

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**Prepared by:**  
**Finance Department**

## INTRODUCTORY SECTION

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# CITY OF CHATTAHOOCHEE HILLS, GEORGIA

## FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017

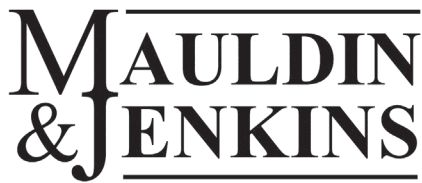
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## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

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**The Honorable Mayor and Members  
of the City Council of the  
City of Chattahoochee Hills, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the **City of Chattahoochee Hills, Georgia** (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City'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.

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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 major fund, and the aggregate remaining fund information of the City of Chattahoochee Hills, Georgia as of June 30, 2017, and the respective changes in financial position thereof 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 General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), as listed in the table of contents, 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.

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*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2017, on our consideration of the City'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'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's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
November 20, 2017

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

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As management of the City of Chattahoochee Hills, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Chattahoochee Hills for the year ended June 30, 2017.

**FINANCIAL HIGHLIGHTS**

- Assets of the City exceeded its liabilities by \$4,303,527 (net position), representing a \$308,980 or 7.74% increase over the prior year.
- Unrestricted net position increased from \$1,466,909 to \$1,764,724 an increase of \$297,815 or 20.30%.
- As of June 30, 2017, the City's governmental funds reported combined ending fund balance of \$1,876,376, an improvement of \$684,327 over the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City of Chattahoochee Hills' basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide the reader with a broad overview of the City of Chattahoochee Hills' financial position in a manner similar to private-sector business. These statements include the Statement of Net Position and the Statement of Activities and can be found on pages 13 and 14 of this report.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two 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 is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. for uncollected taxes and earned, but unused employee leave).

Both of the government-wide financial statements report functions for the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The City of Chattahoochee Hills' governmental activities include general government, judicial, public safety, public works, culture and recreation, and community development. The City currently does not have any business-type activities.

The government-wide financial statements can be found on pages 13 and 14 of this report.



**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

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**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Chattahoochee Hills maintains one major and four non-major governmental funds. The City's major governmental fund is the General Fund and the City's non-major funds are the E911 Fund, the Hotel/Motel Tax Fund, the Technology Fee Fund, and the TSPLOST Fund.

The basic governmental fund financial statements are presented on pages 15 through 17 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The City uses an Agency Fund for the collection and remittance of cash appearance bond-related activity for municipal court. The basic fiduciary fund financial statement can be found on page 18 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 19 through 35 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The budgetary comparison schedule is intended to demonstrate the City's compliance with the legally adopted and amended budgets. Required supplementary information can be found on pages 36 and 37 of this report.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. At June 30, 2017 the City's assets exceeded liabilities by \$4,303,527. A significant portion of the City's net position, \$2,321,021 is its investment in capital assets (land, buildings, infrastructure, and equipment), less any related debt to acquire those assets. Because the City uses these capital assets to provide services to its residents, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City also reported \$217,782 in restricted net position for funds which can only be spent for designated purposes as required by state law or contractual agreements.

The remaining portion of the City's net position represents unrestricted net position in the amount of \$1,764,724 and is primarily attributable to operating revenues in excess of expenditures from the inception of the City through the current period.

The following table provides a summary of the City's governmental net position for the fiscal years 2017 and 2016.

**City of Chattahoochee Hills Net Position**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>	<u>Inc (Dec)</u>	<u>Percent</u>
<b>Assets</b>				
Current Assets	\$ 2,126,938	\$ 1,626,102	\$ 500,836	30.80 %
Capital assets, net of accumulated depreciation	<u>3,078,393</u>	<u>2,784,971</u>	<u>293,422</u>	<u>10.54</u>
Total assets	<u>5,205,331</u>	<u>4,411,073</u>	<u>794,258</u>	<u>18.01</u>
<b>Liabilities</b>				
Current liabilities	275,923	219,820	56,103	25.52
Long-term liabilities	<u>625,881</u>	<u>196,706</u>	<u>429,175</u>	<u>218.18</u>
Total liabilities	901,804	416,526	485,278	116.51
<b>Net Position</b>				
Net Investment in capital assets	2,321,021	2,527,638	(206,617)	(8.17)
Restricted for grant programs	217,782	-	217,782	100.00
Unrestricted	<u>1,764,724</u>	<u>1,466,909</u>	<u>297,815</u>	<u>20.30</u>
Total net position	<u>\$ 4,303,527</u>	<u>\$ 3,994,547</u>	<u>\$ 308,980</u>	<u>7.74 %</u>

**Changes in net position.** Governmental activities increased the City's net position by \$308,980 and \$481,613 in fiscal years 2017 and 2016, respectively. The table on the following page indicates the change in net position from the twelve months ended June 30, 2017 and 2016.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2017**

**City of Chattahoochee Hills Changes in Net Position  
for the Year Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percent</u>
Revenues:				
Program Revenues:				
Charges for services	\$ 497,752	\$ 437,321	\$ 60,431	13.82 %
Operating grants and contributions	5,915	145,250	(139,335)	(95.93)
Capital grants and contributions	49,468	150,968	(101,500)	(67.23)
General Revenues:				
Property taxes	1,408,129	1,276,787	131,342	10.29
Other taxes	1,204,323	1,137,993	66,330	5.83
Investment earnings	2,385	1,608	777	48.32
Gain on sale of capital assets	30,000	-	30,000	-
Total revenues	<u>3,197,972</u>	<u>3,149,927</u>	<u>48,045</u>	<u>1.53</u>
Expenses:				
General government	564,980	538,770	26,210	4.86
Judicial	84,017	79,963	4,054	5.07
Public safety	1,362,445	1,212,153	150,292	12.40
Public works	655,553	583,660	71,893	12.32
Culture and recreation	144,164	191,403	(47,239)	(24.68)
Community development	60,056	56,381	3,675	6.52
Interest expenses	17,777	5,984	11,793	197.08
Total expenses	<u>2,888,992</u>	<u>2,668,314</u>	<u>220,678</u>	<u>8.27</u>
Income	<u>308,980</u>	<u>481,613</u>	<u>\$ (172,633)</u>	<u>(35.84) %</u>
Net position beginning of year	<u>3,994,547</u>	<u>3,512,934</u>		
Net position end of year	<u>\$ 4,303,527</u>	<u>\$ 3,994,547</u>		

