CITY OF CHATSWORTH, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

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INTRODUCTION SECTION

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December 31, 2020

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City of Chatsworth, Georgia

Council Members and Management

As of December 31, 2020

Mayor	K.W. Gong
Mayor Pro-Tem/Finance Officer	Fred Welch
Council Member/Infrastructure	Jeff Cloer
Council Member/Public Safety	Rhett Griffin
Council Member/Intergovernmental & Economic Development	Terry Crump
City Clerk	Wilma Nolan
Municipal Court Judge	Ron Wilson
City Attorney	Steve Williams

FINANCIAL SECTION

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CHRYSAN THOMAS
Certified Public Accountant
Professional Corporation
Member
American Institute of
Certified Public Accountants
Trion, Georgia

INDEPENDENT AUDITOR'S REPORT

Mayor and Council Members
City of Chatsworth, Georgia
Chatsworth, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the remaining fund information of the City of Chatsworth, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

P.O. Box 1066 Trion, Georgia 30753 (706)734-4377 chrysan@chrysanthomascpa.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Chatsworth, Georgia, as of December 31, 2020, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City's Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Chatsworth, Georgia's basic financial statements. The Introductory Section and Other Supplemental Information are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The Other Supplemental Information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2022, on our consideration of the City of Chatsworth, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Chatsworth, Georgia's internal control over financial reporting and compliance.

Chrysan Thomas
CHRYSAN THOMAS
Certified Public Accountant

Trion, Georgia
February 28, 2022

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The City of Chatsworth's ("the City") management is pleased to provide this narrative overview and analysis of the financial activities of the City for the calendar year ended December 31, 2020. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures that follow this section.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities by $37,206,575 (net position) for the calendar year reported. Of this amount $10,949,887 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- For the calendar year reported, the City's activities are comprised of the following:
  - Governmental activities operated at a surplus of $217,795; and
  - Business-type activities operated at a surplus of $1,178,882.

- The City's governmental funds reported total ending fund balance of $4,977,533.

- At the end of the current calendar year, unassigned fund balance for the general fund was $4,761,243, or 96.68% of total general fund expenditures.

- The business-type activities, the City of Chatsworth, Georgia's enterprise funds, reported total ending net position of $28,280,687. Of this balance $6,109,352 or 21.60% is unrestricted. The remaining $22,171,335 or 78.40% of net position is invested in capital assets and restricted to capital projects and debt service.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction of the City of Chatsworth, Georgia's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-Wide Financial Statements

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

The City's government-wide financial statements include the statement of net position and the statement of activities.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The government-wide statement of net position presents information that includes all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The City reports assets when it acquires ownership and reports liabilities when incurred. Over time, increases or decreases of net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The statement of activities reports the revenues and expenses of the City. This statement is prepared using the accrual basis of accounting, where revenues are recognized when earned and expenses are recognized when incurred. All current year revenues and expenses are included regardless of when cash is received or paid. The difference is described as the change in net position. The important purposes of the design of the statement of activities are to (1) show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers, and (2) present the result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The City of Chatsworth divides the statement of net position and the statement of activities into two types of activities:

- **Governmental activities** – The activities reported in this category are the City's basic services such as general administration, fire, police, public works, recreation, and municipal court. These activities are principally supported by taxes and intergovernmental transfers.
- **Business-Type activities** – The activities reported that the City charges fees to customers to recover all or a significant portion of costs for the services provided by Water Works Commission, a component unit of the City of Chatsworth, Georgia, included in the Water and Sewer fund.

The government-wide financial statements can be found on pages 15, 16, and 17 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to track specific resources and expenditures, either for management purposes or because of legal mandates. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The City of Chatsworth, Georgia adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for all governmental funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18 through 27 of this report.

Proprietary Funds

The City of Chatsworth, Georgia maintains one type of proprietary fund: enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Chatsworth, Georgia uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the City of Chatsworth, Georgia.

The basic proprietary fund financial statements can be found on pages 28 through 31 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 can be found on pages 32 through 63 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Chatsworth, Georgia, assets exceeded liabilities by $37,206,575 at the close of this fiscal year.

The largest portion of the City of Chatsworth, Georgia's net position, $25,493,563, or 69.26% reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure, etc.) less any related debt used to acquire those assets that is still outstanding. The City of Chatsworth, Georgia uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Chatsworth, Georgia'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.

Restricted net position totaling, $487,897, or 1.87% represents resources that are subject to external restrictions on how they may be used:

- The largest portion of the restricted net position, $331,941, or .89% is restricted for capital projects;
- Another portion, $111,270, or 0.30% is restricted for debt service; and
- The final portion, $44,686, or 0.12% is restricted for public safety.

The remaining balance of unrestricted net position of $10,949,887, or 29.43% may be used to meet the government's ongoing obligations to its citizens and creditors. The City is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The table below provides a summary of the City's net position broken down by governmental and business type activities.

City of Chatsworth, Georgia
Net Position

	2020		2019		2020	2019
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	Total	Total
Current and other assets	$ 5,161,222	$ 9,658,391	$ 5,022,616	$ 7,678,147	$ 14,819,613	$ 12,700,763
Capital assets, net	4,413,255	31,773,791	4,432,497	28,771,530	36,187,046	33,204,027
Total assets	9,574,477	41,432,182	9,455,113	36,449,677	51,006,659	45,904,790
Deferred outflows of resources	547,760	363,875	155,431	153,796	911,635	309,227
Current liabilities	286,804	3,677,748	273,601	2,255,079	3,964,552	2,528,680
Long-term liabilities	880,476	9,837,562	623,790	7,246,589	10,718,038	7,870,379
Total liabilities	1,167,280	13,515,310	897,391	9,501,668	14,682,590	10,399,059
Deferred inflows of resources	29,069	60	5,060	-	29,129	5,060
Net position:						
Net investment in capital assets	3,869,063	21,899,728	4,087,924	21,405,639	25,768,791	25,493,563
Restricted	216,290	271,607	544,439	124,552	487,897	668,991
Unrestricted	4,840,535	6,109,352	4,075,730	5,571,614	10,949,887	9,647,344
Total net position	$ 8,925,888	$ 28,280,687	$ 8,708,093	$ 27,101,805	$ 37,206,575	$ 35,809,898

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Changes in Net Position

As of the close of the current fiscal year, the City of Chatsworth, Georgia's governmental net position increased by $1,396,677. Governmental activities increased the City's net position by $217,795, and the business-type activities increased the City's net position by $1,178,882.

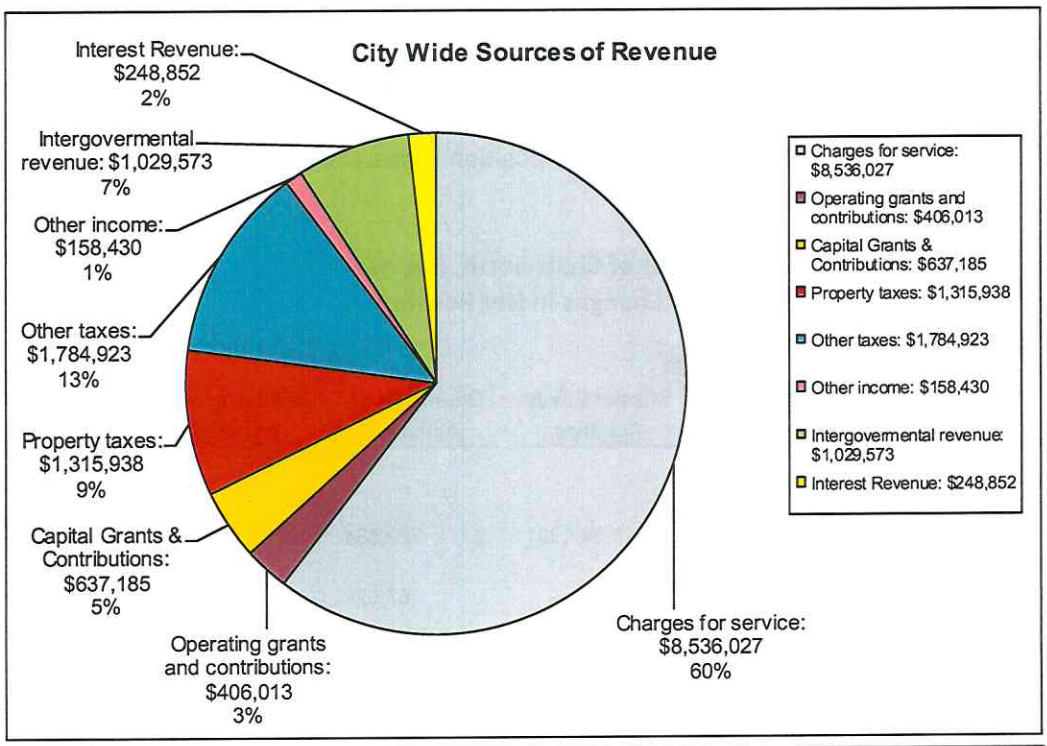
The table below provides a summary of the City's net position broken down by governmental and business-type activities.

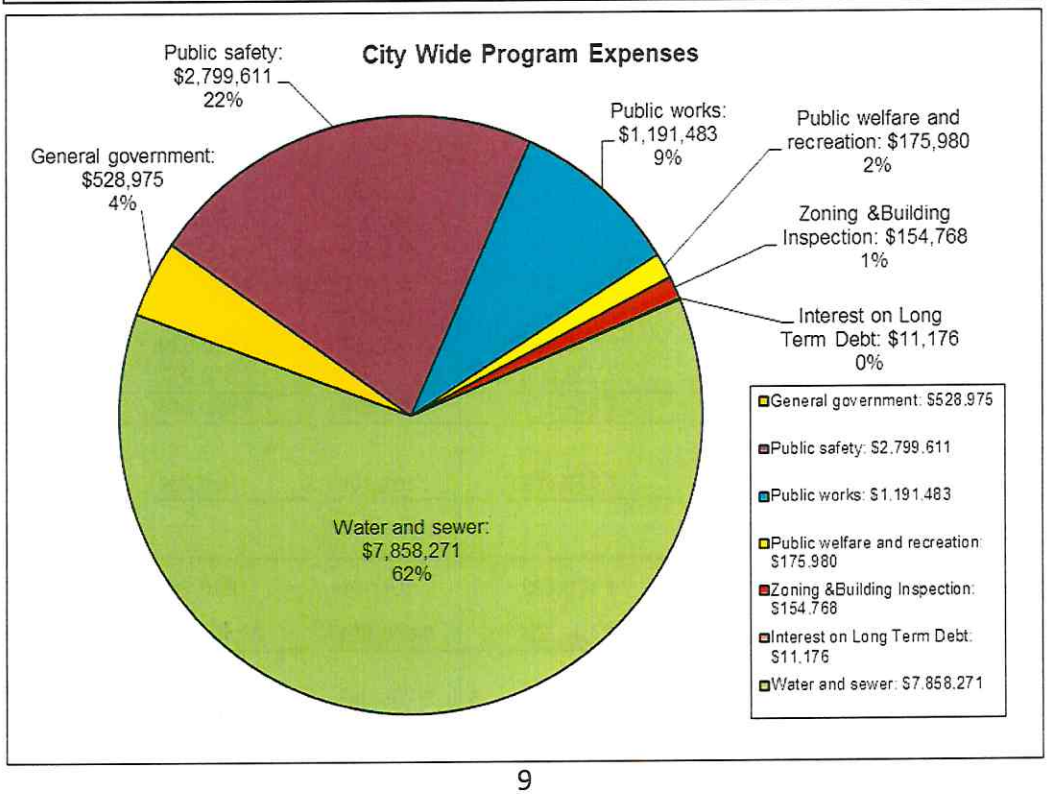
City of Chatsworth, Georgia
Changes in Net Position

	2020		2019		2020	2019
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	Total	Total
REVENUE						
Program revenues:						
Charges for services	$ 488,826	$ 8,047,201	$ 769,584	$ 7,926,401	$ 8,536,027	$ 8,695,985
Operating grants and contributions	406,013	-	67,021	-	406,013	67,021
Capital grants and contributions	637,185	-	504,652	-	637,185	504,652
General revenues:						
Property taxes	1,315,938	-	1,335,425	-	1,315,938	1,335,425
Other taxes	1,784,923	-	1,902,887	-	1,784,923	1,902,887
Other Revenue	338,459	849,544	188,664	285,703	1,188,003	474,367
Interest Revenue	108,444	140,408	133,446	237,796	248,852	371,242
Total revenues	5,079,788	9,037,153	4,901,679	8,449,900	14,116,940	13,351,579
EXPENSES						
General government	528,975	-	519,332	-	528,975	519,332
Public safety	2,799,611	-	2,816,216	-	2,799,611	2,816,216
Public works	1,191,483	-	1,115,244	-	1,191,483	1,115,244
Public welfare and recreation	175,980	-	171,650	-	175,980	171,650
Building inspection	154,768	-	162,855	-	154,768	162,855
Interest on long-term debt	11,176	130,187	15,277	168,639	141,363	183,916
Water & sewer	-	7,728,084	-	7,360,977	7,728,084	7,360,977
Total expenses	4,861,993	7,858,271	4,800,574	7,529,616	12,720,264	12,330,190
Increase (decrease) in net position before transfers	217,795	1,178,882	101,105	920,284	1,396,677	1,021,389
Transfers	-	-	-	-	-	-
Change in net position	217,795	1,178,882	101,105	920,284	1,396,677	1,021,389
Net position - beginning	8,708,093	27,101,805	8,606,988	26,181,521	35,809,898	34,788,509
Net position - ending	$ 8,925,888	$ 28,280,687	$ 8,708,093	$ 27,101,805	$ 37,206,575	$ 35,809,897

