CITY OF CHATSWORTH, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

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INTRODUCTION SECTION

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December 31, 2022

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City of Chatsworth, Georgia

Council Members and Management

As of December 31, 2022

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	Linda Penland
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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chatsworth, Georgia, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chatsworth, Georgia as of December 31, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Chatsworth, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Chatsworth, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Chatsworth, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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

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 accompanying combining nonmajor fund financial statements are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financials statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 23, 2023, 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
July 21, 2023

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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, 2022. 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 $39,964,569 (net position) for the calendar year reported. Of this amount $10,945,160 (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 $1,345,048; and
  - Business-type activities operated at a surplus of $278,287.

- The City's governmental funds reported total ending fund balance of $5,972,599.

- At the end of the current calendar year, unassigned fund balance for the general fund was $4,715,193, or 86.45% of total general fund expenditures.

- The business-type activities, the City of Chatsworth, Georgia's enterprise funds, reported total ending net position of $29,820,182. Of this balance $6,333,911 or 21.24% is unrestricted. The remaining $23,486,271 or 78.76% 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 $39,964,569 at the close of this fiscal year.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE(Continued)

The largest portion of the City of Chatsworth, Georgia's net position, $27,575,715, or 69% 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, $1,443,694, or 3.6% represents resources that are subject to external restrictions on how they may be used:

- The largest portion of the restricted net position, $1,226,645, or 3.06% is restricted for capital projects;
- Another portion, $106,524 or 0.26% is restricted for debt service;
- Another portion, $72,631 or 0.18% is restricted for debt service; and
- The final portion, $37,894, or 0.09% is restricted for public safety.

The remaining balance of unrestricted net position of $10,945,160, or 27.38% 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

	2022		2021		2022	2021
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	Total	Total
Current and other assets	$ 7,342,823	$ 8,869,080	$ 5,884,647	$ 11,284,625	$ 16,211,903	$ 17,169,272
Capital assets, net	4,507,658	38,360,958	4,451,768	37,518,307	42,868,616	41,970,075
Total assets	11,850,481	47,230,038	10,336,415	48,802,932	59,080,519	59,139,347
Deferred outflows of resources	145,521	82,634	238,803	125,458	228,155	364,261
Current liabilities	1,424,382	2,956,121	1,022,466	4,894,294	4,380,503	5,916,760
Long-term liabilities	-	14,228,887	209,574	14,081,836	14,228,887	14,291,410
Total liabilities	1,424,382	17,185,008	1,232,040	18,976,130	18,609,390	20,208,170
Deferred inflows of resources	427,233	307,482	543,839	410,365	734,715	954,204
Net position:						
Net investment in capital assets	4,320,549	23,255,166	4,083,311	22,568,302	27,575,715	26,651,613
Restricted	1,212,589	231,105	719,881	1,158,408	1,443,694	1,878,289
Unrestricted	4,611,249	6,333,911	3,996,147	5,815,185	10,945,160	9,811,332
Total net position	$ 10,144,387	$ 29,820,182	$ 8,799,339	$ 29,541,895	$ 39,964,569	$ 38,341,234

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 $1,623,335. Governmental activities increased the City's net position by $1,345,048, and the business-type activities increased the City's net position by $278,287.

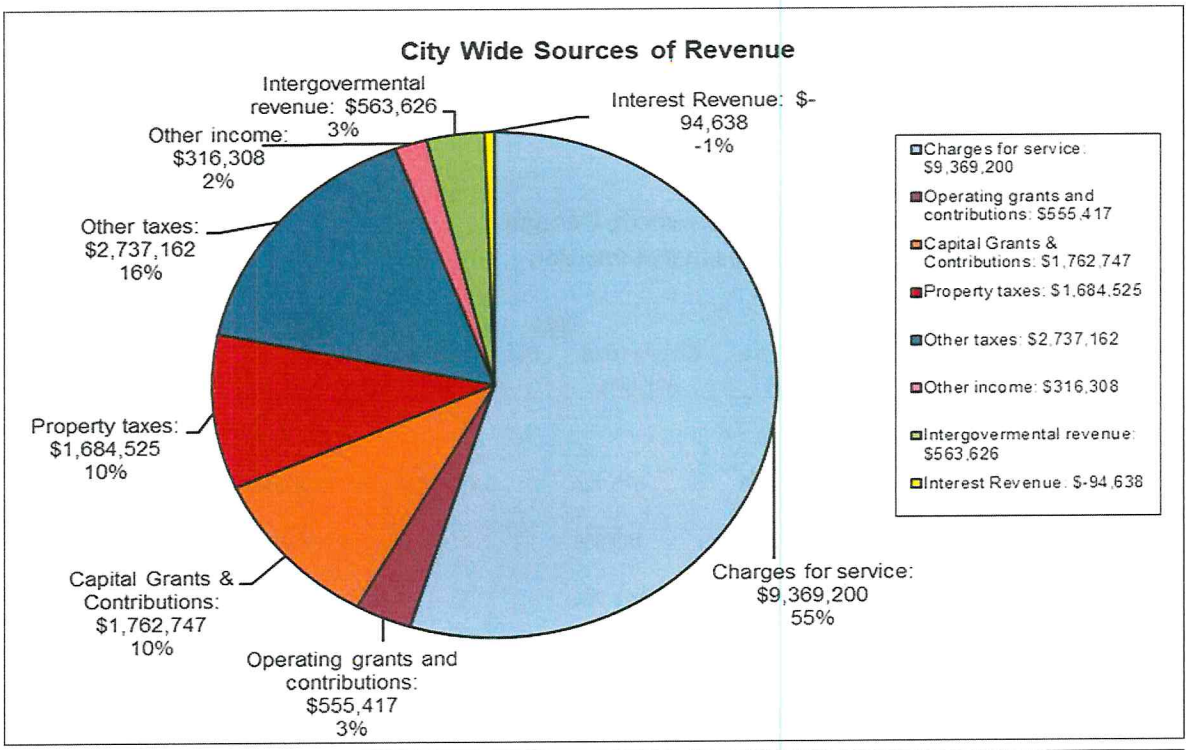
The table below provides a summary of the City's net position broken down by governmental and business-type activities.

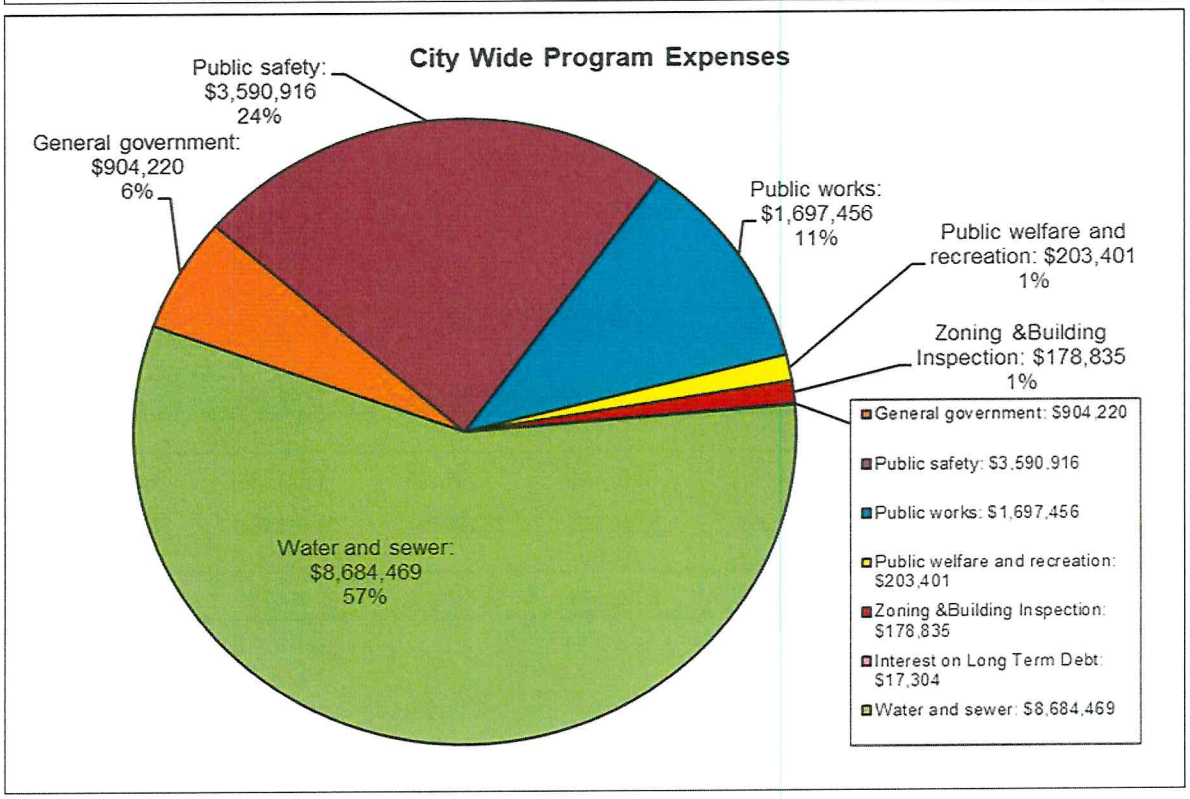
City of Chatsworth, Georgia
Changes in Net Position