Governmental activities increased the City's net position by \$308,980 in fiscal year 2017. Total revenues increased slightly, \$48,045 or 1.53% from the prior year. Charges for services increased \$60,431 or 13.82% primarily because of increases in fines and forfeitures. Operating grants decreased \$139,335 or 95.93% because the State of Georgia discontinued grants for forest and land preservation. Capital Grants decreased \$101,500 or 67.23% because Fulton County discontinued funding from Community Development Block Grants. Property taxes increased \$131,342 or 10.29% as real estate values have increased. Other taxes have increased \$66,330 or 5.83% as the economy has continued to improve. The City realized a \$30,000 gain on trade in of certain public works equipment.

Total expenses have increased \$220,678 or 8.27%. General government and judicial expenses increased 4.86% and 5.07% respectively as a result of general increases in wages and expenses. Public safety expenses increased \$150,292 or 12.4% and public works expenses increased \$71,893 or 12.32% due to filling vacant positions and general increases in expenses. Interest expense increased \$11,793 or 197.08% because of additional capital leases used to purchase public works equipment.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**City of Chattahoochee Hills**  
**Comparison of Revenues, Expenditures, and Changes in Fund Balances**  
**for the Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percent</u>	
Revenues:					
Property taxes	\$ 1,407,994	\$ 1,260,343	\$ 147,651	11.72	%
Sales taxes	707,676	716,777	(9,101)	(1.27)	
Hotel/Motel taxes	184,464	131,947	52,517	39.80	
Franchise taxes	127,601	121,732	5,869	4.82	
Business Taxes	184,582	167,537	17,045	10.17	
Licenses and permits	62,569	54,487	8,082	14.83	
Fines and forfeitures	179,607	139,131	40,476	29.09	
Charges for services	187,496	201,669	(14,173)	(7.03)	
Intergovernmental	204,320	355,407	(151,087)	(42.51)	
Contributions	5,915	9,577	(3,662)	(38.24)	
Interest earned	2,385	1,608	777	48.32	
Miscellaneous	<u>68,080</u>	<u>42,034</u>	<u>26,046</u>	<u>61.96</u>	
Total Revenue	<u>3,322,689</u>	<u>3,202,249</u>	<u>120,440</u>	<u>3.76</u>	
Expenditures:					
General government	563,122	531,265	31,857	6.00	
Judicial	84,017	79,963	4,054	5.07	
Public safety	1,442,661	1,203,781	238,880	19.84	
Public works	869,119	524,492	344,627	65.71	
Culture and recreation	140,102	188,603	(48,501)	(25.72)	
Community development	60,263	63,294	(3,031)	(4.79)	
Debt service	<u>69,580</u>	<u>70,713</u>	<u>(1,133)</u>	<u>(1.60)</u>	
Total Expenditures	<u>3,228,864</u>	<u>2,662,111</u>	<u>566,753</u>	<u>21.29</u>	%
Excess (deficiency) of revenues over expenditures	<u>93,825</u>	<u>540,138</u>	<u>(446,313)</u>		
Other financing sources (uses):					
Issuance of note payable	560,502	57,309	503,193		
Sale of capital assets	<u>30,000</u>	<u>-</u>	<u>30,000</u>		
Net change in Fund Balances	<u>684,327</u>	<u>597,447</u>	<u>86,880</u>		
Beginning fund balance	<u>1,192,049</u>	<u>594,602</u>	<u>597,447</u>		
Ending fund balance	<u>\$ 1,876,376</u>	<u>\$ 1,192,049</u>	<u>\$ 684,327</u>		

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

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Governmental funds reported a positive fund balance of \$1,876,376 at June 30, 2017. This is a \$684,327, improvement over the prior year.

Revenues have increased \$120,440 or 3.76% over the prior year. Property taxes have increased \$147,651 or 11.72% over the prior year as real estate values improve. Business taxes increased \$17,045 or 10.17%, as a result of general improvements in the economy. Hotel/Motel taxes increased \$52,517 or 39.80% as the leisure economy has improved. Fines and Forfeitures increased \$40,476 or 29.09% as a result of additional patrol officers. Intergovernmental revenues decreased \$151,087 or 42.51% due to state reductions in forest and land preservation grants as well as discontinuance of community development block grants from Fulton County. Miscellaneous revenues increased \$26,046 or 61.96% due to additional rental fees and insurance claims.

Total expenditures increased \$566,753 or 21.29% over prior year levels. General government increased \$31,857 or 6% due to general increases in expenses. Public safety expenses increased \$238,880 or 19.84% due to increases in salaries and purchase of additional vehicles. Public works expenses increased \$344,627 or 65.71% due to increases in salaries and additional purchases of equipment. Culture and recreation expenses decreased \$48,501 or 25.72% as a result of decreases in staffing.

The City has adopted a fund balance reserve policy to retain in reserve an amount which represents no less than two months of operating and debt expenditures, approximately 16 percent of the current year's estimated operating and debt expenditures. The policy took into consideration that upon incorporation, no reserves existed and allowed for a period of three to five years to establish the required amount. Current year operations contributed \$684,327 toward this goal. The current fund balance stands at \$1,573,863 or 51% of current year expenditures.

