

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

Prepared by:
Finance Department

INTRODUCTORY SECTION

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2022

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), and American Rescue Plan Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relates directly to underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial 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 15, 2022, 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 15, 2022

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

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, 2022.

FINANCIAL HIGHLIGHTS

- Assets of the City exceeded its liabilities by \$6,911,762 (net position), representing a \$715,325 or 11.54% increase over the prior year.
- Unrestricted net position increased from \$2,693,218 to \$4,229,163, an increase of \$1,535,945 or 57%.
- As of June 30, 2022, the City's governmental funds reported combined ending fund balance of \$4,588,399, an increase of \$966,280 or 26.68% 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 14 and 15 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 14 and 15 of this report.

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.

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

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 three major funds and two non-major governmental funds. The City's major governmental funds are the General Fund; TSPLOST fund; and the American Rescue Plan fund. The City's non-major funds are the Technology Fee Fund and the Hotel/Motel Tax Fund.

The basic governmental fund financial statements are presented on pages 16 through 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 34 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 35 through 37 of this report.

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, 2022 the City's assets exceeded liabilities by \$6,911,762. This represents a \$715,325 or 11.54% increase over the prior year as the City continues to generate significant revenues in excess of expenses. A significant portion of the City's net position, \$2,168,747 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 \$513,852 in restricted net position for funds which can only be spent for designated purposes as required by state law or contractual agreements. In the City's case \$232,765 is restricted for tourism and \$281,087 is restricted for capital projects.

The remaining portion of the City's net position represents unrestricted net position in the amount of \$4,229,163 and is primarily attributable to operating revenues in excess of expenditures from the inception of the City through the current period.

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

The following table provides a summary of the City's governmental net position for the fiscal years 2022 and 2021.

City of Chattahoochee Hills Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>	<u>Inc (Dec)</u>	<u>Percent</u>
Assets				
Current Assets	\$ 5,792,444	\$ 4,236,005	\$ 1,556,439	36.74 %
Capital assets, net of accumulated depreciation	<u>2,856,718</u>	<u>2,920,112</u>	<u>(63,394)</u>	<u>(2.17)</u>
Total assets	<u>8,649,162</u>	<u>7,156,117</u>	<u>1,493,045</u>	<u>20.86</u>
Liabilities				
Current liabilities	1,235,702	607,631	628,071	103.36
Long-term liabilities	<u>501,698</u>	<u>352,049</u>	<u>149,649</u>	<u>42.51</u>
Total liabilities	1,737,400	959,680	777,720	81.04
Net Position				
Net Investment in capital assets	2,168,747	2,410,785	(242,038)	(10.04)
Restricted for Tourism	232,765	252,496	(19,731)	(7.81)
Restricted for capital projects	281,087	839,938	(558,851)	(66.53)
Unrestricted	<u>4,229,163</u>	<u>2,693,218</u>	<u>1,535,945</u>	<u>57.03</u>
Total net position	<u>\$ 6,911,762</u>	<u>\$ 6,196,437</u>	<u>\$ 715,325</u>	<u>11.54 %</u>

Changes in net position. The table on the following page indicates the change in net position from the twelve months ended June 30, 2022 and 2021.

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

City of Chattahoochee Hills Changes in Net Position
for the Year Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent</u>
Revenues:				
Program Revenues:				
Charges for services	\$ 865,724	\$ 627,360	\$ 238,364	37.99 %
Operating grants and contributions	273,869	195,747	78,122	39.91
Capital grants and contributions	764,760	834,251	(69,491)	(8.33)
General Revenues:				
Property taxes	2,456,843	2,207,811	249,032	11.28
Sales Taxes	974,943	805,442	169,501	21.04
Hotel Motel Taxes	390,052	251,494	138,558	55.09
Franchise Taxes	163,888	149,422	14,466	9.68
Business Taxes	290,937	260,686	30,251	11.60
Investment earnings	6,074	4,823	1,251	25.94
Gain on sale of capital assets	-	23,184	(23,184)	(100.00)
Total revenues	<u>6,187,090</u>	<u>5,360,220</u>	<u>826,870</u>	<u>15.43</u>
Expenses:				
General government	579,782	544,826	34,956	6.42
Judicial	190,648	90,754	99,894	110.07
Public safety	2,145,229	1,887,906	257,323	13.63
Public works	1,951,819	877,838	1,073,981	122.34
Culture and recreation	328,158	232,729	95,429	41.00
Community development	258,781	215,467	43,314	20.10
Interest expenses	17,348	11,764	5,584	47.47
Total expenses	<u>5,471,765</u>	<u>3,861,284</u>	<u>1,610,481</u>	<u>41.71</u>
			-	
Income	<u>715,325</u>	<u>1,498,936</u>	<u>\$ (783,611)</u>	<u>(52.28) %</u>
Net position beginning of year	<u>6,196,437</u>	<u>4,697,501</u>		
Net position end of year	<u>\$ 6,911,762</u>	<u>\$ 6,196,437</u>		

