

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2024**



**MAULDIN & JENKINS**

**CPAs & ADVISORS**

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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

## INTRODUCTORY SECTION

---

# CITY OF CHATTAHOOCHEE HILLS, GEORGIA

## FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2024

### TABLE OF CONTENTS

	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>	
Table of Contents .....	i
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis .....	4-12
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position.....	13
Statement of Activities.....	14
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	15
Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Governmental Funds .....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities .....	17
Notes to Financial Statements .....	18-35
Required Supplementary Information:	
General Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual (GAAP Basis) .....	36 and 37
Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual (GAAP Basis) .....	38
Combining and Individual Fund Financial Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds .....	39
Combining Statement of Revenues, Expenditures and Changes in Fund	
Balances – Nonmajor Governmental Funds .....	40
Supplementary Schedules:	
Schedule of Projects Constructed with Proceeds from Transportation	
Special Purpose Local Option Sales Tax (TSPLOST I) .....	41
Schedule of Projects Constructed with Proceeds from Transportation	
Special Purpose Local Option Sales Tax (TSPLOST II) .....	42

## 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 financial statements of the governmental activities, the discretely presented component unit, 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, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, 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, the General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), and the Hotel/Motel Tax 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 financial statements and schedules of projects constructed with proceeds from transportation special purpose local option sales tax, as required by the Official Code of Georgia 48-8-121, 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 of projects constructed with proceeds from transportation special purpose local option sales tax 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 October 9, 2024, 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*



# CITY OF CHATTAHOOCHEE HILLS, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### June 30, 2024

---

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, 2024.

#### FINANCIAL HIGHLIGHTS

- Assets of the City exceeded its liabilities by \$10,457,588 (net position), representing a \$1,403,358 or 15.5% increase over the prior year.
- Unrestricted net position increased from \$5,667,750 to \$6,688,205, an increase of \$1,020,455 or 18%.
- As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$7,114,435, an increase of \$549,334 or 8.37% 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, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City 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.

#### 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 are governmental funds.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2024**

---

**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 nonmajor governmental funds. The City's major governmental funds are the General Fund; Hotel/Motel Fund; and the TSPLOST fund. The City's nonmajor funds are the Technology Fee Fund and the American Rescue Plan Fund.

The basic governmental fund financial statements are presented on pages 15 through 17 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 18 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 schedules are intended to demonstrate the City's compliance with the legally adopted and amended budgets. Required supplementary information can be found on pages 36 through 38 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, 2024 the City's assets exceeded liabilities and deferred inflows of resources by \$10,457,588. This represents a \$1,403,358 or 15.5% 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, \$3,106,980 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.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2024**

The City also reported \$662,403 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, \$24,125 is restricted for tourism and \$638,278 is restricted for capital projects.

The remaining portion of the City's net position represents unrestricted net position in the amount of \$6,688,205 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 fiscal years 2024 and 2023:

**City of Chattahoochee Hills Net Position**  
**June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>	<u>Inc (Dec)</u>	<u>Percent</u>
Assets				
Current Assets	\$ 8,350,816	\$ 8,280,286	\$ 70,530	0.85 %
Capital assets, net of accumulated depreciation	<u>3,730,188</u>	<u>3,133,538</u>	<u>596,650</u>	<u>19.04</u>
Total assets	<u>12,081,004</u>	<u>11,413,824</u>	<u>667,180</u>	<u>5.85</u>
Liabilities				
Current liabilities	852,307	1,385,935	(533,628)	(38.50)
Long-term liabilities	<u>394,034</u>	<u>575,732</u>	<u>(181,698)</u>	<u>(31.56)</u>
Total liabilities	1,246,341	1,961,667	(715,326)	(36.47)
Deferred Inflows of Resources				
Leasing arrangements	377,075	397,927	(20,852)	(5.24)
Net Position				
Net Investment in capital assets	3,106,980	2,307,286	799,694	34.66
Restricted for tourism	24,125	75,092	(50,967)	(67.87)
Restricted for capital projects	638,278	1,004,102	(365,824)	(36.43)
Unrestricted	<u>6,688,205</u>	<u>5,667,750</u>	<u>1,020,455</u>	<u>18.00</u>
Total net position	<u>\$ 10,457,588</u>	<u>\$ 9,054,230</u>	<u>\$ 1,403,358</u>	<u>15.50 %</u>

**Changes in net position.** The table on the following page indicates the change in net position for the fiscal years ended June 30, 2024 and 2023:

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2024**

**City of Chattahoochee Hills Changes in Net Position**  
**for the Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percent</u>
Revenues:				
Program Revenues:				
Charges for services	\$ 850,692	\$ 839,603	\$ 11,089	1.32 %
Operating grants and contributions	700,795	631,036	69,759	11.05
Capital grants and contributions	1,059,003	883,659	175,344	19.84
General Revenues:				
Property taxes	3,372,842	2,839,606	533,236	18.78
Sales Taxes	1,014,332	1,015,393	(1,061)	(0.10)
Hotel Motel Taxes	442,373	411,150	31,223	7.59
Franchise Taxes	182,942	162,061	20,881	12.88
Business Taxes	335,324	327,013	8,311	2.54
Investment earnings	158,119	104,746	53,373	50.95
Gain on sale of capital assets	<u>4,100</u>	<u>3,666</u>	<u>434</u>	<u>11.84</u>
Total revenues	<u>8,120,522</u>	<u>7,217,933</u>	<u>902,589</u>	<u>12.50</u>
Expenses:				
General government	854,708	657,907	196,801	29.91
Judicial	196,258	189,700	6,558	3.46
Public safety	2,718,448	2,440,558	277,890	11.39
Public works	2,082,870	865,913	1,216,957	140.54
Culture and recreation	476,520	551,571	(75,051)	(13.61)
Community development	368,707	349,073	19,634	5.62
Interest expenses	<u>19,653</u>	<u>20,743</u>	<u>(1,090)</u>	<u>(5.25)</u>
Total expenses	6,717,164	5,075,465	1,641,699	32.35
Change in net position	<u>1,403,358</u>	<u>2,142,468</u>	<u>\$ (739,110)</u>	<u>(34.50) %</u>
Net position beginning of year	<u>9,054,230</u>	<u>6,911,762</u>		
Net position end of year	<u>\$ 10,457,588</u>	<u>\$ 9,054,230</u>		

Governmental activities increased the City's net position by \$1,403,358 in fiscal 2024 and \$2,142,468 in fiscal year 2023 as the City continues to generate revenues in excess of expenses. Total revenues increased \$902,589 or 12.5% from the prior year. Operating grants increased \$69,759 or 11.05% as the City expended funds received under the American Rescue Plan Act. Capital grants and contributions increased \$175,344 or 19.84% as TSPLOST revenue allocations have increased as the general economy continues to improve. Property tax revenues increased \$533,236 or 18.78%, as a result of significant increases in assessed values of property. Hotel/Motel taxes have increased \$31,223 or 7.59% as the travel and vacation sector of the economy continues to recover from the pandemic. Investment earnings have increased \$53,373 or 50.95% as the Federal Reserve has raised interest rates from near zero to approximately 5%.

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**June 30, 2024**

---

Total expenses have increased \$1,641,699 or 32.35%. General government expenses increased \$196,801 or 29.91% primarily from upgrades in accounting systems and inflationary increases. Public safety expenses increased \$277,890 or 11.39% primarily from increases in salaries and benefits. Public works expenses increased \$1,216,957 or 140.54% as the City expended TSPLOST funds for road resurfacing. Culture and recreation expenses decreased \$75,051 or 13.61% primarily from decreased spending of Hotel/Motel tax revenues.

**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. The table on the following page indicates the change in fund balances for the fiscal years ended June 30, 2024 and 2023:

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2024**

**City of Chattahoochee Hills**  
**Comparison of Revenues, Expenditures, and Changes in Fund Balances**  
**for the Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>	<b>Increase (Decrease)</b>	<b>Percent</b>	
Revenues:					
Property taxes	\$ 3,365,674	\$ 2,805,714	\$ 559,960	19.96	%
Sales taxes	1,014,332	1,015,393	(1,061)	(0.10)	
Hotel/Motel taxes	442,373	411,150	31,223	7.59	
Franchise taxes	182,942	162,061	20,881	12.88	
Business Taxes	335,324	327,013	8,311	2.54	
Licenses and permits	199,315	217,055	(17,740)	(8.17)	
Fines and forfeitures	233,129	230,473	2,656	1.15	
Charges for services	343,887	196,335	147,552	75.15	
Intergovernmental	1,713,097	1,499,176	213,921	14.27	
Contributions	22,010	5,909	16,101	272.48	
Interest earned	182,810	114,356	68,454	59.86	
Miscellaneous	74,361	195,740	(121,379)	(62)	
Total Revenue	<u>8,109,254</u>	<u>7,180,375</u>	<u>928,879</u>	<u>12.94</u>	
Expenditures:					
General government	838,744	719,518	119,226	16.57	
Judicial	196,216	189,673	6,543	3.45	
Public safety	2,905,091	2,689,690	215,401	8.01	
Public works	2,514,266	838,761	1,675,505	199.76	
Culture and recreation	467,158	560,932	(93,774)	(16.72)	
Community development	366,628	347,910	18,718	5.38	
Debt service	275,917	203,541	72,376	35.56	
Total Expenditures	<u>7,564,020</u>	<u>5,550,025</u>	<u>2,013,995</u>	<u>36.29</u>	%
Excess of revenues over expenditures	<u>545,234</u>	<u>1,630,350</u>	<u>(1,085,116)</u>		
Other financing sources:					
Issuance of note payable	-	325,000	(325,000)		
Sale of capital assets	4,100	21,352	(17,252)		
Net change in Fund Balances	<u>549,334</u>	<u>1,976,702</u>	<u>(1,427,368)</u>		
Beginning fund balance	<u>6,565,101</u>	<u>4,588,399</u>	<u>1,976,702</u>		
Ending fund balance	<u>\$ 7,114,435</u>	<u>\$ 6,565,101</u>	<u>\$ 549,334</u>		

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2024**

---

Governmental funds reported fund balances of \$7,114,435 at June 30, 2024. This is a \$549,334 increase over the prior year as the City continues to generate revenues in excess of expenditures.

Revenues have increased \$928,879 or 12.94% over the prior year. Property taxes have increased \$559,960 or 19.96% as a result of increases in assessed property values. Hotel/Motel Taxes and franchise taxes have increased \$31,223 (7.59%) and \$20,881 (12.88%), respectively, as the general economy continues to improve. Licenses and permits decreased \$17,740 or 8.17% as construction permits declined. Charges for services increased \$147,552 or 75.15%, as the City recognized additional revenue for City services at various events held in the City. Intergovernmental revenues increased \$213,921 or 14.27% primarily from recognition of revenues under the American Recovery Plan Act. Interest income increased \$68,454 or 59.86% as interest rates have increased from near zero to approximately 5%. Miscellaneous income decreased \$121,379 or 62% as less revenue was realized from special events.