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

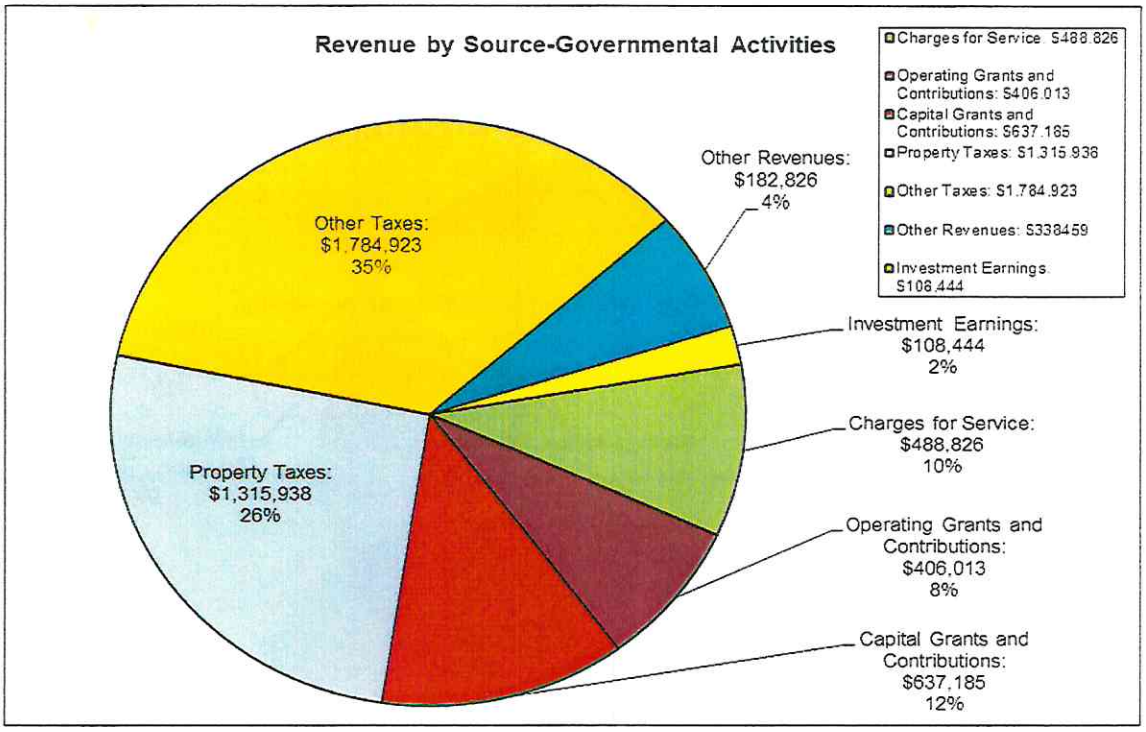
The graphs below summarize the $14,116,940 of the City-Wide Revenue by source, and the associated $12,720,264 of expenses by program. The graph combines data from both governmental and business-type activities.



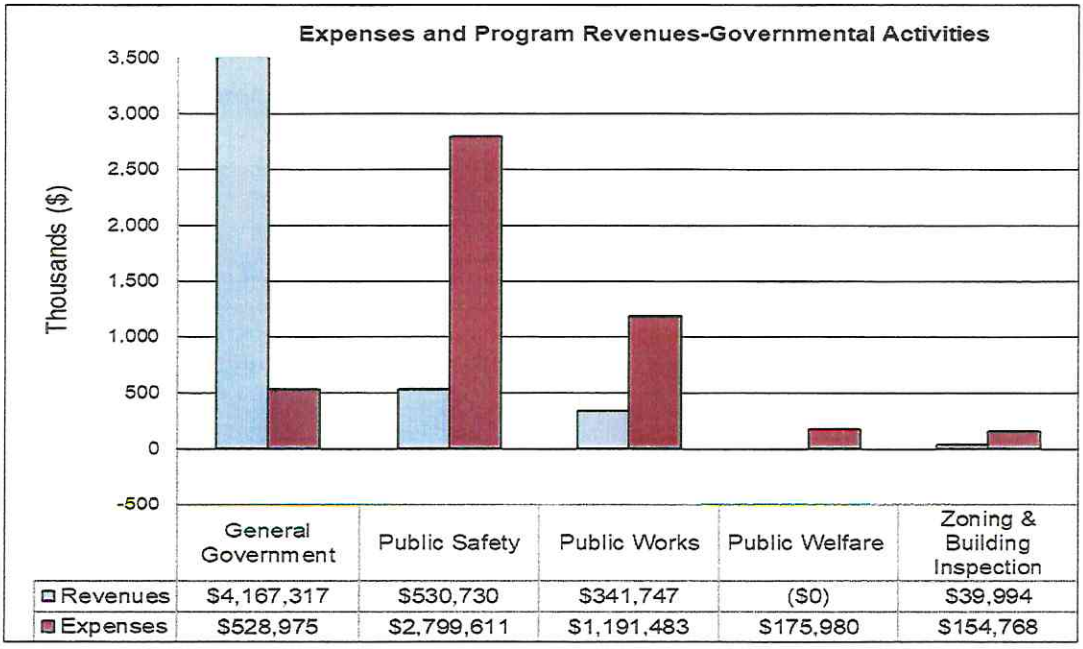


FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental activities accounted for revenues of $5,079,788. The following graph summarizes the revenue by source.



The following graph summarizes the revenue and related expense for each governmental program of the City. The difference between expense and revenue is the financial burden placed on the City's taxpayers for each program.

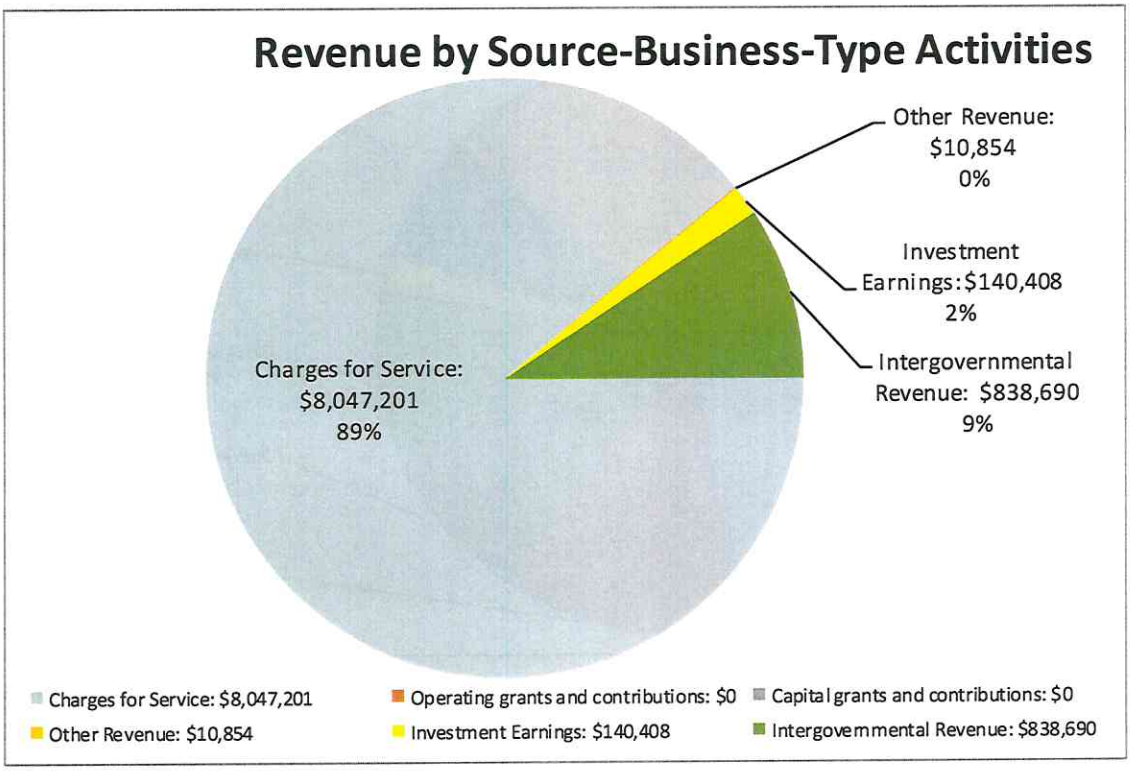


	General Government	Public Safety	Public Works	Public Welfare	Zoning & Building Inspection
Revenues	$4,167,317	$530,730	$341,747	($0)	$39,994
Expenses	$528,975	$2,799,611	$1,191,483	$175,980	$154,768

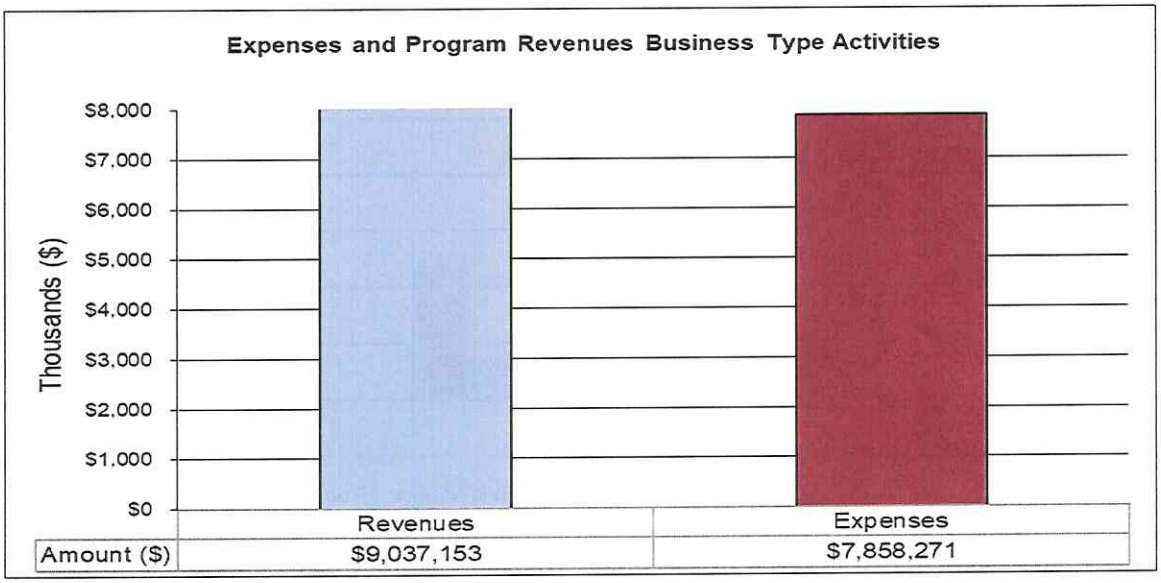
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Business-type activities

Business-type activities accounted for revenues of $9,027,153. The following graph summarizes the revenue by source.



The following graph summarizes the revenue and related expense of operating the Sewer and Water fund.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Chatsworth, Georgia uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of Chatsworth, Georgia'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 of Chatsworth, Georgia's financing requirements. The unassigned fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year for future unforeseen emergencies.

As of the end of the current fiscal year, the City of Chatsworth, Georgia's governmental funds reported combined ending fund balances of $4,977,533. 95.65% of this total amount or $4,761,243 constitutes unassigned fund balance.

The general fund is the chief operating fund of the City of Chatsworth, Georgia. At the end of the current fiscal year, unassigned fund balance of the general fund was $4,761,243. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 96.68% of total fund expenditures.

Proprietary Funds

The City of Chatsworth, Georgia's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year amounted to $6,109,352.

General Fund Budgetary Highlights

Tax revenues are under budget by $248,380 due to decreases in franchise taxes and motor vehicle tax amounts. Miscellaneous revenues are up due to receipt of the CARES Act funding of $224,572 to reimburse for certain public safety employees. Police, Fire and Street departments are over budget on expenditures due to not budgeting for capital expenditures that were potentially going to be paid by SPLOST. Also, an adjustment to prepaid insurance accounts to be properly reflected resulted in insurance accounts being over budget in most departments.