Governmental activities increased the City's net position by \$715,325 in fiscal 2022 and \$1,498,936 in fiscal year 2021 as the city continues to generate revenues in excess of expenses. Total revenues increased, \$826,670 or 15.43% from the prior year. Charges for services increased \$238,364 or 37.99% primarily due to increases in planning and development fees and fines and forfeitures. Operating grants increased \$78,122 or 39.91% and was offset by decreases in capital grants of \$69,491. Property tax revenues increased \$249,032 or 11.28%, as a result of significant increases in assessed values of property. Sales taxes increased \$169,501 or 21.04% as state and local economic conditions continue to improve. Hotel motel taxes have increased \$138,558 or 55.09% as Covid travel restrictions have eased.

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Total expenses have increased \$1,610,481 or 41.71%. General government expenses increased modestly by \$34,956 or 6.42%. Judicial expenses increased \$99,894 or 110% as a result of the implementation of new accounting standards related to court expenses. Public works expenses increased \$1,073,981 or 122.34% as the city expends TSPLOST funds for road resurfacing. Culture and recreation expenses increased \$95,429 or 41% as such services resume from pandemic restrictions. Community development expenses increased \$43,314 or 20% as a result of increases in staffing.

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, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

City of Chattahoochee Hills
Comparison of Revenues, Expenditures, and Changes in Fund Balances
for the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent</u>	
Revenues:					
Property taxes	\$ 2,457,635	\$ 2,200,244	\$ 257,391	11.70	%
Sales taxes	974,943	805,442	169,501	21.04	
Hotel/Motel taxes	390,052	251,494	138,558	55.09	
Franchise taxes	163,888	149,422	14,466	9.68	
Business Taxes	290,937	260,686	30,251	11.60	
Licenses and permits	175,580	150,196	25,384	16.90	
Fines and forfeitures	289,470	162,379	127,091	78.27	
Charges for services	354,736	255,221	99,515	38.99	
Intergovernmental	1,010,543	992,956	17,587	1.77	
Contributions	27,340	25,857	1,483	5.74	
Interest earned	6,819	6,007	812	13.52	
Miscellaneous	45,939	59,565	(13,626)	(22.88)	
Total Revenue	<u>6,187,882</u>	<u>5,319,469</u>	<u>868,413</u>	<u>16.33</u>	
Expenditures:					
General government	573,070	538,499	34,571	6.42	
Judicial	190,615	90,754	99,861	110.03	
Public safety	2,167,873	2,076,968	90,905	4.38	
Public works	1,856,417	938,369	918,048	97.83	
Culture and recreation	403,339	235,320	168,019	71.40	
Community development	258,419	214,318	44,101	20.58	
Debt service	170,228	138,739	31,489	22.70	
Total Expenditures	<u>5,619,961</u>	<u>4,232,967</u>	<u>1,386,994</u>	<u>32.77</u>	%
Excess (deficiency) of revenues over expenditures	<u>567,921</u>	<u>1,086,502</u>	<u>(518,581)</u>		
Other financing sources (uses):					
Issuance of note payable	336,359	249,632	86,727		
Sale of capital assets	62,000	66,251	(4,251)		
Net change in Fund Balances	<u>966,280</u>	<u>1,402,385</u>	<u>(436,105)</u>		
Beginning fund balance	<u>3,622,119</u>	<u>2,219,734</u>	<u>1,402,385</u>		
Ending fund balance	<u>\$ 4,588,399</u>	<u>\$ 3,622,119</u>	<u>\$ 966,280</u>		

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Governmental funds reported a positive fund balance of \$4,588,399 at June 30, 2022. This is a \$966,280 increase over the prior year as the City continues to generate revenues in excess of expenditures.

Revenues have increased \$868,413 or 16.33% over the prior year. Property taxes have increased \$257,391 or 11.70% as a result of increases in assessed property values. Sales taxes and Hotel/Motel taxes have increased \$169,501 (21.04%) and \$138,558 (55.09%), respectively, as the economy recovers from the pandemic. Fines and forfeitures increased \$127,091 or 78.27% as a result of increases in staffing. Charges for services increased \$99,515 or 38.99%, primarily from increases in planning and development fees.

Total expenditures increased \$1,386,994 or 32.77%. General government expenditures increased modestly by \$34,571 or 6.42%. Judicial expenditures increased \$99,861 or 110% as a result of the implementation of new accounting standards related to court expenses. Public safety expenditures increased modestly by \$90,905 or 4.38%. Public works expenditures increased \$918,048 or 97.83% as management expended SPLOST funds for road resurfacing. Culture and recreation expenditures increased \$168,019 or 71.40 % as such services resume from pandemic restrictions. Community development expenditures have increased \$44,101 or 20.58% as a result of increase in staffing. Debt service expenditures have increased \$31,489 or 22.7% as a result of financing for additional public works equipment.