	2022		2021		2022	2021
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	Total	Total
REVENUE						
Program revenues:						
Charges for services	$ 597,400	$ 8,771,800	$ 576,124	$ 8,481,718	$ 9,369,200	$ 9,057,842
Operating grants and contributions	555,417	-	198,686	-	555,417	198,686
Capital grants and contributions	1,762,747	-	1,077,704	-	1,762,747	1,077,704
General revenues:						
Property taxes	1,684,525	-	1,373,992	-	1,684,525	1,373,992
Other taxes	2,737,162	-	2,160,605	-	2,737,162	2,160,605
Other Revenue	584,505	295,429	343,646	924,402	879,934	1,268,048
Investment Revenue	9,835	(104,473)	88,228	21,803	(94,638)	110,031
Total revenues	7,931,591	8,962,756	5,818,985	9,427,923	16,894,346	15,246,908
EXPENSES						
General government	904,220	-	745,669	-	904,220	745,669
Public safety	3,590,916	-	3,390,569	-	3,590,916	3,390,569
Public works	1,697,456	-	1,517,236	-	1,697,456	1,517,236
Public welfare and recreation	203,401	-	172,758	-	203,401	172,758
Building inspection	178,835	-	175,933	-	178,835	175,933
Interest on long-term debt	11,715	282,644	17,304	204,202	294,359	221,506
Water & sewer	-	8,401,825	-	7,962,513	8,401,825	7,962,513
Total expenses	6,586,543	8,684,469	6,019,469	8,166,715	15,271,012	14,186,184
Increase (decrease) in net position before transfers	1,345,048	278,287	(200,484)	1,261,208	1,623,335	1,060,724
Transfers	-	-	-	-	-	-
Change in net position	1,345,048	278,287	(200,484)	1,261,208	1,623,335	1,060,724
Net position - beginning	8,799,339	29,541,895	8,925,888	28,280,687	38,341,234	37,206,575
Prior period adjustment	-	-	73,935	-	-	73,935
Net position - ending	$ 10,144,387	$ 29,820,182	$ 8,799,339	$ 29,541,895	$ 39,964,569	$ 38,341,233

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

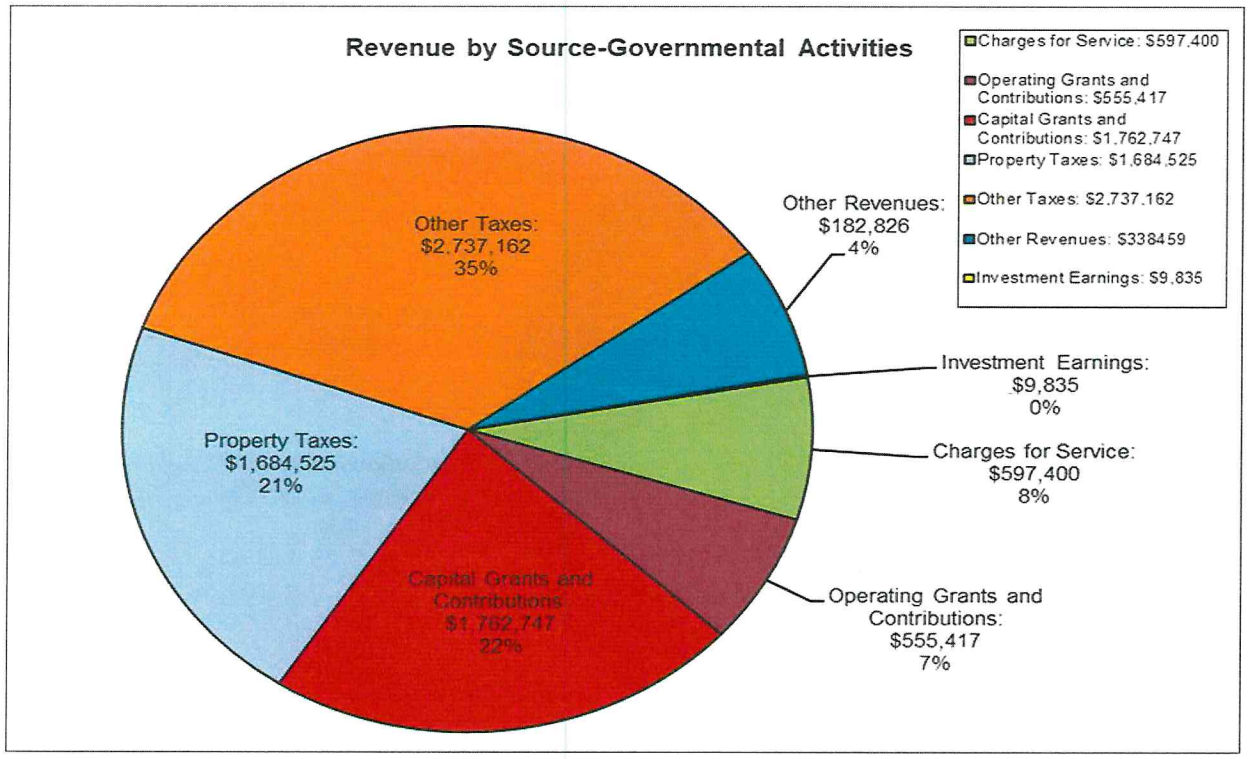
The graphs below summarize the $16,894,346 of the City-Wide Revenue by source, and the associated $15,271,012 of expenses by program. The graph combines data from both governmental and business-type activities.