City of Chatsworth, Georgia's Outstanding Debt

At the end of the current fiscal year, the City of Chatsworth, Georgia had $544,192 debt outstanding in the governmental fund and $9,600,240 outstanding in the proprietary fund. See Note 8 for detail of debt.

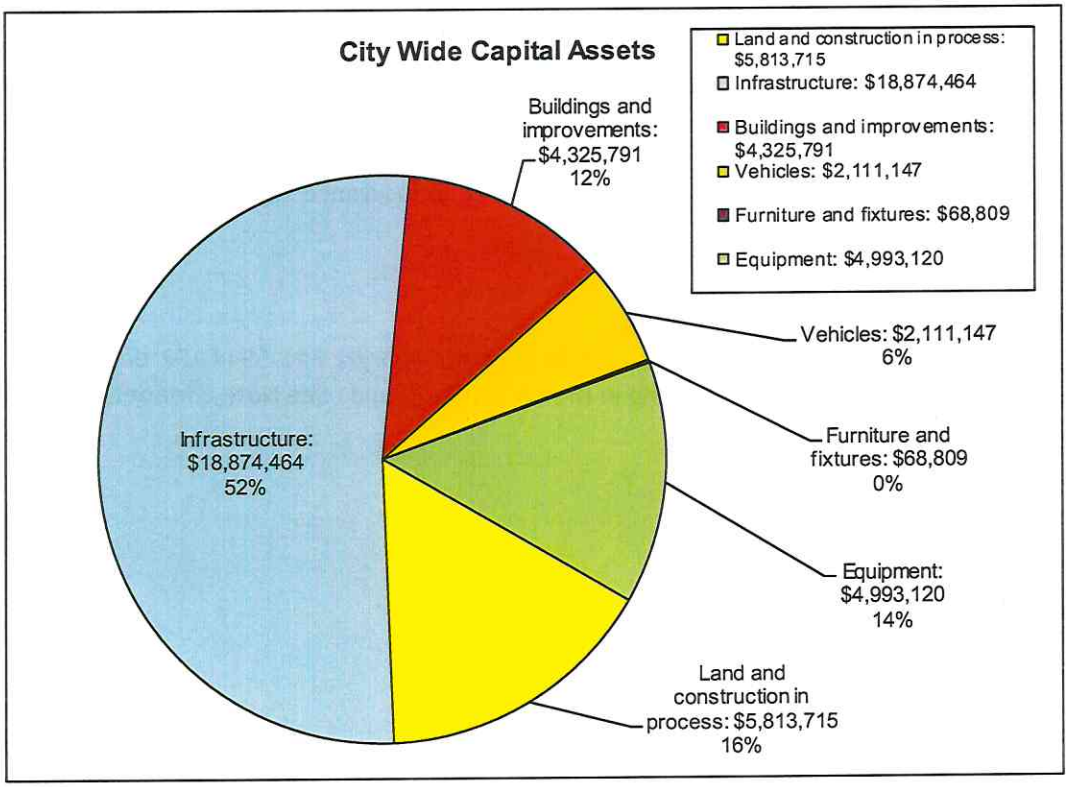
CAPITAL ASSET AND DEBT ADMINISTRATION

Investment in capital assets, net of accumulated depreciation, for both governmental and business-type activities, *Primary Government*, increased $275,228. Beginning balance was $33,204,027, plus current year additions of $5,493,496, less current year depreciation of $2,506,528, less net dispositions / reclassifications of $3,949 resulted in an ending balance of $36,187,046.

The table below summarizes the City's investment in capital assets and is broken down by government and business type activities. Additional information on the City's capital assets can be found in Note 12 of this report.

City of Chatsworth, Georgia's Capital Assets
(Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land and construction in process	$ 660,407	$ 5,153,308	$ 5,813,715
Infrastructure	959,959	17,914,505	18,874,464
Buildings and improvements	730,390	3,595,401	4,325,791
Vehicles	1,296,574	814,573	2,111,147
Furniture and fixtures	7,365	61,444	68,809
Equipment	758,560	4,234,560	4,993,120
Total capital assets	**$ 4,413,255**	**$ 31,773,791**	**$ 36,187,046**



Requests for Information

This financial report is designed to provide a general overview of the City of Chatsworth, Georgia's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the City of Chatsworth, Georgia, 400 North Third Ave, Chatsworth, GA 30705.

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BASIC FINANCIAL STATEMENTS

CITY OF CHATSWORTH, GEORGIA
Statement of Net Position
December 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 1,823,613	$ 3,590,304	$ 5,413,917
Investments	1,070,436	2,421,532	$ 3,491,968
Receivables, net of allowance for uncollectibles:			
Property taxes	134,102	-	134,102
Accounts	556,190	976,229	1,532,419
Intergovernmental	1,110,591	2,055,561	3,166,152
Other	-	24,109	24,109
Inventory	-	259,953	259,953
Prepaid expenses	-	26,304	26,304
Due from other governments	-	-	-
Restricted assets:			
Cash and cash equivalents	376,677	304,399	681,076
Due from other governments	89,613	-	89,613
Total current assets	5,161,222	9,658,391	14,819,613
NON-CURRENT ASSETS			
Land and other non-depreciable assets	660,407	5,153,308	5,813,715
Other capital assets, net of accumulated depreciation	3,752,848	26,620,483	30,373,331
Total non-current assets	4,413,255	31,773,791	36,187,046
Total assets	9,574,477	41,432,182	51,006,659
DEFERRED OUTFLOWS OR RESOURCES			
Pension related items	547,760	363,875	911,635

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

CITY OF CHATSWORTH, GEORGIA
Statement of Net Position
December 31, 2020

LIABILITIES AND NET POSITION			
CURENT LIABILITIES			
Payable from current assets:			
Accounts payable	$ 46,562	$ 1,730,957	$ 1,777,519
Compensared absences payable	12,247	119,986	
Accrued expenses and other liabilities	52,235	42,983	95,218
Customer deposits payable	-	1,084,896	1,084,896
Unearned revenue	-	36,201	36,201
Interfund balances	-	-	-
Notes payable from direct borrowings - current	-	90,234	90,234
Financed purchases from direct borrowings - current	175,760	104,699	280,459
Payable from restricted assets:			
Direct placement bonds payable - current	-	435,000	435,000
Accrued interest payable	-	32,792	32,792
Total current liabilities	286,804	3,677,748	3,832,319
Long-term Liabilities			
Direct placement bonds payable	-	4,416,256	4,416,256
Notes payable from direct borrowings	-	4,474,043	4,474,043
Financed purchases from direct borrowings	368,432	80,008	
Net Pension liability	512,044	867,255	1,379,299
Total long-term liabilities	880,476	9,837,562	10,269,598
Total liabilities	1,167,280	13,515,310	14,101,917
DEFERRED INFLOWS OF RESOURCES			
Pension related items	29,069	60	29,129
Net Position			
Net investment in capital assets	3,869,063	21,899,728	25,768,791
Restricted for debt service	-	111,270	111,270
Restricted for capital projects	171,604	160,337	331,941
Restricted for public safety	44,686	-	44,686
Unrestricted	4,840,535	6,109,352	10,949,887
Total net position	8,925,888	28,280,687	37,206,575

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

CITY OF CHATSWORTH, GEORGIA
Statement of Activities
Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government							
Governmental activities:							
General government	$ 528,975	$ 141,619	$ 41,000	$ 436,934	$ 90,578	$ -	$ 90,578
Public safety	2,799,611	306,158	224,572	-	(2,268,881)	-	(2,268,881)
Public works	1,191,483	1,055	140,441	200,251	(849,736)	-	(849,736)
Public welfare and recreation	175,980	-	-	-	(175,980)	-	(175,980)
Zoning and Building Inspection	154,768	39,994	-	-	(114,774)	-	(114,774)
Interest on long term debt	11,176			-	(11,176)	-	(11,176)
Total governmental activities	4,861,993	488,826	406,013	637,185	(3,329,969)	-	(3,329,969)
Business-type activities							
Water & Sewer	7,858,271	8,047,201	-	-	-	188,930	188,930
Total business-type activities	7,858,271	8,047,201	-	-	-	188,930	188,930
Total primary government	$ 12,720,264	$ 8,536,027	$ 406,013	$ 637,185	$ (3,329,969)	$ 188,930	$ (3,141,039)
General revenues:							
Property tax					$ 1,315,938	$ -	$ 1,315,938
Franchise tax					586,228	-	586,228
Local option sales tax					576,458	-	576,458
Malt beverage tax					122,285	-	122,285
Motor vehicle tax					71,518	-	71,518
Occupational tax					55,795	-	55,795
Premium tax					345,339	-	345,339
Other taxes					27,300	-	27,300
Other revenue					147,576	10,854	158,430
Interest revenue					94,471	98,266	192,737
Increase in fair value of investments					13,973	42,142	56,115
Intergovermental revenues					190,883	838,690	1,029,573
Total general revenue					3,547,764	989,952	4,537,716
Transfers					-	-	-
Total general revenues and transfers					3,547,764	989,952	4,537,716
Change in net position					217,795	1,178,882	1,396,677
Net position - beginning of year					8,708,093	27,101,805	35,809,898
Net position - end of year					$ 8,925,888	$ 28,280,687	$ 37,206,575

The accompanying notes are an intergral part of the financial statements.

CITY OF CHATSWORTH, GEORGIA
Governmental Funds
Balance Sheet
December 31, 2020

	General Fund	SPLOST Capital Projects	TSPLOST Capital Projects	Other Governmental Fund	Total Governmental Funds
ASSETS					
Cash	$ 1,823,613	$ 131,740	$ 200,251	$ 44,686	$ 2,200,290
Investment	1,070,436	-	-	-	1,070,436
Property tax receivable - net	134,102	-	-	-	134,102
Other receivables	556,190	-	-	-	556,190
Due from other funds	250,000	-	-	-	250,000
Due from other governments	1,110,591	89,613	-	-	1,200,204
Total assets	$ 4,944,932	$ 221,353	$ 200,251	$ 44,686	$ 5,411,222
LIABILITIES					
Accounts payable	$ 46,562	$ -	$ -	-	$ 46,562
Accrued wages	52,235	-	-	-	52,235
Payroll tax payable	-	-	-	-	-
Due to other funds	-	250,000	-	-	250,000
Total liabilities	98,797	250,000	-	-	348,797
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	84,892	-	-	-	84,892
FUND BALANCES					
Restricted for -					
Capital Projects	-	(28,647)	200,251	-	171,604
Public Safety	-	-	-	44,686	44,686
Unassigned	4,761,243	-	-	-	4,761,243
Total fund balances	4,761,243	(28,647)	200,251	44,686	4,977,533
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	$ 4,944,932	$ 221,353	$ 200,251	$ 44,686	$ 5,411,222

The accompanying notes are an integral part of the financial statements

CITY OF CHATSWORTH, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Positions
December 31, 2020

Total Governmental Fund Balances		$ 4,977,533
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets do not represent financial resources and therefore are not reported in the funds but are reported for governmental activities:		
Cost	11,949,789	
Less accumulated depreciation	(7,536,534)	4,413,255
Liabilities, including notes, bonds, capital leases, and compensated absences are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net position:		
Capital lease payable	(544,192)	
Compensated absences	(12,247)	(556,439)
Interfund receivables and payables between governmental funds are reported on the governmental fund's balance sheet but are eliminated on the government-wide statement of net position.		
Interfund receivables	250,000	
Interfund payables	(250,000)	
Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current periods expenditures and, therefore, are deferred in the funds.		84,892
Amounts related to the pension plan are not expected to be liquidated with expendable financial resources and, therefore, are not reported in the funds.		
Deferred outflows of resources-pension related	547,760	
Net pension liability	(512,044)	
Deferred inflows of resources-pension related	(29,069)	6,647
Net Position of Governmental Activities		$ 8,925,888

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

CITY OF CHATSWORTH, GEORGIA
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2020

	General Fund	SPLOST Capital Projects	TSPLOST Capital Projects	Other Governmental Fund	Total Governmental Funds
REVENUES					
Taxes	$ 3,081,031	$ -	$ 200,251	$ -	$ 3,281,282
License and permits	61,374	-	-	-	61,374
Intergovernmental	331,324	436,934		-	768,258
Fines and forfeitures	301,719	-	-	4,213	305,932
Investment earnings	108,444	-	-	-	108,444
Other revenue	533,983	-	-	-	533,983
Total revenues	4,417,875	436,934	200,251	4,213	5,059,273
EXPENDITURES					
Current expenditures					
General government	398,070	-	-	-	398,070
Public safety	2,689,865	21,000	-	30,395	2,741,260
Street department	1,043,203	151,891	-	-	1,195,094
Public welfare and recreation	137,883	-	-	-	137,883
Zoning and codes enforcement	79,094	-	-	-	79,094
Building inspector	86,033	-	-	-	86,033
Capital outlay	490,508	13,800	-	-	504,308
Debt service - principal	-	96,712	-	-	96,712
- interest	-	11,176	-	-	11,176
Total expenditures	4,924,656	294,579	-	30,395	5,249,630
Excess (deficiency) of revenues over expenditures	(506,781)	142,355	200,251	(26,182)	(190,357)
Other Financing Sources (Uses)					
Proceeds from capital leases	296,360	-	-	-	296,360
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	296,360	-	-	-	296,360
Net change in fund balance	(210,421)	142,355	200,251	(26,182)	106,003
Fund balances -					
beginning of year, as previously reported	4,671,664	128,998	-	70,868	4,871,530
Prior Period Adjustment	300,000	(300,000)	-	-	-
beginning of year, restated	4,971,664	(171,002)	-	70,868	4,871,530
Fund balances -					
end of year	$ 4,761,243	$ (28,647)	$ 200,251	$ 44,686	$ 4,977,533

