of Calhoun, Georgia
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Discount rate- The discount rate used to measure total pension liability was 3.87%, derived from the Bond Buyer 20-Bond Go index. The projection of cash flows used to determine the discount rate assumed that contributions from the employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan is funded on a pay-as-you-go basis to provide benefits payments for retirees currently receiving benefits. Therefore, the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Net Pension Liability – The changes in the components of the net pension liability do not include any change to fiduciary net position since the plan is on the pay-as-you-go basis. The changes of the net pension liability of the City of Calhoun for the year ended June 30, 2018 were as follows:

Changes in the Net Pension Liability	
	Net Pension Liability (NPL)
Balance at June 30, 2017	\$ 377,465
Changes for the year:	
One-time GASB 73 adjustment	24,972
Interest	14,821
Difference between expected and actual experience	-
Contributions- employer	-
Contributions- employee	-
Net investment income	-
Benefit payments, including refunds of employer contributions	(63,837)
Administrative expense	-
Other	-
Net changes	(24,044)
Balance at June 30, 2018	\$ 353,421

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 3.87%, 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 (2.87%) or one percentage point higher (5.87%) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
City's net pension liability	\$ 406,091	\$ 353,421	\$ 300,408

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions- For the year ended June 30, 2018 the City recognized pension expense of \$63,837. At June 30, 2018, 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 contributions subsequent to the measurement date but before fiscal year end, will be recognized as a reduction of the net pension liability in the subsequent fiscal period.

City of Calhoun, Georgia
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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, 2018 is as follows:

	Governmental Activities	Business Type Activities
Net Investment in Capital Assets:		
Cost of capital assets	\$ 182,218,609	\$ 212,357,790
Less accumulated depreciation	(54,906,650)	(95,310,650)
Book value	127,311,959	117,047,140
Less capital related debt, net of deferred refunding amounts, bond premiums and discounts	(33,585,764)	(20,463,287)
Net investment in capital assets	\$ 93,726,195	\$ 96,583,853

3-K. Deficit Fund Balances

The deficit fund balance of the hotel/motel fund of \$6,300 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, 2018. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

MEAG - The City, together with 47 other cities and one county in the State, has entered into Power Sales Contracts dated March 1, 1976 with the Municipal Electric Authority of Georgia (MEAG) under which the City purchases certain power and energy for resale to its electric system customers. Under the contract entitlement, if the City were unable to purchase budgeted power, MEAG would be obligated to make a good faith effort to sell the power elsewhere. If MEAG were unable to sell the power at a price above its cost, the difference would be an obligation of the City. The contracts are agreements to pay the cost of generating power budgeted for the City. The obligation to pay MEAG certain amounts, whether or not power and energy are received, is a general obligation of the City to which its full faith and credit are pledged. If payments under the Power Sales Contracts are not made from

City of Calhoun, Georgia
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For the Fiscal Year Ended June 30, 2018

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 \$27,111,350 net of off-system sales which reduced costs. Rebates of \$523,141 are reflected in the net power purchases of \$26,588,209.

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, 2018, the balance in this account was \$8,200,506. The intermediate flexible operating trust account has a balance of \$9,379,575 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, 2018, the balance in this account was \$5,120,757 for a total of \$22,700,838 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, 2018, was \$441,411. Due to the restrictive nature of these fund, it is not shown in the cash balance of 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, 2018 is \$15,458,693. 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 over \$11,000 in the year 2021 while the cost per kW has risen, this should have generally been offset in the past by the reduction in financing costs due to lower interest rates. Additional costs expenditures due to labor will slightly increase debt service. 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 2018, the City paid dues in the amount of \$16,445 to the NWGRC. Separate financial statements may be obtained from the Northwest Georgia Regional Commission, 1 Jackson Hill Drive, Rome, Georgia 30162.

The Calhoun-Gordon County Library: The Calhoun-Gordon County Library is a part of the Dalton, Georgia Regional Library System. This system consists of boards from four member counties. Of the five board members comprising the Gordon County Library Board, one is an appointee of the City. Other board members represent appointees from the City and County school boards and the Gordon County Board of Commissioners. The library board retains asset/equity ownership. The City, local school boards and the Gordon County Board of Commissioners make regular contributions to the Calhoun-Gordon County Library Board. Though the City does provide various support services for the library, the City's ability to significantly influence operations is

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

moderate or comparable in relation to influences of other governments involved. Payments/expenditures to/for the library for the fiscal year ended June 30, 2018, were \$148,618. 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. The airport is leased to and operated by a for-profit entity. Total expenditures paid by the City for the Airport Authority for fiscal 2018 were \$150,920. 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					\$ 790,696
Disbursements					
Gordon County Chamber of Commerce	Tourism	3.5%	43.75%	\$ 345,928	
Gordon County Industrial Development Authority	Economic Development	2%	25.00%	197,674	
Downtown Development Authority	Economic Development	0.5%	6.25%	49,419	
Calhoun Recreation Department	Tourism	1%	12.50%	98,837	
City of Calhoun	Tourism	0.5%	6.25%	49,419	
City of Calhoun	Economic Development	<u>0.5%</u>	<u>6.25%</u>	49,419	<u>(790,696)</u>
		<u>8%</u>	<u>100.00%</u>		<u>\$ -</u>

4-F. Property Tax Abatements

The ad valorem tax abatements for privately-used facilities or equipment serve economic development and/or job creation by employment of bond-lease transaction tax incentives as authorized by O.C.G.A. § 36-62-3 resulting from an approved and executed P.I.I.O.T. Agreement between the private business entity and the Development Authority of Gordon County (the Development Authority”).

The Development Authority was created in accordance with the Development Authorities Law, Chapter 62 of Title 36 of the Official Code of Georgia, as a purely public charity performing an essential governmental function. Pursuant to O.C.G.A. § 36-62-3, the Development Authority is immune from taxation or assessments imposed by the state or any of its counties, municipal corporations, political subdivisions, or taxing districts for any property acquired by the authority or under its jurisdiction, control, possession, or supervision or leased by it to others, or upon its activities in the operation or maintenance of any such property or an on any income derived by the authority, and that the bonds of such authority, their transfer, and the income therefrom shall at all times be exempt from taxation within this state.

The abatements are determined on a case by case basis. The industry/commercial entity’s financial stability would be taken into consideration. Their capital investment, the amount of jobs created, the amount the wage rates are above average and the creation of critical infrastructure will all be factors in determining a possible abatement.

The statutory ad valorem taxation exemptions or abatements remain in effect for the remaining duration of the approved P.I.L.O.T. Agreement, and are governed by the express language of same pending the completion of the terms of the current bond-lease transaction.

City of Calhoun, Georgia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Immaterial amounts were abated pursuant to O.C.G.A. § 48-5-7.4 through conservation agreements.

The following entities, that are in excess of 10% of total abated amounts, received abatements in the current fiscal year:

Purpose	% Abated	\$ Abated
Carpet Manufacturer	80%	\$3,323
Food & Beverage Ingredient Flavor Co.	50%	\$2,077
Carpet Manufacturer	100%	\$6,434
Carpet Manufacturer	50%	\$2,428

4-G. Prior Period Adjustments

The School District (component unit) has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in this fiscal year. These statements require the School District to restate net position at June 30, 2017 at the government-wide financial reporting level.

Total Net Position @ 6/30/2017, as previously reported	\$ 1,072,490
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Prior Period Adjustments:

Record School System's proportionate share of OPEB's net OPEB liability @ 6/30/2017	(29,384,477)
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Record the deferral of the School System's OPEB contributions in fiscal year 2017.	<u>990,182</u>
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Total Net Position @ 6/30/2017, as restated	<u><u>\$ (27,321,805)</u></u>
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City of Calhoun, Georgia
Required Supplementary Information
Georgia Municipal Association Defined Benefit Plan
Schedule of Changes in the Net Pension Liability and Related Ratios

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Total pension liability</i>				
Service cost	\$ 457,156	\$ 474,861	\$ 488,383	\$ 494,335
Interest	1,015,045	940,051	833,277	774,792
Difference between expected and actual experience	166,970	(107,578)	350,580	(47,806)
Changes of assumptions	176,050	-	-	(206,292)
Changes of benefit terms	-	-	-	-
Benefit payments, including refunds of employee contributions	(361,787)	(317,563)	(271,445)	(249,327)
Net change in total pension liability	1,453,434	989,771	1,400,795	765,702
Total pension liability- beginning	13,278,249	12,288,478	10,887,683	10,121,981
Total pension liability- ending (a)	<u>\$14,731,683</u>	<u>\$13,278,249</u>	<u>\$12,288,478</u>	<u>\$10,887,683</u>
<i>Plan fiduciary net position</i>				
Contributions- employer	\$ 684,927	\$ 666,004	\$ 705,986	\$ 715,308
Contributions- employee	-	-	-	-
Net investment income	1,686,899	1,091,194	86,669	902,314
Benefit payments- including refund of employee contributions	(361,787)	(317,563)	(271,445)	(249,327)
Administrative expense	(39,979)	(23,571)	(26,204)	(20,343)
Other	-	-	-	-
Net change in fiduciary net position	1,970,060	1,416,064	495,006	1,347,952
Plan fiduciary net position- beginning	11,050,655	9,634,591	9,139,585	7,791,633
Plan fiduciary net position- ending (b)	<u>\$13,020,715</u>	<u>\$11,050,655</u>	<u>\$9,634,591</u>	<u>\$9,139,585</u>
Net pension liability- ending (a-b)	<u>\$ 1,710,968</u>	<u>\$ 2,227,594</u>	<u>\$ 2,653,887</u>	<u>\$ 1,748,098</u>
Plans fiduciary net position as a percentage of the total pension liability	88.39%	83.22%	78.40%	83.94%
Covered employee payroll	\$ 11,272,355	\$ 10,821,497	\$ 10,810,244	\$ 10,313,836
Net pension liability as a percentage of covered employee payroll	15.18%	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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Total pension liability</i>			
Service cost	\$ -	\$ -	\$ -
Interest	14,821	17,064	17,907
Difference between expected and actual experience	33,046	(3,385)	37,620
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Benefit payments, including refunds of employee contributions	(63,837)	(75,689)	(77,410)
Net change in total pension liability	(15,970)	(62,010)	(21,883)
Total pension liability- beginning	402,436	464,446	486,329
Total pension liability- ending (a)	<u>\$ 386,466</u>	<u>\$ 402,436</u>	<u>\$ 464,446</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>
Net pension liability- ending (a-b)	<u>\$ 386,466</u>	<u>\$ 402,436</u>	<u>\$ 464,446</u>
Plans fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 12,269,159	\$ 12,138,538	\$ -
Net pension liability as a percentage of covered employee payroll	3.15%	3.32%	0.00%

Notes to the Schedule:

Historical information prior to implementation of GASB 73 is not required, but this schedule will present 10 years of information once accumulated.

There are no assets accumulated in a trust that meet the criteria required by GASB 73.

There are no changes in benefit terms, composition of the population or assumptions that significantly effect the amounts presented.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ - *	\$ 691,364	\$ 657,550	\$ 722,131
Contributions in relation to the actuarially determined contribution	-	691,364	657,550	722,131
Contribution deficiency (excess)	<u>\$ - *</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ - *	\$ 10,821,497	\$ 10,810,244	\$ 10,313,836
Contributions as a percentage of covered employee payroll	0.00% *	6.39%	6.08%	7.00%

Notes to the Schedule:

*The 2018 information will be determined after fiscal year end and included in the 2019 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 7.50%

Projected salary increase 2.75% 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>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 14,822	\$ 14,540	\$ 30,434
Contributions in relation to the actuarially determined contribution	<u>14,822</u>	<u>14,540</u>	<u>30,434</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 12,269,159	\$ 12,138,538	\$ 11,890,475
Contributions as a percentage of covered employee payroll	0.12%	0.12%	0.26%

Notes to the Schedule:

Historical information prior to implementation of GASB 73 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 3.87%

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

GENERAL FUND INDIVIDUAL FUND STATEMENTS

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

City of Calhoun, Georgia
General Fund
Balance Sheet
June 30, 2018

Assets	
Cash	\$ 2,439,552
Investments- current	995,704
Investments- noncurrent	4,327,065
Receivables (net)	
Property taxes	44,075
Franchise taxes	168,135
Other taxes	37,167
Accounts	11,033
Fines	508,561
Intergovernmental	
Federal	1,214
State	1,319,614
Authorities	218,637
Interfund	482,538
Component unit	31,250
Prepaid items	<u>206,836</u>
Total Assets	<u><u>\$ 10,791,381</u></u>
 Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	\$ 109,355
Accrued payroll liabilities	2,215
Accrued expenditures	138,955
Interfund payable	133,908
Advances payable	<u>233,963</u>
Total Liabilities	<u>618,396</u>
 Deferred Inflows of Resources	
Unavailable tax revenue	38,391
Unavailable fine revenue	<u>481,943</u>
Total Deferred Inflows of Resources	<u>520,334</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,138,730</u>
 Fund Balance	
Nonspendable	
Prepaid items	206,836
Committed	
Working capital/contingencies	4,049,293
Unassigned	<u>5,396,522</u>
Total Fund Balance	<u>9,652,651</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 10,791,381</u></u>

City of Calhoun, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2018

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Revenues	
Property taxes	\$ 1,709,613
Sales taxes	2,539,420
Other taxes	4,661,940
Intergovernmental	447,985
Licenses and permits	373,129
Charges for services	166,689
Fines and forfeitures	313,461
Contributions	1,200
Investment earnings	(2,893)
Miscellaneous	6,578
	<hr/>
Total Revenues	10,217,122
	<hr/>
Expenditures	
Current	
General government	948,894
Judicial	479,960
Public safety	7,594,357
Public works	2,415,410
Health and welfare	54,106
Culture and recreation	174,129
Housing and economic development	673,882
	<hr/>
Total Expenditures	12,340,738
	<hr/>
(Deficiency) of Revenues (Under) Expenditures	(2,123,616)
	<hr/>
Other Financing Sources (Uses)	
Sale of capital assets	46,346
Insurance reimbursement	15,290
Transfers in	3,688,361
Transfers out	(1,436,627)
	<hr/>
Total Other Financing Sources	2,313,370
	<hr/>
Net Change in Fund Balance	189,754
	<hr/>
Fund Balance Beginning of Year	9,462,897
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Fund Balance End of Year	\$ 9,652,651
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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, 2018

Assets	
Cash	\$ 10,679,057
Due from component unit	<u>279,623</u>
Total Assets	<u><u>\$ 10,958,680</u></u>
Fund Balance	
Restricted for debt service	<u><u>\$ 10,958,680</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, 2018

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Revenues	
Intergovernmental	\$ 4,191,338
Investment earnings	<u>101,814</u>
Total Revenues	4,293,152
Expenditures	
Debt Service	
Interest and fiscal charges	<u>1,483,225</u>
Excess of Revenues Over Expenditures	2,809,927
Other Financing (Uses)	
Transfers out	<u>(1,027,079)</u>
Net Change in Fund Balance	1,782,848
Fund Balance Beginning of Year	<u>9,175,832</u>
Fund Balance End of Year	<u><u>\$ 10,958,680</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 3,592,536	\$ 3,592,536	\$ 4,191,338	\$ 598,802
Investment earnings	13,200	13,750	101,814	88,064
Total Revenues	<u>3,605,736</u>	<u>3,606,286</u>	<u>4,293,152</u>	<u>686,866</u>
Expenditures				
Debt Service				
Interest	1,482,675	1,483,225	1,483,225	-
Excess of Revenues Over Expenditures	<u>2,123,061</u>	<u>2,123,061</u>	<u>2,809,927</u>	<u>686,866</u>
Other Financing (Uses)				
Transfers out	(2,123,061)	(2,123,061)	(1,027,079)	1,095,982
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,782,848	<u>\$ 1,782,848</u>
Fund Balance Beginning of Year			<u>9,175,832</u>	
Fund Balance End of Year			<u>\$ 10,958,680</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.