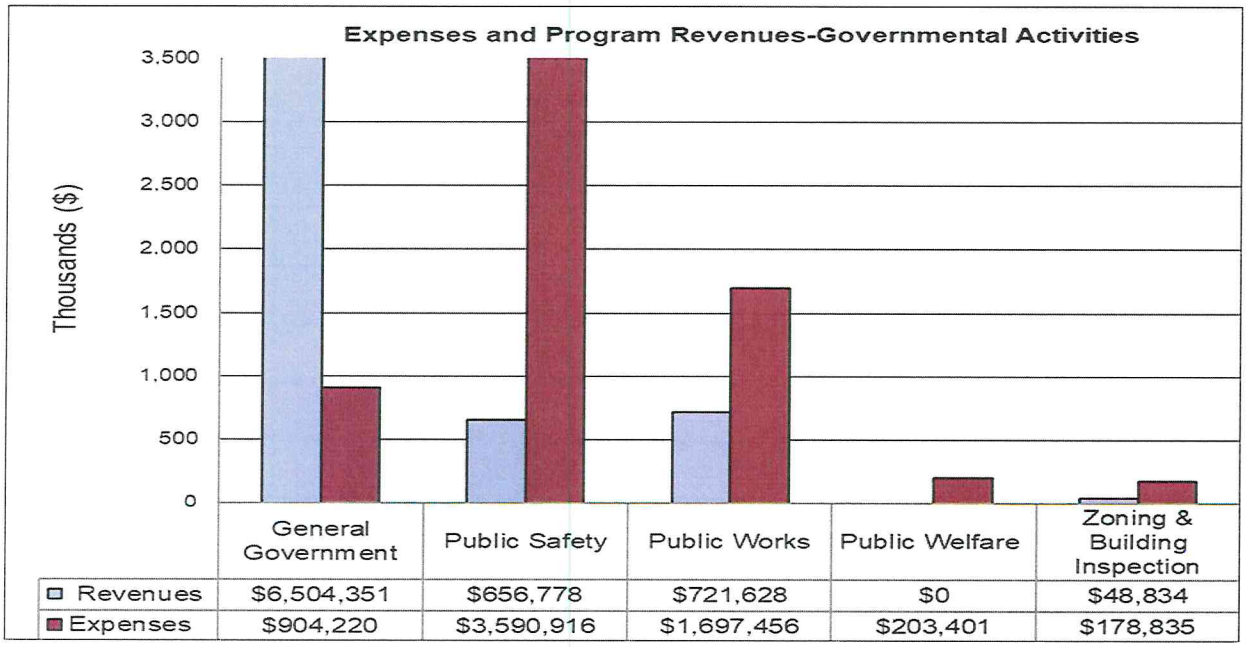


FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental activities accounted for revenues of $7,685,545. 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.

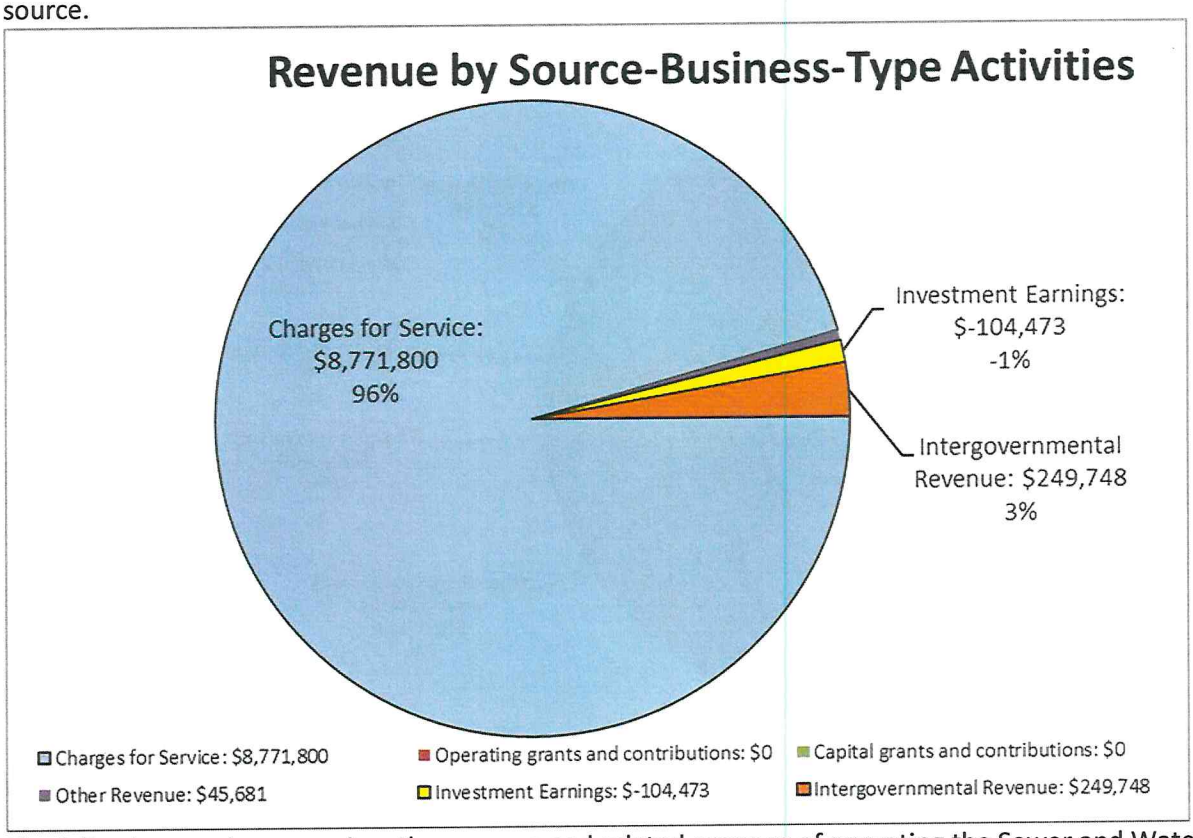


	General Government	Public Safety	Public Works	Public Welfare	Zoning & Building Inspection
Revenues	$6,504,351	$656,778	$721,628	$0	$48,834
Expenses	$904,220	$3,590,916	$1,697,456	$203,401	$178,835

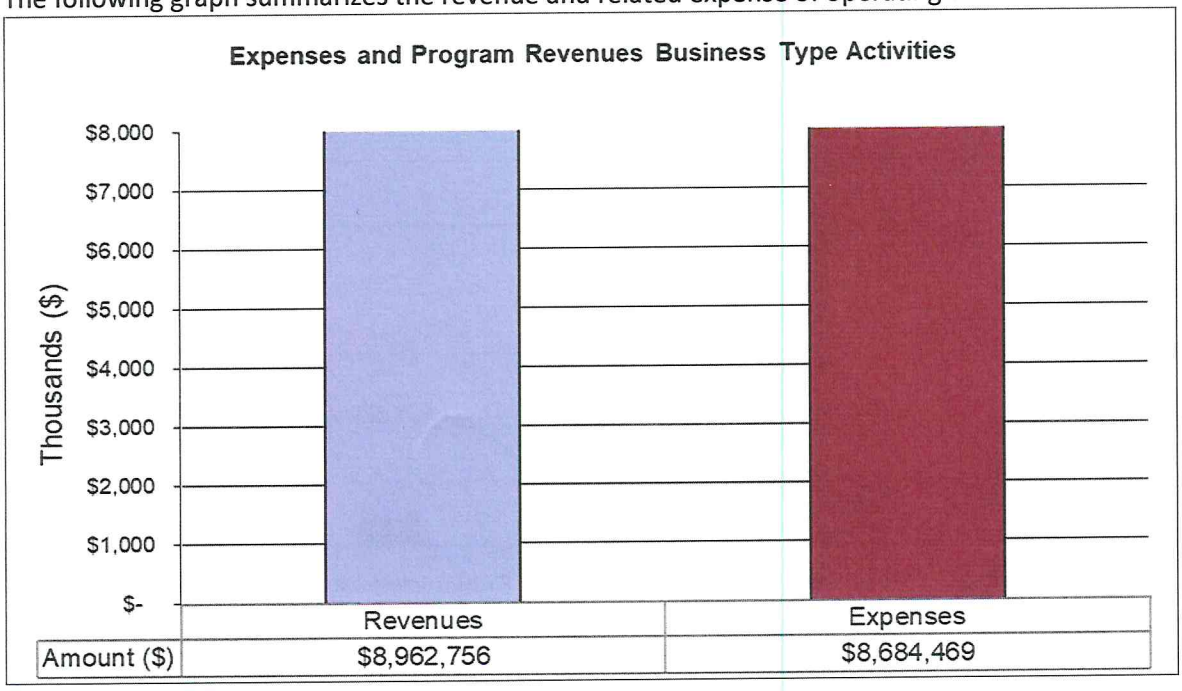
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Business-type activities

Business-type activities accounted for revenues of $8,962,756. 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 $5,972,599. 78.95% of this total amount or $4,715,193 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 $4,715,193. 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 86.45% 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 $6,333,911.