**General fund.** The General Fund is the primary operating fund and the largest source of day-to-day service delivery. It accounts for the City's core services such as law enforcement, fire protection, planning and development, roads, streets, and bridges, culture and recreation, municipal court, and administration. The General Fund currently has a fund balance of \$1,629,365, an increase of \$466,775 over the prior year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

A comparison of budgeted to actual results can be found on pages 36 and 37 of the financial report. Total revenues were \$110,226 worse than budgeted, as certain state and federal grant requests were not successful. Revenue shortfalls were compensated by actual expenditures being much less than budgeted. Expenditures were \$419,657 less than budgeted.

The City employs a formal budget adjustment process as needed in order to re-align original appropriations made during the annual budget process with significant changes in revenue and/or expenditures; ensuring appropriations are in alignment with expected resources. Differences between the original budget and final, amended budget are then resolved through official City Council action.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

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Twenty-five (25) budget adjustments were approved by the City Council during fiscal year 2017. The following budget amendments were adopted during the year:

- In January of 2017, the budget was amended to increase revenue from Insurance Premium Taxes from \$135,000 that was recommended to \$148,421, Charges for Services (Parking Fees) revenues from \$20,000 to \$26,915, Local Maintenance Improvement Grant (LMIG) revenues from \$99,000 to \$99,031, Contributions and Donations for \$0.00 to \$5,045, and recognizing proceeds from a Capital Lease of \$560,502 that was not budgeted. The City also received \$30,000 from sale of motor grader and \$3,200 from sale of 2009 Dodge Charger on GovDeals as well as \$317 Capital Credits from Greystone Power. Hotel Motel Taxes was amended from \$34,000 to \$43,348 to recognize \$9,348 in additional revenues.
- Expenditures were amended to reflect the increases in revenues with the City Clerk's Office realizing an increase of \$11,216 from \$77,388 to \$88,604 to take over financial duties, a reduction in General Administration of \$7,240 from \$141,724 to \$134,254 due to downsizing the department, an increase of \$84,249 in the Police Department from \$718,882 to \$803,131 for the purchase of police vehicles and a K-9, an increase of \$16,000 in the Fire Department from \$624,499 to \$640,499 for roof repairs, an increase of \$512,002 in the Public Works Department from \$482,821 to \$994,823 for facility upgrades, capital equipment purchases and roadway striping, an increase of \$6,344 to Engineering consulting from \$5,000 to \$11,344 for TSPLOST project management expenditures, an increase of \$6,090 in the Parks and Recreation Department from \$129,163 to \$135,253 for park amenities, and increase of \$9,348 to allocate for gateway signage.
- In June of 2017, the budget was amended to increase revenue from Property Taxes from the recommended \$1,250,000 to \$1,274,355, Local Option Sales Tax (LOST) from \$615,000 to \$625,000, Intangible Taxes from \$15,000 to \$23,849, Real Estate Transfer Taxes from \$8,000 to \$9,316, Business Occupation Taxes from \$22,000 to \$36,121, Alcohol Beverage Taxes from \$18,000 to \$20,329, Franchise Fees from \$120,000 to \$121,910, Licenses and Permits from \$55,000 to \$112,461, Charges for Services (Parking Fees) from \$26,915 to \$55,658, Fine and Forfeitures from \$150,000 to \$155,053, Insurance proceeds from \$0.00 to \$18,508, Contributions and Donations from \$870 to \$5,915, Interest from \$1,000 to \$2,179, Proceeds from Capital Lease from \$81,669 to \$560,502, and the City received a Workers' Compensation refund in the amount of \$39,081 which changed the budget from \$33,517 to \$72,598. Additionally, the Hotel/Motel Fund was increased by \$86,652 from \$43,348 to \$130,000 to recognize the additional revenue to the City as a result of the Georgia Dome being paid off and no longer an obligation to Fulton County cities.
- Expenditures were amended to reflect the increases in revenues with Non-Departmental Insurance (Property and Casualty Insurance) receiving an increase of \$88,861 from \$132,500 to \$221,361 in order to cover a litigation settlement and prepayment of Property and Casualty Insurance, an increase to the Police Department's budget of \$81,669 from \$803,131 to \$884,800 to cover the costs for capital equipment purchases, an increase of \$20,000 to the Fire Department from \$640,499 to \$660,499 to cover the additional costs for facility roof repairs. Lastly, there was of increase of \$1,331 from \$59,347 to \$60,678 for Capital Lease payments as this was under budgeted.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2017, the City's investment in capital assets for its governmental activities totaled \$3,078,393. These assets primarily reflect the infrastructure assets of roads, streets, bridges, culverts, and park land.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2017**

**City of Chattahoochee Hills  
Capital Assets (net of depreciation)  
June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>	<u>Inc (Dec)</u>	<u>Percent</u>	
Land	\$ 992,554	\$ 992,554	\$ -	-	%
Buildings and improvements	190,574	205,061	(14,487)	(7.06)	
Machinery and equipment	657,335	349,010	308,325	88.34	
Vehicles	381,728	188,782	192,946	102.21	
Infrastructure	<u>856,202</u>	<u>1,049,564</u>	<u>(193,362)</u>	<u>(18.42)</u>	
Total	<u>\$ 3,078,393</u>	<u>\$ 2,784,971</u>	<u>\$ 293,422</u>	<u>10.54</u>	%

Additional information on the City's capital assets can be found in Note 6 on page 30 of the report. Changes in capital assets for 2017 are primarily related to additional purchases of police vehicles and public works equipment in excess of depreciation.