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 \$4,010,338, an increase of \$1,538,670 from the prior year.

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 16.7 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. The current fund balance stands at \$4,010,338 or 99.22% of current year expenditures.

Transportation Special Purpose Local Option Sales Tax (TSPLOST) Fund. The TSPLOST Fund is used to account for the revenues received by the City to be expended on capital projects identified in the voter approved TSPLOST referendum. The City received \$615,960 and \$515,742 for fiscal 2022 and 2021, respectively. The City spent \$1,175,556 and \$23,770, for road improvement projects in fiscal 2022 and 2021, respectively.

American Rescue Plan This fund is used to account for expenditure of federal grant funds for pandemic relief. The City received a total of \$618,995 in fiscal 2022 and spent \$89,841 within grant guidelines. The remaining \$529,154 will be spent in future years primarily for public safety related activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

A comparison of budgeted to actual results can be found on pages 35 and 36 of the financial report. Total revenues were \$258,878 better than budgeted, primarily, as property taxes, sales taxes and fines and forfeitures were significantly better than budgeted. Total expenditures were \$459,839 better than budgeted with significant budget surplus in public safety, community development and debt service.

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, 2022

For FY2022, the City Council approved fifty (50) budget adjustments. There were twenty (20) mid-year adjustments in January and then thirty (30) increases/decreases for end-of-year corrections. The following budget amendments were adopted during the year:

- In January of 2022, the General Fund budget was amended to increase revenue from Property Taxes from \$1,820,000 to \$1,955,133, Intangible Taxes from \$35,000 to \$36,525, Business Occupational Taxes from \$12,000 to \$14,464, Insurance Premium Taxes from \$210,00 to \$219,296, Charges for Service from \$60,000 to \$103,738, Intergovernmental (ARPA Funds) from \$522,693 to \$619,531, Intergovernmental (LMIG) from \$135,715 to \$148,055, and Contributions and Donations from \$0.00 to \$54,112. We also adjusted the running fund balance from \$2,021,880 to \$2,582,234.
- Also at midyear, Hotel/Motel Tax revenue was increase from \$120,00 to \$295,000, the Hotel/Motel Fund Balance was decreased by \$97,112 from \$200,633 to \$103,521 and the TSPLOST Fund Balance was decreased by \$117,249 from \$722,788 to \$840,037.
- Expenditures at midyear were amended to reflect the increases in revenues with the Mayor and Council increasing from \$126,547 to \$151,697 to address a \$25,000 allocation to the Historic Commission, the City Clerk increasing from \$23,710 to \$26,705, and Community Development increasing from \$267,916 to \$320,033 to address an increase in personnel expenses.
- Other financing sources that required an adjustment included an increase in the Capital Fund from \$604,243 to \$803,244 and an increase in the TSPLOST fund from \$1,082,788 to \$1,251,765. The remaining available revenues of \$681,008 were allocated to the reserved Fund Balance to change that from \$811,177 to \$1,492,185.
- The overall net change to the FY2022 Budget at midyear was an increase in revenue of \$1,129,245 from \$7,448,037 to \$8,577,282.
- In preparation of the audit and to address changes in revenue projections and expenditures anticipation, we made additional budget adjustments at the end of Fiscal Year 2022 on June 30, 2022.
- Property Tax revenue was increased from \$1,955,133 to \$2,193,458, Local Option Sales Tax revenue was increased from \$480,000 to \$774,709, Intangible Taxes were increased from \$36,525 to \$78,084, Motor Vehicle Taxes were decreased from \$10,000 to \$8,556, Motor Vehicle Ad Valorem Taxes were increased from \$40,000 to \$86,233, Real Estate Transfer Taxes were increased from \$14,464 to \$34,884, Business Occupational Taxes were increased from \$25,000 to \$67,941, Insurance Premium Taxes were increase by \$80 to \$219,376, Alcohol Beverage Taxes were increased from \$15,000 to \$27,224, Franchise Fees were increased from \$145,000 to \$156,194, Licenses and Permits were increased from \$100,000 to \$239,657. Charges for Services was increased from \$103,738 to \$205,219, Parking Fees were reduced \$9,996 to \$100,004, the Conservation Grant was increased from \$125,000 to \$156,687, the ARPA Grant was reduced by \$537 to \$618,995, Fines and Forfeitures were increased from \$125,000 to \$181,142, Insurance Proceeds were budgeted at \$0.00 but came in at \$39,000, Contributions and Donations increased from \$15,314 to \$27,340, Interest came in higher than projected by \$3,120 from \$2,000 to \$5,120, Other Revenue Sources increased from \$54,112 to 462,813, and Police Tech Fees decreased from \$50,328 to \$19,310.
- The running Fund Balance for FY2023 for the end of year adjustment decreased by \$74,079 from \$2,582,234 to \$2,508,155.
- Also at midyear, Hotel/Motel Tax revenue was increased from \$295,000 to \$323,598, the Hotel/Motel Fund Balance was increased by \$155,120 from \$103,521 to \$258,641 and the TSPLOST Fund increased by \$134,482 from \$360,00 to \$494,482.
- Expenditures at midyear were amended to reflect the increases in revenues with the City Manager increasing by \$337, General Administration increased from \$152,978 to \$155,329, Non-Departmental (Risk Management) Insurance increased from \$66,042 to \$74,266 and Engineering increased from \$5,000 to \$6,174.