2018 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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Revenue Bonds Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash	\$ 762,832	\$ -	\$ 1,223,327	\$ 1,986,159
Investments	-	-	1,242,899	1,242,899
Receivables				
Property taxes	469,194	-	-	469,194
Other taxes	150,694	-	-	150,694
Accounts receivable	77	-	7,812	7,889
Intergovernmental	-	-	312,846	312,846
Interest	4,345	-	-	4,345
Loans	254,723	-	-	254,723
Loans- noncurrent	1,922,965	-	-	1,922,965
Interfund	18,753	-	-	18,753
Prepaid items	14,135	-	-	14,135
Total Assets	\$ 3,597,718	\$ -	\$ 2,786,884	\$ 6,384,602
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)				
Liabilities				
Accounts payable	\$ 103,483	\$ -	\$ 2,800	\$ 106,283
Accrued payroll liabilities	10,353	-	-	10,353
Accrued expenditures	112,518	-	-	112,518
Intergovernmental payable	726	-	-	726
Due to component unit	226,240	-	-	226,240
Interfund payable	44,476	-	133,985	178,461
Unearned revenue	-	-	859,060	859,060
Total Liabilities	497,796	-	995,845	1,493,641
Deferred Inflows of Resources				
Unavailable tax revenue	346,957	-	-	346,957
Unavailable grant revenue	19,414	-	-	19,414
Total Deferred Inflows of Resources	366,371	-	-	366,371
Total Liabilities and Deferred Inflows of Resources	864,167	-	995,845	1,860,012
Fund Balances				
Nonspendable				
Prepaid items	14,135	-	-	14,135
Restricted				
Capital projects	-	-	1,791,039	1,791,039
Program purposes				
Housing and development	2,525,872	-	-	2,525,872
Public safety	160,941	-	-	160,941
Culture and recreation	38,903	-	-	38,903
Unassigned (deficits), reported in Special revenue funds	(6,300)	-	-	(6,300)
Total Fund Balances	2,733,551	-	1,791,039	4,524,590
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,597,718	\$ -	\$ 2,786,884	\$ 6,384,602

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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Revenue Bonds Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Hotel/motel taxes	\$ 790,696	\$ -	\$ -	\$ 790,696
Intergovernmental	275,951	-	2,285,896	2,561,847
Charges for services	197,844	-	-	197,844
Fines and forfeitures	18,790	-	-	18,790
Investment earnings	43,674	-	21,651	65,325
Miscellaneous	28,247	-	-	28,247
Total Revenues	<u>1,355,202</u>	<u>-</u>	<u>2,307,547</u>	<u>3,662,749</u>
Expenditures				
Current				
Public safety	83,549	-	-	83,549
Culture and recreation	1,184,941	-	-	1,184,941
Housing and economic development	595,522	-	-	595,522
Capital Outlay	-	-	2,689,611	2,689,611
Debt Service				
Principal retirement	-	361,400	-	361,400
Interest and fiscal charges	-	7,517	-	7,517
Total Expenditures	<u>1,864,012</u>	<u>368,917</u>	<u>2,689,611</u>	<u>4,922,540</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(508,810)</u>	<u>(368,917)</u>	<u>(382,064)</u>	<u>(1,259,791)</u>
Other Financing Sources (Uses)				
Sale of capital assets	13,670	-	-	13,670
Transfers in	563,479	368,917	1,083,696	2,016,092
Transfers out	(197,674)	-	(1,941,299)	(2,138,973)
Total Other Financing Sources (Uses)	<u>379,475</u>	<u>368,917</u>	<u>(857,603)</u>	<u>(109,211)</u>
Net Change in Fund Balances	(129,335)	-	(1,239,667)	(1,369,002)
Fund Balances Beginning of Year	<u>2,862,886</u>	<u>-</u>	<u>3,030,706</u>	<u>5,893,592</u>
Fund Balances End of Year	<u>\$ 2,733,551</u>	<u>\$ -</u>	<u>\$ 1,791,039</u>	<u>\$ 4,524,590</u>

City of Calhoun, Georgia
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2018

	Urban Development Action Grant	Home Investment Partnership	Confiscated Assets	Hotel/Motel Tax	School Tax	Recreation	Total Nonmajor Special Revenue Funds
Assets							
Cash	\$ 363,253	\$ -	\$ 254,007	\$ -	\$ 104,003	\$ 41,569	\$ 762,832
Receivables							
Property taxes	-	-	-	-	469,194	-	469,194
Other taxes	-	-	-	150,694	-	-	150,694
Accounts receivable	-	-	-	-	-	77	77
Interest	4,345	-	-	-	-	-	4,345
Loans	235,309	19,414	-	-	-	-	254,723
Loans- noncurrent	1,922,965	-	-	-	-	-	1,922,965
Interfund	-	-	-	-	-	18,753	18,753
Prepaid items	-	-	-	6,300	-	7,835	14,135
Total Assets	\$ 2,525,872	\$ 19,414	\$ 254,007	\$ 156,994	\$ 573,197	\$ 68,234	\$ 3,597,718
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 93,066	\$ -	\$ -	\$ 10,417	\$ 103,483
Accrued payroll liabilities	-	-	-	-	-	10,353	10,353
Accrued expenditures	-	-	-	112,518	-	-	112,518
Intergovernmental payable	-	-	-	-	-	726	726
Due to component unit	-	-	-	-	226,240	-	226,240
Interfund payable	-	-	-	44,476	-	-	44,476
Total Liabilities	-	-	93,066	156,994	226,240	21,496	497,796
Deferred Inflows of Resources							
Unavailable tax revenue	-	-	-	-	346,957	-	346,957
Unavailable grant revenue	-	19,414	-	-	-	-	19,414
Total Deferred Inflows of Resources	-	19,414	-	-	346,957	-	366,371
Total Liabilities and Deferred Inflows of Resources	-	19,414	93,066	156,994	573,197	21,496	864,167
Fund Balances							
Nonspendable	-	-	-	6,300	-	7,835	14,135
Prepaid items	-	-	-	-	-	-	-
Restricted for program purposes	2,525,872	-	-	-	-	-	2,525,872
Program purposes	-	-	160,941	-	-	-	160,941
Housing and development	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	38,903	38,903
Culture and recreation	-	-	-	(6,300)	-	-	(6,300)
Unassigned (deficits)	-	-	-	-	-	-	-
Total Fund Balances	2,525,872	-	160,941	-	-	46,738	2,733,551
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,525,872	\$ 19,414	\$ 254,007	\$ 156,994	\$ 573,197	\$ 68,234	\$ 3,597,718

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, 2018

	Urban Development Action Grant	Home Investment Partnership	Confiscated Assets	Hotel/Motel Tax	School Tax	Recreation	Total Nonmajor Special Revenue Funds
Revenues							
Hotel/motel taxes	\$ -	\$ -	\$ -	\$ 790,696	\$ -	\$ -	\$ 790,696
Intergovernmental	-	-	-	-	-	275,951	275,951
Charges for services	-	-	-	-	-	197,844	197,844
Fines and forfeitures	-	-	18,790	-	-	-	18,790
Investment earnings	43,674	-	-	-	-	-	43,674
Miscellaneous	-	-	-	-	-	28,247	28,247
Total Revenues	43,674	-	18,790	790,696	-	502,042	1,355,202
Expenditures							
Current							
Public safety	-	-	83,549	-	-	-	83,549
Culture and recreation	-	-	-	-	-	1,184,941	1,184,941
Housing and economic development	2,500	-	-	593,022	-	-	595,522
Total Expenditures	2,500	-	83,549	593,022	-	1,184,941	1,864,012
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,174	-	(64,759)	197,674	-	(682,899)	(508,810)
Other Financing Sources (Uses)							
Sale of capital assets	-	-	13,670	-	-	-	13,670
Transfers in	-	-	-	-	-	563,479	563,479
Transfers out	-	-	-	(197,674)	-	-	(197,674)
Total Other Financing Sources (Uses)	-	-	13,670	(197,674)	-	563,479	379,475
Net Change in Fund Balances	41,174	-	(51,089)	-	-	(119,420)	(129,335)
Fund Balances Beginning of Year	2,484,698	-	212,030	-	-	166,158	2,862,886
Fund Balances End of Year	\$ 2,525,872	\$ -	\$ 160,941	\$ -	\$ -	\$ 46,738	\$ 2,733,551

City of Calhoun, Georgia
Urban Development Action Grant Fund
Balance Sheet
June 30, 2018

Assets	
Cash	\$ 363,253
Receivables (net)	
Loans	235,309
Interest	4,345
Loans - noncurrent	<u>1,922,965</u>
Total Assets	<u><u>\$ 2,525,872</u></u>
 Fund Balance	
Restricted for housing	<u><u>\$ 2,525,872</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, 2018

Revenues	
Investment earnings	<u>\$ 43,674</u>
Expenditures	
Current	
Housing and economic development	<u>2,500</u>
Net Change in Fund Balance	41,174
Fund Balance Beginning of Year	<u>2,484,698</u>
Fund Balance End of Year	<u><u>\$ 2,525,872</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ 44,200	\$ 44,200	\$ 43,674	\$ (526)
Expenditures				
Current				
Housing and economic development	2,500	2,500	2,500	-
Excess of Revenues Over Expenditures	41,700	41,700	41,174	(526)
Other Financing Sources (Uses)				
Transfer to fund balance	(41,700)	(41,700)	-	41,700
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	41,174	<u>\$ 41,174</u>
Fund Balance Beginning of Year			<u>2,484,698</u>	
Fund Balance End of Year			<u>\$ 2,525,872</u>	

City of Calhoun, Georgia
Home Investment Partnership Act Fund
Balance Sheet
June 30, 2018

Assets

Loans receivable	\$ 19,414
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Deferred Inflows of Resources

Unavailable grant revenue	\$ 19,414
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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, 2018

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

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
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, 2018

Assets	
Cash	\$ 254,007
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 93,066
Fund Balance	
Restricted for public safety - police	160,941
Total Liabilities and Fund Balance	\$ 254,007

City of Calhoun, Georgia
Confiscated Assets Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2018

<hr/> <hr/>	
Revenues	
Fines and forfeitures	\$ 18,790
Expenditures	
Current	
Public safety	<u>83,549</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(64,759)</u>
Other Financing Sources	
Sale of assets	<u>13,670</u>
Net Change in Fund Balance	(51,089)
Fund Balance Beginning of Year	<u>212,030</u>
Fund Balance End of Year	<u><u>\$ 160,941</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Fines and forfeitures	\$ 7,050	\$ 18,788	\$ 18,790	\$ 2
Expenditures				
Current				
Public safety	<u>10,450</u>	<u>83,549</u>	<u>83,549</u>	<u>-</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(3,400)</u>	<u>(64,761)</u>	<u>(64,759)</u>	<u>2</u>
Other Financing Sources				
Sale of capital assets	3,400	13,670	13,670	-
Appropriation of fund balance	<u>-</u>	<u>51,091</u>	<u>-</u>	<u>(51,091)</u>
Total Other Financing Sources (Uses)	<u>3,400</u>	<u>64,761</u>	<u>13,670</u>	<u>(51,091)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(51,089)</u>	<u>\$ (51,089)</u>
Fund Balance Beginning of Year			<u>212,030</u>	
Fund Balance End of Year			<u>\$ 160,941</u>	

City of Calhoun, Georgia
Hotel/Motel Tax Fund
Balance Sheet
June 30, 2018

Assets	
Hotel/motel taxes receivable	\$ 150,694
Prepaid items	<u>6,300</u>
Total Assets	<u><u>\$ 156,994</u></u>
 Liabilities and Fund Balance	
Liabilities	
Accrued expenditures	\$ 112,518
Interfunds	<u>44,476</u>
Total Liabilities	<u>156,994</u>
 Fund Balance	
Nonspendable	
Prepaid items	6,300
Unassigned (deficits)	<u>(6,300)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 156,994</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, 2018