**Long-term debt**

The City's long term debt consists primarily of notes payable and lease obligations for vehicles and equipment. Additional information on the City's debt can be found in Notes 8 and 9 beginning on page 33 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following factors are expected to have some noteworthy effects on the City's financial position or results of operations and were taken into account in developing the fiscal year 2018 budget. They will also be an ongoing concern throughout the fiscal year.

- The City anticipates keeping the millage rate the same at 10.958. With the economy still improving and the development of platted subdivisions and existing hamlets, we anticipate at least a net tax increase of 3.6% which should yield an additional \$53,000 in ad valorem tax revenue.
- The City anticipates a reduction in Motor Vehicle Ad Valorem Tax as consumers retain their vehicles longer and are no longer required to pay annual vehicle taxes.
- The City will realize additional revenues in the Hotel/Motel Fund as all cities in Fulton County have been de-obligated to provide 3.93% of collections to retire the debt to the Georgia Dome which was paid off with the financing of the new stadium. These additional funds will be indented as tourism product development funds.
- With increased activity in the film industry and the City of Chattahoochee Hills being a popular area for locations scouts, the City anticipates an increase in the Licenses and Permits account from the revenues generated from these permits.
- The TSPLOST (Transportation Special Purpose Local Option Sales Tax) referendum passed on the November 8<sup>th</sup>, 2016 ballot. As a result, the City is projecting to receive an estimated \$3,000,000 over a five year period or up to \$600,000 year. The collection of these funds by the Department of Revenue will begin in March of 2017 and expected to begin disbursement in May of 2017. These funds will be applied to the maintenance and repair of paved and non-paved roadways which could generate greater interest in residential and commercial development.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

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The City restricts the use of one-time revenues to fund recurring operating expenses. Growth in expenditures is limited based on the City Council approval of service levels, the level of effort needed to provide the service levels and the measurement of the outcomes of providing service.

**REQUESTS FOR INFORMATION**

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. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City of Chattahoochee Hills Finance Department, 6505 Rico Road, Chattahoochee Hills, Georgia 30268. You may also visit our Website at [www.chatthillsga.us](http://www.chatthillsga.us).



**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**STATEMENT OF NET POSITION  
JUNE 30, 2017**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,720,778
Accounts receivable	45,477
Taxes receivable, net of allowance	35,045
Due from other governments	240,723
Prepays	84,915
Capital assets:	
Nondepreciable	992,554
Depreciable, net of accumulated depreciation	<u>2,085,839</u>
 Total assets	 <u>5,205,331</u>
<b>LIABILITIES</b>	
Accounts payable	73,481
Accrued liabilities	39,934
Compensated absences due within one year	31,017
Note payable due within one year	120,113
Note payable due in more than one year	614,792
Capital lease due within one year	11,378
Capital lease due in more than one year	<u>11,089</u>
 Total liabilities	 <u>901,804</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,321,021
Restricted for public safety	29,413
Restricted for tourism	86,043
Restricted for capital projects	102,326
Unrestricted	<u>1,764,724</u>
 Total net position	 <u>\$ 4,303,527</u>

**The accompanying notes are an integral part of these financial statements.**

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expenses) Revenues and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 564,980	\$ 210,974	\$ 5,915	\$ -	\$ (348,091)
Judicial	84,017	900	-	-	(83,117)
Public safety	1,362,445	221,628	-	-	(1,140,817)
Public works	655,553	-	-	49,468	(606,085)
Culture and recreation	144,164	1,283	-	-	(142,881)
Community development	60,056	62,967	-	-	2,911
Interest on long-term debt	17,777	-	-	-	(17,777)
Total governmental activities	<u>2,888,992</u>	<u>497,752</u>	<u>5,915</u>	<u>49,468</u>	<u>(2,335,857)</u>
Total primary government	<u>\$ 2,888,992</u>	<u>\$ 497,752</u>	<u>\$ 5,915</u>	<u>\$ 49,468</u>	<u>(2,335,857)</u>
General revenues:					
					1,408,129
Property taxes					707,676
Sales taxes					184,464
Hotel/Motel taxes					127,601
Franchise taxes					184,582
Business taxes					2,385
Unrestricted investment earnings					30,000
Gain on sale of capital assets					<u>2,644,837</u>
Total general revenues					308,980
Change in net position					3,994,547
Net position, beginning of year					<u>\$ 4,303,527</u>
Net position, end of year					

The accompanying notes are an integral part of these financial statements.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

<b>ASSETS</b>	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and cash equivalents	\$ 1,603,561	\$ 117,217	\$ 1,720,778
Accounts receivable	45,477	-	45,477
Taxes receivable, net of allowance	20,724	14,321	35,045
Intergovernmental receivable	204,594	36,129	240,723
Due from other funds	100	63,145	63,245
Prepays	55,502	29,413	84,915
<b>Total assets</b>	<b>\$ 1,929,958</b>	<b>\$ 260,225</b>	<b>\$ 2,190,183</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 60,367	\$ 13,114	\$ 73,481
Accrued liabilities	25,797	-	25,797
Due to other funds	63,145	100	63,245
<b>Total liabilities</b>	<b>149,309</b>	<b>13,214</b>	<b>162,523</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	2,863	-	2,863
Unavailable revenue - insurance premium taxes	148,421	-	148,421
<b>Total deferred inflows of resources</b>	<b>151,284</b>	<b>-</b>	<b>151,284</b>
 <b>FUND BALANCES</b>			
Fund balances:			
Nonspendable for prepaids	55,502	29,413	84,915
Restricted for tourism	-	86,043	86,043
Restricted for capital projects	-	102,326	102,326
Assigned for public safety	-	29,229	29,229
Unassigned	1,573,863	-	1,573,863
<b>Total fund balances</b>	<b>1,629,365</b>	<b>247,011</b>	<b>1,876,376</b>
 Total liabilities, deferred inflows of resources and fund balances	 <b>\$ 1,929,958</b>	 <b>\$ 260,225</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,078,393
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(802,526)
Some revenues are not available in the current period and, therefore, are not reported in the funds.	151,284