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2022

- The remaining available revenues of \$1,285,544 were allocated to the reserved Fund Balance to change that from \$1,492,185 to \$2,777,729.
- The overall net change to the end-of-year budget as a result of these adjustments was an increase in revenues of \$1,297,628 which changed the pre-audit budget from \$8,557,282 to \$9,874,910.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the City’s investment in capital assets for its governmental activities totaled \$2,856,718. These assets primarily reflect the infrastructure assets of roads, streets, bridges, culverts, and park land.

City of Chattahoochee Hills
Capital Assets (net of depreciation)
June 30, 2022 and 2021

	2022	2021	Inc (Dec)	Percent	
Land	\$ 1,056,643	\$ 1,056,643	\$ -	-	%
Construction in progress	-	18,095	(18,095)	-	
Buildings and improvements	290,964	215,221	75,743	35.19	
Machinery and equipment	633,902	711,416	(77,514)	(10.90)	
Vehicles	627,460	661,018	(33,558)	(5.08)	
Infrastructure	247,749	257,719	(9,970)	(3.87)	
Total	\$ 2,856,718	\$ 2,920,112	\$ (63,394)	(2.17)	%

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 2022 are primarily related to depreciation of \$388,395, purchases of buildings and equipment of \$396,117 and net disposals of equipment of \$71,116.

Long-term debt

The City’s long term debt consists primarily of notes payable for vehicles and equipment. Additional information on the City’s debt can be found in Note 7 beginning on page 31 of this report.

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

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 2023 budget. They will also be an ongoing concern throughout the fiscal year.

- The City Council rolled the millage rate back from 9.46 to 9.00 to address the rising inflation, costs of goods and service and other economic downturn factors as the county climbs out of the Global pandemic. With the projected development of additional housing throughout the City even in the current market, the City anticipates keeping the millage rate at 9.00 next fiscal year with a projected net tax increase of 21% which should yield an additional \$467,192 in ad valorem tax.
- The City has chosen to remain conservative on revenue projections for Sales and Use Taxes, Licenses and Permits, Charges for Services, Fines and Forfeitures, and Contributions and Donations. However, 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.
- Now that Local Option Sales Tax negotiations between the Mayors of all the cities in Fulton County and the Fulton County Commissioners has come to an end, the City can better plan for this source of revenue. While this revenue is not anticipated to decrease, it will not increase at the rate we originally anticipated as a result of the County government taking a larger share.
- Gas prices are up 48.7% over last year.
- Consumer price index has increased 8.6% over the last 12 months.
- The most significant budgetary trends for FY2023 are the addition of revenue from the American Rescue Plan Act (ARPA), fund balance carryover from Capital and Fund Balance carry over from TSPLOST.
- The ARPA funds will be used to cover expenditures associated with the impact of COVID-19. The Fund Balance from Capital and TSPLOST will be allocated to infrastructure, equipment and projects that were postponed during the pandemic. Specifically, the City is compensating the essential employees who had to respond to the needs of the community even while administrative operations decelerated/flattened.
- The real estate market has been trending sharply upward locally and nationally. This trend will be reflected in Fulton County's 2023 Property Assessment notices.
- A leading national housing index indicates that housing prices in metro Atlanta increased 19.3% last year.

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.

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2022

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,902,332
Accounts receivable	34,227
Taxes receivable, net of allowance	47,201
Intergovernmental receivable	363,566
Prepays	48,031
Land held for development	397,087
Capital assets:	
Nondepreciable	1,056,643
Depreciable, net of accumulated depreciation	1,800,075
	<hr/>
Total assets	8,649,162
	<hr/>
LIABILITIES	
Accounts payable	376,094
Accrued liabilities	89,007
Unearned revenue	529,154
Compensated absences due within one year	55,174
Notes payable from direct borrowings due within one year	186,273
Notes payable from direct borrowings due in more than one year	501,698
	<hr/>
Total liabilities	1,737,400
	<hr/>
NET POSITION	
Net investment in capital assets	2,168,747
Restricted for tourism	232,765
Restricted for capital projects	281,087
Unrestricted	4,229,163
	<hr/>
Total net position	\$ 6,911,762
	<hr/> <hr/>