Total expenditures increased \$2,013,995 or 36.29%. General government expenditures increased by \$119,229 or 16.57% primarily from upgrades in accounting systems and inflationary increases. Public safety expenditures increased \$215,401 or 8.01% primarily from increases in salaries and benefits. Public works expenditures increased \$1,676,505 or 199.76% as management expended significant SPLOST funds for road resurfacing. Culture and recreation expenditures decreased \$93,774 or 16.72% primarily from decreased spending of Hotel/Motel tax revenues. Debt service expenditures have increased \$72,376 or 35.56%, as a result of financing for additional public works equipment and a fire truck.

**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 \$6,389,666, an increase of \$981,752 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% 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 \$6,389,666 or 118.13% of current year expenditures.

General Fund revenues increased \$674,128 or 12.15%. Property tax revenues increased \$559,960 or 19.96%, primarily from increases in assessed values. Charges for services increased \$147,552 or 75.15%, as the City recognized additional revenue for City services at various events held in the City. Interest income increased \$50,407 or 50.46% as interest rates have increased from near zero to approximately 5%. Miscellaneous income decreased \$119,020 or 66% as less revenue was realized from special events.

General Fund expenditures have increased \$777,422 or 16.79%. General government expenses increased \$125,538 or 17.6% primarily from upgrades in accounting systems and inflationary increases. Public safety expenses increased \$284,244 or 11.97% primarily from increases in salaries and benefits. Public works expenses increased \$235,238 or 33.34% for additional road repairs. Debt service expenditures have increased \$72,376 or 35.56%, as a result of financing for additional public works equipment and a fire truck.

**Hotel/Motel Fund.** The Hotel/Motel Fund accounts for the collection of Hotel/Motel taxes within the City which are restricted for promotion of tourism. Hotel/Motel tax revenues were \$442,373 and \$411,150 for fiscal 2024 and 2023, respectively. Expenditures for promotion of tourism were \$335,167 and \$437,406 for fiscal 2024 and 2023, respectively.

# CITY OF CHATTAHOOCHEE HILLS, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### June 30, 2024

***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 \$721,712 and \$722,757 for fiscal years 2024 and 2023, respectively. The City spent \$1,112,283 and \$9,352 for road improvement projects in fiscal 2024 and 2023, respectively.

#### 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 \$719,986 better than budgeted, primarily, as property taxes, sales taxes, fines and forfeitures, charges for services and interest income were significantly higher than budgeted. Total budgeted expenditures were \$5,008,552 and actual expenditures were \$5,409,053, a variance of \$400,501.

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.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### Capital Assets

As of June 30, 2024, the City's investment in capital assets for its governmental activities totaled \$3,730,188. 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, 2024 and 2023

	2024	2023	Inc (Dec)	Percent	
Land	\$ 1,056,643	\$ 1,056,643	\$ -	-	%
Buildings and improvements	900,367	403,412	496,955	123.19	
Machinery and equipment	491,992	596,721	(104,729)	(17.55)	
Vehicles	1,053,377	838,983	214,394	25.55	
Infrastructure	227,809	237,779	(9,970)	(4.19)	
Total	<u>\$ 3,730,188</u>	<u>\$ 3,133,538</u>	<u>\$ 596,650</u>	<u>19.04</u>	%

Additional information on the City's capital assets can be found in Note 7 beginning on pages 30 of the report. Significant asset additions for 2024 included a new fire truck and a public works building.

##### 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 8 beginning on page 31 of this report.



**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2024**

---

**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 2025 budget. They will also be an ongoing concern throughout the fiscal year.

- With the projected development of additional housing throughout the City even in the current market, the City reduced the millage rate from 9.00 to 8.2 which qualified as a full rollback. The projected net tax will increase 9% which should yield an additional \$303,140 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.
- Gas prices have increased 10.7% since the beginning of 2024. We are projecting about the same rate or a little less per gallon in 2025. Georgia tends to be .25 cents per gallon lower than the national average.
- Consumer price index for all items energy increased 2.5% over last year.
- Expected inflation rates can affect costs for goods and services, impacting budget allocations.
- The annual inflation rate for the United States was 2.5% for the 12 months ending August, compared to the previous rate increase of 2.9%. Advanced economies are expected to see moderate growth from 1.7% in 2024 to 1.8% in 2025.
- Real estate projections suggest a predicted growth rate of 7.9% by January 2025. Real estate in Georgia is thus a promising area for those looking at long-term investments or seeking a vibrant community for their next home.
- The 30-year fixed-rate mortgage trended down to its lowest level in two years. Given the downward trajectory of rates, refinance activity continues to pick up, creating opportunities for many homeowners to trim their monthly mortgage payment. Meanwhile, many looking to purchase a home are playing the waiting game to see if rates decrease further as additional economic data is released.
- This trend will be reflected in Fulton County's 2025 Property Assessment notices, which were mailed in June 2023.
- The Net M&O Digest went from \$362,685,881 to \$435,038,212 (20% increase).
- The Net Taxes Levied last year was \$3,264,173 compared to this year at \$3,567,313 which is a 9% increase. This should yield an additional \$303,140 in property tax revenue.
- According to Redfin, the median home price in Atlanta in August 2024 was \$394,000, which is a 2.7% decrease from the previous year. This is 9% lower than the national average.