Net position of governmental activities	<u>\$ 4,303,527</u>
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The accompanying notes are an integral part of these statements.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Property taxes	\$ 1,407,994	\$ -	\$ 1,407,994
Sales taxes	707,676	-	707,676
Hotel/Motel taxes	-	184,464	184,464
Franchise taxes	127,601	-	127,601
Business taxes	184,582	-	184,582
Licenses and permits	62,569	-	62,569
Fines and forfeitures	179,607	-	179,607
Charges for services	166,471	21,025	187,496
Intergovernmental	99,032	105,288	204,320
Contributions	5,915	-	5,915
Interest earned	2,385	-	2,385
Miscellaneous	47,646	20,434	68,080
Total revenues	<u>2,991,478</u>	<u>331,211</u>	<u>3,322,689</u>
<b>Expenditures:</b>			
Current:			
General government	563,122	-	563,122
Judicial	84,017	-	84,017
Public safety	1,379,816	62,845	1,442,661
Public works	866,157	2,962	869,119
Culture and recreation	78,050	62,052	140,102
Community development	60,263	-	60,263
Debt service:			
Principal	60,463	-	60,463
Interest	9,117	-	9,117
Total expenditures	<u>3,101,005</u>	<u>127,859</u>	<u>3,228,864</u>
Excess (deficiency) of revenues over expenditures	<u>(109,527)</u>	<u>203,352</u>	<u>93,825</u>
<b>Other financing sources (uses):</b>			
Issuance of note payable	560,502	-	560,502
Sale of capital assets	30,000	-	30,000
Transfers in	52,683	66,883	119,566
Transfers out	(66,883)	(52,683)	(119,566)
Total other financing sources (uses)	<u>576,302</u>	<u>14,200</u>	<u>590,502</u>
Net change in fund balances	<u>466,775</u>	<u>217,552</u>	<u>684,327</u>
<b>Fund balances, beginning of year</b>	<u>1,162,590</u>	<u>29,459</u>	<u>1,192,049</u>
<b>Fund balances, end of year</b>	<u>\$ 1,629,365</u>	<u>\$ 247,011</u>	<u>\$ 1,876,376</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 684,327
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	293,422
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(154,717)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.	(500,039)
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.	<u>(14,013)</u>
Change in net position - governmental activities	<u>\$ 308,980</u>

**The accompanying notes are an integral part of these financial statements.**

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**JUNE 30, 2017**

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<b>ASSETS</b>	<b>Municipal Court Fund</b>
Cash	<u>\$ 20,772</u>
Total assets	<u><u>\$ 20,772</u></u>
<b>LIABILITIES</b>	
Due to others	<u>\$ 20,772</u>
Total liabilities	<u><u>\$ 20,772</u></u>

**The accompanying notes are an integral part of these financial statements.**

# CITY OF CHATTAHOOCHEE HILLS, GEORGIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Chattahoochee Hills, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### **A. Reporting Entity**

The City, which was incorporated in 2007, operates under a charter adopted December 1, 2007, as a municipal corporation governed by an elected mayor and a five-member council. The government provides such services as police protection, fire and rescue services, cultural and recreational activities, housing and development and public works.

#### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Agency funds have no measurement focus; however, they use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, insurance premium taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

In accordance with GASB Statement No. 34, major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

The **general fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the City reports the following fund types:

The **special revenue funds** are used to account for revenue sources, such as emergency telephone systems charges and hotel/motel tax revenues, which are restricted or committed to expenditure for specific purposes.

The **capital projects funds** are used to account for revenue sources that will be used by the City for the purpose of capital outlay.

The **agency fund** is used to account for the collection and disbursement of monies by the City's Municipal Court on behalf of other individuals or entities.

#### D. Budgets

Formal budgetary accounting is employed as a management control device for the general, special revenue, and capital projects funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for each governmental fund. During the fiscal period ended June 30, 2017, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All unencumbered budget appropriations lapse at the end of each year.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **E. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

#### **F. Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

#### **G. Interfund Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as other outstanding balances between funds are reported as “due to/from other funds.”

#### **H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

#### **I. Capital Assets**

Capital assets, which include buildings and improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City has reported all infrastructure that it currently owns and has a responsibility for maintaining. Donated capital assets are recorded at estimated acquisition value at the date of donation.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### I. Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Capital assets of the City are depreciated using the straight line method over the following useful lives:

Buildings and improvements	20-50 years
Machinery and equipment	5-40 years
Vehicles	5-8 years
Infrastructure	10-50 years

Fully depreciated assets still in service are carried in the capital asset accounts.

#### J. Deferred Outflows / Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and insurance premium taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

#### K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types recognize the face amount of the long-term debt issued as other financing sources and the repayment of debt as debt service expenditures.

#### M. 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 assets and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance 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 formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment, also through a resolution.
- **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 Manager or his or her designee to assign fund balances.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. Fund Equity (Continued)

- **Unassigned** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. The City intends to maintain an unassigned fund balance in the general fund equal to approximately 16% of the current year's expenditures. Negative unassigned fund balances may be reported in all funds.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the 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

The City's policy is to maintain a minimum General Fund balance reserve equal to 16% of operating expenditures.