Revenues	
Hotel/motel taxes	<u>\$ 790,696</u>
Expenditures	
Current	
Housing and economic development	<u>593,022</u>
Excess of Revenues Over Expenditures	197,674
Other Financing (Uses)	
Transfers out	<u>(197,674)</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Hotel/motel taxes	\$ 750,000	\$ 790,696	\$ 790,696	\$ -
Expenditures				
Current				
Housing and economic development	562,500	593,022	593,022	-
Excess of Revenues Over Expenditures	187,500	197,674	197,674	-
Other Financing (Uses)				
Transfers out	(187,500)	(197,674)	(197,674)	-
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, 2018

Assets	
Cash	\$ 104,003
Property taxes receivable	<u>469,194</u>
Total Assets	<u><u>\$ 573,197</u></u>
 Liabilities and Deferred Inflows of Resources	
Liabilities	
Due to component unit	<u>\$ 226,240</u>
 Deferred Inflows of Resources	
Unavailable tax revenue	<u>346,957</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>\$ 573,197</u></u>

City of Calhoun, Georgia
School Tax Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2018

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

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, 2018

	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, 2018

<hr/> <hr/>	
Assets	
Cash	\$ 41,569
Accounts receivable	77
Interfund	18,753
Prepaid items	<u>7,835</u>
Total Assets	<u><u>\$ 68,234</u></u>
 Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 10,417
Accrued payroll liabilities	10,353
Intergovernmental payable	<u>726</u>
Total Liabilities	<u>21,496</u>
 Fund Balances	
Nonspendable	
Prepaid items	7,835
Restricted	
Culture and recreation	<u>38,903</u>
Total Fund Balance	<u>46,738</u>
Total Liabilities and Fund Balance	<u><u>\$ 68,234</u></u>

City of Calhoun, Georgia
Recreation Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2018

<hr/> <hr/>	
Revenues	
Intergovernmental	\$ 275,951
Charges for services	197,844
Miscellaneous	<u>28,247</u>
Total Revenues	<u>502,042</u>
Expenditures	
Current	
Culture and recreation	<u>1,184,941</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(682,899)</u>
Other Financing Sources	
Transfers in	<u>563,479</u>
Net Change in Fund Balance	(119,420)
Fund Balance Beginning of Year	<u>166,158</u>
Fund Balance End of Year	<u><u>\$ 46,738</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 352,051	\$ 352,051	\$ 275,951	\$ (76,100)
Charges for services	242,400	242,400	197,844	(44,556)
Miscellaneous	25,850	25,850	28,247	2,397
Total Revenues	620,301	620,301	502,042	(118,259)
Expenditures				
Current				
Culture and recreation	1,171,755	1,251,534	1,184,941	66,593
(Deficiency) of Revenues (Under) Expenditures	(551,454)	(631,233)	(682,899)	(51,666)
Other Financing Sources				
Transfers in	551,454	551,454	563,479	12,025
Appropriations of fund balance	-	79,779	-	(79,779)
Total Other Financing Sources	551,454	631,233	563,479	(67,754)
Net Change in Fund Balance	\$ -	\$ -	(119,420)	\$ (119,420)
Fund Balance Beginning of Year			166,158	
Fund Balance End of Year			\$ 46,738	

City of Calhoun, Georgia
Revenue Bonds Debt Service Fund
Balance Sheet
June 30, 2018

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, 2018

<hr/> <hr/>	
Revenues	
Investment earnings	\$ -
	<hr/>
Expenditures	
Debt Service	
Principal retirement	361,400
Interest and fiscal charges	7,517
	<hr/>
Total Expenditures	<hr/> 368,917 <hr/>
(Deficiency) of Revenues (Under) Expenditures	(368,917)
Other Financing Sources	
Transfers in	368,917
	<hr/>
Net Change in Fund Balance	-
Fund Balance Beginning of Year	<hr/> - <hr/>
Fund Balance End of Year	<hr/> \$ - <hr/> <hr/>

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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Expenditures				
Debt Service				
Principal	361,400	361,400	361,400	-
Interest and fiscal charges	9,167	9,167	7,517	1,650
Total Expenditures	370,567	370,567	368,917	1,650
(Deficiency) of Revenues (Under) Expenditures	(370,567)	(370,567)	(368,917)	(1,650)
Other Financing Sources				
Transfers in	370,567	370,567	368,917	1,650
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance Beginning of Year			-	
Fund Balance End of Year			\$ -	

City of Calhoun, Georgia
Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2018

	2005 SPLOST	School SPLOST	2011 SPLOST	2018 SPLOST	Total Nonmajor Capital Projects Funds
Assets					
Cash	\$ 136,785	\$ -	\$ 930,089	\$ 156,453	\$ 1,223,327
Investments	-	-	1,242,899	-	1,242,899
Receivables:					
Accounts	-	-	7,812	-	7,812
Intergovernmental	-	-	-	312,846	312,846
Total Assets	\$ 136,785	\$ -	\$ 2,180,800	\$ 469,299	\$ 2,786,884
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 2,800	\$ -	\$ -	\$ -	\$ 2,800
Interfund payable	133,985	-	-	-	133,985
Unearned revenue	-	-	859,060	-	859,060
Total Liabilities	136,785	-	859,060	-	995,845
Fund Balances					
Restricted for capital projects	-	-	1,321,740	469,299	1,791,039
Total Liabilities and Fund Balances	\$ 136,785	\$ -	\$ 2,180,800	\$ 469,299	\$ 2,786,884

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, 2018

	2005 SPLOST	School SPLOST	2011 SPLOST	2018 SPLOST	Total Nonmajor Capital Projects Funds
Revenues					
Intergovernmental	\$ -	\$ -	\$ 1,816,627	\$ 469,269	\$ 2,285,896
Investment earnings	2,503	-	19,118	30	21,651
Total Revenues	2,503	-	1,835,745	469,299	2,307,547
Expenditures					
Capital Outlay					
Public safety	6,425	-	35,156	-	41,581
Public works	-	-	1,607,364	-	1,607,364
Culture and recreation	-	-	13,587	-	13,587
Education	-	1,027,079	-	-	1,027,079
Total Expenditures	6,425	1,027,079	1,656,107	-	2,689,611
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,922)	(1,027,079)	179,638	469,299	(382,064)
Other Financing Sources (Uses)					
Transfers in	-	1,027,079	56,617	-	1,083,696
Transfers out	(1,880,732)	-	(60,567)	-	(1,941,299)
Total Other Financing Sources (Uses)	(1,880,732)	1,027,079	(3,950)	-	(857,603)
Net Change in Fund Balances	(1,884,654)	-	175,688	469,299	(1,239,667)
Fund Balances Beginning of Year	1,884,654	-	1,146,052	-	3,030,706
Fund Balances End of Year	\$ -	\$ -	\$ 1,321,740	\$ 469,299	\$ 1,791,039

City of Calhoun, Georgia
2005 SPLOST Fund
Balance Sheet
June 30, 2018

Assets	
Cash	\$ 136,785
Liabilities	
Accounts payable	\$ 2,800
Interfund payable	133,985
Total Liabilities	\$ 136,785

City of Calhoun, Georgia
2005 SPLOST Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2018

<hr/> <hr/>	
Revenues	
Investment earnings	\$ 2,503
Expenditures	
Capital Outlay	
Public safety	<u>6,425</u>
(Deficiency) of Revenues (Under) Expenditures	(3,922)
Other Financing (Uses)	
Transfers out	<u>(1,880,732)</u>
Net Change in Fund Balance	(1,884,654)
Fund Balance Beginning of Year	<u>1,884,654</u>
Fund Balance End of Year	<u><u>\$ -</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ 7,800	\$ 7,800	\$ 2,503	\$ (5,297)
Expenditures				
Capital Outlay				
Public safety	8,000	8,000	6,425	1,575
(Deficiency) of Revenues (Under)				
Expenditures	(200)	(200)	(3,922)	(3,722)
Other Financing Sources and (Uses)				
Transfers out	(1,736,969)	(1,880,732)	(1,880,732)	-
Appropriations of fund balance	1,737,169	1,880,932	-	(1,880,932)
Total Other Financing Sources and Uses	200	200	(1,880,732)	(1,880,932)
Net Change in Fund Balance	\$ -	\$ -	(1,884,654)	\$ (1,884,654)
Fund Balance Beginning of Year			<u>1,884,654</u>	
Fund Balance End of Year			<u>\$ -</u>	

City of Calhoun, Georgia
School SPLOST Fund
Balance Sheet
June 30, 2018

Assets	
Interfund receivable	\$ <u> -</u>
Liabilities	
Due to component unit	\$ <u> -</u>

City of Calhoun, Georgia
School SPLOST Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2018

<hr/> <hr/>	
Revenues	
Investment earnings	\$ <u> -</u>
Expenditures	
Capital Outlay	
Education	<u>1,027,079</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(1,027,079)</u>
Other Financing Sources	
Transfer in	<u>1,027,079</u>
Net Change in Fund Balances	-
Fund Balance Beginning of Year	<u> -</u>
Fund Balance End of Year	<u><u> -</u></u>

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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Expenditures				
Capital Outlay				
Education	-	1,027,079	1,027,079	-
(Deficiency) of Revenues (Under) Expenditures	-	(1,027,079)	(1,027,079)	-
Other Financing Sources				
Transfer in	-	1,027,079	1,027,079	-
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, 2018

Assets	
Cash	\$ 930,089
Investments	1,242,899
Receivables:	
Accounts	<u>7,812</u>
Total Assets	<u>\$ 2,180,800</u>
 Liabilities and Fund Balance	
Liabilities	
Unearned revenue	\$ 859,060
 Fund Balance	
Restricted for capital projects	<u>1,321,740</u>
Total Liabilities and Fund Balance	<u>\$ 2,180,800</u>

City of Calhoun, Georgia
2011 SPLOST Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2018

<hr/> <hr/>	
Revenues	
Intergovernmental	\$ 1,816,627
Investment earnings	<u>19,118</u>
Total Revenues	<u>1,835,745</u>
Expenditures	
Capital Outlay	
Public safety	35,156
Public works	1,607,364
Culture and recreation	<u>13,587</u>
Total Expenditures	<u>1,656,107</u>
Excess of Revenues Over Expenditures	179,638
Other Financing Sources (Uses)	
Transfers in	56,617
Transfers out	<u>(60,567)</u>
Total Other Financing Sources (Uses)	<u>(3,950)</u>
Net Change in Fund Balance	175,688
Fund Balance Beginning of Year	<u>1,146,052</u>
Fund Balance End of Year	<u><u>\$ 1,321,740</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ 979,321	\$ 1,816,627	\$ 1,816,627	\$ -
Investment earnings	550	19,118	19,118	-
Total Revenues	979,871	1,835,745	1,835,745	-
Expenditures				
Capital Outlay				
Public safety	-	35,156	35,156	-
Public works	230,823	1,607,364	1,607,364	-
Culture and recreation	-	13,587	13,587	-
Total Expenditures	230,823	1,656,107	1,656,107	-
Excess of Revenues Over Expenditures	749,048	179,638	179,638	-
Other Financing Sources (Uses)				
Transfers in	72,343	72,343	56,617	(15,726)
Transfers out	-	(60,567)	(60,567)	-
Transfer to fund balance	(821,391)	(191,414)	-	191,414
Total Other Financing Sources (Uses)	(749,048)	(179,638)	(3,950)	175,688
Net Change in Fund Balance	\$ -	\$ -	175,688	\$ 175,688
Fund Balance Beginning of Year			<u>1,146,052</u>	
Fund Balance End of Year			<u>\$ 1,321,740</u>	

City of Calhoun, Georgia
2018 SPLOST Fund
Balance Sheet
June 30, 2018

Assets	
Cash	\$ 156,453
Receivables:	
Intergovernmental	<u>312,846</u>
Total Assets	<u><u>\$ 469,299</u></u>
Fund Balance	
Restricted for capital projects	<u><u>\$ 469,299</u></u>

City of Calhoun, Georgia
2018 SPLOST Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2018

Revenues	
Intergovernmental	\$ 469,269
Investment earnings	<u>30</u>
Total Revenues	<u>469,299</u>
Fund Balance Beginning of Year	<u>-</u>
Fund Balance End of Year	<u><u>\$ 469,299</u></u>

City of Calhoun, Georgia
2018 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental	\$ -	\$ 469,269	\$ 469,269	\$ -
Investment earnings	-	-	30	30
Total Revenues	<u>-</u>	<u>469,269</u>	<u>469,299</u>	<u>30</u>
Other Financing Sources (Uses)				
Transfer to fund balance	-	(469,269)	-	469,269
Total Other Financing Sources (Uses)	<u>-</u>	<u>(469,269)</u>	<u>-</u>	<u>469,269</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	469,299	<u>\$ 469,299</u>
Fund Balance Beginning of Year			<u>-</u>	
Fund Balance End of Year			<u>\$ 469,299</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, 2018

Assets	
Current assets	
Cash	\$ 2,057,463
Investments	2,146,237
Restricted assets	
Cash	838,819
Investments	22,700,838
Receivables	
Accounts	856,875
Accrued revenue	3,129,164
Intergovernmental	735,307
Interfund	49,419
Other	70,449
Advances	306,861
Deposits	19,365
Inventory	1,834,677
Prepaid items	21,050
Total Current Assets	34,766,524
Noncurrent assets	
Investments	9,650,205
Restricted assets	
Investments, noncurrent	15,458,693
Advances receivable	1,458,511
Capital assets	
Nondepreciable	99,637
Depreciable, net	14,039,383
Total Noncurrent Assets	40,706,429
Total Assets	75,472,953
Deferred Outflows of Resources	
Pension related	102,824
	102,824
Liabilities	
Current liabilities	
Accounts payable	2,612,273
Accrued payroll liabilities	56
Accrued expenses	22,420
Intergovernmental payable	87,253
Interfund payable	64
Compensated absences payable	14,435
Unearned revenue	17,218
Payable From Restricted Assets:	
Customer deposits	1,290,260
Total Current Liabilities	4,043,979
Long-term liabilities	
Compensated absences payable (net of current portion)	26,808
Net pension liability	144,919
Payable From Restricted Assets:	
Regulatory liability	21,178,132
Total Long-term Liabilities	21,349,859
Total Liabilities	25,393,838
Deferred Inflows	
Pension related	92,459
	92,459
Net Position	
Investment in capital assets	14,139,020
Unrestricted	35,950,460
Total Net Position	\$ 50,089,480