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, 2024

	Primary Government	Component Unit
	Governmental Activities	Chattahoochee Hills Convention and Visitors Bureau
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,069,336	\$ -
Accounts receivable	18,436	-
Taxes receivable, net of allowance	52,057	-
Intergovernmental receivable	406,580	-
Lease receivable	399,809	-
Due from primary government	-	214,964
Prepays	7,511	-
Land held for development	397,087	-
Capital assets:		
Nondepreciable	1,056,643	-
Depreciable, net of accumulated depreciation	2,673,545	-
Total assets	12,081,004	214,964
<b>LIABILITIES</b>		
Accounts payable	262,645	-
Accrued liabilities	129,805	-
Due to component unit	214,964	-
Compensated absences due within one year	63,976	-
Notes payable from direct borrowings due within one year	180,917	-
Notes payable from direct borrowings due in more than one year	394,034	-
Total liabilities	1,246,341	-
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Leasing arrangements	377,075	-
<b>NET POSITION</b>		
Net investment in capital assets	3,106,980	-
Restricted for tourism	24,125	214,964
Restricted for capital projects	638,278	-
Unrestricted	6,688,205	-
Total net position	\$ 10,457,588	\$ 214,964

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, 2024

				Net (Expenses) Revenues and Changes in Net Position		
Functions/Programs	Expenses	Program Revenues		Primary Government	Component Unit	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Chattahoochee Hills Convention and Visitors Bureau
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 854,708	\$ 586,350	\$ 22,010	\$ -	\$ (246,348)	\$ -
Judicial	196,258	360	-	-	(195,898)	-
Public safety	2,718,448	246,942	217,592	-	(2,253,914)	-
Public works	2,082,870	-	461,193	1,059,003	(562,674)	-
Culture and recreation	476,520	861	-	-	(475,659)	-
Community development	368,707	16,179	-	-	(352,528)	-
Interest on long-term debt	19,653	-	-	-	(19,653)	-
Total governmental activities	6,717,164	850,692	700,795	1,059,003	(4,106,674)	-
Total primary government	<u>\$ 6,717,164</u>	<u>\$ 850,692</u>	<u>\$ 700,795</u>	<u>\$ 1,059,003</u>	<u>(4,106,674)</u>	
<b>Component unit:</b>						
Chattahoochee Hills Convention and Visitors Bureau	<u>\$ 69,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(69,284)</u>
General revenues:						
Property taxes					3,372,842	-
Sales taxes					1,014,332	-
Hotel/Motel taxes					442,373	-
Franchise taxes					182,942	-
Business taxes					335,324	-
Intergovernmental revenue					-	193,659
Unrestricted investment earnings					158,119	-
Gain on disposal of capital assets					4,100	-
Total general revenues					5,510,032	193,659
Change in net position					1,403,358	124,375
Net position, beginning of year					9,054,230	90,589
Net position, end of year					<u>\$ 10,457,588</u>	<u>\$ 214,964</u>

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

# CITY OF CHATTAHOOCHEE HILLS, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2024

ASSETS	General Fund	Hotel/Motel Tax Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 5,981,503	\$ 401,158	\$ 576,052	\$ 110,623	\$ 7,069,336
Accounts receivable	18,436	-	-	-	18,436
Taxes receivable, net of allowance	15,695	36,362	-	-	52,057
Intergovernmental receivable	344,255	-	62,325	-	406,580
Lease receivable	399,809	-	-	-	399,809
Due from other funds	196,762	-	-	-	196,762
Prepays	7,511	-	-	-	7,511
Land held for development	397,087	-	-	-	397,087
Total assets	<u>\$ 7,361,058</u>	<u>\$ 437,520</u>	<u>\$ 638,377</u>	<u>\$ 110,623</u>	<u>\$ 8,547,578</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 212,620	\$ 1,768	\$ 56	\$ 48,201	\$ 262,645
Accrued liabilities	118,641	-	-	-	118,641
Due to other funds	-	196,663	99	-	196,762
Due to component unit	-	214,964	-	-	214,964
Total liabilities	<u>331,261</u>	<u>413,395</u>	<u>155</u>	<u>48,201</u>	<u>793,012</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	1,562	-	-	-	1,562
Unavailable revenue - insurance premium taxes	261,494	-	-	-	261,494
Leasing arrangements	377,075	-	-	-	377,075
Total deferred inflows of resources	<u>640,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640,131</u>
<b>FUND BALANCES</b>					
Fund balances:					
Nonspendable for prepaids	7,511	-	-	-	7,511
Nonspendable for land held for redevelopment	397,087	-	-	-	397,087
Nonspendable for leasing arrangements	22,734	-	-	-	22,734
Restricted for tourism	-	24,125	-	-	24,125
Restricted for capital projects	-	-	638,222	-	638,222
Assigned for public safety	-	-	-	62,422	62,422
Unassigned	5,962,334	-	-	-	5,962,334
Total fund balances	<u>6,389,666</u>	<u>24,125</u>	<u>638,222</u>	<u>62,422</u>	<u>7,114,435</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,361,058</u>	<u>\$ 437,520</u>	<u>\$ 638,377</u>	<u>\$ 110,623</u>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.					3,730,188
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.					(650,091)
Some revenues are not available in the current period, and therefore, are not reported in the governmental funds.					263,056
Net position of governmental activities					<u>\$ 10,457,588</u>