**Net Position** – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

#### N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

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**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$802,526 difference are as follows:

Notes payable	\$	(734,905)
Capital leases		(22,467)
Compensated absences		(31,017)
Accrued interest		(14,137)
Net adjustment to decrease fund balance - <i>total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	(802,526)

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances - total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$293,422 difference are as follows:

Capital outlay	\$	656,215
Depreciation expense		(362,793)
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	\$	293,422

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

#### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$500,039 difference are as follows:

Issuance of note payable	\$ (560,502)
Principal retirement of long-term debt	<u>60,463</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ (500,039)</u></u>

Another element of the reconciliation states that “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 details of this \$14,013 difference are as follows:

Compensated absences	\$ (5,353)
Accrued interest	<u>(8,660)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ (14,013)</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. LEGAL COMPLIANCE – BUDGETS

#### A. Budgets and Budgetary Accounting

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Finance Director and the City Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

### NOTE 4. DEPOSITS

Total deposits as of June 30, 2017 are summarized as follows:

Statement of net position:	
Cash and cash equivalents	\$ 1,720,778
Statement of fiduciary net position:	
Cash - agency fund	<u>20,772</u>
	<u>\$ 1,741,550</u>
Cash deposited with financial institutions	<u>\$ 1,741,550</u>
	<u>\$ 1,741,550</u>

**Custodial Credit Risk – Deposits:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of June 30, 2017, all of the City's bank balances were insured and/or collateralized as defined by GASB and State Statutes.



**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 5. RECEIVABLES**

Property taxes are levied on property values assessed as of January 1. The City contracts with Fulton County to bill and collect property taxes. The taxes were levied on October 15 based on the assessed value of property as listed on the previous January 1 and were due 60 days following the billing date each year. Property taxes are recorded as receivables and unavailable revenues when levied as they are intended to fund that fiscal year. Revenues are recognized when available.

Receivables at June 30, 2017, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Receivables:			
Taxes	\$ 63,788	\$ 14,321	\$ 78,109
Accounts	45,477	-	45,477
Intergovernmental	204,594	36,129	240,723
Total receivables	<u>313,859</u>	<u>50,450</u>	<u>364,309</u>
Less allowance for uncollectible	43,064	-	43,064
Net total receivable	<u>\$ 270,795</u>	<u>\$ 50,450</u>	<u>\$ 321,245</u>

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## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Nondepreciable capital assets				
Land	\$ 992,554	\$ -	\$ -	\$ 992,554
Total	<u>992,554</u>	<u>-</u>	<u>-</u>	<u>992,554</u>
Capital assets, being depreciated:				
Buildings and improvements	295,623	-	-	295,623
Machinery and equipment	529,013	403,299	(17,000)	915,312
Vehicles	602,554	252,916	-	855,470
Infrastructure	2,724,958	-	-	2,724,958
Total	<u>4,152,148</u>	<u>656,215</u>	<u>(17,000)</u>	<u>4,791,363</u>
Less accumulated depreciation for:				
Buildings and improvements	(90,562)	(14,487)	-	(105,049)
Machinery and equipment	(180,003)	(94,974)	17,000	(257,977)
Vehicles	(413,772)	(59,970)	-	(473,742)
Infrastructure	(1,675,394)	(193,362)	-	(1,868,756)
Total	<u>(2,359,731)</u>	<u>(362,793)</u>	<u>17,000</u>	<u>(2,705,524)</u>
Total capital assets being depreciated, net	<u>1,792,417</u>	<u>293,422</u>	<u>-</u>	<u>2,085,839</u>
Governmental activities capital assets, net	<u>\$ 2,784,971</u>	<u>\$ 293,422</u>	<u>\$ -</u>	<u>\$ 3,078,393</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 3,822
Public safety	65,554
Public works	277,458
Culture and recreation	<u>15,959</u>
Total depreciation expense - governmental activities	<u>\$ 362,793</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT

#### Notes Payable

In March 2015, the City entered into an agreement through the Georgia Municipal Association to borrow \$148,459 for the purchase of two tractors. Annual payments of \$27,834, including interest at a rate of 3.47% began in July 2016 and will continue through July 2021. The outstanding balance at June 30, 2017 is \$125,775.

In April 2016, the City entered into an agreement through the Georgia Municipal Association to borrow \$57,309 for the purchase of a compact track loader. Annual payments of \$10,864, including interest at a rate of 3.81% began in April of 2017 and will continue through April 2022. The outstanding balance at June 30, 2017 is \$48,628.

In July 2016, the City entered into an agreement through the Georgia Municipal Association to borrow \$66,132 for the purchase of two vehicles. Annual payments of \$23,555, including interest at a rate of 3.39% begin in July 2017 and will continue through July 2019. The outstanding balance at June 30, 2017 is \$66,132.

In October 2016, the City entered into an agreement through the Georgia Municipal Association to borrow \$494,370 for the purchase of a motor grader, backhoe and dump truck. Annual payments of \$76,651, including interest at a rate of 2.09% begin in October 2017 and will continue through October 2023. The outstanding balance at June 30, 2017 is \$494,370.

The total debt service requirements to maturity for the City's outstanding notes are as follows:

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 120,113	\$ 18,791	\$ 138,904
2019	123,379	15,525	138,904
2020	126,740	12,164	138,904
2021	106,644	8,705	115,349
2022	109,405	5,944	115,349
2023 - 2024	148,624	4,675	153,299
	<u>\$ 734,905</u>	<u>\$ 65,804</u>	<u>\$ 800,709</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### Capital Lease Payable – Equipment

The City has entered into a lease-purchase agreement to finance the acquisition of public safety equipment. The lease is for a period of five years, at an interest rate of 3.56% annually, due April 2019. As of June 30, 2017, the City had \$54,174 of equipment, with associated accumulated depreciation of \$23,027, financed under the capital lease.

Amortization expense of capital assets under capital leases is included with depreciation expense.