City of Calhoun, Georgia
Electric System Fund
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2018

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Operating Revenues	
Charges for services	\$ 36,325,320
Miscellaneous	232,426
Intergovernmental revenue	<u>52,998</u>
Total Operating Revenues	<u>36,610,744</u>
Operating Expenses	
Personal services	1,439,145
Contractual services	2,045,310
Supplies	27,817,486
Interfund allocations	630,716
Depreciation	1,048,360
Other	<u>1,249</u>
Total Operating Expenses	<u>32,982,266</u>
Operating Income	<u>3,628,478</u>
Non-Operating Revenues	
Investment earnings	508,252
Income Before Transfers	<u>4,136,730</u>
Transfers in	10,024
Transfers out	<u>(2,149,390)</u>
Total Contributions and Transfers	<u>(2,139,366)</u>
Change in Net Position	1,997,364
Net Position Beginning of Year	<u>48,092,116</u>
Net Position End of Year	<u><u>\$ 50,089,480</u></u>

City of Calhoun, Georgia
Electric System Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

Cash Flows from Operating Activities	
Cash received from customers	\$ 35,403,150
Cash received from interfund services provided	1,544,332
Cash payments for personal services	(1,443,978)
Cash payments for goods and services	(29,934,607)
Cash payments for interfund services used	(664,129)
Other cash (payments) receipts	29,809
	<u>4,934,577</u>
Net Cash Provided by (Used in) Operating Activities	
Cash Flows From Noncapital Financing Activities	
Transfers in	10,024
Transfers out	(2,149,390)
Payments received on advances	303,201
	<u>(1,836,165)</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	
Cash Flows from Capital and Related Financing Activities	
Payments for capital acquisitions	(154,789)
	<u>(154,789)</u>
Cash Flows from Investing Activities	
Investment earnings	508,252
(Purchase) Disposal of investments, net of regulatory liability	(2,966,609)
	<u>(2,458,357)</u>
Net Cash Provided by (Used in) Investing Activities	
Net Increase (Decrease) in Cash	
	485,266
Cash Beginning of Year	
	<u>2,411,016</u>
Cash End of Year	
	<u>\$ 2,896,282</u>
Reconciliation of total cash and cash equivalents:	
Cash	\$ 2,057,463
Restricted assets-cash and cash equivalents	838,819
Total cash and cash equivalents	<u>\$ 2,896,282</u>

(continued)

City of Calhoun, Georgia
Electric System Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

(continued)

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

Operating Income	\$	3,628,478
Adjustments		
Depreciation		1,048,360
(Increase) Decrease in Assets		
Accounts receivable and accrued revenues		(121,306)
Intergovernmental receivable		394,839
Inventories		74,491
Interfund receivables		1,320
Deposits		1,257
Prepaid expenses		31,058
Deferred outflows pension related		(11,047)
Increase (Decrease) in Liabilities		
Accounts payable and accrued liabilities		(178,319)
Accrued payroll liabilities		332
Intergovernmental payable		(2,779)
Deposits payable		61,897
Interfund payable		64
Unearned revenue		50
Net pension liability		(36,629)
Deferred inflows pension related		42,511
Net Cash Provided by (Used in) Operating Activities		\$ 4,934,577

City of Calhoun, Georgia
Water & Sewerage System Fund
Statement of Net Position
June 30, 2018

Assets	
Current assets	
Cash	\$ 4,442,007
Investments	745,222
Restricted assets	
Cash	1,187,140
Receivables	
Accounts	871,535
Accrued revenue	1,272,320
Intergovernmental	3,516
Interfund	134,600
Interest	24,021
Other	33,428
Inventory	926,096
Prepaid items	74,584
Total Current Assets	9,714,469
Noncurrent assets	
Investments	7,452,649
Restricted assets	
Cash	1,346,888
Capital assets	
Nondepreciable	6,950,876
Depreciable, net	91,338,836
Total Noncurrent Assets	107,089,249
Total Assets	116,803,718
Deferred Outflows of Resources	
Deferred amount from debt refunding	38,985
Pension related	257,122
Total Deferred Outflows of Resources	296,107
Liabilities	
Current liabilities	
Accounts payable	238,415
Contractor bonds payable	38,469
Accrued payroll liabilities	56,819
Intergovernmental payable	2,731
Accrued interest	13,559
Compensated absences payable	42,322
Advances payable	70,706
Notes payable	502,457
Revenue bonds payable	1,475,000
Payable from Restricted Assets:	
Accrued interest payable	8,032
Customer deposits and interest	1,216,598
Total Current Liabilities	3,665,108
Long-term liabilities	
Compensated absences payable (net of current portion)	78,598
Net pension liability	510,206
Notes payable (net of current portion)	10,466,024
Revenue bonds payable (net of current portion)	7,840,000
Advances payable (net of current portion)	417,096
Total Long-Term Liabilities	19,311,924
Total Liabilities	22,977,032
Deferred Inflows of Resources	
Pension related	231,204
Net Position	
Net investment in capital assets	78,045,216
Unrestricted	15,846,373
Total Net Position	\$ 93,891,589

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, 2018

<hr/> <hr/>	
Operating Revenues	
Charges for services	\$ 19,081,628
Miscellaneous	43,111
Intergovernmental revenue	<u>2,494</u>
Total Operating Revenues	<u>19,127,233</u>
 Operating Expenses	
Personal services	3,432,298
Contractual services	758,287
Supplies	3,831,542
Interfund allocations	2,053,678
Depreciation	3,652,665
Amortization	25,770
Other	<u>18,188</u>
Total Operating Expenses	<u>13,772,428</u>
Operating Income	<u>5,354,805</u>
 Non-Operating Revenues (Expenses)	
Interest and fiscal charges	(366,636)
Investment earnings	22,957
Gain on disposition of capital assets	<u>37,851</u>
Total Non-Operating (Expenses)	<u>(305,828)</u>
Income Before Transfers	<u>5,048,977</u>
 Transfers in	1,911,698
Transfers out	<u>(1,443,230)</u>
Total Transfers	<u>468,468</u>
Change in Net Position	5,517,445
 Net Position Beginning of Year	<u>88,374,144</u>
Net Position End of Year	<u><u>\$ 93,891,589</u></u>

City of Calhoun, Georgia
Water & Sewerage System Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

Cash Flows from Operating Activities	
Cash received from customers	\$ 19,406,208
Cash received from interfund services provided	345,585
Other cash receipts	
Cash payments for personal services	(3,454,935)
Cash payments for goods and services	(3,281,769)
Cash payments for interfund services used	(3,567,982)
Other cash payments	<u>(19,471)</u>
Net Cash Provided by (Used in) Operating Activities	<u>9,427,636</u>
Cash Flows from Noncapital Financing Activities	
Transfers in	30,966
Transfers out	<u>(1,443,230)</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,412,264)</u>
Cash Flows from Capital and Related Financing Activities	
Transfers in - SPLOST	1,880,732
Proceeds from debt	1,045,731
Principal paid on advance	(70,004)
Interest paid on advances	(5,316)
Principal paid on revenue bonds	(2,045,000)
Interest paid on revenue bonds	(211,445)
Principal paid on notes and capital leases	(196,339)
Interest paid on notes and capital leases	(149,875)
Proceeds from the sale of capital assets	37,851
Payments for capital acquisitions and construction	<u>(4,348,146)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(4,061,811)</u>
Cash Flows from Investing Activities	
Investments earnings (losses)	(1,064)
(Purchase) Disposal of investments	<u>(3,628,138)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(3,629,202)</u>
Net Increase (Decrease) in Cash	324,359
Cash Beginning of Year	<u>6,651,676</u>
Cash End of Year	<u>\$ 6,976,035</u>
Reconciliation of total cash:	
Cash	\$ 4,442,007
Current restricted assets-cash	1,187,140
Noncurrent restricted assets-cash	<u>1,346,888</u>
Total cash	<u>\$ 6,976,035</u>

(continued)

City of Calhoun, Georgia
Water and Sewerage System Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

(continued)

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

Operating Income	\$	5,354,805
Adjustments		
Depreciation		3,652,665
Amortization		25,770
(Increase) Decrease in Assets		
Accounts receivable and accrued revenues		580,128
Inventories		168,617
Interfund receivables		(129,176)
Prepaid expenses		3,074
Deferred outflows pension related		(17,825)
Increase (Decrease) in Liabilities		
Accounts payable and accrued liabilities		(244,651)
Net pension obligation		(159,332)
Net pension liability		36,844
Accrued payroll liabilities		16,706
Intergovernmental payable		(1,284)
Deposits payable		44,432
Interfund payable		(4,107)
Deferred inflows pension related		100,970
		100,970
Net Cash Provided by (Used in) Operating Activities	\$	9,427,636

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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, 2018

	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds
Assets				
Current assets				
Cash	\$ 400	\$ 699,606	\$ 39,382	\$ 739,388
Investments	-	89,427	-	89,427
Receivables				
Accounts	2,140	56,332	43,036	101,508
Accrued revenue	-	57,579	46,946	104,525
Intergovernmental	-	-	3,408	3,408
Interfund	-	136	62,071	62,207
Other	-	2,420	-	2,420
Inventory	-	273,497	-	273,497
Prepaid items	3,672	4,578	2,328	10,578
Total Current Assets	6,212	1,183,575	197,171	1,386,958
Noncurrent assets				
Investments	-	802,355	-	802,355
Capital assets				
Nondepreciable capital assets	696,138	141,909	314,435	1,152,482
Depreciable capital assets, net	1,110,524	899,165	97,014	2,106,703
Total Noncurrent Assets	1,806,662	1,843,429	411,449	4,061,540
Total Assets	1,812,874	3,027,004	608,620	5,448,498
Deferred Outflows of Resources				
Pension related	37,391	23,308	-	60,699
Liabilities				
Current liabilities				
Accounts payable	10,449	7,098	45,353	62,900
Accrued payroll liabilities	8,200	42	-	8,242
Accrued expenses	-	4,717	1,071	5,788
Intergovernmental payable	5,161	2,946	-	8,107
Post-closure care payable	-	-	29,524	29,524
Compensated absences payable	6,596	4,081	-	10,677
Unearned revenue	21,546	-	-	21,546
Capital lease payable	36,952	-	-	36,952
Advances payable	-	113,194	-	113,194
Total Current Liabilities	88,904	132,078	75,948	296,930
Long-term liabilities				
Compensated absences payable (net of current portion)	12,250	7,579	-	19,829
Net pension liability	52,698	32,851	-	85,549
Post-closure care payable (net of current portion)	-	-	60,832	60,832
Capital lease payable (net of current portion)	181,839	-	-	181,839
Advances payable (net of current portion)	-	399,326	-	399,326
Total Long-Term Liabilities	246,787	439,756	60,832	747,375
Total Liabilities	335,691	571,834	136,780	1,044,305
Deferred Inflows of Resources				
Pension related	33,622	20,959	-	54,581
Net Position				
Investment in capital assets	1,587,871	1,041,074	411,449	3,040,394
Unrestricted (deficit)	(106,919)	1,416,445	60,391	1,369,917
Total Net Position	\$ 1,480,952	\$ 2,457,519	\$ 471,840	\$ 4,410,311

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, 2018

	Fields Ferry Golf Course	Telecommunications	Solid Waste	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	\$ 628,375	\$ 1,123,356	\$ 803,399	\$ 2,555,130
Miscellaneous	15,504	1,048	16,975	33,527
Total Operating Revenues	<u>643,879</u>	<u>1,124,404</u>	<u>820,374</u>	<u>2,588,657</u>
Operating Expenses				
Personal services	520,566	295,541	101,810	917,917
Contractual services	40,724	345,882	562,827	949,433
Supplies	166,206	108,218	42,976	317,400
Interfund allocations	28,530	62,410	97,984	188,924
Depreciation	64,825	173,956	14,461	253,242
Amortization	-	936	-	936
Other	-	-	8,812	8,812
Total Operating Expenses	<u>820,851</u>	<u>986,943</u>	<u>828,870</u>	<u>2,636,664</u>
Operating Income (Loss)	<u>(176,972)</u>	<u>137,461</u>	<u>(8,496)</u>	<u>(48,007)</u>
Non-Operating Revenues (Expenses)				
Change in estimated landfill closure costs	-	-	(255)	(255)
Investment earnings	-	1,638	-	1,638
Intergovernmental revenue	85,688	-	-	85,688
Interest and fiscal charges	(521)	(5,827)	-	(6,348)
Gain (Loss) on disposition of capital assets	(9,135)	-	2,851	(6,284)
Total Non-Operating Revenues (Expenses)	<u>76,032</u>	<u>(4,189)</u>	<u>2,596</u>	<u>74,439</u>
Income (Loss) Before Transfers	(100,940)	133,272	(5,900)	26,432
Transfers in	601,375	3,597	1,639	606,611
Change in Net Position	500,435	136,869	(4,261)	633,043
Net Position Beginning of Year	<u>980,517</u>	<u>2,320,650</u>	<u>476,101</u>	<u>3,777,268</u>
Net Position End of Year	<u>\$ 1,480,952</u>	<u>\$ 2,457,519</u>	<u>\$ 471,840</u>	<u>\$ 4,410,311</u>