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, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
			Expenses	Charges for Services	
Primary government:					
Governmental activities:					
General government	\$ 579,782	\$ 258,015	\$ 185,605	\$ -	\$ (136,162)
Judicial	190,648	1,690	1,578	-	(187,380)
Public safety	2,145,229	313,939	71,884	-	(1,759,406)
Public works	1,951,819	-	10,997	764,760	(1,176,062)
Culture and recreation	328,158	499	2,220	-	(325,439)
Community development	258,781	291,581	1,585	-	34,385
Interest on long-term debt	17,348	-	-	-	(17,348)
Total governmental activities	5,471,765	865,724	273,869	764,760	(3,567,412)
Total primary government	\$ 5,471,765	\$ 865,724	\$ 273,869	\$ 764,760	\$ (3,567,412)
General revenues:					
Property taxes					2,456,843
Sales taxes					974,943
Hotel/Motel taxes					390,052
Franchise taxes					163,888
Business taxes					290,937
Unrestricted investment earnings					6,074
Total general revenues					4,282,737
Change in net position					715,325
Net position, beginning of year					6,196,437
Net position, end of year					\$ 6,911,762

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

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

ASSETS	General Fund	TSPLOST Fund	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 4,217,850	\$ 335,554	\$ -	\$ 348,928	\$ 4,902,332
Accounts receivable	34,227	-	-	-	34,227
Taxes receivable, net of allowance	12,296	-	-	34,905	47,201
Intergovernmental receivable	302,333	61,233	-	-	363,566
Due from other funds	119,332	-	529,154	64,209	712,695
Prepays	48,031	-	-	-	48,031
Land held for development	397,087	-	-	-	397,087
Total assets	\$ 5,131,156	\$ 396,787	\$ 529,154	\$ 448,042	\$ 6,505,139
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 228,658	\$ 115,601	\$ -	\$ 31,835	\$ 376,094
Accrued liabilities	76,801	-	-	-	76,801
Due to other funds	593,363	99	-	119,233	712,695
Unearned revenue	-	-	529,154	-	529,154
Total liabilities	898,822	115,700	529,154	151,068	1,694,744
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	2,700	-	-	-	2,700
Unavailable revenue - insurance premium taxes	219,296	-	-	-	219,296
Total deferred inflows of resources	221,996	-	-	-	221,996
FUND BALANCES					
Fund balances:					
Nonspendable for prepaids	48,031	-	-	-	48,031
Nonspendable for land held for redevelopment	397,087	-	-	-	397,087
Restricted for tourism	-	-	-	232,765	232,765
Restricted for capital projects	-	281,087	-	-	281,087
Assigned for public safety	-	-	-	64,209	64,209
Unassigned	3,565,220	-	-	-	3,565,220
Total fund balances	4,010,338	281,087	-	296,974	4,588,399
Total liabilities, deferred inflows of resources and fund balances	\$ 5,131,156	\$ 396,787	\$ 529,154	\$ 448,042	
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. 2,856,718</p> <p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. (755,351)</p> <p>Some revenues are not available in the current period and, therefore, are not reported in the governmental funds. 221,996</p> <p>Net position of governmental activities <u>\$ 6,911,762</u></p>					

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, 2022

	General Fund	TSPLOST Fund	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 2,457,635	\$ -	\$ -	\$ -	\$ 2,457,635
Sales taxes	974,943	-	-	-	974,943
Hotel/Motel taxes	-	-	-	390,052	390,052
Franchise taxes	163,888	-	-	-	163,888
Business taxes	290,937	-	-	-	290,937
Licenses and permits	175,580	-	-	-	175,580
Fines and forfeitures	289,470	-	-	-	289,470
Charges for services	354,736	-	-	-	354,736
Intergovernmental	304,742	615,960	89,841	-	1,010,543
Contributions	27,340	-	-	-	27,340
Interest earned	5,643	745	-	431	6,819
Miscellaneous	25,660	-	-	20,279	45,939
Total revenues	<u>5,070,574</u>	<u>616,705</u>	<u>89,841</u>	<u>410,762</u>	<u>6,187,882</u>
Expenditures:					
Current:					
General government	571,492	-	1,578	-	573,070
Judicial	189,037	-	1,578	-	190,615
Public safety	2,081,903	-	71,883	14,087	2,167,873
Public works	669,864	1,175,556	10,997	-	1,856,417
Culture and recreation	102,304	-	2,220	298,815	403,339
Community development	256,834	-	1,585	-	258,419
Debt service:					
Principal	157,715	-	-	-	157,715
Interest	12,513	-	-	-	12,513
Total expenditures	<u>4,041,662</u>	<u>1,175,556</u>	<u>89,841</u>	<u>312,902</u>	<u>5,619,961</u>
Excess (deficiency) of revenues over expenditures	<u>1,028,912</u>	<u>(558,851)</u>	<u>-</u>	<u>97,860</u>	<u>567,921</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	62,000	-	-	-	62,000
Issuance of note payable	336,359	-	-	-	336,359
Transfers in	111,399	-	-	-	111,399
Transfers out	-	-	-	(111,399)	(111,399)
Total other financing sources (uses)	<u>509,758</u>	<u>-</u>	<u>-</u>	<u>(111,399)</u>	<u>398,359</u>
Net change in fund balances	1,538,670	(558,851)	-	(13,539)	966,280
Fund balances, beginning of year	<u>2,471,668</u>	<u>839,938</u>	<u>-</u>	<u>310,513</u>	<u>3,622,119</u>
Fund balances, end of year	<u>\$ 4,010,338</u>	<u>\$ 281,087</u>	<u>\$ -</u>	<u>\$ 296,974</u>	<u>\$ 4,588,399</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, 2022