General Fund Budgetary Highlights

Tax revenues are over budget by $271,425 due to an increase in collections of property taxes from property value increases and local option sales taxes. 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 or ARPA.

City of Chatsworth, Georgia's Outstanding Debt

At the end of the current fiscal year, the City of Chatsworth, Georgia had $187,109 debt outstanding in the governmental fund and $15,105,792 outstanding in the proprietary fund. See Note 8 for detail of debt.

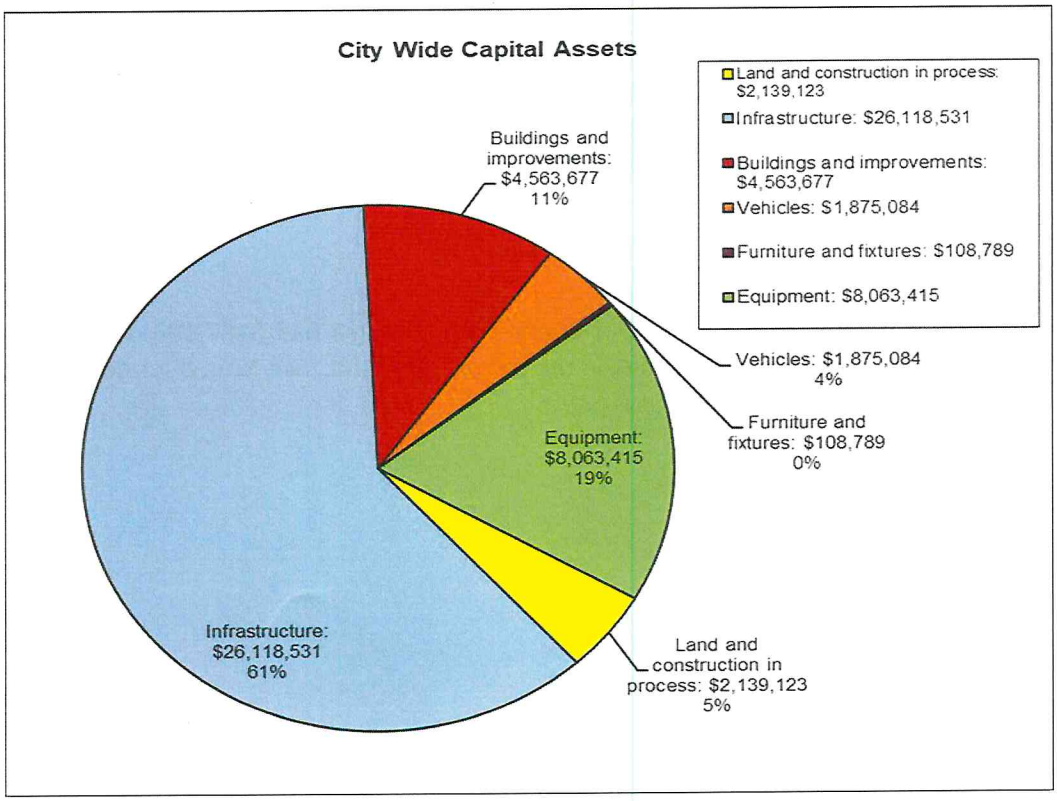
CAPITAL ASSET AND DEBT ADMINISTRATION

Investment in capital assets, net of accumulated depreciation, for both governmental and business-type activities, *Primary Government*, increased $5,783,029. Beginning balance was $41,970,075, plus current year additions of $3,600,101, less current year depreciation of $2,683,766, less net dispositions / reclassifications of $17,795 resulted in an ending balance of $42,868,619.

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	$ 1,478,716	$ 2,139,123
Infrastructure	790,309	25,328,222	26,118,531
Buildings and improvements	941,499	3,622,178	4,563,677
Vehicles	1,189,127	685,957	1,875,084
Furniture and fixtures	-	108,789	108,789
Equipment	926,319	7,137,096	8,063,415
Total capital assets	**$ 4,507,661**	**$ 38,360,958**	**$ 42,868,619**



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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 1,339,570	$ 3,292,776	$ 4,632,346
Investments	2,205,786	3,844,399	6,050,185
Receivables, net of allowance for uncollectibles:			
Property taxes	222,521	-	222,521
Accounts	766,817	1,106,028	1,872,845
Intergovernmental	1,152,608	-	1,152,608
Other	-	28,918	28,918
Inventory	-	296,978	296,978
Prepaid expenses	44,817	32,364	77,181
Net pension asset	62,727	-	62,727
Restricted assets:			
Cash and cash equivalents	1,286,294	267,617	1,553,911
Due from other governments	261,683	-	261,683
Total current assets	7,342,823	8,869,080	16,211,903
Non-Current Assets			
Land and other non-depreciable assets	660,407	1,478,716	2,139,123
Other capital assets, net of accumulated depreciation	3,847,251	36,882,242	40,729,493
Total non-current assets	4,507,658	38,360,958	42,868,616
Total assets	11,850,481	47,230,038	59,080,519
DEFERRED OUTFLOWS OR RESOURCES			
Pension related items	145,521	82,634	228,155

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

CITY OF CHATSWORTH, GEORGIA
Statement of Net Position
December 31, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES AND NET POSITION			
Current Liabilites			
Payable from current assets:			
Accounts payable	$ 88,411	$ 495,627	$ 584,038
Compensated absences payable	96,498	115,305	211,803
Accrued expenses and other liabilities	83,863	74,660	158,523
Customer deposits payable	-	1,214,529	1,214,529
Unearned revenue	968,501	51,623	1,020,124
Notes payable from direct borrowings - current	-	497,863	497,863
Financed purchases from direct borrowings - current	187,109	20,002	207,111
Payable from restricted assets:			
Direct placement bonds payable - current	-	450,000	450,000
Accrued interest payable	-	36,512	36,512
Total current liabilities	1,424,382	2,956,121	4,380,503
Long-term Liabilities			
Direct placement bonds payable	-	3,509,962	3,509,962
Notes payable from direct borrowings	-	10,587,961	10,587,961
Financed purchases from direct borrowings	-	40,004	40,004
Net Pension liability	-	90,960	90,960
Total long-term liabilities	-	14,228,887	14,228,887
Total liabilities	1,424,382	17,185,008	18,609,390
DEFERRED INFLOWS OF RESOURCES			
Pension related items	427,233	307,482	734,715
Net Position			
Net investment in capital assets	4,320,549	23,255,166	27,575,715
Restricted for debt service	-	106,524	106,524
Restricted for capital projects	1,102,064	124,581	1,226,645
Restricted for public safety	37,894	-	37,894
Restricted for program activities	72,631	-	72,631
Unrestricted	4,611,249	6,333,911	10,945,160
Total net position	$ 10,144,387	$ 29,820,182	$ 39,964,569