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

CITY OF CHATSWORTH, GEORGIA
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended December 31, 2020

Net Changes in Fund Balances - Total Governmental Funds		$ 106,003
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
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 as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital outlay in excess of depreciation expense		(19,242)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.		
Proceeds from capital leases	(296,360)	
Principal payments on leases	96,741	
		(199,619)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable deferred inflows:		
Unavailable deferred property tax revenues		19,830
Certain items reported in the statement of activities don't require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Net change in accrued liability for compensated absences		78,618
Net change in liability for Pensions		(136,115)
Net change in deferred inflows - pension related		(24,009)
Net change in deferred outflows - pension related		392,329
Change in Net Position of Governmental Activities		$ 217,795

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

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CITY OF CHATSWORTH, GEORGIA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2020

	Budgeted Amounts			Variance Over
	Original	Final	Actual	(Under)
REVENUES				
Taxes				
City property tax	$ 1,340,911	$ 1,340,911	$ 1,296,108	$ (44,803)
Premium tax	328,000	328,000	345,339	17,339
Franchise tax	725,000	725,000	586,228	(138,772)
Local options sales tax	600,000	600,000	576,458	(23,542)
Malt beverage tax	120,500	120,500	122,285	1,785
Motor vehicle tax	115,000	115,000	71,518	(43,482)
Occupational tax	65,000	65,000	55,795	(9,205)
Banking tax	35,000	35,000	27,300	(7,700)
Total taxes	3,329,411	3,329,411	3,081,031	(248,380)
License and permits				
Building Permits	30,000	30,000	32,552	2,552
Malt and beverage license	34,000	34,000	28,822	(5,178)
Total license and permits	64,000	64,000	61,374	(2,626)
Intergovernmental				
State grants for street const.	78,000	78,000	140,441	62,441
Franchise tax from Water Works	215,000	215,000	190,883	(24,117)
Total intergovernmental	293,000	293,000	331,324	38,324
Fines and forfeitures				
Police and courts	326,000	326,000	301,719	(24,281)
Total fines and forfeitures	326,000	326,000	301,719	(24,281)
Investment earnings				
Investment earnings	-	-	108,444	108,444
Total investment earnings	-	-	108,444	108,444
Other revenue				
Miscellaneous	328,265	328,265	533,983	205,718
Total other revenue	328,265	328,265	533,983	205,718
TOTAL REVENUES	4,340,676	4,340,676	4,417,875	77,198

(Continued)

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

CITY OF CHATSWORTH, GEORGIA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Year Ended December 31, 2020

	Budgeted Amounts		
	Original	Final	Actual
EXPENDITURES			
Current expenditures			
General government			
Administration			
Administrative salaries	$ 171,972	$ 171,972	$ 177,776
Health Insurance	19,902	19,902	22,944
Payroll taxes	13,156	13,156	15,034
Retirement contribution	8,938	8,938	8,757
Advertising	2,000	2,000	1,681
Telephone	8,000	8,000	7,466
Office supplies	16,000	18,115	18,115
Repairs and maintenance	8,500	6,385	3,607
Dues and subscriptions	15,000	15,000	12,319
Professional services	25,000	25,000	30,000
Utilities	10,000	10,000	6,875
Gas & Oil	2,000	2,000	470
Miscellaneous expenditures	30,000	30,000	25,505
Local Development	7,500	7,500	-
Library aid	32,938	32,938	30,245
Contributions	3,600	3,600	1,000
Capital purchases	-	-	-
Total administration	374,506	374,506	361,794
Building and plant			
Insurance	12,000	12,000	17,532
Janitorial	3,500	3,500	3,450
Total building and plant	15,500	15,500	20,982
Council			
Mayor and Council	27,600	27,600	27,600
Total council	27,600	27,600	27,600
Elections			
Election	-	-	1,013
Total elections	-	-	1,013
Law			
Professional services	7,000	7,000	2,715
Education and training	4,000	4,000	637
Total law	11,000	11,000	3,352
Total general government	$ 428,606	$ 428,606	$ 414,741

(Continued)

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

CITY OF CHATSWORTH, GEORGIA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Year Ended December 31, 2020

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public safety				
Police department				
Salaries	$1,031,555	$1,031,555	$1,021,467	$ 10,088
Payroll taxes	78,914	78,914	75,364	3,550
Group health insurance	117,786	117,786	148,398	(30,612)
Retirement expenditures	53,513	53,513	56,174	(2,661)
Workers compensation insurance	34,980	34,980	73,937	(38,957)
Office supplies	4,500	4,500	2,868	1,632
Janitorial	1,250	1,250	1,249	1
Utilities	9,000	9,000	9,226	(226)
Telephone	16,503	16,503	18,293	(1,790)
Insurance	23,519	23,519	40,226	(16,707)
Uniforms	13,000	13,000	8,180	4,820
Fuel	51,333	48,875	41,613	7,262
Supplies and materials	11,000	11,000	11,681	(681)
Repairs and maintenance	8,000	8,000	6,830	1,170
Personnel training	13,850	13,850	10,858	2,992
State Fines	22,500	22,500	24,083	(1,583)
Jail board and fund	32,667	32,667	20,376	12,291
Medical Expenditures	500	500	148	352
Vehicle expenditures	9,000	11,458	11,458	-
Miscellaneous	15,000	15,000	13,775	1,225
Peace officer training fund	16,000	16,000	17,659	(1,659)
Technology	11,574	11,574	11,677	(103)
Indemnification Fund	3,200	3,200	2,347	853
Budgeted and non-budgeted contributions	25,308	25,308	25,944	(636)
Capital Purchases	-	-	182,777	(182,777)
Total police department	1,604,452	1,604,452	1,836,608	(232,156)
Fire department				
Salaries	722,315	722,315	710,126	12,189
Payroll taxes	55,257	55,257	52,378	2,879
Group health insurance	76,561	76,561	90,392	(13,831)
Retirement expenditures	30,733	30,733	30,618	115
Workers compensation insurance	22,519	22,519	30,998	(8,479)
Insurance	10,500	10,500	10,314	186
Telephone	8,500	8,500	7,703	797
Advertising	250	250	-	250
Personnel training	6,000	4,561	3,099	1,462
Office supplies	750	750	292	458
Maintenance	8,000	9,439	9,439	-
Utilities	19,200	19,200	19,045	155
Fuel	10,700	10,700	9,026	1,674
Uniforms	8,000	4,531	3,751	780
Protective clothing	10,000	13,469	13,469	-
Equipment repairs	13,000	13,000	13,343	(343)
Truck expenditures	7,500	7,500	19,661	(12,161)
Janitorial	750	750	683	67
Miscellaneous	2,600	2,714	1,834	880
Technology	4,200	4,086	3,900	186
Medical Expenditures	500	500	325	175
Capital purchases	-	-	131,759	(131,759)
Total fire department	1,017,835	1,017,835	1,162,155	(144,320)
Total public safety	$2,622,287	$2,622,287	$2,998,763	$ (376,476)

(Continued)

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

CITY OF CHATSWORTH, GEORGIA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Year Ended December 31, 2020

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public works				
Street department				
Salaries	$ 474,208	$ 474,208	$ 486,502	$ (12,294)
Payroll taxes	36,277	36,277	35,588	689
Group health Ins	70,671	70,671	85,184	(14,513)
Retirement insurance	30,410	30,410	26,724	3,686
Workers compensation Ins	15,824	15,824	43,211	(27,387)
Insurance	16,000	16,000	12,866	3,134
Auto	10,000	10,000	5,714	4,286
Uniforms	9,000	9,000	8,607	393
Fuel	30,000	30,000	30,690	(690)
Supplies & materials	35,000	35,000	41,450	(6,450)
Repairs and maintenance	18,000	18,000	31,711	(13,711)
Utilities	190,000	190,000	186,754	3,246
Street improvements	100,000	100,000	24,747	75,253
Office supplies	6,000	6,000	89	5,911
Telephone	2,200	2,200	2,114	86
Contract Labor	1,000	1,000	-	1,000
Equipment rental	500	500	265	235
Miscellaneous	6,000	6,000	12,758	(6,758)
Capital Purchases	-	-	162,739	(162,739)
Total street department	1,051,090	1,051,090	1,197,713	(146,623)
Total public works	1,051,090	1,051,090	1,197,713	(146,623)
Public welfare and recreation				
Health and Sanitation				
Salaries	44,283	44,283	44,739	(456)
Payroll taxes	3,388	3,388	3,384	4
Group health insurance	5,889	5,889	7,042	(1,153)
Retirement expenditures	2,657	2,657	2,608	49
Workers compensation insurance	1,386	1,386	4,560	(3,174)
Insurance	2,500	2,500	1,586	914
Supplies & materials	750	750	494	256
Repairs & maintenance	7,500	7,500	4,497	3,003
Uniforms	1,250	1,250	1,029	221
Miscellaneous	500	500	-	500
Fuel	9,000	9,000	7,256	1,744
Tipping fees	25,000	25,000	35,460	(10,460)
Health department aid	5,000	5,000	5,000	-
Capital Purchases	-	-	-	-
Budgeted contributions	30,000	30,000	30,000	-
Total health and sanitation	139,103	139,103	147,655	(8,552)
Parks and recreation				
Recreation expenditures	-	-	-	-
Total parks and recreation	-	-	-	-
Total welfare and recreation	$ 139,103	$ 139,103	$ 147,655	$ (8,552)

(Continued)

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

CITY OF CHATSWORTH, GEORGIA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Year Ended December 31, 2020

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Zoning and Codes Enforcement				
Salaries	$ 50,298	$ 50,298	$ 52,318	$ (2,020)
Payroll taxes	3,848	3,848	3,944	(96)
Group health	5,889	5,889	7,042	(1,153)
Retirement	3,230	3,230	3,230	-
Workman's compensation	1,700	1,700	2,426	(726)
Janitorial	1,200	1,200	1,080	120
Insurance	1,500	1,500	445	1,055
Auto	1,000	1,000	-	1,000
Utilities	2,800	2,800	2,292	508
Fuel	1,500	1,500	978	522
Uniform	500	500	234	266
Contract Services	5,000	5,000	-	5,000
Personnel training	1,000	1,000	270	730
Office supplies	1,500	1,500	942	558
Maintenance and supplies	500	934	934	-
Equipment repairs	500	66	65	1
Telephone	2,227	2,227	1,810	417
Dues	1,500	1,500	845	655
Miscellaneous	2,000	2,000	896	1,104
Capital Purchases	-	-	-	-
Total Zoning and Codes Enforcement	87,692	87,692	79,751	7,941
Building Inspection				
Salaries	$ 60,961	$ 60,961	$ 61,389	$ (428)
Payroll taxes	4,664	4,664	4,573	91
Group health	5,889	5,889	7,042	(1,153)
Retirement	3,230	3,230	3,230	-
Workman's compensation	1,923	1,923	3,328	(1,405)
Janitorial	120	120	-	120
Insurance	1,000	1,000	445	555
Auto	1,000	1,000	914	86
Fuel	1,200	1,200	1,123	77
Uniform	520	520	154	366
Contract Services	1,200	1,200	400	800
Personnel training	750	335	-	335
Office supplies	715	250	122	128
Maintenance and supplies	200	615	615	-
Equipment repairs	200	200	-	200
Telephone	1,724	2,189	2,188	1
Dues	1,600	1,600	510	1,090
Miscellaneous	-	-	-	-
Capital Purchases	-	-	-	-
Total Building Inspection	86,896	86,896	86,033	863

(Continued)

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

CITY OF CHATSWORTH, GEORGIA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Year Ended December 31, 2020

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Total Expenditures	4,415,674	4,415,674	4,924,656	(508,982)
Excess (deficiency) of revenues over (under) expenditures	(74,998)	(74,998)	(506,781)	431,783
Other financing sources (uses)				
Proceeds from capital leases			296,360	
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	296,360	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(74,998)	(74,998)	(210,421)	431,783
Fund balance - beginning of year	4,671,664	4,671,664	4,671,664	-
Prior Period Adjustment	-	-	300,000	(300,000)
Beginning of year, restated	4,671,664	4,671,664	4,971,664	(300,000)
Fund balance - end of year	$4,596,666	$4,596,666	$4,761,243	$ (164,577)