City of Calhoun, Georgia
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	<u>Fields Ferry Golf Course</u>	<u>Telecommunications</u>	<u>Solid Waste</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash Flows from Operating Activities				
Cash received from customers	\$ 655,377	\$ 819,952	\$ 809,720	\$ 2,285,049
Cash received from interfund services provided	-	288,339	9,740	298,079
Cash payments for personal services	(515,860)	(298,512)	(101,810)	(916,182)
Cash payments for goods and services	(107,538)	(395,553)	(610,732)	(1,113,823)
Cash payments for interfund services used	(659,848)	(90,936)	(100,828)	(851,612)
Net Cash Provided by (Used in) Operating Activities	<u>(627,869)</u>	<u>323,290</u>	<u>6,090</u>	<u>(298,489)</u>
Cash Flows from Noncapital Financing Activities				
Intergovernmental revenues	85,688	-	-	85,688
Intergovernmental expense	1,373	2,946	-	4,319
Transfers in	601,375	3,597	1,639	606,611
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>688,436</u>	<u>6,543</u>	<u>1,639</u>	<u>696,618</u>
Cash Flows from Capital and Related Financing Activities				
Principal paid on advance	-	(112,069)	-	(112,069)
Interest paid on advance	-	(5,827)	-	(5,827)
Payments for capital acquisition and construction	(56,670)	(11,184)	-	(67,854)
Principal paid on capital lease	(3,376)	-	-	(3,376)
Interest paid on capital lease	(521)	-	-	(521)
Proceeds from sale of capital assets	-	-	2,851	2,851
Payments for landfill postclosure care	-	-	(29,201)	(29,201)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(60,567)</u>	<u>(129,080)</u>	<u>(26,350)</u>	<u>(215,997)</u>
Cash Flows from Investing Activities				
(Purchase) disposal of investments	-	(88,728)	-	(88,728)
Investment earnings	-	1,638	-	1,638
Net Cash Provided by (Used in) Investing Activities	<u>-</u>	<u>(87,090)</u>	<u>-</u>	<u>(87,090)</u>
Net Increase (Decrease) in Cash	-	113,663	(18,621)	95,042
Cash Beginning of Year	<u>400</u>	<u>585,943</u>	<u>58,003</u>	<u>644,346</u>
Cash End of Year	<u>\$ 400</u>	<u>\$ 699,606</u>	<u>\$ 39,382</u>	<u>\$ 739,388</u>

(continued)

City of Calhoun, Georgia
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2018

(continued)

	<u>Fields Ferry Golf Course</u>	<u>Telecommunications</u>	<u>Solid Waste</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ (176,972)	\$ 137,461	\$ (8,496)	\$ (48,007)
Adjustments				
Depreciation	64,825	173,956	14,461	253,242
Amortization	-	936	-	936
(Increase) Decrease in Assets				
Accounts receivable and accrued revenue	2,162	(17,732)	(316)	(15,886)
Inventory	-	35,856	-	35,856
Interfund receivable	-	(136)	889	753
Intergovernmental receivable	-	-	(1,487)	(1,487)
Prepaid expenses	190	758	(250)	698
Deferred outflow pension related	(6,198)	(1,011)	-	(7,209)
Increase (Decrease) in Liabilities				
Accounts payable and accrued expenses	(12,899)	(4,838)	1,289	(16,448)
Accrued payroll liabilities	3,264	471	-	3,735
Interfund payable	(519,217)	-	-	(519,217)
Unearned revenue	9,336	-	-	9,336
Net pension liability	(9,006)	(11,255)	-	(20,261)
Deferred inflow pension related	16,646	8,824	-	25,470
Net Cash Provided by (Used in) Operating Activities	<u>\$ (627,869)</u>	<u>\$ 323,290</u>	<u>\$ 6,090</u>	<u>\$ (298,489)</u>
Noncash Investing, Capital and Financing Activities				

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Statement of Net Position
June 30, 2018

Assets	
Current assets	
Cash	\$ 400
Accounts receivable	2,140
Prepaid items	3,672
Total Current Assets	6,212
Noncurrent assets	
Capital assets	
Nondepreciable	696,138
Depreciable, net	1,110,524
Total Noncurrent Assets	1,806,662
Total Assets	1,812,874
Deferred Outflows of Resources	
Pension related	37,391
Liabilities	
Current liabilities	
Accounts payable	10,449
Intergovernmental payable	5,161
Accrued payroll liabilities	8,200
Compensated absences payable	6,596
Unearned revenue	21,546
Capital lease payable	36,952
Total Current Liabilities	88,904
Long-term liabilities	
Compensated absences payable (net of current portion)	12,250
Capital lease payable (net of current portion)	181,839
Net pension liability	52,698
Total Long-term Liabilities	246,787
Total Liabilities	335,691
Deferred Inflows of Resources	
Pension related	33,622
Net Position	
Investment in capital assets	1,587,871
Unrestricted (deficit)	(106,919)
Total Net Position	\$ 1,480,952

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, 2018

<hr/>	
Operating Revenues	
Charges for services	
Green fees	\$ 378,598
Cart fees	227,819
Range fees	21,958
Miscellaneous	15,504
	<hr/>
Total Operating Revenues	643,879
	<hr/>
Operating Expenses	
Maintenance	
Personal services	340,632
Contractual services	16,605
Supplies	140,129
Interfund allocations	15,318
Depreciation	21,871
Total Maintenance	534,555
	<hr/>
Pro Shop	
Personal services	179,934
Contractual services	24,119
Supplies	26,077
Interfund allocations	13,212
Depreciation	42,954
Total Pro Shop	286,296
	<hr/>
Total Operating Expenses	820,851
	<hr/>
Operating (Loss)	(176,972)
	<hr/>
Non-Operating Revenues (Expenses)	
Intergovernmental revenue	85,688
Interest expense	(521)
(Loss) on the disposition of capital assets	(9,135)
	<hr/>
Total Non-Operating Revenues (Expenses)	76,032
	<hr/>
(Loss) Before Transfers	(100,940)
	<hr/>
Transfers in	601,375
	<hr/>
Change in Net Position	500,435
	<hr/>
Net Position Beginning of Year	980,517
	<hr/>
Net Position End of Year	\$ 1,480,952
	<hr/> <hr/>

City of Calhoun, Georgia
Fields Ferry Golf Course Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

Cash Flows from Operating Activities	
Cash received from customers	\$ 655,377
Cash payments for personal services	(515,860)
Cash payments for goods and services	(107,538)
Cash payments for interfund services used	<u>(659,848)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(627,869)</u>
Cash Flows from Noncapital Financing Activities	
Intergovernmental revenues	85,688
Intergovernmental expenses	1,373
Transfers in	<u>601,375</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	688,436
Cash Flows from Capital and Related Financing Activities	
Payments for capital acquisitions	(56,670)
Principal paid on capital lease	(3,376)
Interest paid on capital lease	<u>(521)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(60,567)</u>
Net Increase (Decrease) in Cash	-
Cash Beginning of Year	<u>400</u>
Cash End of Year	<u><u>\$ 400</u></u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating Income (Loss)	\$ (176,972)
Adjustments	
Depreciation	64,825
(Increase) Decrease in Assets	
Accounts receivable	2,162
Prepaid expenses	190
Deferred outflow pension related	(6,198)
Increase (Decrease) in Liabilities	
Accounts payable	(565)
Accrued expenses	(12,334)
Accrued payroll liabilities	3,264
Interfund payable	(519,217)
Unearned revenue	9,336
Net pension liability	(9,006)
Deferred inflow pension related	<u>16,646</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (627,869)</u></u>

City of Calhoun, Georgia
Telecommunications Fund
Statement of Net Position
June 30, 2018

Assets	
Current assets	
Cash	\$ 699,606
Investments	89,427
Receivables	
Accounts	56,332
Accrued revenue	57,579
Interfund	136
Other	2,420
Inventory	273,497
Prepaid items	4,578
Total Current Assets	1,183,575
Noncurrent assets	
Investments	802,355
Capital assets	
Nondepreciable	141,909
Depreciable, net	899,165
Total Noncurrent Assets	1,843,429
Total Assets	3,027,004
Deferred Outflows of Resources	
Pension related	23,308
Liabilities	
Current liabilities	
Accounts payable	7,098
Accrued payroll liabilities	42
Accrued expenses	4,717
Intergovernmental payable	2,946
Compensated absences payable	4,081
Advances payable	113,194
Total Current Liabilities	132,078
Long-term liabilities	
Compensated absences payable (net of current portion)	7,579
Advances payable (net of current portion)	399,326
Net pension liability	32,851
Total Long-Term Liabilities	439,756
Total Liabilities	571,834
Deferred Inflows of Resources	
Pension related	20,959
Net Position	
Investment in capital assets	1,041,074
Unrestricted	1,416,445
Total Net Position	\$ 2,457,519

City of Calhoun, Georgia
Telecommunications Fund
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2018

<hr/> <hr/>	
Operating Revenues	
Charges for services	\$ 1,123,356
Miscellaneous	1,048
	<hr/>
Total Operating Revenues	1,124,404
	<hr/>
Operating Expenses	
Personal services	295,541
Contractual services	345,882
Supplies	108,218
Interfund allocations	62,410
Depreciation	173,956
Amortization	936
	<hr/>
Total Operating Expenses	986,943
	<hr/>
Operating Income	137,461
	<hr/>
Non-Operating Revenues (Expenses)	
Investment earnings	1,638
Interest and fiscal charges	(5,827)
	<hr/>
Total Non-Operating Revenues (Expenses)	(4,189)
	<hr/>
Income Before Transfers	133,272
	<hr/>
Transfers in	3,597
	<hr/>
Change in Net Position	136,869
	<hr/>
Net Position Beginning of Year	2,320,650
	<hr/>
Net Position End of Year	\$ 2,457,519
	<hr/> <hr/>

City of Calhoun, Georgia
Telecommunications Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

<hr/> <hr/>	
Cash Flows from Operating Activities	
Cash received from customers	\$ 819,952
Cash received from interfund services provided	288,339
Cash payments for personal services	(298,512)
Cash payments for goods and services	(395,553)
Cash payments for interfund services used	(90,936)
	<hr/>
Net Cash Provided by (Used in) Operating Activities	323,290
	<hr/>
Cash Flows from Noncapital Financing Activities	
Intergovernmental expense	2,946
Transfers in	3,597
	<hr/>
Net Cash Provided by (Used in) Noncapital Financing Activities	6,543
	<hr/>
Cash Flows from Capital and Related Financing Activities	
Principal paid on advance	(112,069)
Interest paid on advance	(5,827)
Payments for capital acquisition and construction	(11,184)
	<hr/>
Net Cash Flows Provided by (Used in) Capital and Related Financial Activities	(129,080)
	<hr/>
Cash Flows from Investing Activities	
(Purchase) disposal of investments	(88,728)
Investment earnings	1,638
	<hr/>
Net Cash Flows Provided by (Used in) Investing Activities	(87,090)
	<hr/>
Net Increase (Decrease) in Cash	113,663
	<hr/>
Cash Beginning of Year	585,943
	<hr/>
Cash End of Year	\$ 699,606
	<hr/> <hr/>

(continued)

City of Calhoun, Georgia
Telecommunications Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

(continued)

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

Operating Income	\$	137,461
Adjustments		
Depreciation		173,956
Amortization		936
(Increase) Decrease in Assets		
Accounts receivable and accrued revenue		(17,732)
Inventory		35,856
Interfund receivable		(136)
Prepaid expenses		758
Pension related deferred outflows		(1,011)
Increase (Decrease) in Liabilities		
Accounts payable and accrued expenses		(4,838)
Accrued payroll liabilities and compensated absences		471
Net pension liability		(11,255)
Pension related deferred inflows		8,824
		8,824
Net Cash Provided by (Used in) Operating Activities	\$	323,290

City of Calhoun, Georgia
Solid Waste Fund
Statement of Net Position
June 30, 2018

Assets	
Current assets	
Cash	\$ 39,382
Receivables	
Accounts	43,036
Accrued revenue	46,946
Intergovernmental	3,408
Interfund	62,071
Prepaid items	<u>2,328</u>
Total Current Assets	<u>197,171</u>
Noncurrent assets	
Capital assets	
Nondepreciable	314,435
Depreciable capital assets, net	<u>97,014</u>
Total Noncurrent Assets	<u>411,449</u>
Total Assets	<u>608,620</u>
Liabilities	
Current liabilities	
Accounts payable	45,353
Accrued expenses	1,071
Post-closure care payable	<u>29,524</u>
Total Current Liabilities	<u>75,948</u>
Long-term liabilities	
Post-closure care payable	<u>60,832</u>
Total Liabilities	<u>136,780</u>
Net Position	
Investment in capital assets	411,449
Unrestricted	<u>60,391</u>
Total Net Position	<u><u>\$ 471,840</u></u>

City of Calhoun, Georgia
Solid Waste Fund
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2018

<hr/> <hr/>	
Operating Revenues	
Charges for services	\$ 803,399
Miscellaneous	16,975
	<hr/>
Total Revenues	820,374
	<hr/>
Operating Expenses	
Personal services	101,810
Contractual services	562,827
Supplies	42,976
Interfund allocations	97,984
Depreciation	14,461
Other	8,812
	<hr/>
Total Operating Expenses	828,870
	<hr/>
Operating Income (Loss)	(8,496)
	<hr/>
Non-Operating Revenues (Expenses)	
Gain on disposition of capital assets	2,851
Change in estimated landfill closure costs	(255)
	<hr/>
Total Non-Operating Revenues (Expenses)	2,596
	<hr/>
Income (Loss) Before Transfers	(5,900)
	<hr/>
Transfers in	1,639
	<hr/>
Change in Net Position	(4,261)
	<hr/>
Net Position Beginning of Year	476,101
	<hr/>
Net Position End of Year	\$ 471,840
	<hr/> <hr/>

City of Calhoun, Georgia
Solid Waste Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