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

CITY OF CHATSWORTH, GEORGIA
Statement of Activities
Year Ended December 31, 2022

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	$ 904,220	$ 91,498	$ 509,145	$ 887,681	$ 584,104	$ -	$ 584,104
Public safety	3,590,916	457,068	46,272	153,438	(2,934,138)	-	(2,934,138)
Public works	1,697,456	-	-	721,628	(975,828)	-	(975,828)
Public welfare and recreation	203,401	-	-	-	(203,401)	-	(203,401)
Zoning and Building Inspection	178,835	48,834	-	-	(130,001)	-	(130,001)
Interest on long term debt	11,715	-	-	-	(11,715)	-	(11,715)
Total governmental activities	6,586,543	597,400	555,417	1,762,747	(3,670,979)	-	(3,670,979)
Business-type activities							
Water & Sewer	8,684,469	8,771,800	-	-	-	87,331	87,331
Total business-type activities	8,684,469	8,771,800	-	-	-	87,331	87,331
Total primary government	$ 15,271,012	$ 9,369,200	$ 555,417	$ 1,762,747	$ (3,670,979)	$ 87,331	$ (3,583,648)
General revenues:							
Property tax					$ 1,684,525	$ -	$ 1,684,525
Franchise tax					767,674	-	767,674
Local option sales tax					1,224,995	-	1,224,995
Malt beverage tax					135,767	-	135,767
Motor vehicle tax					126,517	-	126,517
Occupational tax					67,115	-	67,115
Premium tax					393,653	-	393,653
Other taxes					21,441	-	21,441
Other revenue					241,753	45,681	287,434
Interest revenue					65,279	38,841	104,120
Sale of assets					28,874	-	28,874
Decrease in fair value of investments					(55,444)	(143,314)	(198,758)
Intergovernmental revenue					313,878	249,748	563,626
Total general revenue					5,016,027	190,956	5,206,983
Transfers					-	-	-
Total general revenues and transfers					5,016,027	190,956	5,206,983
Change in net position					1,345,048	278,287	1,623,335
Net position - beginning of year					8,799,339	29,541,895	38,341,234
Net position - end of year					$ 10,144,387	$ 29,820,182	$ 39,964,569

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

CITY OF CHATSWORTH, GEORGIA
Governmental Funds
Balance Sheet
December 31, 2022

	General Fund	SPLOST Capital Projects	TSPLOST Capital Projects	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 1,339,570	$ 408,125	$ 432,256	$ 309,354	$ 136,559	$ 2,625,864
Investment	1,705,786	-	-	500,000	-	2,205,786
Property tax receivable - net	222,521	-	-	-	-	222,521
Other receivables	766,817	-	-	-	-	766,817
Prepaid expense	44,817	-	-	-	-	44,817
Due from other funds	-	-	-	159,147	-	159,147
Due from other governments	1,152,608	151,671	110,012	-	-	1,414,291
Total assets	$ 5,232,119	$ 559,796	$ 542,268	$ 968,501	$ 136,559	$ 7,439,243
LIABILITIES						
Accounts payable	$ 62,377	$ -	$ -	$ -	$ 26,034	$ 88,411
Accrued wages	83,863	-	-	-	-	83,863
Unearned revenue	-	-	-	968,501	-	968,501
Due to other funds	159,147	-	-	-	-	159,147
Total liabilities	305,387	-	-	968,501	26,034	1,299,922
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - property taxes	166,722	-	-	-	-	166,722
FUND BALANCES						
Nonspendable	44,817	-	-	-	72,631	117,448
Restricted for -						
Capital Projects	-	559,796	542,268	-	-	1,102,064
Public Safety	-	-	-	-	37,894	37,894
Unassigned	4,715,193	-	-	-	-	4,715,193
Total fund balances	4,760,010	559,796	542,268	-	110,525	5,972,599
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	$ 5,232,119	$ 559,796	$ 542,268	$ 968,501	$ 136,559	$ 7,439,243

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 Position
December 31, 2022

Total Governmental Fund Balances		$ 5,972,599
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	13,006,041	
Less accumulated depreciation	(8,498,383)	4,507,658
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	(187,109)	
Compensated absences	(96,498)	(283,607)
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	159,147	
Interfund payables	(159,147)	
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.		166,722
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	145,521	
Net pension asset	62,727	
Deferred inflows of resources-pension related	(427,233)	(218,985)
Net Position of Governmental Activities		$ 10,144,387

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, 2022

	General Fund	SPLOST Capital Projects	TSPLOST Capital Projects	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 4,387,530	$ -	$ 721,628	$ -	$ -	$ 5,109,158
License and permits	102,595	-	-	-	-	102,595
Intergovernmental	517,460	887,681		503,718	-	1,908,859
Fines and forfeitures	456,398	-	-	-	670	457,068
Investment earnings	16,510	-	-	-	495	17,005
Other revenue	281,045	-	-	-	-	281,045
Total revenues	5,761,538	887,681	721,628	503,718	1,165	7,875,730
EXPENDITURES						
Current expenditures						
General government	588,786	82,663	-	79,663	1,892	753,004
Public safety	3,228,640	80,392	-	24,850	5,193	3,339,075
Street department	1,127,797	64,972	358,182	9,995	-	1,560,946
Public welfare and recreation	171,716	-	-	25,000	-	196,716
Zoning and codes enforcement	90,740	-	-	-	-	90,740
Building inspector	92,813	-	-	-	-	92,813
Capital outlay	153,438	202,161	129,247	136,640	-	621,486
Debt service - principal	-	181,348	-	-	-	181,348
- interest	-	11,715	-	-	-	11,715
Total expenditures	5,453,930	623,251	487,429	276,148	7,085	6,847,843
Excess (deficiency) of revenues over expenditures	307,608	264,430	234,199	227,570	(5,920)	1,027,887
Other Financing Sources (Uses)						
Sale of assets	21,704	-	-	-	-	21,704
Transfers in	227,570	-	-	-	-	227,570
Transfers out	-	-	-	(227,570)	-	(227,570)
Total other financing sources (uses)	249,274	-	-	(227,570)	-	21,704
Net change in fund balance	556,882	264,430	234,199	-	(5,920)	1,049,591
Fund balances - beginning of year	4,203,128	295,366	308,069	-	116,445	4,923,008
Fund balances - end of year	$ 4,760,010	$ 559,796	$ 542,268	$ -	$ 110,525	$ 5,972,599

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, 2022

Net Changes in Fund Balances - Total Governmental Funds		$ 1,049,591
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		55,889
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	-	
Principal payments on leases	181,348	
		181,348
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		34,157
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		(84,453)
Net change in liability for Pensions		85,192
Net change in deferred inflows - pension related		116,606
Net change in deferred outflows - pension related		(93,282)
Change in Net Position of Governmental Activities		$ 1,345,048

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
Year Ended December 31, 2022

	Budgeted Amounts			Variance Over
	Original	Final	Actual	(Under)
REVENUES				
Taxes				
City property tax	$ 1,405,105	$ 1,405,105	$ 1,650,368	$ 245,263
Premium tax	360,000	360,000	393,653	33,653
Franchise tax	715,000	715,000	767,674	52,674
Local options sales tax	1,300,000	1,300,000	1,224,995	(75,005)
Malt beverage tax	136,000	136,000	135,767	(233)
Motor vehicle tax	100,000	100,000	126,517	26,517
Occupational tax	70,000	70,000	67,115	(2,885)
Banking tax	30,000	30,000	21,441	(8,559)
Total taxes	4,116,105	4,116,105	4,387,530	271,425
License and permits				
Building Permits	50,000	50,000	48,834	(1,166)
Malt and beverage license	34,000	34,000	53,761	19,761
Total license and permits	84,000	84,000	102,595	18,595
Intergovernmental				
Grant revenue	-	-	203,582	203,582
State grants for street const.	68,863	68,863	-	(68,863)
Franchise tax from Water Works	215,000	215,000	313,878	98,878
Total intergovernmental	283,863	283,863	517,460	233,597
Fines and forfeitures				
Police and courts	376,000	376,000	456,398	80,398
Total fines and forfeitures	376,000	376,000	456,398	80,398
Investment earnings				
Investment earnings	-	-	16,510	16,510
Total investment earnings	-	-	16,510	16,510
Other revenue				
Miscellaneous	244,050	244,050	281,045	36,995
Total other revenue	244,050	244,050	281,045	36,995
TOTAL REVENUES	5,104,018	5,104,018	5,761,538	657,520

(Continued)

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 (Continued)
Year Ended December 31, 2022