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Net Position
December 31, 2020

ASSETS	Water and Sewerage Fund
CURRENT ASSETS	
Cash and cash equivalents	$ 3,590,304
Investments	2,421,532
Receivables, net of allowance for uncollectibles:	
Accounts	976,229
Intergovernmental	2,055,561
Other	24,109
Inventory	259,953
Prepaid expenses	26,304
Restricted assets:	
Cash and cash equivalents	304,399
Total current assets	9,658,391
NON-CURRENT ASSETS	
Capital assets:	
Land	901,794
Buildings	8,513,764
Infrastructure	43,762,405
Machinery and equipment	7,501,264
Vehicles	1,596,581
Construction in progress	4,251,514
	66,527,322
Less accumulated depreciation	34,753,531
Total non-current assets	31,773,791
Total assets	41,432,182
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	363,875

See Notes to Financial Statements

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Net Position (Continued)
December 31, 2020

LIABILITIES	
CURRENT LIABILITIES	
Payable from current assets:	
Accounts payable	$ 1,730,957
Compensated absences payable	119,986
Accrued expenses and other liabilities	42,983
Customer deposits payable	1,084,896
Unearned revenue	36,201
Notes payable from direct borrowings - current	90,234
Financed purchases from direct borrowings - current	104,699
Payable from restricted assets:	
Direct placement bonds payable - current	435,000
Accrued interest payable	32,792
Total current liabilities	3,677,748
LONG-TERM LIABILITIES	
Direct placement bonds payable	4,416,256
Notes payable from direct borrowings	4,474,043
Finanaced purchases from direct borrowings	80,008
Net pension liability	867,255
Total long-term liabilities	9,837,562
Total liabilities	13,515,310
DEFERRED INFLOWS OF RESOURCES	
Pension related items	60
NET POSITION	
Net investment in capital assets	21,899,728
Restricted for debt service	111,270
Restricted for capital projects	160,337
Unrestricted	6,109,352
Total net position	$ 28,280,687

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended December 31, 2020

	Water and Sewerage Fund
Operating revenues	
Charges for services:	
Water sales	$ 5,640,206
Sewer sales	1,516,554
Connection fees	272,850
Other fees and charges	617,591
Total operating revenues	8,047,201
Operating expenses	
Administrative	1,676,587
Distribution and maintenance	1,648,687
Sewer plant	657,918
Water plant	1,757,965
Depreciation	1,986,927
Total operating expenses	7,728,084
Operating income	319,117
Non-operating revenues (expenses)	
Interest income	98,266
Intergovernmental revenues	838,690
Interest expense and fiscal charges	(130,187)
Increase in fair vaue of investments	42,142
Gain on sale of capital assets	10,854
Total non-operating revenues (expenses), net	859,765
Change in net position	1,178,882
Net position, beginning of year	27,101,805
Net position, end of year	$ 28,280,687

See Notes to Financial Statements.

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Cash Flows
Year Ended December 31, 2020

	Water and Sewerage Fund
Cash Flows from Operating Activities	
Receipts from customers and users	$ 8,079,236
Payments to suppliers	(1,794,022)
Payments to employees	(2,447,083)
Net cash provided by operating activities	3,838,131
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	(4,989,188)
Proceeds from long-term borrowings	1,644,770
Proceeds from capital grant	708,426
Principal payments on long-term borrowings	(626,653)
Interest paid on long-term borrowings	(140,168)
Proceeds from the sale of capital assets	10,854
Net cash used in capital and related financing activities	(3,391,959)
Cash Flows from Investing Activities	
Purchases of investments	(67,864)
Proceeds from maturities of investments	406,322
Interest received	98,266
Net cash provided by investing activities	436,724
Net increase in cash and cash equivalents	882,896
Cash and cash equivalents:	
Beginning of year	3,011,807
End of year	$ 3,894,703
Classified as:	
Cash and cash equivalents	$ 3,590,304
Restricted cash and cash equivalents	304,399
	$ 3,894,703
Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating income	$ 319,117
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,986,927
Changes in assets and liabilities:	
Decrease in accounts receivable	(31,986)
Increase in inventory	(13,165)
Increase in prepaid expenses	7,048
Increase in deferred outflows - pension items	(210,079)
Increase in accounts payable and accrued expenses	1,401,285
Increase in unearned revenue	(356)
Increase in customer deposits payable	64,377
Increase in net pension liability	314,903
Decrease in deferred inflows - pension items	60
Net cash provided by operating activities	$ 3,838,131
Non-Cash Investing Activities	
Increase in fair value of investments	$ 42,142

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

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The City of Chatsworth, Georgia ("the City") was incorporated on June 7, 1926, under the provisions of Act 279, P.A. 1909, as amended (Home Rule City Act). The City operates under a Council-Administration form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture and recreation, education, public improvements, planning and zoning, general administrative services, and public utilities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting. The City does not apply FASB pronouncements or Accounting Principles Board Opinions issued after November 30, 1989. The more significant accounting policies of the City are described below.

A. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB issued statement No. 14, *The Financial Reporting Entity*, and GAAP. This statement requires that the financial statements present the fund types and account groups of the City of Chatsworth (the primary government) and any component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting one of the following criteria; the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board, and the primary government is able to impose its will upon the potential component unit); or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The following component unit has been presented as a discretely presented component unit because of the significance of the operational relationship with the City.

The City of Chatsworth Water Works Commission (the "Commission"), a body politic, was duly created under the Acts of the General Assembly of the State of Georgia in 1947. The Commission was created to provide water and related services throughout the City of Chatsworth, Georgia. The Commission currently serves customers in the City of Chatsworth and Murray County, Georgia. Related services include waste treatment, maintenance of water and sewer lines and installation of new water and sewer lines. The Commission is governed by a board of commissioners, which are appointed by the Mayor of Chatsworth. The Commission's financial information is included within the City of Chatsworth, Georgia's financial statements as a discretely presented component unit.

The Downtown Development Authority of Chatsworth – The Downtown Development Authority is a registered local government authority and a component of the City of Chatsworth, but is inactive and has no assets. Therefore, it is not presented in the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Related Organizations – The Housing Authority of the City of Chatsworth, Georgia is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of members appointed by the City of Chatsworth, Georgia. The City of Chatsworth, Georgia is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Chatsworth, Georgia is a related organization.

B. Basic Financial Statements – GASB Statement No. 34

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. While the previous model emphasized fund types(the total of all funds of a particular type), in the new reporting model the focus is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

Government-wide Statements – The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. In the government-wide Statement of Net Position, both governmental and business-type activities are presented on a consolidated basis and are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Governmental activities generally are financed through taxes, inter-governmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents both a gross and net cost comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. The net cost (by function or business-type activity) is normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.).Historically, the previous model did not summarize or present net cost by function or activity.

This government-wide focus is designed to view the City as a complete entity and the change in aggregate financial position resulting from the activities of the fiscal period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements – GASB Statement No. 34 (Continued)

Fund Financial Statements – The fund financial statements are, in substance, very similar to the financial statements presented in the previous model, and provide information about the City's funds, including governmental funds and enterprise funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprises funds, each displayed in a separate column.

Enterprise fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund – This 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.

Capital Projects Funds – These governmental funds are used to account for the Special Local Option Sales Tax (SPLOST) receipts of the City and the Transportation Special Local Option Sales Tax (TSPLOST) receipts.

The City reports the following major enterprise fund:

Water and Sewer Fund – This fund is used to account for the provision of water and sewer services to the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

C. Measurement Focus – Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue 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.

Government 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. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus – Basis of Accounting (Continued)

Property taxes, sales taxes, franchise taxes, and in-lieu of taxes are susceptible to accrual. Licenses and permits, fines and forfeitures, gross receipts taxes and excise taxes are recorded as revenue when received in cash because they are generally not measurable until actually received. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the governmental activities column in the government-wide financial statements, a reconciliation is presented on the page following each statement which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental activities column of the government-wide presentation.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the enterprise fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fund equity at the governmental fund 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 assets and liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable– Fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. The Council also may modify or rescind the commitment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus – Basis of Accounting (Continued)

Assigned – Fund balances are reported as assigned when amounts are constrained by the Council action to be used for specific purposes, but are neither restricted nor committed.

Unassigned – Fund balances are reported as unassigned when the residual amount does not meet any of the above criteria. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

As a general rule, the effect of interfund activity has been eliminated from the government wide financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balances in the following order: Committed, assigned, unassigned.

Net Position – Net position represents the differences between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is presented in three components as follows:

Net investment in capital assets – Capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

All governmental and business-type activities of the City follow FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with GASB pronouncements, in which case, GASB prevails.

D. Encumbrance Accounting

Encumbrance accounting is a system used to track outstanding purchase commitments that have not yet resulted in liabilities. Encumbrances are commitments related to unperformed (executory) contracts for goods or services. When a purchase order or commitment is placed, the governmental unit reduces the amount of budgetary authority remaining in the budget category and records an outstanding encumbrance. When the goods or services have been received, the encumbrance balance is reduced and the expenditure and a liability is recorded. The City of Chatsworth, Georgia does not use encumbrance accounting.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Data

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

In accordance with Office Code of Georgia Annotated (O.C.G.A.)§ 36-81-3, budgets are legally adopted for the general fund and the enterprise fund.

During the last weeks of the year, budget requests are prepared for each department based on the activities of the current year with anticipated changes for the next year including needed capital expenditures. The budget requests are submitted to the Council at a scheduled meeting. The council formally adopts an annual appropriated budget for the general fund. This budget is adopted on a departmental basis. The City manager is authorized to transfer budgeted amounts within departments. The Council adopts a flexible budget for the water and sewer fund. The expense estimates of the flexible budget are not appropriations but approved plans.

Budgets are adopted on a basis consistent with GAAP. Therefore, no adjustments are necessary to convert to the actual GAAP data from the budgetary basis. Budgeted amounts reflected in the accompanying budget and actual comparison are as originally adopted or as amended by the Council. Individual amendments are not material in relation to the original appropriations. All annual appropriations, which are not expended, lapse at year-end.

The level of control (the level at which expenses may not exceed appropriations without approval of the Commission) for each legally adopted annual operating budget is at the department level. This is the level of comparison which is presented in the basic financial statements.

Expenditures exceeded budget appropriations in the following General Fund Departments:

Public Safety	$232,156
Fire Department	144,320
Public works	146,623
Health and Sanitation	8,552

F. Cash and Cash Equivalents

For cash flow reporting purposes in proprietary funds, cash includes petty cash, amounts in demand deposits and cash equivalents. The City considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents on December 31, 2020.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Investments

All investments are made in accordance with O.C.G.A. § 36-83-4 and are reported at fair value, which is based on quoted market price.

The City of Chatsworth, Georgia is authorized to invest in the following:

1. Obligations of the State of Georgia or of other states;
2. Obligations issued by the United States government;
3. Obligations fully insured or guaranteed by the United States government or a United States government agency;
4. Obligations of any corporation of the United States government;
5. Prime bankers' acceptance;
6. The local government investment pool established by Georgia Code Section 36-83-8;
7. Repurchase agreements; and
8. Obligations of other political subdivisions of the State of Georgia.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., primary roads, secondary roads, drainage dating back to 1985), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Assets recorded under capital leases and the accumulated amortization thereon is included with depreciation expense. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Building and improvements	40
Fire department	7–12
Furniture and equipment	7
Police department	5–12
Public works	7–12
Infrastructure	20

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Capital assets of the enterprise fund are accounted for in the enterprise fund and are stated at cost or estimated fair market value when original cost is not available. Major additions are capitalized while maintenance and repairs, including the cost of minor items of property, are expensed as incurred. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. The Commission defines its capitalization policy as assets costing $1,000 and having an estimated useful life of greater than three years.

Donated capital assets are valued at their estimated fair value on the date donated. The City's policy is to capitalize the net interest cost incurred during the year resulting from borrowings utilized to finance the construction of assets.

I. Inventories

Supplies and materials are recorded as expenditures at the time items are purchased and are not inventoried at year-end due to lack of materiality.

Water and Sewer Fund - Inventories of materials and supplies are stated at cost, which approximates market, using the first-in, first-out (FIFO) method. The Commission uses the consumption method of accounting for inventory, in that as materials are purchased they are coded to inventory and then as subsequently used they are expensed in the fund.

J. Restricted Net Position

The City records restrictions of net position, which are maintained for specific purposes.