**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, 2024**

	<b>Major Funds</b>			<i>(Previously Major)</i>		
	<b>General Fund</b>	<b>Hotel/Motel Tax Fund</b>	<b>TSPLOST Fund</b>	<b>American Rescue Plan Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>						
Property taxes	\$ 3,365,674	\$ -	\$ -	\$ -	\$ -	\$ 3,365,674
Sales taxes	1,014,332	-	-	-	-	1,014,332
Hotel/Motel taxes	-	442,373	-	-	-	442,373
Franchise taxes	182,942	-	-	-	-	182,942
Business taxes	335,324	-	-	-	-	335,324
Licenses and permits	199,315	-	-	-	-	199,315
Fines and forfeitures	233,129	-	-	-	-	233,129
Charges for services	343,887	-	-	-	-	343,887
Intergovernmental	312,600	-	721,712	-	678,785	1,713,097
Contributions	22,010	-	-	-	-	22,010
Interest earned	150,298	7,821	24,691	-	-	182,810
Miscellaneous	61,200	-	-	-	13,161	74,361
Total revenues	<u>6,220,711</u>	<u>450,194</u>	<u>746,403</u>	<u>-</u>	<u>691,946</u>	<u>8,109,254</u>
<b>Expenditures:</b>						
Current:						
General government	838,744	-	-	-	-	838,744
Judicial	196,216	-	-	-	-	196,216
Public safety	2,658,767	-	-	-	246,324	2,905,091
Public works	940,790	-	1,112,283	-	461,193	2,514,266
Culture and recreation	131,991	335,167	-	-	-	467,158
Community development	366,628	-	-	-	-	366,628
Debt service:						
Principal	251,301	-	-	-	-	251,301
Interest	24,616	-	-	-	-	24,616
Total expenditures	<u>5,409,053</u>	<u>335,167</u>	<u>1,112,283</u>	<u>-</u>	<u>707,517</u>	<u>7,564,020</u>
Excess (deficiency) of revenues over expenditures	<u>811,658</u>	<u>115,027</u>	<u>(365,880)</u>	<u>-</u>	<u>(15,571)</u>	<u>545,234</u>
<b>Other financing sources (uses):</b>						
Proceeds from sale of capital assets	4,100	-	-	-	-	4,100
Transfers in	165,994	-	-	-	-	165,994
Transfers out	-	(165,994)	-	-	-	(165,994)
Total other financing sources (uses)	<u>170,094</u>	<u>(165,994)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,100</u>
Net change in fund balances	<u>981,752</u>	<u>(50,967)</u>	<u>(365,880)</u>	<u>-</u>	<u>(15,571)</u>	<u>549,334</u>
<b>Fund balances, beginning of year</b>	<u>5,407,914</u>	<u>-</u>	<u>1,004,102</u>	<u>-</u>	<u>153,085</u>	<u>6,565,101</u>
Adjustment - change to reporting entity	<u>-</u>	<u>75,092</u>	<u>-</u>	<u>-</u>	<u>(75,092)</u>	<u>-</u>
<b>Fund balances, beginning of year, as adjusted</b>	<u>5,407,914</u>	<u>75,092</u>	<u>1,004,102</u>	<u>-</u>	<u>77,993</u>	<u>6,565,101</u>
<b>Fund balances, end of year</b>	<u>\$ 6,389,666</u>	<u>\$ 24,125</u>	<u>\$ 638,222</u>	<u>\$ -</u>	<u>\$ 62,422</u>	<u>\$ 7,114,435</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, 2024**

---

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

Net change in fund balances - total governmental funds	\$	549,334
--	----	---------

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.		596,650
---	--	---------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		7,168
---	--	-------

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.		
Principal retirement - notes payable		251,301

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.		(1,095)
---	--	---------

Change in net position - governmental activities	\$	1,403,358
--	----	-----------

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

# CITY OF CHATTAHOOCHEE HILLS, GEORGIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

---

### **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.

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The City's discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The Chattahoochee Hills Convention and Visitors Bureau (the "Bureau") has been included as a discretely presented component unit in the accompanying financial statements. The City appoints a majority of the Bureau's board and has the ability to impose its will on the Bureau by removing those board members, as well as approving its budget. Financial information with regard to the Bureau can be obtained from the Bureau's administrative office at 6505 Rico Road, Chattahoochee Hills, Georgia, 30268. Separate financial statements for the Bureau are not prepared.

#### **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.

## NOTES TO FINANCIAL STATEMENTS

---

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

#### B. Government-wide and Fund Financial Statements (Continued)

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.

#### 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.



## 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. 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.

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 **Hotel/Motel Tax Fund** accounts for the collection of Hotel/Motel taxes within the City which are restricted for the promotion of tourism.

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.

Additionally, the City reports the following fund type:

The **Special Revenue Fund** is used to account for revenue sources, such as ARPA revenues, which are restricted 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, 2024, 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. Leases**

##### ***Lessor***

The City is a lessee for a noncancelable lease of a cellular tower to a third party. The City recognizes a lease receivable and deferred inflows of resources at both the fund level and the government-wide level of reporting.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

## NOTES TO FINANCIAL STATEMENTS

---

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

#### G. Leases (Continued)

Key estimates and judgments related to leases receivable include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged as the discount rate. When the interest rate charged is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments due to the City over the term of the lease and residual value guarantee payments that are fixed in substance.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable and deferred inflows of resources.