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES				
Current expenditures				
General government				
Administration				
Administrative salaries	$ 174,048	$ 174,048	$ 216,479	$ (42,431)
Health Insurance	23,040	23,040	44,003	(20,963)
Payroll taxes	15,426	15,426	17,551	(2,125)
Retirement contribution	10,580	10,580	11,575	(995)
Advertising	2,500	2,500	6,896	(4,396)
Telephone	10,000	10,000	11,609	(1,609)
Office supplies	18,500	18,500	23,279	(4,779)
Repairs and maintenance	8,500	8,500	2,229	6,271
Dues and subscriptions	15,000	15,000	6,522	8,478
Professional services	25,000	25,000	54,655	(29,655)
Utilities	10,000	10,000	8,090	1,910
Gas & Oil	2,000	2,000	498	1,502
Miscellaneous expenditures	34,000	34,000	81,629	(47,629)
Library aid	30,000	30,000	30,000	-
Contributions	3,600	3,600	4,500	(900)
Capital purchases	400,000	400,000	-	400,000
Total administration	782,194	782,194	519,515	262,679
Building and plant				
Insurance	18,000	18,000	22,140	(4,140)
Janitorial	3,500	3,500	3,537	(37)
Total building and plant	21,500	21,500	25,677	(4,177)
Council				
Mayor and Council	27,600	27,600	27,600	-
Total council	27,600	27,600	27,600	-
Elections				
Election	7,500	7,500	2,863	4,637
Total elections	7,500	7,500	2,863	4,637
Law				
Professional services	7,000	7,000	9,905	(2,905)
Education and training	4,000	4,000	3,226	774
Total law	11,000	11,000	13,131	(2,131)
Total general government	$ 849,794	$ 849,794	$ 588,786	$ 261,008

(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, 2022

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public safety				
Police department				
Salaries	$1,193,908	$1,193,908	$1,190,114	$ 3,794
Payroll taxes	91,334	91,334	86,827	4,507
Group health insurance	192,000	192,000	197,020	(5,020)
Retirement expenditures	66,556	66,556	65,590	966
Workers compensation insurance	38,074	38,074	30,602	7,472
Office supplies	4,500	4,500	6,577	(2,077)
Janitorial	1,250	1,250	1,514	(264)
Utilities	13,660	13,660	11,388	2,272
Telephone	17,763	17,763	19,725	(1,962)
Insurance	45,502	45,502	32,206	13,296
Uniforms	22,816	22,816	21,944	872
Fuel	68,444	68,444	68,185	259
Supplies and materials	23,331	23,331	34,425	(11,094)
Repairs and maintenance	11,819	11,819	7,300	4,519
Personnel training	18,325	18,325	23,049	(4,724)
State Fines	43,812	43,812	48,926	(5,114)
Jail board and fund	38,356	38,356	32,637	5,719
Medical Expenditures	500	500	609	(109)
Vehicle expenditures	15,183	15,183	21,726	(6,543)
Miscellaneous	17,528	17,528	19,213	(1,685)
Peace officer training fund	27,222	27,222	22,320	4,902
Technology	19,984	19,984	17,846	2,138
Indemnification Fund	1,800	1,800	2,398	(598)
Budgeted and non-budgeted contributions	44,215	44,215	37,716	6,499
Capital Purchases	-	-	159,147	(159,147)
Total police department	2,017,882	2,017,882	2,159,004	(141,122)
Fire department				
Salaries	784,892	784,892	830,792	(45,900)
Payroll taxes	60,044	60,044	60,248	(204)
Group health insurance	76,800	76,800	117,119	(40,319)
Retirement expenditures	44,600	44,600	43,412	1,188
Workers compensation insurance	25,519	25,519	21,793	3,726
Insurance	10,500	10,500	19,013	(8,513)
Telephone	7,500	7,500	9,874	(2,374)
Advertising	250	250	-	250
Personnel training	6,000	6,000	6,636	(636)
Office supplies	750	750	1,228	(478)
Maintenance	8,000	8,000	16,914	(8,914)
Utilities	24,000	24,000	22,716	1,284
Fuel	12,200	12,200	14,307	(2,107)
Uniforms	12,000	12,000	13,028	(1,028)
Protective clothing	22,329	22,329	395	21,934
Equipment repairs	18,000	18,000	26,843	(8,843)
Truck expenditures	9,300	9,300	11,269	(1,969)
Janitorial	1,000	1,000	1,039	(39)
Miscellaneous	3,150	3,150	2,776	374
Technology	4,200	4,200	3,427	773
Medical Expenditures	500	500	245	255
Capital purchases	-	-	-	-
Total fire department	1,131,534	1,131,534	1,223,074	(91,540)
Total public safety	$3,149,416	$3,149,416	$3,382,078	$ (232,662)

(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, 2022

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public works				
Street department				
Salaries	$ 443,150	$ 443,150	$ 460,513	$ (17,363)
Payroll taxes	33,901	33,901	32,576	1,325
Group health Ins	84,480	84,480	116,174	(31,694)
Retirement insurance	30,864	30,864	24,114	6,750
Workers compensation Ins	12,000	12,000	16,629	(4,629)
Insurance	16,000	16,000	20,848	(4,848)
Auto	10,000	10,000	6,105	3,895
Uniforms	9,000	9,000	7,123	1,877
Fuel	43,935	43,935	46,793	(2,858)
Supplies & materials	52,000	52,000	36,881	15,119
Repairs and maintenance	25,000	25,000	16,016	8,984
Utilities	202,512	202,512	198,780	3,732
Street improvements	-	-	112,061	(112,061)
Office supplies	6,000	6,000	2,799	3,201
Telephone	4,044	4,044	5,971	(1,927)
Contract Labor	1,000	1,000	-	1,000
Equipment rental	500	500	-	500
Miscellaneous	12,000	12,000	24,414	(12,414)
Capital Purchases	-	-	-	-
Total street department	986,386	986,386	1,127,797	(141,411)
Total public works	986,386	986,386	1,127,797	(141,411)
Public welfare and recreation				
Health and Sanitation				
Salaries	44,574	44,574	48,098	(3,524)
Payroll taxes	3,410	3,410	3,584	(174)
Group health insurance	7,680	7,680	9,086	(1,406)
Retirement expenditures	2,794	2,794	2,702	92
Workers compensation insurance	1,700	1,700	1,647	53
Insurance	2,500	2,500	2,979	(479)
Supplies & materials	2,500	2,500	239	2,261
Repairs & maintenance	7,500	7,500	9,376	(1,876)
Uniforms	1,250	1,250	105	1,145
Miscellaneous	500	500	-	500
Fuel	10,000	10,000	14,972	(4,972)
Tipping fees	43,907	43,907	43,928	(21)
Health department aid	5,000	5,000	5,000	-
Capital Purchases	-	-	-	-
Budgeted contributions	30,000	30,000	30,000	-
Total health and sanitation	163,315	163,315	171,716	(8,401)
Parks and recreation				
Recreation expenditures	-	-	-	-
Total parks and recreation	-	-	-	-
Total welfare and recreation	$ 163,315	$ 163,315	$ 171,716	$ (8,401)