K. Interfund Transactions

Interfund Receivables and Payables - Short-term advances between funds are not eliminated but accounted for in the appropriate interfund receivable and payable accounts classified as due to other funds and due from other funds in the fund financial statements, and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions Between Funds - Transactions between funds that would be treated as revenues, expenditures or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures or expense in the fund that is reimbursed. All other legally authorized transfers are not eliminated, but treated as transfers and are included as other financing sources or uses in the governmental funds and reported after non-operating revenues or expenses in the enterprise funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences

Employees eligible for leave include full time employees and part-time employees that have been employed by the Council for one year and work a minimum of 20 hours per week. During the first 10 years of employment, a full time employee accrues 10 days of vacation leave per year. After 10 years, the employee shall accrue 15 days of vacation leave. The maximum of unused vacation leave a full time and eligible part-time employee may accumulate after 10 years is 160 hours.

Unused vacation benefits and compensatory time will be paid to the employees upon separation from the City. Accumulated unpaid compensated absence amounts are accrued when incurred by the City in the government-wide and proprietary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

M. Long-term Obligations

In the governmental-wide financial statements, long-term debt and other long term obligations are reported as liabilities on the Statement of Net Position.

N. Prepayment of Expenditures

Government fund expenditures for insurance and similar services extending over more than one accounting period are not allocated between accounting periods but accounted for as expenditure in the period disbursed.

O. Property Taxes

Property tax levies by the City are assessed by the Assessor of Property in Murray County and collected by the City. Property tax revenues are recognized on the modified accrual basis.

The property tax calendar applicable to the current fiscal year is as follows:

Lien date	October 20, 2020
Levy date	October 20, 2020
Tax bills mailed	October 20, 2020
Payment due date	October 20, 2020 through February 28, 2021
Delinquency date	March 1, 2021

P. Capital Contributions:

Capital contributions consist of capital grants or contributions from developers, customers and other entities.

Q. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted (GAAP) in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Bond Premium, Discount and Issuance Costs

Bond premiums, and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums and discounts are presented as an addition and reduction, respectively, of the face amount of bonds payable in the statement of net position. Issuance costs are expensed when paid in the statement of revenues, expenses, and changes in net position.

S. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

T. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Chatsworth Water Works Commission Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. DEPOSITS AND INVESTMENTS

Following is a reconciliation of the City's deposit balances as of December 31, 2020:

As reported in the Governmental Funds Statement of Net Position

Cash and cash equivalents	$	1,823,613
Investments		1,070,436
Restricted:		
Cash and cash equivalents		376,677
	$	3,270,726

Cash deposited with financial institutions	$	2,200,290
Municipal debt obligations		1,065,436
US government agency bond obligations		5,000
	$	3,270,726

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk for 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 statues require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2020, the City did not have any deposits which were uninsured or under collateralized, as defined by State statutes.

On December 31, 2020, the City had the following investments:

Type of Investment	Maturity Date or Weighted Avg. Maturity	Fair Value
US Government Agency Bonds	7.5 years	$ 5,000
Municipal Bonds	8.73 years	1,065,436
Total Investments		$ 1,070,436

Credit Risk for Investments – State Statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of the political subdivisions of the State of Georgia.

Aside from adherence to State statutes, the City does not have a formal policy that restricts its investments to a certain quality rating. As of December 31, 2020, the City's investments in obligations of U.S. government agencies were rated Aaa and its municipal debt obligations ranged from Aaa to Baa1 as rated by Moody's Investor Services.

The City places no limit on the amount it may invest in any one issuer. More than 5 percent of the City's investments are in obligations of the State of Georgia. These investments have a market value of $530,845 and represent 55.81% of the City's total investments at year-end.

Interest Rate Risk – The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Water Works Commission

Total deposits and investments as of December 31, 2020, are summarized as follows:

As reported in the Statement of Net Position

Cash and cash equivalents	$	3,590,304
Investments		2,421,532
Restricted:		
Cash and cash equivalents		304,399
	$	6,316,235
Cash deposited with financial institutions	$	3,894,703
Municipal bonds		2,371,109
US Government agency bond obligations		50,423
	$	6,316,235

As of December 31, 2020, the Commission held the following investments:

Type of Investment	Weighted Avg. Maturity		Fair Value
US Government Agency Bonds	0.34	$	50,423
Municipal Bonds	5.61		2,371,109
Total investments		$	2,421,532

Credit Risk –State Statutes authorize the Commission to invest in U.S. Government obligations; U.S. Government agency (or corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposits issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. Operating funds of the Commission are currently invested in U.S. Government agency bonds and municipal bonds.

Aside from adherence to State statutes, the Commission does not have a formal policy that restricts its investments to a certain quality rating. As of December 31, 2020, the Commission's investments in obligations of U.S. government agencies were rated Aaa and its municipal debt obligations ranged from Aaa to A- as rated by Moody's Investor Services.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Water Works Commission (Continued)

The Commission places no limit on the amount it may invest in any one issuer. More than 5 percent of the Commission's investments are in obligations of the States of Georgia, Minnesota, Mississippi, Washington, Tennessee and Wisconsin. These investments have a market value of $1,534,088 and represent 63.3% of the Commission's total investments at year-end. The table below provides a detail of the market value and percentage of the Commission's total investments at year-end invested in each of these issuers:

State	Fair Value	Percentage
Georgia	$ 656,963	27.1%
Minnesota	176,860	7.3%
Mississippi	199,083	8.2%
Washington	241,952	10.0%
Tennessee	125,157	5.2%
Wisconsin	134,074	5.5%
	$ 1,534,088	63.3%

Interest Rate Risk –The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair Value Measurements – The Commission categorizes its fair value measurements within the fair value hierarchy by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Commission's recurring fair value measurements as of December 31, 2020 are as follows:

Investment	Level 1	Level 2	Fair Value
Municipal Bonds	$ 57,736	$ 2,313,373	$ 2,371,109
United States Government Agency Bonds	-	50,423	50,423
Total investments measured at fair value	$ 57,736	$ 2,363,796	$ 2,421,532

The Municipal Bonds classified in Level 1 of the fair value hierarchy are valued using a documented trade history in the exact security. The investments in Municipal Bonds and United States Government Agency Bonds classified as Level 2 of the fair value hierarchy are valued using a present value of expected future cash flow model. This pricing is used to value securities based on the present value of the expected future cash flows of each security.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Water Works Commission (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 and Commission policy require all deposits to be collateralized 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 December 31, 2020, the Commission had deposits with two (2) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. Additionally, the Commission had deposits with one (1) financial institution that were collateralized by pledged securities, as defined above, such that all of the Commission's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

NOTE 3. NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

No transactions occurred involving investing, capital and financing activities that affect recognized assets or liabilities but do not result in cash receipts or payments during the year.

NOTE 4. PROPERTY TAXES

A summary of property taxes receivable on December 31, 2020 is as follows:

	Current Levy	Prior Levies	Total
General Fund			
Property Taxes Receivable	$ 128,163	$ 7,637	$ 135,800
Allowance for Uncollectible Taxes	(1,545)	(153)	(1,698)
Net	$ 126,618	$ 7,484	$ 134,102

NOTE 5. RECEIVABLES

The following amounts are due from other governments on December 31, 2020:

Murray County Industrial Development Authority	$ 982,000
Murray County Georgia – SPLOST	89,613
State of Georgia – Sales Tax	128,591
Total	$ 1,200,204

Proprietary Funds

Receivables, including the applicable allowances for uncollectible accounts, consisted of the following on December 31, 2020:

Receivables:	
Accounts	$ 985,938
Less allowance for uncollectibles	9,709
Net accounts receivable	$ 976,229
Other receivables	$ 24,109

In January 2018, the Commission entered into a transaction with the Murray County Industrial Development Authority (the "IDA") in which the Commission has provided financing in the amount of $1,133,000 for the IDA to make purchases and sales of land and property. The Commission and the IDA revised their original agreement in July 2019. Interest on the note is fixed at 3% and is due monthly. There are no minimum principal payments required during the year, but the IDA will make principal payments upon sale of specified land. There is no set maturity date. As of December 31, 2020, the balance of the note receivable was $700,000.

NOTE 6. DEFERRED INFLOWS OF RESOURCES

The governmental funds financial statements report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City only has one type of item, under a modified accrual basis of accounting, that qualifies for reporting in this category. Therefore, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

At the end of the current fiscal year, the component of deferred inflows of resources reported in the governmental funds is as follows:

	Unavailable	Total
Property Taxes	$ 84,892	$ 84,892

NOTE 7. CAPITALIZATION OF INTEREST COSTS

During construction periods, interest costs related to construction loans are capitalized.

NOTE 8. LONG-TERM DEBT

City

Long-term debt activity for the year ended December 31, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Financed purchases from direct borrowings	344,573	296,360	96,741	544,192	175,760
Compensated absences	90,865	-	78,618	12,247	12,247
Total long-term liabilities	435,438	296,360	175,359	556,439	188,007

Financial Purchases from Direct Borrowings

On September 1, 2017 the City entered into a lease agreement to purchase three Police vehicles with GM Financial payable in quarterly payments of $9835.77 with interest at 3.87% for 12 quarters.
On July 19, 2018 the City entered into a lease agreement with BB&T to finance the purchase of a 2013 Fir Truck in the amount of $400,000 payable in 5 annual payments of $88,216.54 with interest at 3.35%.
On September 16, 2020 the City entered into a lease agreement to purchase 2 Dodge Durangos for the Police Dept. with GM Financial payable in the amount of $95,604 in 3 annual payments of $33,682 with interest at 3.35%.

On April 1, 2020 the City entered into a lease agreement to purchase fire equipment with Community First National Bank payable in the amount of $124,135 in 3 annual payments of $44,134 with interest at 3.294%
On July 23, 2020 the City entered into a lease agreement to purchase a truck for the Police Dept. with GMA Financial payable in the amount of $39,625 in 3 installments of $13,979 with interest at 2.85%.
On June 5, 2020 the City entered into a lease agreement to purchase a truck for the Street Dept. with GMA Financial payable in the amount of $36,993 in 3 installments of $13,051 with interest at 2.85%.

Debt service requirements to maturity are as follows:

		Principal	Interest
Year ending December 31,	2021	175,760	17,301
	2022	181,348	11,715
	2023	187,084	5,951
Total Payments		544,192	34,967

NOTE 8. LONG-TERM DEBT (CONTINUED)

Financial Purchases from Direct Borrowings (Continued)

Assets acquired through capital leases are as follows:

Governmental activities:	
Equipment	137,935
Vehicles	591,294
Less Accumulated depreciation	(296,337)
Net Book Value	432,892

Current amortization expense of these assets is included with depreciation expense.

Water Work Commission

Long-term debt activity for the year ended December 31, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct placement bonds	$ 5,225,000	$ -	$ (425,000)	4,800,000	$ 435,000
Premium	60,322	-	(9,066)	51,256	-
Direct placement bonds payable, net	5,285,322	-	(434,066)	4,851,256	435,000
Notes payable from direct borrowings	1,838,989	2,770,058	(44,770)	4,564,277	90,234
Financed purchases from direct borrowings	241,580	100,010	(156,883)	184,707	104,699
Net pension liability	552,352	415,722	(100,819)	867,255	-
Compensated absences	110,719	124,416	(115,149)	119,986	119,986
Total long-term liabilities	$ 8,028,962	$3,410,206	$ (851,687)	$ 10,587,481	$ 749,919

Direct Placement Bonds

In September 2012, the Commission issued direct placement Water and Sewer Refunding and Improvement Revenue Bonds, Series 2012 to prepay its outstanding loans with the Georgia Environmental Finance Authority (GEFA) and to acquire, construct and equip extensions, additions, and improvements to its utility system. The bonds bear interest at rates ranging from 2.00 – 3.00% and mature in 2030. The Series 2012 bonds contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due in the following year and (2) a provision that if the Commission is unable to make payment, outstanding amounts are due immediately.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Direct Placement Bonds (Continued)

Debt service requirements to maturity for the Commission's direct placement revenue bonds are as follows:

	Principal	Interest	Total
Fiscal year ending December 31,			
2021	435,000	121,025	556,025
2022	440,000	111,781	551,781
2023	450,000	102,431	552,431
2024	460,000	92,306	552,306
2025	470,000	81,956	551,956
2026-2030	2,545,000	222,838	2,767,838
Total	$ 4,800,000	$ 732,337	$ 5,532,337

Notes Payable from Direct Borrowings

GEFA Notes - In July 2015, the Commission incurred debt to the Georgia Environmental Finance Authority (GEFA) for the construction of a solar photovoltaic system at its wastewater treatment plant. The original amount of the note was $2,201,740 and included a loan forgiveness component of $300,000 which was reported as intergovernmental revenue when earned. The remaining balance of the note bears interest at a fixed rate of 1.03% payable at the beginning of each month beginning December 2015 through May 2036 with monthly payments totaling $8,772. The amortization schedule was revised after GEFA extended a six month deferral period requiring no debt service payments to be made by the Commission to alleviate the effects of COVID-19. The debt service to maturity is as follows:

	Principal	Interest	Total
Year ending December 31,			
2021	$ 90,234	$ 15,023	$ 105,257
2022	91,168	14,089	105,257
2023	92,112	13,146	105,258
2024	93,065	12,193	105,258
2025	94,028	11,230	105,258
2026-2030	484,939	41,349	526,288
2031-2035	510,557	15,732	526,289
2036	43,744	113	43,857
Total	$ 1,499,847	$ 122,875	$ 1,622,722

NOTE 8. LONG-TERM DEBT (CONTINUED)

In January 2018, the Commission executed a promissory note to the Georgia Environmental Finance Authority (GEFA) to borrow up to $6.1 million from the Clean Water State Revolving Fund for the construction of the Mill Creek Wastewater Treatment Plant. In June of 2020, the Commission modified the loan agreement with GEFA to increase the borrowing amount to $12,000,000. The new unpaid principal balance of the note will bear interest at 1.78%, which includes principal forgiveness of up to $500,000 if all funds are drawn, and will be payable monthly until the project is completed. At that time, the note will be finalized and will enter into its repayment phase. As of December 31, 2020, the Commission had made draws totaling $3,064,430 on this note payable to GEFA. As the project is still in the construction phase, an amortization schedule has not been determined for this note and thus the entire payable is reported as due in more than one year.