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

Net change in fund balances - total governmental funds	\$	966,280
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.		7,722
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(792)
Governmental funds report the proceeds from the sale of capital assets; however, the statement of activities reports the gain or loss on disposal. Therefore, the change in net position will differ from the change in fund balance by the net book value of the capital assets disposed.		(71,116)
The issuance of long-term debt provides current financial resources to the governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions have no effect on net position. This amount is the net effect of the differences in the treatment of long-term debt and related item.		
Proceeds from note payable		(336,359)
Principal retirement - loan payable		157,715
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>(8,125)</u>
Change in net position - governmental activities	\$	<u>715,325</u>

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

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

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. 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

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 funds:

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.

The **Transportation Special Purpose Local Option Sales Tax (TSPLOST) Fund** is used to account for the revenues received by the City to be expended on capital projects identified in the voter approved TSPLOST referendum.

The **American Rescue Plan Fund** accounts for the American Rescue Plan Act grant activity of the City.

Additionally, the City reports the following fund type:

The **special revenue fund** is used to account for revenue sources, such as hotel/motel tax revenues, which are restricted or committed to expenditure for specific purposes.

The **capital project fund** is used to account for revenue sources that will be used by the City for the purpose of capital outlay.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022, the original budget was amended through supplemental appropriations.

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

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, 2022, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

- **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.
- **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

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 \$755,351 difference are as follows:

Notes payable	\$ (687,971)
Compensated absences	(55,174)
Accrued interest	<u>(12,206)</u>
Net adjustment to decrease fund balance - <i>total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (755,351)</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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 \$7,722 difference are as follows:

Capital outlay	\$ 396,117
Depreciation expense	<u>(388,395)</u>
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>	<u>\$ 7,722</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 \$8,125 difference are as follows:

Compensated absences	\$ (3,290)
Accrued interest	<u>(4,835)</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>\$ (8,125)</u>

NOTES TO FINANCIAL STATEMENTS

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.

B. Expenditures in Excess of Appropriations

For the fiscal year ended June 30, 2022, the Municipal court within the City's General Fund had total expenditures that exceeded final appropriations by \$93,598. These excess expenditures were funded by greater than anticipated revenues and available fund balance.

NOTE 4. DEPOSITS

Total deposits as of June 30, 2022 are summarized as follows:

Statement of net position:

Cash and cash equivalents	\$ 4,902,332
	<u>\$ 4,902,332</u>
Cash deposited with financial institutions	\$ 4,902,332
	<u>\$ 4,902,332</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS (CONTINUED)

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 covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2022, the financial institution holding all of the City's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the state. As of June 30, 2022, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by state statutes.

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, 2022, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General	TSPLOST	Nonmajor Governmental Funds	Total
Receivables:				
Taxes	\$ 35,406	\$ -	\$ 34,905	\$ 70,311
Accounts	34,227	-	-	34,227
Intergovernmental	302,333	61,233	-	363,566
Total receivables	<u>371,966</u>	<u>61,233</u>	<u>34,905</u>	<u>468,104</u>
Less allowance for uncollectible	23,110	-	-	23,110
Net total receivable	<u>\$ 348,856</u>	<u>\$ 61,233</u>	<u>\$ 34,905</u>	<u>\$ 444,994</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2022 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Nondepreciable capital assets					
Land	\$ 1,056,643	\$ -	\$ -	\$ -	\$ 1,056,643
Construction in Progress	18,095	87,298	-	(105,393)	-
Total	<u>1,074,738</u>	<u>87,298</u>	<u>-</u>	<u>(105,393)</u>	<u>1,056,643</u>
Capital assets, being depreciated:					
Buildings and improvements	385,393	-	-	105,393	490,786
Machinery and equipment	1,307,803	104,133	-	-	1,411,936
Vehicles	1,267,208	204,686	(110,384)	-	1,361,510
Infrastructure	2,876,561	-	-	-	2,876,561
Total	<u>5,836,965</u>	<u>308,819</u>	<u>(110,384)</u>	<u>105,393</u>	<u>6,140,793</u>
Less accumulated depreciation for:					
Buildings and improvements	(170,172)	(29,650)	-	-	(199,822)
Machinery and equipment	(596,387)	(181,647)	-	-	(778,034)
Vehicles	(606,190)	(167,128)	39,268	-	(734,050)
Infrastructure	(2,618,842)	(9,970)	-	-	(2,628,812)
Total	<u>(3,991,591)</u>	<u>(388,395)</u>	<u>39,268</u>	<u>-</u>	<u>(4,340,718)</u>
Total capital assets being depreciated, net	<u>1,845,374</u>	<u>(79,576)</u>	<u>(71,116)</u>	<u>105,393</u>	<u>1,800,075</u>
Governmental activities capital assets, net	<u>\$ 2,920,112</u>	<u>\$ 7,722</u>	<u>\$ (71,116)</u>	<u>\$ -</u>	<u>\$ 2,856,718</u>