#### H. 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.”

#### I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

#### J. 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

---

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

#### J. 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.

#### K. 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 net assets 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 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.

The City also reports as deferred inflows of resources items that arise from leases, where the City is a lessor. Lease-related amounts are recognized at the inception of leases in which the City is a lessor and are recorded in an amount equal to the corresponding lease receivable, plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflow of resources is recognized as revenue in a systemic and rational manner over the term of the lease.

## NOTES TO FINANCIAL STATEMENTS

---

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

#### L. 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.

#### M. 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.

#### N. 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)

#### N. 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)

#### O. 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 \$650,091 difference are as follows:

Notes payable	\$ (574,951)
Compensated absences	(63,976)
Accrued interest	<u>(11,164)</u>
Net adjustment to decrease fund balance - <i>total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (650,091)</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 \$596,650 difference are as follows:

Capital outlay	\$ 1,018,563
Depreciation expense	<u>(421,913)</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>\$ 596,650</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 \$1,095 difference are as follows:

Compensated absences	\$ (6,058)
Accrued interest	<u>4,963</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>\$ (1,095)</u>

### 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.



## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

#### A. Budgets and Budgetary Accounting (Continued)

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, 2024, excesses of actual expenditures over appropriations were as follows:

##### General Fund

General government - Executive	\$ 9,972
General government - General operations	61,430
Judicial - Municipal court	78,456
Public safety - Police	53,558
Public safety - Fire	80,979
Public works	129,114
Culture and recreation	9,530
Community development	5,115

##### Hotel/Motel Tax Fund

Culture and recreation	10,738
------------------------	--------

These excess expenditures were funded by greater than anticipated revenues and available fund balance.

### NOTE 4. DEPOSITS

Total deposits as of June 30, 2024 are summarized as follows:

##### Statement of net position:

Cash and cash equivalents	\$ 7,069,336
	<u>\$ 7,069,336</u>
Cash deposited with financial institutions	\$ 7,069,336
	<u>\$ 7,069,336</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, 2024, 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, 2024, 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, 2024, for the City's individual major funds, including any applicable allowances for uncollectible accounts are as follows:

	General	Hotel/Motel Tax	TSPLOST	Total
Receivables:				
Taxes	\$ 30,447	\$ 36,362	\$ -	\$ 66,809
Accounts	18,436	-	-	18,436
Lease	399,809	-	-	399,809
Intergovernmental	344,255	-	62,325	406,580
Total receivables	792,947	36,362	62,325	891,634
Less allowance for uncollectible	14,752	-	-	14,752
Net total receivable	<u>\$ 778,195</u>	<u>\$ 36,362</u>	<u>\$ 62,325</u>	<u>\$ 876,882</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LEASE RECEIVABLE

In August 2021, the City entered into a lease agreement with a third party, whereby the City leases land for the installation of a cellular telephone tower. The commencement date of this lease began in January of 2023, when the third party commenced installation of equipment on the land. The City receives annual payments in the amount of \$26,000 beginning in January of 2023 through January of 2043. Payments are increased by 2% annually, through the term of the agreement. The total amount of lease revenue, including the amortization of deferred inflows and interest revenue, recognized during the fiscal year ended June 30, 2024 was \$37,248. At June 30, 2024, the City's receivable for lease payments was \$399,809. At June 30, 2024, City has a deferred inflow of resources of \$377,075 associated with this lease that will be recognized over the lease term.

### NOTE 7. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2024 is as follows:

	Balance at June 30, 2023	Increases	Decreases	Transfers	Balance at June 30, 2024
<b>Governmental activities:</b>					
Nondepreciable capital assets					
Land	\$ 1,056,643	\$ -	\$ -	\$ -	\$ 1,056,643
Total	<u>1,056,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,056,643</u>
Capital assets, being depreciated:					
Buildings and improvements	634,507	545,210	-	-	1,179,717
Machinery and equipment	1,500,748	52,838	(20,000)	-	1,533,586
Vehicles	1,706,842	420,515	-	-	2,127,357
Infrastructure	2,876,561	-	-	-	2,876,561
Total	<u>6,718,658</u>	<u>1,018,563</u>	<u>(20,000)</u>	<u>-</u>	<u>7,717,221</u>
Less accumulated depreciation for:					
Buildings and improvements	(231,095)	(48,255)	-	-	(279,350)
Machinery and equipment	(904,027)	(157,567)	20,000	-	(1,041,594)
Vehicles	(867,859)	(206,121)	-	-	(1,073,980)
Infrastructure	(2,638,782)	(9,970)	-	-	(2,648,752)
Total	<u>(4,641,763)</u>	<u>(421,913)</u>	<u>20,000</u>	<u>-</u>	<u>(5,043,676)</u>
Total capital assets being depreciated, net	<u>2,076,895</u>	<u>596,650</u>	<u>-</u>	<u>-</u>	<u>2,673,545</u>
Governmental activities capital assets, net	<u>\$ 3,133,538</u>	<u>\$ 596,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,730,188</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 15,128
Public safety	205,423
Public works	190,848
Culture and recreation	9,289
Housing development	1,225
Total depreciation expense - governmental activities	<u>\$ 421,913</u>