(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, 2022

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Zoning and Codes Enforcement				
Salaries	$ 50,794	$ 50,794	$ 56,732	$ (5,938)
Payroll taxes	3,886	3,886	4,204	(318)
Group health	7,680	7,680	9,384	(1,704)
Retirement	4,822	4,822	4,822	-
Workman's compensation	1,700	1,700	1,542	158
Janitorial	1,200	1,200	1,080	120
Insurance	1,500	1,500	1,786	(286)
Auto	1,000	1,000	3,137	(2,137)
Utilities	2,800	2,800	2,784	16
Fuel	1,500	1,500	1,239	261
Uniform	500	500	-	500
Contract Services	5,000	5,000	-	5,000
Personnel training	1,000	1,000	-	1,000
Office supplies	1,500	1,500	1,633	(133)
Maintenance and supplies	500	500	122	378
Equipment repairs	500	500	394	106
Telephone	2,227	2,227	1,221	1,006
Dues	1,500	1,500	145	1,355
Miscellaneous	2,000	2,000	515	1,485
Capital Purchases	-	-	-	-
Total Zoning and Codes Enforcement	91,609	91,609	90,740	869
Building Inspection				
Salaries	$ 61,803	$ 61,803	$ 65,206	$ (3,403)
Payroll taxes	4,728	4,728	4,804	(76)
Group health	7,680	7,680	9,677	(1,997)
Retirement	4,822	4,822	4,421	401
Workman's compensation	2,000	2,000	1,944	56
Janitorial	120	120	-	120
Insurance	1,000	1,000	1,786	(786)
Auto	1,000	1,000	170	830
Fuel	1,500	1,500	3,175	(1,675)
Uniform	520	520	41	479
Contract Services	1,000	1,000	-	1,000
Personnel training	750	750	-	750
Office supplies	700	700	446	254
Maintenance and supplies	200	200	188	12
Equipment repairs	200	200	-	200
Telephone	1,200	1,200	955	245
Dues	1,000	1,000	-	1,000
Capital Purchases	27,150	27,150	-	27,150
Total Building Inspection	117,373	117,373	92,813	24,560

(Continued)

CITY OF CHATSWORTH, GEORGIA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Continued)
Year Ended December 31, 2022

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Total Expenditures	5,357,893	5,357,893	5,453,930	(96,037)
Excess (deficiency) of revenues over (under) expenditures	(253,875)	(253,875)	307,608	561,483
Other financing sources (uses)				
Sale of assets	-	-	21,704	21,704
Transfers in	-	-	227,570	227,570
Total other financing sources (uses)	-	-	249,274	249,274
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(253,875)	(253,875)	556,882	810,757
Fund balance - beginning of year	4,203,128	4,203,128	4,203,128	-
Fund balance - end of year	$ 3,949,253	$ 3,949,253	$ 4,760,010	$ 810,757

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Net Position
December 31, 2022

ASSETS	Water and Sewerage Fund
CURRENT ASSETS	
Cash and cash equivalents	$ 3,292,776
Investments	3,844,399
Receivables, net of allowance for uncollectibles:	
Accounts	1,106,028
Other	28,918
Inventory	296,978
Prepaid expenses	32,364
Restricted assets:	
Cash and cash equivalents	267,617
Total current assets	8,869,080
NON-CURRENT ASSETS	
Capital assets:	
Land	906,794
Buildings	9,174,380
Infrastructure	53,438,716
Machinery and equipment	11,341,493
Vehicles	1,669,837
Construction in progress	571,922
	77,103,142
Less accumulated depreciation	38,742,184
Total non-current assets	38,360,958
Total assets	47,230,038
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	82,634

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Net Position (Continued)
December 31, 2022

	Water and Sewerage Fund
LIABILITIES	
CURRENT LIABILITIES	
Payable from current assets:	
Accounts payable	$ 495,627
Compensated absences payable	115,305
Accrued expenses and other liabilities	74,660
Customer deposits payable	1,214,529
Unearned revenue	51,623
Notes payable from direct borrowings - current	497,863
Financed purchases from direct borrowings - current	20,002
Payable from restricted assets:	
Direct placement bonds payable - current	450,000
Accrued interest payable	36,512
Total current liabilities	2,956,121
LONG-TERM LIABILITIES	
Direct placement bonds payable	3,509,962
Notes payable from direct borrowings	10,587,961
Finanaced purchases from direct borrowings	40,004
Net pension liability	90,960
Total long-term liabilities	14,228,887
Total liabilities	17,185,008
DEFERRED INFLOWS OF RESOURCES	
Pension related items	307,482
NET POSITION	
Net investment in capital assets	23,255,166
Restricted for debt service	106,524
Restricted for capital projects	124,581
Unrestricted	6,333,911
Total net position	$ 29,820,182

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended December 31, 2022

	Water and Sewerage Fund
Operating revenues	
Charges for services:	
Water sales	$ 6,120,074
Sewer sales	1,565,179
Connection fees	343,915
Other fees and charges	742,632
Total operating revenues	8,771,800
Operating expenses	
Administrative	1,710,070
Distribution and maintenance	1,729,644
Sewer plant	862,448
Water plant	1,978,694
Depreciation	2,120,969
Total operating expenses	8,401,825
Operating income	369,975
Non-operating revenues (expenses)	
Interest income	38,841
Intergovernmental revenues	202,748
Interest expense and fiscal charges	(282,644)
Decrease in fair vaue of investments	(143,314)
Gain on sale of capital assets	45,681
Total non-operating revenues (expenses), net	(138,688)
Income before capital contributions	231,287
Capital contributions	47,000
Change in net position	278,287
Net position, beginning of year	29,541,895
Net position, end of year	$ 29,820,182

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Cash Flows
Year Ended December 31, 2022

	Water and Sewerage Fund
Cash Flows from Operating Activities	
Receipts from customers and users	$ 8,638,133
Payments to suppliers	(6,102,586)
Payments to employees	(2,727,291)
Net cash used in operating activities	(191,744)
Cash Flows from Non-Capital Financing Activities	
Receipt of long-term receivable from Murray County Industrial Development Authority	700,000
Net cash provided by non-capital financing activities	700,000
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	(2,931,615)
Proceeds from long-term borrowings	2,430,455
Proceeds from capital grant	202,748
Principal payments on long-term borrowings	(551,170)
Interest paid on long-term borrowings	(292,362)
Proceeds from the sale of capital assets	60,676
Net cash used in capital and related financing activities	(1,081,268)
Cash Flows from Investing Activities	
Purchases of investments	(3,381,972)
Proceeds from maturities of investments	1,412,200
Interest received	38,241
Net cash used in investing activities	(1,931,531)
Net increase in cash and cash equivalents	(2,504,543)
Cash and cash equivalents:	
Beginning of year	6,064,936
End of year	$ 3,560,393
Classified as:	
Cash and cash equivalents	$ 3,292,776
Restricted cash and cash equivalents	267,617
	$ 3,560,393
Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating income	$ 369,975
Adjustments to reconcile operating income to net cash provided in operating activities	
Depreciation	2,120,969
Changes in assets and liabilities:	
Increase in accounts receivable	(212,968)
Decrease in inventory	5,651
Decrease in prepaid expenses	10,795
Decrease in deferred outflows - pension items	42,824
Decrease in accounts payable and accrued expenses	(2,431,675)
Increase in unearned revenue	15,252
Increase in customer deposits payable	64,049
Decrease in net pension liability	(73,733)
Decrease in deferred inflows - pension items	(102,883)
Net cash used in operating activities	$ (191,744)
Non-Cash Investing Activities	
Decrease in fair value of investments	$ (143,314)
Non-Cash Capital and Related Financing Activities	
Contribution of capital assets	$ 47,000

The accompanying notes are an integral part of the 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.

Special Revenue Fund - This fund accounts for the City's American Rescue Plan Act (ARPA) Local Fiscal Recovery Funds.

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	$ 232,662
Public works	141,411
Public welfare	8,401

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, 2022.

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, 2022
Levy date	October 20, 2022
Tax bills mailed	October 20, 2022
Payment due date	October 20, 2022 through December 20, 2022
Delinquency date	January 20, 2023

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, 2022:

As reported in the Governmental Funds Statement of Net Position

Cash and cash equivalents	$	1,339,570
Investments		2,205,786
Restricted:		
Cash and cash equivalents		1,286,294
	$	4,831,650
Cash deposited with financial institutions	$	2,625,864
Municipal debt obligations		2,200,598
US government agency bond obligations		5,188
	$	4,831,650

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, 2022, the City did not have any deposits which were uninsured or under collateralized, as defined by State statutes.