As of June 30, 2017 the future lease payments for the capital leases are as follows:

Year Ending June 30,		
2018	\$	12,202
2019		12,202
Total minimum lease payments		24,404
Less amount representing interest		1,937
Present value of future minimum lease payments	\$	22,467

#### Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended June 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Notes payable	\$ 205,767	\$ 560,502	\$ (31,364)	\$ 734,905	\$ 120,113
Capital lease	51,566	-	(29,099)	22,467	11,378
Compensated absences	25,664	36,827	(31,474)	31,017	31,017
Governmental activity					
Long-term liabilities	\$ 282,997	\$ 597,329	\$ (91,937)	\$ 788,389	\$ 162,508

For governmental activities, compensated absences are generally liquidated by the general fund. The City reports the entire balance of compensated absences as due within one year consistent with historical usage patterns by the City's employees.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2017 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 100
Nonmajor governmental funds	General Fund	63,145
		<u>\$ 63,245</u>

All interfund balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 52,683
Nonmajor governmental funds	General Fund	\$ 66,883

Transfers are used to move unrestricted revenues from the Hotel/Motel Fund to the General Fund and from the General Fund to supplement the Emergency 911 Fund.

**NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES**

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 10. DEFINED CONTRIBUTION RETIREMENT PLAN**

The City of Chattahoochee Hills' Profit Sharing Plan is a single employer defined contribution plan established and administered by ICMA-RC for all City employees. At June 30, 2017, there were 73 plan members. The City matches 100% for each dollar of employee contributions up to 3.75% of the employee's salary. Employees are required to contribute 3.75% of their compensation to the Plan. Employees are eligible and fully vested immediately upon entering the Plan. Plan provisions and contribution requirements are established and may be amended by the City Council. For the fiscal year ending June 30, 2017, contributions to the Plan were \$49,145 each by the employees and the City.

The City also offers employees the opportunity to contribute to a 457 deferred compensation plan. The plan is administered by ICMA-RC. All full-time employees have the option to participate in the plan and may contribute the maximum allowed under IRS guidelines. Effective July 1, 2015 the City matches employee contributions up to 2% into a 401a plan which is also administered by ICMA-RC. For the fiscal year ended June 30, 2017 there were 32 participants in the plan and the City contributions to the plan were \$22,211.

### **NOTE 11. JOINT VENTURE**

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which Fulton County has paid on behalf of the City of Chattahoochee Hills. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official 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 the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street NE, Atlanta, Georgia 30303.

### **NOTE 12. HOTEL/MOTEL LODGING TAX**

The City has levied a 7% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended June 30, 2017, the City received \$184,464 in Hotel/Motel taxes. Of this amount, \$114,735, or 62.2%, was used for the promotion of tourism, conventions, or trade shows.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 13. RISK MANAGEMENT**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks of losses. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the past three years.

### **NOTE 14. SUBSEQUENT EVENT**

In July 2017, the City entered into an agreement through the Georgia Municipal Association to borrow \$81,195 for the purchase of two police vehicles. Annual payments of \$21,381, including interest at a rate of 3.42% begin in August 2017 and will continue through 2020.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 1,358,000	\$ 1,368,520	\$ 1,407,994	\$ 39,474
Sales taxes	633,000	645,329	707,676	62,347
Franchise taxes	120,000	121,910	127,601	5,691
Business taxes	157,000	184,542	184,582	40
Licenses and permits	30,000	58,461	62,569	4,108
Fines and forfeitures	150,000	155,053	179,607	24,554
Charges for services	100,000	164,658	166,471	1,813
Intergovernmental	265,000	274,031	99,032	(174,999)
Interest earned	1,000	2,179	2,385	206
Contributions	-	5,915	5,915	-
Miscellaneous	30,000	121,106	47,646	(73,460)
Total revenues	<u>2,844,000</u>	<u>3,101,704</u>	<u>2,991,478</u>	<u>(110,226)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
City council	195,346	206,563	161,650	44,913
Executive	133,961	133,961	122,115	11,846
General operations	314,948	396,339	279,357	116,982
Total general government	<u>644,255</u>	<u>736,863</u>	<u>563,122</u>	<u>173,741</u>
<b>Judicial:</b>				
Municipal court	86,803	86,803	84,017	2,786
Total judicial	<u>86,803</u>	<u>86,803</u>	<u>84,017</u>	<u>2,786</u>
<b>Public safety:</b>				
Police	718,882	870,596	757,858	112,738
Fire	624,499	660,499	621,958	38,541
Total public safety	<u>1,343,381</u>	<u>1,531,095</u>	<u>1,379,816</u>	<u>151,279</u>
<b>Public works</b>	<u>487,821</u>	<u>1,006,166</u>	<u>866,157</u>	<u>140,009</u>
<b>Culture and recreation</b>	<u>129,162</u>	<u>135,253</u>	<u>78,050</u>	<u>57,203</u>
<b>Community development</b>	<u>63,796</u>	<u>63,796</u>	<u>60,263</u>	<u>3,533</u>
<b>Debt service:</b>				
Principal	60,463	61,794	60,463	1,331
Interest	9,118	9,118	9,117	1
Total debt service	<u>69,581</u>	<u>70,912</u>	<u>69,580</u>	<u>1,332</u>
Total expenditures	<u>2,824,799</u>	<u>3,630,888</u>	<u>3,101,005</u>	<u>529,883</u>
Excess (deficiency) of revenues over expenditures	<u>19,201</u>	<u>(529,184)</u>	<u>(109,527)</u>	<u>419,657</u>

Continued

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Other financing sources (uses):</b>				
Issuance of note payable	\$ -	\$ 642,171	\$ 560,502	\$ (81,669)
Sale of capital assets	-	-	30,000	30,000
Transfers in	-	-	52,683	52,683
Transfers out	-	(33,469)	(66,883)	(33,414)
Total other financing sources (uses)	-	608,702	576,302	(32,400)
Net change in fund balance	19,201	79,518	466,775	387,257
<b>Fund balance, beginning of year</b>	<u>1,162,590</u>	<u>1,162,590</u>	<u>1,162,590</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,181,791</u>	<u>\$ 1,242,108</u>	<u>\$ 1,629,365</u>	<u>\$ 387,257</u>

Note: See footnotes 1 and 3 of the basic financial statements for budgetary policies.