### NOTE 8. 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, 2024:

	<u>Balance at June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2024</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Notes payable					
from direct borrowings	\$ 826,252	\$ -	\$ (251,301)	\$ 574,951	\$ 180,917
Compensated absences	57,918	89,494	(83,436)	63,976	63,976
Governmental activity					
Long-term liabilities	<u>\$ 884,170</u>	<u>\$ 89,494</u>	<u>\$ (334,737)</u>	<u>\$ 638,927</u>	<u>\$ 244,893</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 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% began in November 2021 and will continue through November 2025. The outstanding balance at June 30, 2024 is \$102,976.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 8. LONG-TERM DEBT (CONTINUED)

#### Notes Payable from Direct Borrowings (Continued)

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% began in September 2022 and will continue through September 2026. The outstanding balance at June 30, 2024 is \$206,991.

In November 2022, the City entered into an agreement through the Georgia Municipal Association to borrow \$325,000 for the purchase of a Fouts fire pumper. Annual payments of \$72,382, including interest at a rate of 3.64% began in November 2023 and will continue through November 2027. The outstanding balance at June 30, 2024 is \$264,984.

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,	Principal	Interest	Total
2025	\$ 180,917	\$ 17,210	\$ 198,127
2026	186,025	12,102	198,127
2027	138,169	6,842	145,011
2028	69,840	2,542	72,382
	<u>\$ 574,951</u>	<u>\$ 38,696</u>	<u>\$ 613,647</u>

### NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024 is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	TSPLOST Fund	\$ 99
General Fund	Hotel/Motel Tax Fund	196,663
		<u>\$ 196,762</u>

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The composition of balances between the primary government and its discretely presented component unit as of June 30, 2024 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Chattahoochee Hills CVB	Hotel/Motel Tax Fund	<u>\$ 214,964</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	Hotel/Motel Tax Fund	<u>\$ 165,994</u>

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

### NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

The City 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.

### NOTE 11. 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, 2024, there were 58 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 ended June 30, 2024, employee contributions to the plan were \$102,897 and the City's contributions were \$102,897.

## NOTES TO FINANCIAL STATEMENTS

---

### **NOTE 11. DEFINED CONTRIBUTION RETIREMENT PLAN (CONTINUED)**

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, 2024 there were 24 participants in the plan and the City contributions to the plan were \$45,083.

### **NOTE 12. 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 13. HOTEL/MOTEL LODGING TAX**

The City has levied an 8% 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, 2024, the City received \$442,373 in Hotel/Motel taxes and expended \$501,161 for the promotion of tourism, conventions, or trade shows.

### **NOTE 14. 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.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 15. ACCOUNTING CHANGES

#### Change in Major Funds

In the current year, the City's ARPA Fund no longer meets the definition of a major fund and the City's Hotel/Motel Tax Fund meets the definition of a major fund. The effect of this change within the reporting entity is as follows:

#### Reporting Units Affected by Adjustments to Beginning Balances

	Hotel/Motel Tax Fund	Nonmajor Governmental Funds
June 30, 2023, as previously reported	\$ -	\$ 153,085
Change from nonmajor fund to major fund	75,092	(75,092)
June 30, 2023, as restated	<u>\$ 75,092</u>	<u>\$ 77,993</u>



## 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, 2024**

	Budget			Variance With
	Original	Final	Actual	Final Budget
<b>Revenues:</b>				
Property taxes	\$ 2,680,000	\$ 3,268,880	\$ 3,365,674	\$ 96,794
Sales taxes	820,000	820,000	1,014,332	194,332
Franchise taxes	150,000	175,000	182,942	7,942
Business taxes	320,000	326,494	335,324	8,830
Licenses and permits	155,000	161,100	199,315	38,215
Fines and forfeitures	150,000	150,000	233,129	83,129
Charges for services	190,000	190,000	343,887	153,887
Intergovernmental	306,292	316,087	312,600	(3,487)
Interest earned	30,000	49,792	150,298	100,506
Contributions	-	2,566	22,010	19,444
Miscellaneous	37,000	40,806	61,200	20,394
Total revenues	4,838,292	5,500,725	6,220,711	719,986
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
City council	288,149	288,149	260,496	27,653
Executive	165,717	165,717	175,689	(9,972)
General operations	341,129	341,129	402,559	(61,430)
Total general government	794,995	794,995	838,744	(43,749)
<b>Judicial:</b>				
Municipal court	117,760	117,760	196,216	(78,456)
Total judicial	117,760	117,760	196,216	(78,456)
<b>Public safety:</b>				
Police	1,195,299	1,195,299	1,248,857	(53,558)
Fire	1,280,931	1,328,931	1,409,910	(80,979)
Total public safety	2,476,230	2,524,230	2,658,767	(134,537)
<b>Public works</b>	811,676	811,676	940,790	(129,114)
<b>Culture and recreation</b>	122,461	122,461	131,991	(9,530)
<b>Community development</b>	361,513	361,513	366,628	(5,115)
<b>Debt service:</b>				
Principal	251,307	251,301	251,301	-
Interest	24,616	24,616	24,616	-
Total debt service	275,923	275,917	275,917	-
Total expenditures	4,960,558	5,008,552	5,409,053	(400,501)
Excess (deficiency) of revenues over expenditures	(122,266)	492,173	811,658	319,485