Financed Purchases from Direct Borrowings

The Commission has entered into purchase agreements for financing the acquisition of equipment used in the general operations of the Commission. The purchase agreements do not contain a stated rate of interest; however, if the Commission does not make the annual payments as required, interest and penalties may apply. As of December 31, 2020, the Commission had equipment under financed purchases with a cost of $498,474 and accumulated depreciation of $130,229 for a net book value of $368,245. Annual depreciation of these assets is included in depreciation expense.

As of December 31, 2020, the future payments for the financed purchases from direct borrowings are as follows:

Year Ending December 31,	Principal
2021	$ 104,699
2022	20,002
2023	20,002
2024	20,002
2025	20,002
Total	$ 184,707

NOTE 9. SEGMENT INFORMATION

The City of Chatsworth Water Works Commission issues revenue bonds to support construction of and improvements to the water and sewer systems. The Water and Sewer Fund financial statements are presented as the only proprietary fund of the City. Services provided by the fund are described in Note 1.

NOTE 10. RESTRICTED ASSETS

Certain proceeds of the revenue bonds and GEFA loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable covenants.

NOTE 11. INTERFUND RECEIVABLES

As of December 31, 2020, interfund receivables and payables that resulted from various transactions were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST Capital Projects	$250,000

The interfund balances resulted from the general fund advance funding projects for SPLOST Capital Projects.

NOTE 12. CAPITAL ASSETS

Depreciation expense was charged to the functions of the primary government as follows:

General government	$	154,530
Public safety		258,977
Public works		59,622
Public welfare		42,451
Zoning & Building inspection		4,021
Total	$	519,601

NOTE 12. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended December 31, 2020 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 660,407	$ -	$ -	$ 660,407
Total	660,407	-	-	660,407
Capital assets being depreciated:				
Buildings and improvements	2,102,026			2,102,026
Infrastructure	3,672,161	-		3,672,161
Equipment	1,578,428	354,350	(19,874)	1,912,904
Furniture and fixtures	83,820			83,820
Vehicles	3,368,513	149,958	-	3,518,471
Total	10,804,948	504,308	(19,874)	11,289,382
Less accumulated depreciation for:				
Buildings and improvements	(1,317,943)	(53,693)	-	(1,371,636)
Infrastructure	(2,619,831)	(92,371)	-	(2,712,202)
Equipment	(1,039,157)	(130,598)	15,411	(1,154,344)
Furniture and fixtures	(72,315)	(4,654)	514	(76,455)
Vehicles	(1,983,612)	(238,285)	-	(2,221,897)
Total	(7,032,858)	(519,601)	15,925	(7,536,534)
Total capital assets, being depreciated - net	3,772,090	(15,293)	(3,949)	3,752,848
Governmental activities, capital assets - net	$ 4,432,497	$ (15,293)	$ (3,949)	$ 4,413,255

Additions to capital assets consist of SPLOST fund additions of $13,800.

NOTE 12. CAPITAL ASSETS (CONTINUED)

Water Works Commission

Capital assets activity for the year ended December 31, 2020 is as follows:

Business-Type activities	Beginning Balance	Increases	Retirements & Transfers	Ending Balance
Capital assets not being depreciated:				
Land	$ 901,794	$ -	$ -	$ 901,794
Construction in progress	717,369	3,542,941	(8,796)	4,251,514
Total	1,619,163	3,542,941	(8,796)	5,153,308
Capital assets being depreciated:				
Buildings	8,350,202	163,562	-	8,513,764
Infrastructure	43,537,874	215,735	8,796	43,762,405
Machinery and equipment	6,755,649	462,893	(13,396)	7,205,146
Furniture and fixtures	281,041	15,077	-	296,118
Vehicles	1,048,094	588,980	(40,493)	1,596,581
Total	59,972,860	1,446,247	(45,093)	61,374,014
Less accumulated depreciation for:				
Buildings	(4,629,531)	(288,832)	-	(4,918,363)
Infrastructure	(24,730,895)	(1,117,005)	-	(25,847,900)
Machinery and equipment	(2,549,369)	(434,613)	13,396	(2,970,586)
Furniture and fixtures	(211,275)	(23,399)	-	(234,674)
Vehicles	(699,423)	(123,078)	40,493	(782,008)
Total	(32,820,493)	(1,986,927)	53,889	(34,753,531)
Total capital assets, being depreciated, net	27,152,367	(540,680)	8,796	26,620,483
Total capital assets, net	$ 28,771,530	$ 3,002,261	$ -	$ 31,773,791

NOTE 13. DEFINED BENEFIT PENSION PLAN

Plan Description

The retirement plans, City of Chatsworth and Water Works Commission Retirement Plan ("the Plan"), provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The Plan is affiliated with Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City and Commission are commingled with contributions made by other members of GMEBS for investment purposes. The City and Commission do not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by calling (404) 688-0472 or by writing to:

Georgia Municipal Association
Risk Management and Employee Benefit Services
201 Pryor Street, SW
Atlanta, Georgia 30303

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by Commissioners, the Plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All employees, who work twenty hours or more per week, are eligible to participate after one year. Benefits start vesting after five years of service and are fully vested after ten. However, as of April 1, 2010 and for thirty days thereafter, the City and Commission allowed employees with less than ten years of service to opt out of the defined benefit plan and enroll in a new defined contribution pension plan. Subsequently, as of April 30, 2010, the defined benefit plan was closed to new membership, and all new employees of the City and Commission are automatically enrolled in the new defined contribution pension plan.

At July 1, 2020, the date of the most recent actuarial valuation, there were 102 participants in the Plan consisting of the following:

	City	Water Works
Inactive plan members or beneficiaries currently receiving benefits	27	23
Inactive plan members entitled to but not receiving benefits	14	6
Active plan members	22	10
Total	**63**	**39**

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the Board of Commissioners, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City and Commission are required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the Board of Commissioners. For the year ended December 31, 2020, the City and Commission's recommended contribution rates were 8.33% and 16.71% respectively of annual payroll.

City and Commission contributions to the Plan were $65,842 and $98,426 respectively for the year ended December 31, 2020. Employees of the City and Commission do not contribute to the Plan.

Net Pension Liability of the City and Commission

The Commission's net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2020.

Actuarial assumptions. The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.25%
Salary increases	2.25% plus service based merit increases
Investment rate of return	7.38%, net of pension plan investment expense, including inflation

Mortality rates of the July 1, 2019 valuation were based on the sex-distinct Pri-2012 head-count Weighted Healthy Mortality Rate Tables with rates multiplied by 1.25.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2015-June 30, 2019.

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City and Commission (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2020 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.41%
International equity	20%	6.96
Global fixed income	5%	3.06
Real estate	10%	4.76
Domestic fixed income	20%	1.96
Cash	-%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation

Discount rate. The discount rate used to measure the total pension liability was 7.38%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Amounts reported for the year ending December 31, 2020 and later reflect assumption changes based on an actuarial study conducted in November and December 2019. This study recommended changes in mortality tables, retirement rates and inflation rate changes from 2.75% to 2.25%.

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended December 31, 2020 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/19	$ 3,334,741	$ 2,958,812	$ 375,929
Changes for the year:			
Service cost	19,372	-	19,372
Interest	245,266	-	245,266
Differences between expected and actual experience	139,330	-	139,330
Contributions-employer	-	65,842	(65,842)
Net investment income	-	(197,119)	197,119
Benefit payments, including refunds of employee contributions	(167,791)	(167,761)	-
Administrative expense	-	(12,617)	12,617
Other	(35,818)	-	(35,818)
Net changes	200,359	(311,685)	512,044
Balances at 12/31/20	$ 3,535,100	$ 2,647,127	$ 887,973

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375 percent) or 1-percentage-point higher (8.375 percent) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 1,340,035	$ 887,973	$ 510,101

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2020 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended December 31, 2020, the City recognized pension expense of $214,781. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 159,013	$ (2,204)
Changes in assumptions	10,826	(26,865)
Net difference between projected and actual earnings on pension plan investments	324,629	-
City contributions subsequent to the measurement date	53,293	-
Total	$ 547,761	$ (29,069)

City contributions subsequent to the measurement date of $53,293 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2021	117,839
2022	133,135
2023	131,478
2024	82,947
Total	465,399

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the Commission (Continued)

Changes in the Net Pension Liability of the Commission. The changes in the components of the net pension liability of the Commission for the fiscal year ended December 31, 2020 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/19	$ 2,915,210	$ 2,362,858	$ 552,352
Changes for the year:			
Service cost	15,268	-	15,268
Interest	211,603	-	211,603
Differences between expected and actual experience	27,128	-	27,128
Change of assumption	(120)	-	(120)
Contributions-employer	-	100,699	(100,699)
Net investment income	-	(153,765)	153,765
Benefit payments, including refunds of employee contributions	(218,206)	(218,206)	-
Administrative expense	-	(7,958)	7,958
Net changes	35,673	(279,230)	314,903
Balances at 12/31/20	$ 2,950,883	$ 2,083,628	$ 867,255

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Commission, calculated using the discount rate of 7.38%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate:

	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Commission's net pension liability	$ 1,168,850	$ 867,255	$ 608,377

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the Commission (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2020 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended December 31, 2020, the Commission recognized pension expense of $203,537. At December 31, 2020, the Commission reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 35,586	$ -
Changes in assumptions	-	60
Net difference between projected and actual earnings on pension plan investments	254,469	-
Commission contributions subsequent to the measurement date	73,820	-
Total	$ 363,875	$ 60

Commission contributions subsequent to the measurement date of $73,820 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2021	$ 78,504
2022	62,687
2023	83,549
2024	65,255
Total	$ 289,995

NOTE 14. DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

The City and Commission's Profit Sharing Plan is a single employer defined contribution plan established and administered by Newport Group for all City and Commission employees. The City and Commission automatically contribute 3% of an eligible employee's salary. Additionally, the City and Commission match 100% for each dollar of employee contributions up to 3% of the employee's salary. Employees are eligible after one year of employment and are fully vested after five years. Plan provisions and contributions requirements are established and may be amended by the Board of Commissioners.

For the year ending December 31, 2020, number of plan members and the employer contributions are as follow:

	Number of Plan Members	Employer Contributions
City of Chatsworth	26	$ 30,139
Water Works Commission	32	110,964

The City and Commission have a deferred compensation plan (the plan) for its employees under Internal Revenue Code section 457. The plan allows any full time employee to voluntarily defer receipt of up to 25 percent of their gross compensation, not to exceed the maximum annual contribution established by the Internal Revenue Service. The City and Commission do not contribute to the plan. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights, are solely the property and rights of the participants in the deferred compensation plan. The Newport plan is the current plan offered to new employees; while the Nationwide plan is the original plan with no new participants entering.

For The year ending December 31, 2020, employee contributions are as follow:

	Nationwide	Newport
City of Chatsworth	$ 3,410	$ 42,915
Water Works Commission	-	109,717

The deferred compensation plans of the City and the Commission do not meet the criteria in NGCA statement 1, Governmental Accounting and Financial Reporting Principles, paragraph 26(3)(8), for inclusion in the financial statements of the City.

NOTE 15. RISK MANAGEMENT

City

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 joined together in prior years with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the three prior years have not exceeded the coverages.