## NONMAJOR GOVERNMENTAL FUNDS

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### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

**Emergency 911** – to account for the monthly 911 charge to help fund the cost of providing emergency 911 services. The E911 charges are restricted in purpose by state law.

**Hotel/Motel Tax** – to account for the collection of Hotel/Motel taxes within the City which are restricted for the promotion of tourism.

### Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure of capital outlays.

**Technology Fee** – to account for technology fees that will be used by the City for the purpose of capital outlay.

**Transportation Special Purpose Local Option Sales Tax (TSPLOST)** – to account for the City's portion of revenues and expenditures on approved capital projects relating to the Transportation Special Purpose Local Option Sales Tax referendum approved by the voters of Fulton County, Georgia in 2016.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
	Emergency 911 Fund	Hotel/Motel Tax Fund	Technology Fee Fund	TSPLOST Fund	
<b>ASSETS</b>					
Cash	\$ -	\$ 48,101	\$ -	\$ 69,116	\$ 117,217
Taxes receivable	-	14,321	-	-	14,321
Intergovernmental receivable	-	-	-	36,129	36,129
Prepays	29,413	-	-	-	29,413
Due from other funds	-	33,916	29,229	-	63,145
Total assets	<u>\$ 29,413</u>	<u>\$ 96,338</u>	<u>\$ 29,229</u>	<u>\$ 105,245</u>	<u>\$ 260,225</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 10,295	\$ -	\$ 2,819	\$ 13,114
Due to other funds	-	-	-	100	100
Total liabilities	-	10,295	-	2,919	13,214
<b>FUND BALANCES</b>					
Nonspendable for prepaids	29,413	-	-	-	29,413
Restricted for tourism	-	86,043	-	-	86,043
Restricted for capital projects	-	-	-	102,326	102,326
Assigned for public safety	-	-	29,229	-	29,229
Total fund balances	<u>29,413</u>	<u>86,043</u>	<u>29,229</u>	<u>102,326</u>	<u>247,011</u>
Total liabilities and fund balances	<u>\$ 29,413</u>	<u>\$ 96,338</u>	<u>\$ 29,229</u>	<u>\$ 105,245</u>	<u>\$ 260,225</u>

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
	Emergency 911 Fund	Hotel/Motel Tax Fund	Technology Fee Fund	TSPLOST	
<b>REVENUES</b>					
Hotel/motel taxes	\$ -	\$ 184,464	\$ -	\$ -	\$ 184,464
Intergovernmental	-	-	-	105,288	105,288
Charges for services	21,025	-	-	-	21,025
Miscellaneous	-	-	20,434	-	20,434
Total revenues	<u>21,025</u>	<u>184,464</u>	<u>20,434</u>	<u>105,288</u>	<u>331,211</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	58,495	-	4,350	-	62,845
Public works	-	-	-	2,962	2,962
Culture and recreation	-	62,052	-	-	62,052
Total expenditures	<u>58,495</u>	<u>62,052</u>	<u>4,350</u>	<u>2,962</u>	<u>127,859</u>
Excess (deficiency) of revenues over expenditures	<u>(37,470)</u>	<u>122,412</u>	<u>16,084</u>	<u>102,326</u>	<u>203,352</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	66,883	-	-	-	66,883
Transfers out	-	(52,683)	-	-	(52,683)
Total other financing sources (uses)	<u>66,883</u>	<u>(52,683)</u>	<u>-</u>	<u>-</u>	<u>14,200</u>
Net change in fund balances	<u>29,413</u>	<u>69,729</u>	<u>16,084</u>	<u>102,326</u>	<u>217,552</u>
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>16,314</u>	<u>13,145</u>	<u>-</u>	<u>29,459</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 29,413</u>	<u>\$ 86,043</u>	<u>\$ 29,229</u>	<u>\$ 102,326</u>	<u>\$ 247,011</u>

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM  
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST)  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>PROJECT</b>	<b>ESTIMATED COST</b>		<b>PRIOR</b>	<b>EXPENDITURES</b>		<b>TOTAL</b>	<b>PROJECT COMPLETION</b>
	<b>ORIGINAL</b>	<b>CURRENT</b>		<b>CURRENT</b>	<b>TOTAL</b>		
<b>TSPLOST TIER 1</b>							
Maintenance and Safety Enhancements	\$ 2,082,377	\$ 2,082,377	\$ -	\$ 2,819	\$ 2,819		0.135 %
Quick Response Projects	56,280	56,280	-	-	-		0.000 %
Project Management	112,561	112,561	-	143	143		0.127 %
<b>TSPLOST TIER 2</b>							
Maintenance and Safety Enhancements	369,464	369,464	-	-	-		0.000 %
Quick Response Projects	7,945	7,945	-	-	-		0.000 %
Project Management	19,865	19,865	-	-	-		0.000 %
<b>TSPLOST TIER 3</b>							
Maintenance and Safety Enhancements	369,464	369,464	-	-	-		0.000 %
Quick Response Projects	9,514	9,514	-	-	-		0.000 %
Project Management	19,864	19,864	-	-	-		0.000 %
<b>TOTAL TSPLOST</b>	<b>\$ 3,047,334</b>	<b>\$ 3,047,334</b>	<b>\$ -</b>	<b>\$ 2,962</b>	<b>\$ 2,962</b>		