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

Governmental activities:	
General government	\$ 6,022
Public safety	196,732
Public works	173,524
Culture and recreation	12,117
Total depreciation expense - governmental activities	<u>\$ 388,395</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended June 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Notes payable from direct borrowings	\$ 509,327	\$ 336,359	\$ (157,715)	\$ 687,971	\$ 186,273
Compensated absences	51,884	54,424	(51,134)	55,174	55,174
Governmental activity					
Long-term liabilities	<u>\$ 561,211</u>	<u>\$ 390,783</u>	<u>\$ (208,849)</u>	<u>\$ 743,145</u>	<u>\$ 241,447</u>

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 Payable from Direct Borrowings

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, 2022 is \$149,853.

In November 2020, the City entered into an agreement through the Georgia Municipal Association to borrow \$249,632 for the purchase of a Fire Tanker. Annual payments of \$53,115, including interest at a rate of 2.1% begin in November 2021 and will continue through November 2025. The outstanding balance at June 30, 2022 is \$201,759.

In September 2021, the City entered into an agreement through the Georgia Municipal Association to borrow \$336,359 for the purchase of three Deere tractors and equipment. Annual payments of \$72,630, including interest at a rate of 2.08% begin in September 2022 and will continue through September 2026. The outstanding balance at June 30, 2022 is \$336,359.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 186,273	\$ 16,822	\$ 203,095
2024	190,503	12,250	202,753
2025	118,180	7,565	125,745
2026	121,005	4,740	125,745
2027	72,010	1,848	73,858
	<u>\$ 687,971</u>	<u>\$ 43,225</u>	<u>\$ 731,196</u>

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2022 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	TSPLOST Fund	\$ 99
ARPA Fund	General Fund	529,154
General Fund	Nonmajor governmental fund	119,233
Nonmajor governmental fund	General Fund	64,209
		<u>\$ 712,695</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 fund	<u>\$ 111,399</u>

Transfers are used to move unrestricted revenues from the Hotel/Motel Tax Fund to the General 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

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, 2022, there were 49 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, 2022, employee contributions to the Plan were \$168,345 and the City's contributions were \$166,052.

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 3% into a 401a plan which is also administered by ICMA-RC. For the fiscal year ended June 30, 2022 there were 36 participants in the plan and the City contributions to the plan were \$132,358.

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 Atlanta Regional Commission, 229 Peachtree St NE, STE 100, Atlanta, Georgia 30303.

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 7% lodging tax. The Official Code of Georgia Annotated (O.C.G.A.) 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, 2022, the City received \$390,052 in Hotel/Motel taxes and expended \$410,214 for the promotion of tourism, conventions, or trade shows.

NOTES TO FINANCIAL STATEMENTS

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.

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REQUIRED SUPPLEMENTARY INFORMATION

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, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 1,917,000	\$ 2,401,215	\$ 2,457,635	\$ 56,420
Sales taxes	495,000	801,933	974,943	173,010
Franchise taxes	145,000	156,194	163,888	7,694
Business taxes	235,000	287,317	290,937	3,620
Licenses and permits	72,000	169,257	175,580	6,323
Fines and forfeitures	125,000	181,142	289,470	108,328
Charges for services	189,300	348,123	354,736	6,613
Intergovernmental	260,715	304,742	304,742	-
Interest earned	2,000	5,120	5,643	523
Contributions	-	27,340	27,340	-
Miscellaneous	8,700	129,313	25,660	(103,653)
Total revenues	3,449,715	4,811,696	5,070,574	258,878
Expenditures:				
Current:				
General government:				
City council	150,257	183,402	151,551	31,851
Executive	145,982	148,320	148,034	286
General operations	255,934	273,278	271,907	1,371
Total general government	552,173	605,000	571,492	33,508
Judicial:				
Municipal court	95,439	95,439	189,037	(93,598)
Total judicial	95,439	95,439	189,037	(93,598)
Public safety:				
Police	1,120,820	1,081,415	963,190	118,225
Fire	1,311,004	1,335,917	1,118,713	217,204
Total public safety	2,431,824	2,417,332	2,081,903	335,429
Public works	633,861	678,535	669,864	8,671
Culture and recreation	143,403	143,403	102,304	41,099
Community development	267,915	320,032	256,834	63,198
Debt service:				
Principal	224,081	224,081	157,715	66,366
Interest	17,679	17,679	12,513	5,166
Total debt service	241,760	241,760	170,228	71,532
Total expenditures	4,366,375	4,501,501	4,041,662	459,839
Excess (deficiency) of revenues over expenditures	(916,660)	310,195	1,028,912	718,717