<hr/> <hr/>	
Cash Flows from Operating Activities	
Cash received from customers	\$ 809,720
Cash received from interfund services provided	9,740
Cash payments for personal services	(101,810)
Cash payments for goods and services	(610,732)
Cash payments for interfund services used	<u>(100,828)</u>
Net Cash Provided by (Used in) Operating Activities	<u>6,090</u>
Cash Flows from Noncapital Financing Activities	
Transfers in	<u>1,639</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of capital assets	2,851
Payments for landfill postclosure care	<u>(29,201)</u>
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	<u>(26,350)</u>
Net Increase (Decrease) in Cash	(18,621)
Cash Beginning of Year	<u>58,003</u>
Cash End of Year	<u><u>\$ 39,382</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities	
Operating Income (Loss)	\$ (8,496)
Adjustments	
Depreciation	14,461
(Increase) Decrease in Assets	
Accounts receivable and accrued revenue	(316)
Intergovernmental receivable	(1,487)
Interfund receivable	889
Prepaid expenses	(250)
Increase (Decrease) in Liabilities	
Accounts payables and accrued expenses	<u>1,289</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 6,090</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, 2018

<hr/> <hr/>	
Assets	
Current assets	
Cash	\$ 636,394
Receivables	
Interfund	83,738
Prepaid items	<u>92,487</u>
Total Current Assets	<u>812,619</u>
Noncurrent assets	
Capital assets	
Nondepreciable	26,977
Depreciable, net	<u>1,332,246</u>
Total Noncurrent Assets	<u>1,359,223</u>
Total Assets	<u>2,171,842</u>
Deferred Outflows of Resources	
Pension related	<u>165,830</u>
Liabilities	
Current liabilities	
Accounts payable	20,290
Accrued payroll liabilities	34,628
Unearned revenue	39,600
Interfund payable	518,822
Advances payable	75,301
Compensated absences payable	<u>29,479</u>
Total Current Liabilities	<u>718,120</u>
Long-term liabilities	
Compensated absences payable (net of current portion)	54,747
Advances payable (net of current portion)	455,786
Net pension liability	<u>233,718</u>
Total Long-term Liabilities	<u>744,251</u>
Total Liabilities	<u>1,462,371</u>
Deferred Inflows of Resources	
Pension related	<u>149,114</u>
Net Position	
Net investment in capital assets	1,359,223
Unrestricted (deficit)	<u>(633,036)</u>
Total Net Position	<u><u>\$ 726,187</u></u>

City of Calhoun, Georgia
Utilities Administration Fund
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2018

<hr/>	
Operating Revenues	
Charges for services	\$ 3,117,756
Miscellaneous	45,494
	<hr/>
Total Operating Revenues	3,163,250
	<hr/>
Operating Expenses	
Personal services	2,277,681
Contractual services	447,991
Supplies	97,737
Interfund allocations	58,933
Depreciation	116,103
	<hr/>
Total Operating Expenses	2,998,445
	<hr/>
Operating Income	164,805
	<hr/>
Non-Operating (Expenses)	
Interest expense	(5,777)
	<hr/>
Income Before Transfers	159,028
	<hr/>
Transfers in	2,113
Transfers out	(39,600)
	<hr/>
Total Transfers	(37,487)
	<hr/>
Change in Net Position	121,541
	<hr/>
Net Position Beginning of Year	604,646
	<hr/>
Net Position End of Year	\$ 726,187
	<hr/> <hr/>

City of Calhoun, Georgia
Utilities Administration Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

Cash Flows from Operating Activities	
Cash received from interfund services provided	\$ 3,137,899
Cash received from other	45,494
Cash payments for personal services	(2,303,580)
Cash payments for goods and services	(526,842)
Cash payments for interfund services used	(161,665)
	<u>191,306</u>
Net Cash Provided by (Used in) Operating Activities	
Cash Flows from Noncapital Financing Activities	
Transfers in	2,113
Transfers out	(39,600)
	<u>(37,487)</u>
Total Cash Flows Provided by (Used in) Noncapital Financing Activities	
Cash Flows from Capital and Related Financing Activities	
Payments for capital acquisition and construction	(66,462)
Principal paid on advance	(74,553)
Interest paid on advance	(5,777)
	<u>(146,792)</u>
Total Cash Flows Provided by (Used in) Capital Financing Activities	
Net Increase (Decrease) in Cash	
	7,027
Cash Beginning of Year	
	<u>629,367</u>
Cash End of Year	
	<u>\$ 636,394</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating Income	
	\$ 164,805
Adjustments	
Depreciation	116,103
(Increase) Decrease in Assets	
Interfund receivables	20,143
Prepaid expenses	(11,758)
Pension related deferred outflows	(8,851)
Increase (Decrease) in Liabilities	
Accounts payables and accrued liabilities	(41,727)
Accrued payroll liabilities	(3,922)
Intergovernmental payable	(130)
Interfund payable	9,369
Unearned revenue	(39,600)
Net pension liability	(76,807)
Pension related deferred inflows	63,681
	<u>63,681</u>
Net Cash Provided by (Used in) Operating Activities	
	<u>\$ 191,306</u>

**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, 2018

	Balance	Additions	Deductions	Balance
	July 1, 2017			June 30, 2018
Assets				
Cash	\$ 9,268	\$ 514,787	\$ 515,020	\$ 9,035
Liabilities				
Intergovernmental payable	\$ 9,268	\$ 514,787	\$ 515,020	\$ 9,035

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 Category/
 Last Ten Fiscal Years
 (accrual basis of accounting)

	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	June 30, 2018
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 93,726,195
Restricted	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	15,830,227
Unrestricted	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	8,267,010
Subtotal Governmental Activities Net Position	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	117,823,432
Business-type Activities										
Net investment in capital assets	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	96,583,853
Unrestricted	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	52,533,714
Subtotal Business-Type Activities Net Position	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	149,117,567
Primary Government										
Net investment in capital assets	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	190,310,048
Restricted	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	15,830,227
Unrestricted	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	60,800,724
Total Primary Government Net Position	\$ 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	\$266,940,999

Notes:

/ 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
General government	\$ 1,027,285	\$ 913,704	\$ 776,593	\$ 810,234	\$ 802,314	\$ 910,295	\$ 1,181,829	\$ 1,040,464	\$ 1,013,767	\$ 953,158
Judicial	368,035	369,108	370,600	373,132	452,375	553,636	516,959	547,397	505,666	484,429
Public safety	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	7,871,922
Public works	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	3,276,997
Health and welfare	57,673	63,526	58,247	53,383	61,103	67,362	61,348	67,675	66,956	53,872
Culture and recreation	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	1,732,168
Housing and economic development	1,033,443	953,607	970,940	941,496	925,367	1,021,466	1,092,843	1,178,539	1,319,089	1,287,917
Education	963,995	937,959	516,728	1,136,156	1,958,815	1,472,938	2,031,197	2,111,724	875,341	2,129,460
Interest and fiscal charges	716,362	677,260	523,229	1,871,332	1,669,843	1,570,566	1,547,478	1,531,029	1,516,753	1,499,261
Total Expenses	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	19,289,184
Program Revenues:										
Charges for services:										
General government	139,888	136,106	134,956	128,669	167,154	167,604	175,896	188,107	174,273	188,363
Judicial	-	-	-	-	-	-	-	36,743	32,988	39,469
Public safety	794,988	856,148	920,826	1,021,023	1,119,975	813,915	245,577	301,023	337,639	298,389
Public works	25,710	17,094	16,111	14,955	1,685	22,355	(121)	68,219	86,357	104,791
Culture and recreation	160,558	159,990	215,276	223,302	237,350	226,206	241,220	216,241	235,544	197,844
Housing and economic development	136,787	98,116	76,305	78,006	70,671	221,330	113,815	116,216	137,308	198,450
Operating grants and contributions	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	4,961,599
Capital grants and contributions	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	5,847,072
Total Program Revenues	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	11,835,977
Net (Expense) Revenue	(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)	(7,453,207)
General Revenues and Transfers In:										
Taxes:										
Property	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	1,832,516
Sales	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	2,539,420
Business license and franchise taxes	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	3,051,742
Insurance premium	605,645	566,412	718,274	779,685	807,870	807,289	882,703	960,483	1,053,070	1,119,737
Gas marketers	89,812	88,840	69,149	54,460	92,039	88,301	92,159	78,981	76,067	-
Other	697,715	673,066	691,253	691,409	763,971	932,803	1,085,490	1,188,040	1,242,209	1,281,157
Unrestricted intergovernmental	62,496	33,636	29,732	28,913	30,590	34,624	31,763	46,081	35,173	56,689
Investment earnings	230,986	145,205	95,043	52,642	40,774	105,565	79,132	188,986	98,532	86,993
Miscellaneous	127,259	54,037	53,715	42,583	109,821	139,592	55,965	57,375	32,660	110,131
Transfers in	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	1,101,774
Total General Revenues and Transfers In	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	11,180,159
Change in Net Position	\$ 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	\$ 3,726,952

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

Fiscal Year Ended June 30,	Amounts													
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other ¹	Total	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other ¹	Total
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							
2018	1,832,516	2,539,420	2,884,797	1,119,737	166,945	1,281,157	9,824,572							
% Change From 2009-2018	2.7%	-35.6%	8.7%	84.9%	85.9%	86.3%	0.7%							

Fiscal Year Ended June 30,	Percentage of Total													
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other ¹	Total	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other ¹	Total
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%							
2018	18.7%	25.8%	29.4%	11.4%	1.7%	13.0%	100.0%							

Notes:

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

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

Source	For the Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Electric system	\$ 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	\$ 32,955,590
Water and sewerage system	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	14,052,206
Fields Ferry golf course	1,109,778	1,055,421	1,004,562	939,840	906,523	891,316	893,286	882,358	867,388	821,372
Telecommunications	796,054	748,676	911,041	927,374	871,141	949,969	992,405	1,062,052	981,714	992,770
Solid waste	751,610	783,757	746,211	589,174	655,980	678,349	732,389	852,421	769,693	829,125
Total Expenses	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	49,651,063
Program Revenues:										
Charges for services:										
Electric system	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	36,325,320
Water and sewerage system	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	19,081,628
Fields Ferry golf course	815,499	752,590	728,464	534,143	526,871	563,899	512,221	538,094	656,482	628,375
Telecommunications	955,306	943,803	949,524	988,103	991,022	1,059,358	1,119,205	1,144,786	1,113,183	1,123,356
Solid waste	447,411	687,647	692,077	705,364	708,741	715,741	747,780	748,294	788,186	803,399
Operating grants and contributions	-	-	123,040	342,410	84,020	81,246	359,465	384,866	193,793	141,180
Capital grants and contributions	332,915	64,200	900,000	691,825	371,021	-	9,571	85,224	-	-
Total Program Revenues	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	58,103,258
Net (Expense) Revenue	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	8,452,195
General Revenues and Net Transfers :										
Investment earnings	550,438	308,070	309,784	243,757	126,834	198,415	224,959	512,783	318,043	532,847
Miscellaneous	302,435	318,312	410,092	289,235	424,210	499,385	311,907	329,339	373,475	386,125
Net transfers	(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)	(1,101,774)
Total General Revenues and Transfers	(112,831)	(106,099)	(1,651,403)	(2,527,452)	(1,901,056)	(1,614,609)	(1,943,554)	(1,637,872)	(668,558)	(182,802)
Change in Net Position	\$ 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	\$ 8,269,393

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

For the Fiscal Year Ended June 30,

Source	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities ¹	\$ 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	\$ 19,289,184
Business-type activities ²	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	49,651,063
Total Expenses	52,378,420	51,929,107	55,597,499	61,956,172	64,389,289	68,414,333	69,027,657	68,717,303	67,011,748	68,940,247
Program Revenues										
Governmental activities ¹	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	11,835,977
Business-type activities ²	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	58,103,258
Total Program Revenues	46,659,022	47,786,056	55,196,065	59,274,373	65,292,600	72,361,705	70,226,328	79,927,588	64,680,771	69,939,235
Net (Expense) Revenue	(5,719,398)	(4,143,051)	(401,434)	(2,681,799)	903,311	3,947,372	1,198,671	11,210,285	(2,330,977)	998,988
General Revenues and Transfers:										
Governmental activities ¹	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	11,180,159
Business-type activities ²	(112,831)	(106,099)	(1,651,403)	(2,527,452)	(1,901,056)	(1,614,609)	(1,943,554)	(1,637,872)	(668,558)	(182,802)
Total General Revenues and Transfers	11,044,689	10,705,800	8,509,605	8,315,858	8,950,793	9,903,082	9,814,408	10,314,604	10,193,112	10,997,357
Change in Net Position	\$ 5,325,291	\$ 6,562,749	\$ 8,108,171	\$ 5,634,059	\$ 9,854,104	\$ 13,850,454	\$ 11,013,079	\$ 21,524,889	\$ 7,862,135	\$ 11,996,345

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 393,709	\$ 509,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	6,863,088	5,934,113	-	-	-	-	-	-	-	-
Nonspendable	-	-	465,476	401,073	368,452	330,824	331,871	324,299	273,209	206,836
Committed	-	-	4,000,757	3,959,964	1,048,544	4,015,916	4,015,916	4,048,047	4,049,293	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	5,396,522
Subtotal General Fund	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	9,652,651
General Fund Percentage Change	-13.5%	-11.2%	5.8%	14.0%	-0.8%	15.3%	2.9%	2.3%	1.1%	2.0%
All Other Governmental Funds										
Reserved ¹	6,032,693	7,664,639	-	-	-	-	-	-	-	-
Unreserved	(20,804)	(1,385)	-	-	-	-	-	-	-	-
Special Revenue Funds	2,487,585	3,197,082	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	55,232	6,343	6,266	15,174	12,132	12,688	12,632	14,135
Nonspendable	-	-	34,663,373	30,122,295	17,842,243	12,183,680	14,710,290	15,546,159	15,062,642	15,475,435
Restricted	-	-	(4,390)	-	-	-	(5,850)	(5,850)	(5,850)	(6,300)
Unassigned	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Subtotal All Other Governmental Funds	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	15,483,270
Total Governmental Funds										
Reserved	6,426,402	8,174,076	-	-	-	-	-	-	-	-
Unreserved	9,329,869	9,129,810	-	-	-	-	-	-	-	-
Nonspendable	-	-	520,708	407,416	374,718	345,998	344,003	336,987	285,841	220,971
Restricted	-	-	34,663,373	30,122,295	17,842,243	12,192,680	14,710,290	15,546,159	15,062,642	15,475,435
Committed	-	-	4,000,757	3,959,964	1,048,544	4,015,916	4,015,916	4,048,047	4,049,293	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	5,396,522
Special Revenue Funds	-	-	(4,390)	-	-	(9,000)	(5,850)	(5,850)	(5,850)	(6,300)
All Governmental Funds	\$ 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	\$ 25,135,921
Percentage Change	5.1%	9.8%	140.0%	-8.7%	-32.6%	-17.5%	13.2%	4.4%	-1.5%	2.5%