The City also carries insurance for all other risks of loss, including general liability and errors and omission coverage through a private insurance company. The City carries commercial insurance for risks of loss related to property, general liability, equipment, automobiles and crime to cover torts, theft of and damage to assets, injuries, errors and omissions, and natural disaster. Significant losses are covered by the commercial insurance underlying these programs. Deductibles are generally set at $1,000.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 15. RISK MANAGEMENT (CONTINUED)

Water Works Commission

The Commission 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 Commission has joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the Commission is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The Commission is also to allow the pool's agents and attorneys to represent the Commission in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Commission within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

The Commission also carries insurance for all other risks of loss, including general liability and errors and omission coverage through a private insurance company. The Commission carries commercial insurance for risks of loss related to property, general liability, equipment, automobiles and crime to cover torts, theft of and damage to assets, injuries, errors and omissions, and natural disaster. Significant losses are covered by the commercial insurance underlying these programs.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 16. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties is a member of the Northwest Georgia Regional Commission (NWGRC) and is required to pay annual dues thereto.

During its year ended December 31, 2020, the City paid $4,290 in such dues. Membership in NWGRC is required by the Official Code of Georgia Annotated (O.C.G.A.) Section 50-8-34 which provides for the organizational structure of the NWGRC in Georgia. The NWGRC Board membership includes the chief elected official of each municipality of the area. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of NWGRC. There were no related party transactions during the year. Separate financial statements may be obtained from:

Northwest Georgia Regional Commission
P.O. Box 1798
Rome, Georgia 30162-1798

The Commission is a member of the North Georgia Water Resources Partnership which is an organization of water withdrawal permit holders, local governments, and other advocacy entities with an interest in water issues. The purpose of the Water Resources Partnership is a regional organization of water related interests in North Georgia for monitoring and contributing to the development of federal, state, and local policy; educating the citizenry on water related issues; funding and managing regional water-related activities; and coordinating the activities of federal, state, and local entities. The Commission pays annual dues for its membership and during the year ended December 31, 2020 such dues amounted to $2,000. Additional information may be obtained from:

North Georgia Water Resources Partnership
P. O. Box 1798
Rome, Georgia 30162-1798

NOTE 17. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2020 the City did not engage in any related party transactions with immediate family members of the Commissioners.

NOTE 18. CONTINGENT LIABILITIES

Litigation

The City is subject to legal actions in the ordinary course of business. In the opinion of management and legal counsel, the City has adequate legal defenses and insurance coverage with respect to such actions and the liability, if any, which might result from these proceedings, would not have a material effect on the financial position of the City.

NOTE 18. CONTINGENT LIABILITIES (CONTINUED)

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

NOTE 19. Prior Period Adjustment

Governmental funds

The City corrected prior year transactions that were previously recorded as transfers to the SPLOST fund. These amounts should have been reported as advances to the capital projects fund to fund in advance specific projects. The total amounts advanced was $300,000.

NOTE 20. Special Item

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, on April 2, 2020, Georgia Governor Brian Kemp issued a statewide Shelter in Place Executive Order to help slow the spread of COVID-19. There was no immediate impact to our operations. Future potential impacts may include continued disruptions or restrictions on our employees' ability to work. The future effects of these issues are unknown.

Congress passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES" Act) on March 27, 2020 to provide vital resources to governments, businesses and individuals in combating COVID-19 and President Trump signed the Act into law.

The City of Chatsworth was able to receive reimbursements from this fund for front line police and public safety employee salaries for the time period of March-August 2020. The City received $224,572.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHATSWORTH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

CITY

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	$ 19,372	$ 20,378	$ 23,623	$ 23,854	$ 23,343	$ 29,710
Interest on pension liability	245,266	230,603	226,745	219,796	216,935	212,158
Differences between expected and actual experience	139,330	109,028	(8,816)	(2,606)	(56,369)	(15,984)
Changes of assumptions	-	-	43,303	-	-	(28,346)
Other	(35,818)	-	-	-	-	-
Benefit payments, including refunds on employee contributions	(167,791)	(159,190)	(153,349)	(149,406)	(144,589)	(127,212)
Net change in total pension liability	200,359	200,819	131,506	91,638	39,320	70,326
	3,334,741	3,133,922	3,002,416	2,910,778	2,871,458	2,801,132
Total pension liability - ending (a)	$ 3,535,100	$ 3,334,741	$3,133,922	$3,002,416	$2,910,778	$2,871,458
Plan fiduciary net position						
Contributions - employer	$ 65,842	$ 63,326	$ 63,261	$ 70,132	$ 84,747	$ 97,634
Net investment income	(197,119)	104,834	335,513	310,549	6,871	229,253
Benefit payments, including refunds of member contributions	(167,761)	(159,190)	(153,349)	(149,406)	(144,589)	(127,212)
Administrative expenses	(12,617)	(12,189)	(12,071)	(12,466)	(8,949)	(8,339)
Net change in plan fiduciary net position	(311,655)	(3,219)	233,354	218,809	(61,920)	191,336
Plan fiduciary net position - beginning	2,958,812	2,962,031	2,728,677	2,509,868	2,571,788	2,380,452
Plan fiduciary net position - ending (b)	$ 2,647,157	$ 2,958,812	$2,962,031	$2,728,677	$2,509,868	$2,571,788
City's net pension liability - ending (a) - (b)	$ 887,943	$ 375,929	$ 171,891	$ 273,739	$ 400,910	$ 299,670
Plan fiduciary net position as a percentage of the total pension liability	74.88%	88.73%	94.52%	90.88%	86.23%	89.56%
Covered-employee payroll	$ 1,146,482	$ 1,092,805	$1,105,460	$1,173,211	$1,202,440	$1,223,950
City's net pension liability as a percentage of covered-employee payrol	77.45%	34.40%	15.55%	23.33%	33.34%	24.48%

Notes to the schedule:

The schedule will present 10 years of information once it is accumulated

CITY OF CHATSWORTH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COMMISSION'S NET PENSION LIABILITY AND RELATED RATIOS

WATER WORKS COMMISSION

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	$ 15,268	$ 20,366	$ 20,977	$ 19,053	$ 21,433	$ 21,314
Interest on pension liability	211,603	206,056	202,197	198,593	194,790	189,952
Differences between expected and actual experience	27,128	66,066	52,216	18,251	19,610	43,682
Changes of assumptions	(120)	-	40,009	-	-	(17,731)
Benefit payments, including refunds on employee contributions	(218,206)	(208,646)	(186,046)	(192,752)	(180,752)	(168,834)
Net change in total pension liability	35,673	83,842	129,353	43,145	55,081	68,383
Total pension liability - beginning	2,915,210	2,831,368	2,702,015	2,658,870	2,603,789	2,535,406
Total pension liability - ending (a)	$ 2,950,883	$ 2,915,210	$ 2,831,368	$ 2,702,015	$ 2,658,870	$ 2,603,789
Plan fiduciary net position						
Contributions - employer	$ 100,699	$ 93,932	$ 91,856	$ 92,159	$ 85,567	$ 105,333
Net investment income	(153,765)	84,030	273,177	255,738	5,036	195,983
Benefit payments, including refunds of member contributions	(218,206)	(208,646)	(186,046)	(192,752)	(180,752)	(168,834)
Administrative expenses	(7,958)	(7,640)	(7,612)	(7,892)	(5,233)	(4,723)
Net change in plan fiduciary net position	(279,230)	(38,324)	171,375	147,253	(95,382)	127,759
Plan fiduciary net position - beginning	2,362,858	2,401,182	2,229,807	2,082,554	2,177,936	2,050,177
Plan fiduciary net position - ending (b)	$ 2,083,628	$ 2,362,858	$ 2,401,182	$ 2,229,807	$ 2,082,554	$ 2,177,936
City's net pension liability - ending (a) - (b)	$ 867,255	$ 552,352	$ 430,186	$ 472,208	$ 576,316	$ 425,853
Plan fiduciary net position as a percentage of the total pension liability	70.61%	81.05%	84.81%	82.52%	78.32%	83.64%
Covered payroll	$ 590,388	$ 636,183	$ 684,739	$ 672,226	$ 680,926	$ 751,718
City's net pension liability as a percentage of covered-employee payroll	146.90%	86.82%	62.82%	70.25%	84.64%	56.65%

Notes to the schedule:

The schedule will present 10 years of information once it is accumulated

CITY OF CHATSWORTH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CONTRIBUTIONS

City:

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ -	$ 64,103	$ 63,067	$ 63,325	$ 72,401	$ 88,862	100,558
Contributions in relation to the actuarially determined contribution	-	64,103	63,067	63,325	72,401	88,862	100,558
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ -	$1,105,460	$1,173,211	$1,202,440	$1,223,950	$1,351,588	$1,391,841
Contributions as a percentage of covered-employee payroll	0.00%	5.72%	5.29%	5.18%	5.94%	6.46%	7.10%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2020
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of ten (10) years.

(2) The schedule will present 10 years of information once it is accumulated

Water Works:

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 98,426	$ 101,154	$ 92,487	$ 91,730	$ 92,245	$ 93,591	$ 109,247
Contributions in relation to the actuarially determined contribution	98,426	101,154	92,487	84,344	92,245	93,591	109,247
Contribution deficiency (excess)	$ -	$ -	$ -	$ 7,386	$ -	$ -	$ -
Covered payroll	$ 589,008	$ 679,349	$ 662,198	$ 619,967	$ 711,182	$ 799,040	$ 876,012
Contributions as a percentage of covered payroll	16.71%	14.89%	13.97%	13.60%	12.97%	11.71%	12.47%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2019
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.38%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of ten (10) years.

(2) The schedule will present 10 years of information once it is accumulated

OTHER SUPPLEMENTARY INFORMATION

City of Chatsworth, Georgia
Schedule of Property Taxes Receivable
General Fund
December 31, 2020

Year of Levy	
2020	$ 128,163
2019	6,179
2018	989
2017	187
2016	282
Total property taxes receivable	135,800
Less: allowance for uncollectible	(1,698)
Net property taxes receivable	$ 134,102

City of Chatsworth, Georgia
Schedule of Changes in Property Taxes Receivable
General Fund
December 31, 2020

	Taxes Receivable December 31, 2019	Taxes Levied	Pickups and (Releases)	Collections	Taxes Receivable December 31, 2020
2020	$ -	$ 1,320,490	$ (4,269)	(1,188,058)	$ 128,163
2019	197,570			(191,391)	6,179
2018	2,269			(1,280)	989
2017	510			(323)	187
2016	570			(288)	282
2015	232			(232)	
2014	233			(233)	-
Total	$ 201,384	$ 1,320,490	$ (4,269)	$ (193,747)	$ 135,800

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INTERNAL CONTROL AND COMPLIANCE SECTION

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CHRYSAN THOMAS
Certified Public Accountant
Professional Corporation
Member
American Institute of
Certified Public Accountants
Trion, Georgia

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

Mayor and Council Members
City of Chatsworth, Georgia
Chatsworth, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities business-type and each major fund and the remaining fund information of the City of Chatsworth, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Chatsworth, Georgia's basic financial statements and have issued our report thereon dated February 28, 2022.

Internal Control over Financial Reporting

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

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

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

P.O. Box 1066 Trion, Georgia 30753 (706)734-4377 chrysan@chrysanthomascpa.com

Compliance and Other Matters

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

Purpose of this Report

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

Chrysan Thomas
CHRYSAN THOMAS
Certified Public Accountant

Trion, Georgia
February 28, 2022

SPECIAL LOCAL OPTION SALES TAX

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CHRYSAN THOMAS
Certified Public Accountant
Professional Corporation
Member
American Institute of
Certified Public Accountants
Trion, Georgia

INDEPENDENT AUDITOR'S REPORT

ON THE SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

Honorable Mayor and Council members
City of Chatsworth, Georgia
Chatsworth, Georgia

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Chatsworth, Georgia for the year ended December 31, 2020. This schedule is the responsibility of the City of Chatsworth, Georgia's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note A and is not intended to be a complete presentation of the City of Chatsworth, Georgia's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above present fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in the City of Chatsworth, Georgia's resolution or ordinance calling for the tax for the year ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Chrysan Thomas
Chrysan Thomas
Certified Public Accountant
February 28, 2022

P.O. Box 1066 Trion, Georgia 30753 (706)734-4377 chrysan@chrysanthomascpa.com

CITY OF CHATSWORTH, GEORGIA
Schedule of Projects Constructed with Special Purpose
Local Option Sales Tax – 2018 Cycle
Year Ended December 31, 2020

Project #	Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percent of Completion
				Prior Years Revised	Current Year	Total	
1	Fire Department Equipment	$ 820,000	$ 820,000	$ 229,866	$ 102,016	$ 331,882	40%
2	Police Department Equipment	550,000	550,000	12,929	19,672	32,601	6%
3	Street Department Equipment	370,000	370,000	19,911	-	19,911	5%
4	Sanitation Department Equipment	300,000	300,000	250,800	-	250,800	84%
5	Streets, Parks, Drainage	731,750	731,750	152,148	151,891	304,039	42%
6	Economic Development	30,000	30,000	-	-	-	0%
7	Technology Upgrades	217,000	217,000	10,000	21,000	31,000	14%
	Total	$ 3,018,750	$ 3,018,750	$ 675,654	$ 294,579	$ 970,233	32%