(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, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Other financing sources:				
Sale of capital assets	\$ -	\$ -	\$ 62,000	\$ 62,000
Issuance of note payable	-	-	336,359	336,359
Transfers in	-	-	111,399	111,399
Total other financing sources	-	-	509,758	509,758
Net change in fund balance	(916,660)	310,195	1,538,670	1,228,475
Fund balance, beginning of year	<u>2,471,668</u>	<u>2,471,668</u>	<u>2,471,668</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,555,008</u>	<u>\$ 2,781,863</u>	<u>\$ 4,010,338</u>	<u>\$ 1,228,475</u>

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

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 522,693	\$ 618,995	\$ 89,841	\$ (529,154)
Total revenues	<u>522,693</u>	<u>618,995</u>	<u>89,841</u>	<u>(529,154)</u>
Expenditures:				
General government	13,585	13,585	1,578	12,007
Judicial	13,585	13,585	1,578	12,007
Public safety	373,633	469,935	71,883	398,052
Public works	91,050	91,050	10,997	80,053
Culture and recreation	17,250	17,250	2,220	15,030
Community development	13,590	13,590	1,585	12,005
Total expenditures	<u>522,693</u>	<u>618,995</u>	<u>89,841</u>	<u>529,154</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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.

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	Special Revenue	Capital Projects		Total Nonmajor Governmental Funds
ASSETS	Hotel/Motel Tax Fund	Technology Fee Fund		
Cash	\$ 348,928	\$ -	\$	348,928
Taxes receivable	34,905	-		34,905
Due from other funds	-	64,209		64,209
Total assets	\$ 383,833	\$ 64,209	\$	448,042
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 31,835	\$ -	\$	31,835
Due to other funds	119,233	-		119,233
Total liabilities	151,068	-		151,068
FUND BALANCES				
Restricted for tourism	232,765	-		232,765
Assigned for public safety	-	64,209		64,209
Total fund balances	232,765	64,209		296,974
Total liabilities and fund balances	\$ 383,833	\$ 64,209	\$	448,042

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Hotel/Motel Tax Fund</u>	<u>Technology Fee Fund</u>	
REVENUES			
Hotel/motel taxes	\$ 390,052	\$ -	\$ 390,052
Interest earned	431	-	431
Miscellaneous	-	20,279	20,279
	<u>390,483</u>	<u>20,279</u>	<u>410,762</u>
Total revenues			
EXPENDITURES			
Current:			
Public safety	-	14,087	14,087
Culture and recreation	298,815	-	298,815
	<u>298,815</u>	<u>14,087</u>	<u>312,902</u>
Total expenditures			
Excess of revenues over expenditures	<u>91,668</u>	<u>6,192</u>	<u>97,860</u>
OTHER FINANCING USES			
Transfers out	(111,399)	-	(111,399)
Total other financing uses	<u>(111,399)</u>	<u>-</u>	<u>(111,399)</u>
Net change in fund balances	<u>(19,731)</u>	<u>6,192</u>	<u>(13,539)</u>
FUND BALANCES, beginning of year	<u>252,496</u>	<u>58,017</u>	<u>310,513</u>
FUND BALANCES, end of year	<u>\$ 232,765</u>	<u>\$ 64,209</u>	<u>\$ 296,974</u>

SUPPLEMENTARY SCHEDULE

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, 2022

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		TOTAL	PROJECT COMPLETION
	ORIGINAL	CURRENT		CURRENT	CURRENT		
TSPLOST TIER 1							
Maintenance and Safety Enhancements	\$ 2,082,377	\$ 2,232,351	\$ 1,146,297	\$ 1,086,054	\$ 2,232,351	100.00 %	
Quick Response Projects	56,280	45,024	-	-	-	0.00 %	
Project Management	112,561	111,618	44,366	19,543	63,909	57.26 %	
TSPLOST TIER 2							
Maintenance and Safety Enhancements	369,464	369,464	-	69,959	69,959	18.94 %	
Quick Response Projects	7,945	7,945	-	-	-	0.00 %	
Project Management	19,865	19,865	-	-	-	0.00 %	
TSPLOST TIER 3							
Maintenance and Safety Enhancements	369,464	369,464	-	-	-	0.00 %	
Quick Response Projects	9,514	9,514	-	-	-	0.00 %	
Project Management	19,864	19,864	-	-	-	0.00 %	
TOTAL TSPLOST	\$ 3,047,334	\$ 3,185,109	\$ 1,190,663	\$ 1,175,556	\$ 2,366,219		