(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, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Other financing sources:</b>				
Sale of capital assets	\$ -	\$ -	\$ 4,100	\$ 4,100
Transfers in	-	-	165,994	165,994
Total other financing sources	-	-	170,094	170,094
Net change in fund balance	(122,266)	492,173	981,752	489,579
<b>Fund balance, beginning of year</b>	5,407,914	5,407,914	5,407,914	-
<b>Fund balance, end of year</b>	<u>\$ 5,285,648</u>	<u>\$ 5,900,087</u>	<u>\$ 6,389,666</u>	<u>\$ 489,579</u>

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

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**HOTEL/MOTEL TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Budget</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues:</b>				
Taxes	\$ 350,000	\$ 350,000	\$ 442,373	\$ 92,373
Interest income	-	-	7,821	7,821
Total revenues	350,000	350,000	450,194	100,194
<b>Expenditures:</b>				
Culture and recreation	324,429	324,429	335,167	(10,738)
Total expenditures	324,429	324,429	335,167	(10,738)
Excess of revenues over expenditures	25,571	25,571	115,027	89,456
<b>Other financing uses:</b>				
Transfers out	(61,016)	(97,663)	(165,994)	(68,331)
Total other financing uses	(61,016)	(97,663)	(165,994)	(68,331)
Net change in fund balances	(35,445)	(72,092)	(50,967)	21,125
<b>Fund balance, beginning of year</b>	75,092	75,092	75,092	-
<b>Fund balance, end of year</b>	<u>\$ 39,647</u>	<u>\$ 3,000</u>	<u>\$ 24,125</u>	<u>\$ 21,125</u>

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

## 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.

The **American Rescue Plan Fund** accounts for the City's Coronavirus State and Local Fiscal Recovery Funds program activity.

### 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 Fund** – 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, 2024

	Special Revenue	Capital Projects	
	American Rescue Plan Fund	Technology Fee Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash	\$ 48,201	\$ 62,422	\$ 110,623
Total assets	<u>\$ 48,201</u>	<u>\$ 62,422</u>	<u>\$ 110,623</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 48,201	\$ -	\$ 48,201
Total liabilities	<u>48,201</u>	<u>-</u>	<u>48,201</u>
<b>FUND BALANCES</b>			
Assigned for public safety	<u>-</u>	<u>62,422</u>	<u>62,422</u>
Total fund balances	<u>-</u>	<u>62,422</u>	<u>62,422</u>
Total liabilities and fund balances	<u>\$ 48,201</u>	<u>\$ 62,422</u>	<u>\$ 110,623</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, 2024**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>American Rescue Plan Fund</u>	<u>Technology Fee Fund</u>	
<b>REVENUES</b>			
Intergovernmental	\$ 678,785	\$ -	\$ 678,785
Miscellaneous	-	13,161	13,161
	<u>678,785</u>	<u>13,161</u>	<u>691,946</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
Public safety	217,592	28,732	246,324
Public works	461,193	-	461,193
	<u>678,785</u>	<u>28,732</u>	<u>707,517</u>
Total expenditures			
Deficiency of revenues over expenditures	-	(15,571)	(15,571)
Net change in fund balances	-	(15,571)	(15,571)
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>77,993</u>	<u>77,993</u>
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ 62,422</u>	<u>\$ 62,422</u>

## **SUPPLEMENTARY SCHEDULES**

---



**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**

**SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM**

**TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST I)**

**FOR THE YEAR ENDED JUNE 30, 2024**

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
TSPLOST TIER 1						
Maintenance and Safety Enhancements	\$ 2,082,377	\$ 2,232,351	\$ 2,232,351	\$ -	\$ 2,232,351	100.00 %
Quick Response Projects	56,280	45,024	-	-	-	0.00 %
Project Management	112,561	111,618	73,261	-	73,261	65.64 %
TSPLOST TIER 2						
Maintenance and Safety Enhancements	369,464	369,464	69,959	89,762	159,721	43.23 %
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 I	\$ 3,047,334	\$ 3,185,109	\$ 2,375,571	\$ 89,762	\$ 2,465,333	

**CITY OF CHATTAHOOCHEE HILLS, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM**  
**TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST II)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		PROJECT COMPLETION
	ORIGINAL	CURRENT		CURRENT	TOTAL	
TSPLOST TIER 1						
Maintenance and Safety Enhancements	\$ 2,389,725	\$ 2,389,725	\$ -	\$ 1,022,521	\$ 1,022,521	42.79 %
Quick Response Projects	51,391	51,391	-	-	-	0.00 %
Project Management	128,480	128,480	-	-	-	0.00 %
TSPLOST TIER 2						
Maintenance and Safety Enhancements	421,716	421,716	-	-	-	0.00 %
Quick Response Projects	9,070	9,070	-	-	-	0.00 %
Project Management	22,673	22,673	-	-	-	0.00 %
TSPLOST TIER 3						
Maintenance and Safety Enhancements	421,716	421,716	-	-	-	0.00 %
Quick Response Projects	9,069	9,069	-	-	-	0.00 %
Project Management	22,673	22,673	-	-	-	0.00 %
TOTAL TSPLOST II	\$ 3,476,513	\$ 3,476,513	\$ -	1,022,521	\$ 1,022,521	
Total Expenditures - TSPLOST I:				89,762		
Total TSPLOST Expenditures - Fiscal Year Ended June 30, 2024:				\$ 1,112,283		