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

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	\$ 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	\$ 9,701,669
Intergovernmental	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	7,201,170
Licenses and permits	262,284	219,490	201,293	200,394	220,735	372,340	276,113	291,207	297,898	373,129
Charges for services	391,946	375,453	404,449	414,540	459,274	471,398	458,968	430,961	377,594	364,533
Fines and forfeitures	594,969	588,606	556,013	655,469	717,800	599,746	488,686	348,436	414,358	332,251
Contributions and donations	28,138	1,393	783	-	381,032	309	331,734	898	1,652	1,200
Investment earnings	230,986	145,205	94,878	101,001	63,295	48,373	49,942	167,757	98,154	164,246
Miscellaneous	38,330	35,097	48,782	39,422	29,994	32,622	26,503	26,028	27,644	34,825
Total Revenues	\$ 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	\$ 18,173,023
% change from prior year	-7.1%	-1.2%	0.8%	8.2%	-0.1%	9.9%	-3.4%	-3.0%	1.0%	6.8%
Taxes	48.7%	48.3%	51.0%	47.9%	51.7%	49.9%	53.1%	55.0%	55.7%	53.4%
Intergovernmental	41.1%	42.6%	40.4%	43.5%	36.9%	41.6%	37.5%	37.4%	37.1%	39.6%
Licenses and permits	1.7%	1.5%	1.3%	1.2%	1.3%	2.1%	1.6%	1.7%	1.8%	2.1%
Fines and forfeitures	2.6%	2.5%	2.7%	2.5%	2.8%	2.6%	2.6%	2.6%	2.2%	2.0%
Charges for services	3.9%	3.9%	3.7%	4.0%	4.4%	3.3%	2.8%	2.1%	2.4%	1.8%
Contributions and donations	0.2%	0.0%	0.0%	0.0%	2.3%	0.0%	1.9%	0.0%	0.0%	0.0%
Investment earnings	1.5%	1.0%	0.6%	0.6%	0.4%	0.3%	0.3%	1.0%	0.6%	0.9%
Miscellaneous	0.3%	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Total revenues	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	
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
2018	1,710	2,349	2,885	1,120	167	1,475	9,706
% Change From 2009-2018	27.4%	16.5%	8.7%	84.8%	85.6%	111.3%	31.1%

Fiscal Year Ended June 30,	Percentage of Total						Total
	Property	Local Option Sales	Business License and Franchise	Insurance Premium	Gas Marketers	Other ²	
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%
2018	17.6%	24.2%	29.7%	11.5%	1.7%	15.2%	102.3%

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenditures:										
Current:										
General government ²	\$ 1,004,306	\$ 897,578	\$ 927,518	\$ 821,051	\$ 852,445	\$ 872,008	\$ 1,169,257	\$ 1,022,902	\$ 992,609	\$ 948,894
Judicial	400,454	363,530	364,090	367,148	447,648	531,784	517,576	547,567	507,645	479,960
Public safety	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	7,677,906
Public works	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	2,415,410
Health and welfare	58,254	63,698	58,678	53,469	61,103	63,113	61,880	67,547	66,832	54,106
Culture and recreation	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	1,359,070
Housing and economic development	1,020,584	939,055	974,467	884,600	915,059	978,153	1,115,979	1,175,826	1,295,324	1,269,404
Education	133,712	112,978	99,103	81,758	-	-	-	-	-	-
Less capital outlay included above	-	-	-	-	-	-	-	(200,388)	(254,252)	(342,039)
Total Current	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	13,862,711
% Change From Prior Year	-5.6%	-9.7%	1.5%	-0.6%	18.1%	-6.0%	8.1%	-5.4%	7.3%	-2.6%
Capital Outlay	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	3,031,650
% Change From Prior Year	-19.4%	-34.7%	-54.3%	2071.2%	104.6%	-50.1%	-88.0%	65.4%	-15.7%	13.7%
Debt Service										
Principal ³	979,602	1,068,637	1,146,243	1,098,439	10,339,080	1,274,976	433,888	351,628	343,800	361,400
Interest and fees	710,875	676,517	823,716	1,375,080	1,795,083	1,568,673	1,538,649	1,522,296	1,508,110	1,490,742
Total Debt Service	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	1,852,142
% Change From Prior Year	-31.7%	3.2%	12.9%	25.6%	390.6%	-76.6%	-30.6%	-5.0%	-1.2%	0.0%
Total Expenditures	\$ 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	\$ 18,746,503
Debt Service as a % of Noncapital Expenditures	11.6%	13.1%	14.3%	17.5%	46.8%	18.0%	12.3%	12.4%	11.5%	11.8%

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,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Revenues - Exhibit VII	\$ 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	\$ 18,173,023
Total Expenditures - Exhibit IX	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	18,746,503
Excess (Deficiency) of Revenues Over (Under) Expenditures	(702,361)	775,651	985,734	(6,696,481)	(27,801,634)	(6,939,292)	267,457	(1,465,395)	(1,743,322)	(573,480)
Other Financing Sources (Uses)										
Sale of capital assets	8,561	39,482	15,029	5,960	75,028	149,325	18,309	18,223	-	60,016
General obligation bonds issued	-	-	21,000,000	-	12,000,000	-	-	-	-	-
Premium on debt issuance	-	-	(147,000)	-	924,239	-	-	-	-	-
Inception of capital lease	392,733	-	-	-	-	-	-	-	-	-
Insurance reimbursement	95,735	-	-	-	11,600	4,640	11,153	13,124	5,016	15,290
Transfers in	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	5,704,453
Transfers out	(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)	(4,602,679)
Total Other Financing Sources (Uses)	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	1,177,080
Net Change in Fund Balances	\$ 760,372	\$ 1,547,615	\$ 24,225,042	\$ (3,630,077)	\$ (12,338,667)	\$ (4,472,918)	\$ 2,777,339	\$ 1,045,946	\$ (378,230)	\$ 603,600

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

Fiscal Year	Amounts ⁵ (in thousands of dollars)											Total	
	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	Direct Tax Rate ⁴	Estimated Actual Value	Annual Percentage Change	
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%	
2018	199,164	266,356	401,319	1,762	1,100	6,019	12,226	186,731	701,215	19.965	1,753,038	-3.7%	
% Change													
From 2009-2018	9.60%	-6.11%	19.13%	-37.07%	55.15%	42.63%	-59.00%	521.32%	-13.40%	27.21%	-13.40%		

Percentage of Total Assessed Valuation	
2008	26.0%
2009	22.4%
2010	25.7%
2011	26.0%
2012	24.3%
2013	24.0%
2014	23.7%
2015	24.2%
2016	25.9%
2017	26.6%
2018	28.4%

Notes:

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

² Excludes homestead property exemptions. All prior years restated.

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

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

Data Source:

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

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	
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
2018	1.980	17.985	19.965	-	9.829	29.794
% Change From 2009-2018	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
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	64,633,141	4.06%	2,626,844	24.8%
2018	64,740,383	4.05%	2,624,336	-0.1%
% Change From 2009-2018	49.97%	-2.14%	46.76%	

Notes:

¹ This is an average of rates for different providers.

² Per tax collections of the City of Calhoun.

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

Fiscal Year Ended June 30,	Direct			Overlapping Rates ²		Total City Rate
	City of Calhoun	City of Calhoun Schools ⁴	Total Direct Rate	State of Georgia ³	Gordon County ⁵	
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	4.064	-	4.064	-	5.000	9.064
2018	4.054	-	4.054	-	5.000	9.054
% Change From 2009-2018	-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, 2018		Fiscal Year Ended June 30, 2009					
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	\$ 1,659,196	1	63.2%	Calhoun Utilities	\$ 1,317,359	1	55.6%
NGEMC	457,516	2	17.4%	NGEMC	493,150	2	20.8%
Georgia Power	167,935	3	6.4%	Georgia Power	167,487	3	7.1%
Comcast	122,502	4	4.7%	AT&T/Bellsouth	113,968	4	4.8%
Southern Gas	99,367	5	3.8%	Comcast	96,511	5	4.1%
AT&T/Bellsouth	47,144	6	1.8%	AGL Resources	91,900	6	3.9%
Southstar Energy	38,334	7	1.5%	MX Energy	51,882	7	2.2%
Infinite Energy	12,794	8	0.5%	SouthStar Energy	22,192	8	0.9%
Total Principal Taxpayers	2,604,788		99.3%	Total Principal Taxpayers	2,354,449		99.4%
All Other Taxpayers	19,548		0.7%	All Other Taxpayers	16,677		0.6%
Total	\$ 2,624,336		100.00%	Total	\$ 2,371,127		100.00%

Data Source:

¹ City financial records

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

		Fiscal Year Ended June 30, 2018			Fiscal Year Ended June 30, 2009		
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mohawk Industries	\$ 138,397	1	15.8%	Mohawk (Aladdin)	\$ 80,590	1	10.1%
Shaw Industries Group, Inc.	37,560	2	4.3%	Shaw Industries	36,086	2	4.5%
Mannington Mills Inc.	19,909	3	2.3%	FAUS	34,847	3	4.3%
Engineered Floors LLC	19,707	4	2.3%	Kobelco Construction	32,887	4	4.1%
FieldTurf USA, Inc.	14,163	5	1.6%	Mannington Carpets	16,870	5	2.1%
LG Hausys America, Inc.	12,473	6	1.4%	Calhoun Outlets	6,908	6	0.9%
Apache Mills, Inc.	12,441	7	1.4%	Don Owens Holdings LLLP	6,802	7	0.8%
Nourison Industries, Inc.	11,565	8	1.3%	KMK Holdings LLC	6,771	8	0.8%
Stanton Carpet Corp.	9,374	9	1.1%	Kerry Inc.	5,677	9	0.7%
Kerry Inc.	7,532	10	0.9%	Stanton Carpet	5,363	10	0.7%
Total Principal Taxpayers	283,121		32.4%	Total Principal Taxpayers	232,801		29.0%
All Other Taxpayers	592,602		67.6%	All Other Taxpayers	576,962		71.0%
Total	\$ 875,723		100.00%	Total	\$ 809,763		100.00%

Data Source:

¹ City tax records

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Uncollected Taxes	
	Fiscal Year	Amount	Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2009	11,670	10,430	89.37%	1,170	11,600	99.40%	70	0.60%	
2010	11,911	10,939	91.84%	896	11,835	99.36%	76	0.64%	
2011	11,377	10,631	93.44%	677	11,308	99.39%	69	0.61%	
2012	12,012	11,341	94.41%	594	11,935	99.36%	77	0.64%	
2013	13,623	13,057	95.85%	512	13,569	99.60%	54	0.40%	
2014	14,217	13,798	97.05%	353	14,151	99.54%	66	0.46%	
2015	13,485	12,861	95.37%	312	13,173	97.69%	312	2.31%	
2016	13,219	12,744	96.41%	295	13,039	98.64%	180	1.36%	
2017	13,391	13,009	97.15%	207	13,216	98.69%	175	1.31%	
2018	12,920	12,486	96.64%	-	12,486	96.64%	434	3.36%	

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
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%
2018	431,413,031	0.1%	2,838,212	-3.0%	1,150,355	2.6%

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100
First 3,000/kWh	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Over 3,000/kWh	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
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	0.1060	0.1060	0.1060	0.1060	0.1060	0.1060	0.1060	0.1060	0.1060	0.1060
First 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 400 HUD	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Transmission/kWh	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
Demand Charge	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000	60.0000
Medium Power										
Base Charge	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
Transmission&Demand/kWh	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000
Generation/kWh	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000	0.09000
First 6,000/kWh	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Over 6,000/kWh	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
First 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
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	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400

(continued)

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

(continued)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Large Power:										
Base Charge	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000
Transmission & Demand/kWh	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
Generation kWh										
First 200 HUD										
First 100,000 kWh	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880
Over 100,000 kWh	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780	0.0780
Next 200 HUD	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440	0.0440
Next 200 HUD	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Over 600 HUD	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375
Large Industrial IND										
Customer Charge	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000	500.0000
Transmission Demand/kWh	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
First 200 HUD										
First 160,000 kWh	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Over 160,000 kWh	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Next 300 HUD	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420
Over 500 HUD	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0375	0.0300

Data Source:

¹ City's utility billing department.

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

June 30,	Governmental Activities					Business-type Activities					Total	Percentage of Personal Income	Estimated Population ³	Per Capita
	Recreation Authority Revenue		School General Obligation Bonds		Capital Leases	Revenue Bonds		Notes Payable	Capital Leases	Total				
	Bonds		Bonds			Bonds								
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				
2018	-	33,000,000	-	9,315,000	10,968,481	218,791	63,968,296	16.63%	16,414	3,897				

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
Ratios of Net General Bonded Debt Outstanding²
Last Ten Fiscal Years

June 30,	General	Less Amounts	Net	Percentage	Estimated	Total
	Obligation	Available in	General	of Estimated		
	Bonds ¹	Debt	Obligation	Actual Value of	Population ³	Bonded Debt
		Service Funds	Bonds	Taxable Property ²		Per Capita ³
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
2018	33,000,000	10,958,680	22,041,320	1.257%	16,414	1,343

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:	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
City Direct Debt ²	\$ 33,361,400	100%	\$ 33,361,400
Overlapping Debt			
Gordon County debt repaid with property taxes	8,837,300	43%	3,840,712
Total Direct and Overlapping	<u>\$ 42,198,700</u>		<u>\$ 37,202,112</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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value¹	\$ 809,763	\$ 828,569	\$ 795,706	\$ 714,536	\$ 727,126	\$ 742,924	\$ 730,183	\$ 721,198	\$ 727,959	\$ 701,215
Legal Debt Margin										
Debt limit (10% of assessed value) ²	\$ 80,976	\$ 82,857	\$ 79,571	\$ 71,454	\$ 72,713	\$ 74,292	\$ 73,018	\$ 72,120	\$ 72,796	\$ 70,122
Debt applicable to limit:										
General obligation bonds ³	12,415	11,895	32,320	31,685	33,800	33,000	33,000	33,000	33,000	33,000
Less: Amount reserved for repayment of general obligation debt	3,970	5,619	7,319	10,130	2,669	4,114	6,446	7,888	9,663	10,959
Total debt applicable to limit	8,445	6,276	25,001	21,555	31,131	28,886	26,554	25,112	23,337	22,041
Legal debt margin	\$ 72,531	\$ 76,581	\$ 54,570	\$ 49,899	\$ 41,582	\$ 45,406	\$ 46,464	\$ 47,008	\$ 49,459	\$ 48,081
As a percentage of debt limit	89.57%	92.43%	68.58%	69.83%	57.19%	61.12%	63.63%	65.18%	67.94%	68.57%

Notes:

¹ Exhibit XI

² Under Article 9, Section 5, Paragraph 1 of the State of Georgia Constitution, the City's outstanding general obligation debt should not exceed 10% of the assessed valuation of taxable property within the City.

³ Exhibit XXI

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
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
2018	19,150	10,094	9,056	2,045	211	2,256	4.01

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
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
2018	19,150	10,094	9,056	196	74	270	33.54

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	<i>(in thousands of dollars)</i> Personal Income ⁵	Per Capita Income ⁵			City School Enrollment ²	Unemployment Rates ⁴			
			Gordon County	United States	County as a % of U.S.		City	State of Georgia		United States
								Median Age ³	City	
2009	14,807	1,419,678	25,978	28,812	90%	3,361	13.5%	10.1%	9.5%	
2010	14,955	1,415,787	26,393	28,374	93%	3,423	12.6%	9.6%	9.3%	
2011	15,650	1,503,261	27,185	28,538	95%	3,531	12.4%	10.2%	9.6%	
2012	15,773	1,598,019	31,050	28,692	108%	3,342	11.8%	9.6%	8.5%	
2013	15,812	1,554,171	29,529	28,829	102%	3,692	10.2%	8.8%	7.9%	
2014	15,899	1,618,698	25,028	28,155	89%	3,862	8.5%	7.4%	6.1%	
2015	16,052	1,619,727	29,050	35,610	82%	4,103	6.1%	6.1%	5.3%	
2016	16,309	1,594,390	31,463	36,268	87%	4,093	5.6%	5.1%	4.9%	
2017	16,360	1,779,975	32,234	44,163	73%	4,081	5.2%	4.8%	4.4%	
2018	16,414	1,834,267	32,234	45,390	71%	4,042	4.1%	4.1%	4.0%	

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	2018			2009		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Mohawk Industries, Inc.	3,200	1	11.4%	2,352	1	9.1%
Gordon Hospital	1,172	2	4.2%	1,356	2	5.2%
Shaw Industries	955	3	3.4%	965	3	3.7%
Gordon County Schools	820	4	2.9%	605	4	2.3%
Apache Mills	700	5	2.5%	590	5	2.2%
Mannington Carpets	651	6	2.3%	408	6	1.6%
Engineer Flooring	608	7	2.2%	387	7	1.5%
Calhoun City Schools	450	8	1.6%	386	8	1.5%
Gordon County Government	415	9	1.5%	374	9	1.4%
Calhoun City Government	299	10	1.1%	355	10	1.4%
Total Principal Employers	9,270		33.1%	7,778		29.9%
Other Employers	18,847		66.9%	18,450		70.1%
Total Employers¹	28,117		100.0%	26,228		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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Mayor and City Council	5	5	5	5	5	5	5	5	5	5
Administration	2	1	2	2	2	2	2	2	3	3
Tax Administration	1	1	1	1	1	1	1	1	1	1
Business License Clerk	-	2	1	1	1	1	1	1	1	1
Human Resources	2	2	2	2	2	2	2	2	2	2
Finance	6	4	4	-	-	-	-	-	-	-
	<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>	<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	-	-
	<u>5</u>	<u>3</u>	<u>3</u>							
Public Safety										
Police	49	49	49	49	49	49	49	50	50	50
Fire	38	38	39	39	39	39	39	39	41	41
Community Service Enforcement	-	-	-	-	-	-	-	-	1	-
Animal Control	1	1	1	1	1	2	2	2	2	2
	<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>	<u>93</u>
Public Works										
Administration	1	1	1	1	1	1	1	1	1	1
Streets and highways	16	16	16	17	15	15	15	15	14	13
City Maintenance	6	6	6	6	7	7	7	7	9	9
Cemetery	4	3	3	3	3	3	3	3	4	4
	<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>	<u>27</u>
Health and Welfare										
Senior Citizens Activities	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation Department	14	14	15	15	13	13	13	15	15	15
Library	9	9	9	9	9	9	9	9	9	9
	<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>	<u>24</u>
Housing and Economic Development										
Mainstreet Program	1	1	1	1	1	1	1	1	1	1
Airport	4	4	4	2	3	3	3	3	3	3
Inspections/ Community Dev.	5	4	4	4	3	3	3	3	3	3
	<u>10</u>	<u>9</u>	<u>9</u>	<u>7</u>						
Utilities Administration										
Administration	5	5	4	2	2	2	1	1	1	1
Utilities Finance	5	5	4	8	9	9	9	9	9	9
GIS	2	2	2	2	2	2	2	2	2	2
Billing	3	3	2	2	3	3	2	2	2	2
Customer Service	4	2	4	4	3	4	3	4	4	4
Tellers	3	2	4	3	4	5	5	5	5	5
Meter Reading	6	5	4	4	4	4	4	4	4	4
Engineering	6	6	6	6	6	6	5	5	5	5
Purchasing	2	2	2	2	2	2	2	2	2	2
Work Order	-	-	-	1	1	1	2	2	2	2
	<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>	<u>36</u>
Electric System	17	17	15	15	17	17	17	17	17	18
Water and Sewer System										
Wastewater Treatment	9	9	9	10	10	10	10	10	10	10
Sewer Construction	12	12	11	11	11	11	11	11	10	11
Maintenance Crew	10	10	10	10	10	7	7	8	8	9
Water Treatment	8	7	7	8	9	9	10	10	10	9
Water Construction	24	22	22	22	22	19	20	21	22	22
	<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>	<u>61</u>
Fields Ferry Golf Course										
Pro Shop	9	9	9	9	5	4	3	3	4	4
Maintenance	8	8	8	7	7	5	7	7	7	7
	<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>	<u>11</u>
Telecommunications	4	4	4	4	4	4	4	4	5	4
Solid Waste	3	3	3	2	2	2	2	2	2	2
Total	<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>	<u>299</u>
Percentage Change From Prior Year	4.4%	-3.2%	-0.3%	-1.2%	-0.7%	-2.0%	0.0%	2.1%	2.0%	-0.2%

Data Source:

¹ City of Calhoun, Human Resource Department

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

Function/program	2009	2010	2011	2012	2013	2014 ²	2015 ²	2016 ²	2017 ²	2018
Police										
Physical arrests	535	1,572	1,439	1,456	1,363	1,255	1,388	1,604	1,750	1,376
Parking violations	N/A	882	966	490	417	N/A	N/A	N/A	N/A	N/A
Traffic violations	5,055	6,042	7,093	7,714	6,354	5,462	5,806	6,591	5,716	5,285
Fire										
Emergency responses ¹	740	894	1,492	1,920	1,839	1,951	1,923	2,117	2,299	2,180
Inspections	674	1,013	2,215	1,827	1,320	1,261	1,302	1,223	1,105	747
Library										
Volumes in collection	87,500	90,839	98,167	91,129	90,522	86,925	86,365	78,841	78,679	80,775
Total volumes borrowed	131,185	141,757	129,169	127,178	118,395	102,503	108,123	90,601	73,693	76,970
Computer usage	N/A	N/A	24,137	21,127	16,662	13,122	17,021	20,331	16,494	24,699

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Electric Service:										
Coincident peak (kW)	59,112	55,553	73,134	72,252	72,783	76,121	76,525	76,280	76,247	74,422
Reserves (kW)	6,771	6,237	8,845	9,722	8,792	9,293	9,353	9,237	9,232	8,986
Total requirements (kW)	65,883	61,790	81,979	81,974	81,575	85,414	85,878	85,517	85,479	83,408
Water Service:										
Southeastern Power Administration (kW)	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437
MEAG projects 1, 2, 3 & 4 (kW)	45,604	45,490	45,453	45,453	46,842	46,842	48,125	48,009	48,150	48,850
MEAG combined cycle (kW)	15,500	15,500	15,497	15,659	15,497	15,497	15,497	15,388	15,257	15,169
Calhoun Simple Cycle	15,186	15,145	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Inter-participant Transfer(IPT) College Park	-	-	(3,884)	(4,855)	4,855	4,855	4,855	4,855	2,325	4,855
Total resources (kW)	83,727	83,572	84,503	83,694	94,631	94,631	95,914	95,689	93,169	96,311
Excess capacity (deficit) (kW)	17,844	2,178	2,524	1,720	13,056	9,217	10,036	10,171	7,689	12,904
Per cent reserve of capacity ¹	49.7%	60.4%	18.9%	19.3%	35.1%	28.5%	29.6%	29.7%	26.1%	34.3%
Water Service:										
Daily average consumption	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	9,260,000
Maximum daily capacity of wells (in gallons)	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000
Maximum daily capacity of plant (in gallons)	18,000,000	23,800,000	23,800,000	23,800,000	23,800,000	23,800,000	29,600,000	29,800,000	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)	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	5,184,000
Unused capacity	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	12,000,000
Percentage of capacity used	0.407865	0.355500	0.378875	0.350813	0.335875	0.371750	0.374875	0.325700	0.250000	0.032100
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>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Electric Service:										
Miles of line	227	234	242	242	245	246	254	261	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	4	4	4
20 megawatt generator	1	1	1	1	1	1	1	1	1	1
Water Service:										
Miles of water mains	720	770	819	819	826	830	836	834	848	850
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	137	134	136	136	136	136	141	141	142	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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	2	2	2	3	3	4	4	4	4	4
Patrol units	32	33	33	33	33	34	34	34	34	34
Fire stations & Training Center	3	3	3	3	4	4	4	4	4	4
Streets and highways										
Streets (miles)	99	99	99	99	100	103	103	103	106	107
Street Lights	973	979	979	1,451	1,488	1,525	1,625	1,686	1,773	1,780
Parks and recreation										
Acreage	342	342	342	342	342	342	342	342	362	362
Water										
Water mains (miles)	720	770	819	819	826	830	836	834	847	850
Fire hydrants	900	775	771	771	771	780	811	827	831	853
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)	137	134	136	136	136	136	141	141	142	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	31	31	31	31	31

Data Source:
 Various City Departments.

R.M. DOBBS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 423
CALHOUN, GEORGIA 30703-0423
706-629-4511

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

JERRY L. CLEMENTS, C.P.A.
LOUISE MCGOWAN, C.P.A.
JUDY M. FAGAN, C.P.A.
MITZI B. POWELL, C.P.A.

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, 2018, 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 27, 2018.

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. Dobbis & Company

Calhoun, Georgia
December 27, 2018

R.M. DOBBS & COMPANY

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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, 2018, and the related notes to the financial statements, which collectively comprise the City of Calhoun, Georgia's basic financial statements, and have issued our report thereon dated December 31, 2018.

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.

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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. Dobbis & Company

Calhoun, Georgia
December 27, 2018

CITY OF CALHOUN, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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		\$ 2,524,027
Calhoun Housing Authority Payment in Lieu of Taxes	15.226	Ga. Projects 11900199M Contract A-3103		<u>56,689</u>
Total U. S. Department of Housing and Urban Development				<u>2,580,716</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	393,137
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	<u>652,594</u>
Total U. S. Environmental Protection Agency				<u>1,045,731</u>
<u>U.S. Department of Justice</u>				
Bureau of Justice Assistance				
Bulletproof Vest Partnership Program	16.607	1121-0235		<u>-</u>
Total U. S. Department of Justice				<u>-</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	1,422
		EMW-2017-SS-0015-S01	\$ 58,750	<u>18,200</u>
				<u>19,622</u>
Federal Emergency Management Agency				
Public Assistance Funded Projects	97.036	FEMA-DR-4338	\$ 75,987	<u>75,987</u>
Total U. S. Department of Homeland Security				<u>75,987</u>
				<u>\$ 3,722,056</u>

CITY OF CALHOUN, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018. 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	\$ 2,433,188
CW SFR#13-001	\$ 2,090,928
DW SRF#13-003	\$ 6,444,366

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, 2018**

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, 2018

	RLF Reports	Adjustments	Financial
Total Assets	<u>\$ 2,525,872</u>	<u>\$ -</u>	<u>\$ 2,525,872</u>
Total Liabilities and Fund Balance	<u>\$ 2,525,872</u>	<u>\$ -</u>	<u>\$ 2,525,872</u>
Net Revenues (Expenditures)	<u>\$ 41,174</u>	<u>\$ -</u>	<u>\$ 41,174</u>

**CITY OF CALHOUN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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
NOTES TO PROJECT COST SCHEDULES
FOR PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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.