On December 31, 2022 , the City had the following investments:

Type of Investment	Maturity Date or Weighted Avg. Maturity	Fair Value
US Government Agency Bonds	7.5 years	$ 5,188
Municipal Bonds	9.10 years	2,200,598
Total Investments		$ 2,205,786

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, 2022, 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 $401,085 and represent 69% of the City's total investments at year-end. Investments with a market value of $33,450 and $38,315 of the state Mississippi and Illinois represent 5.76% and 6.60%, respectively, of total investments.

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, 2022, are summarized as follows:

As reported in the Statement of Net Position

Cash and cash equivalents	$	3,292,776
Investments		3,844,399
Restricted:		
Cash and cash equivalents		267,617
	$	7,404,792
Cash deposited with financial institutions	$	3,560,393
Municipal bonds		3,844,399
	$	7,404,792

As of December 31, 2022, the Commission held the following investments:

Type of Investment	Weighted Avg. Maturity		Fair Value
Municipal Bonds	9.83	$	3,844,399
Total investments		$	3,844,399

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, 2022, the Commission's investments 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 City of Alpharetta, Georgia, City of South Fulton Water & Sewer Authority, Brookhaven Development Authority, Cherokee County, Georgia, Columbia County, Georgia and the States of Georgia, Texas and Missouri. These investments have a market value of $2,736,637 and represent .2% 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:

Entity	Fair Value	Percentage
Georgia	$ 518,670	13.5%
Texas	446,714	11.6%
Missouri	217,590	5.7%
Cherokee County, GA	199,974	14.0%
Columbia County, GA	539,505	5.2%
Brookhaven Dev. Authority	204,266	5.3%
City of S Fulton Water & Sewer	237,605	6.2%
City of Alpharetta, GA	372,313	9.7%
	$ 2,736,637	71.2%

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, 2022 are as follows:

Investment	Level 1	Level 2	Fair Value
Municipal Bonds	$ 93,324	$ 3,751,075	$ 3,844,399
Total investments measured at fair value	$ 93,324	$ 3,751,075	$ 3,844,399

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 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, 2022, the Commission had deposits with one financial institution 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, 2022 is as follows:

	Current Levy	Prior Levies	Total
General Fund			
Property Taxes Receivable	$ 212,886	$ 11,333	$ 224,219
Allowance for Uncollectible Taxes	(1,545)	(153)	(1,698)
Net	$ 211,341	$ 11,180	$ 222,521

NOTE 5. RECEIVABLES

The following amounts are due from other governments on December 31, 2022:

Murray County Industrial Development Authority	$	971,000
Murray County Georgia – SPLOST		151,671
State of Georgia – Sales Tax and TSPLOST		291,620
Total	$	1,414,291

Proprietary Funds

Receivables, including the applicable allowances for uncollectible accounts, consisted of the following on December 31, 2022:

Receivables:		
Accounts	$	1,115,737
Less allowance for uncollectibles		9,709
Net accounts receivable	$	1,106,028
Other receivables	$	28,918

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	$	166,772	$	166,772

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, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Financed purchases from direct borrowings	$ 368,457	$ -	$ 181,348	$ 187,109	$ 187,109
Compensated absences	12,045	84,453	-	96,498	96,498
Total long-term liabilities	$ 380,502	$ 84,453	$ 181,348	$ 283,607	$ 283,607

Financial Purchases from Direct Borrowings

On July 19, 2018 the City entered into a lease agreement with BB&T to finance the purchase of a 2013 Fire 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 payble 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%.

	Principal	Interest
Debt service requirements to maturity are as follows:		
Year ending December 31, 2023	$ 187,109	$ 5,951
Total Payments	$ 187,109	$ 5,951

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	683,876
Less Accumulated depreciation	(301,593)
Net Book Value	$ 520,218

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

Water Work Commission

Long-term debt activity for the year ended December 31, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct placement bonds	$ 4,365,000	$ -	$ (440,000)	3,925,000	$ 450,000
Premium	42,786	-	(7,824)	34,962	-
Direct placement bonds payable, net	4,407,786	-	(447,824)	3,959,962	450,000
Notes payable from direct borrowings	9,980,519	1,196,473	(91,168)	11,085,824	497,863
Financed purchases from direct borrowings	80,008	-	(20,002)	60,006	20,002
Net pension liability	164,693	240,684	(314,417)	90,960	-
Compensated absences	113,965	135,524	(134,184)	115,305	115,305
Total long-term liabilities	$14,746,971	$1,572,681	$ (1,007,595)	$ 15,312,057	$ 1,083,170

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 if pledged revenues during the year are less than 110 percent of debt service coverage 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,			
2023	$ 450,000	$ 102,431	$ 552,431
2024	460,000	92,306	552,306
2025	470,000	81,956	551,956
2026	485,000	70,794	555,794
2027	495,000	58,669	553,669
2028-2030	1,565,000	93,375	1,658,375
Total	$ 3,925,000	$ 499,531	$ 4,424,531

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. In 2020, 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.

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. As of December 31, 2022, the Commission finalized the note in the total amount of $9,767,379, which included a loan forgiveness component of $500,000. The balance of the note bears interest at a fixed rate of 1.78% payable at the beginning of each month beginning January 2023 through December 2042 with monthly payments totaling $48,904.

NOTE 8. LONG-TERM DEBT (CONTINUED)

The debt service to maturity is as follows:

	Principal	Interest	Total
Year ending December 31,			
2023	$ 497,863	$ 194,247	$ 692,110
2024	506,552	185,558	692,110
2025	515,397	176,712	692,109
2026	524,404	167,705	692,109
2027	533,574	158,536	692,1108
2028-2032	2,811,338	649,209	3,460,547
2033-2037	2,898,915	394,974	3,293,889
2038-2042	2,797,781	136,478	2,934,259
Total	$ 11,085,824	$ 2,063,419	$ 13,149,243

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, 2022, the Commission had equipment under financed purchases with a cost of $100,010 and accumulated depreciation of $23,336 for a net book value of $76,674. Annual depreciation of these assets is included in depreciation expense.

As of December 31, 2022, the future payments for the financed purchases from direct borrowings are as follows:

Year Ending December 31,	Principal
2023	$ 20,002
2024	20,002
2025	20,002
Total	$ 60,006

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, 2022, interfund receivables and payables that resulted from various transactions were as follows:

Receivable Fund	Payable Fund	Amount
American Rescue Plan Fund	General Fund	$159,147

The interfund balances resulted from the ARPA Fund advance funding projects for the general fund.

NOTE 12. CAPITAL ASSETS

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

General government	$	149,714
Public safety		273,382
Public works		135,411
Public welfare		3,811
Zoning & Building inspection		479
Total	$	562,797

NOTE 12. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended December 31, 2022 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	2,433,157	-	-	2,433,157
Infrastructure	3,672,161	-	-	3,672,161
Equipment	2,022,240	408,803	(34,072)	2,396,971
Furniture and fixtures	83,820	-	-	83,820
Vehicles	3,634,984	212,683	(88,146)	3,759,525
Total	11,846,362	621,486	(122,218)	12,345,634
Less accumulated depreciation for:				
Buildings and improvements	(1,428,736)	(62,922)	-	(1,491,658)
Infrastructure	(2,799,801)	(82,051)	-	(2,881,852)
Equipment	(1,316,539)	(186,185)	32,072	(1,470,652)
Furniture and fixtures	(81,924)	(1,896)	-	(83,820)
Vehicles	(2,428,001)	(229,743)	87,346	(2,570,398)
Total	(8,055,001)	(562,797)	119,418	(8,498,380)
Total capital assets, being depreciated - net	3,791,361	58,689	(2,800)	3,847,254
Governmental activities, capital assets - net	$ 4,451,768	$ 58,689	$ (2,800)	$ 4,507,661

Additions to capital assets consist of SPLOST fund additions of $202,161, TSPLOST additions of $129,247 and American Rescue Plan Fund additions of $136,640.

NOTE 12. CAPITAL ASSETS (CONTINUED)

Water Works Commission

Capital assets activity for the year ended December 31, 2022 is as follows:

Business-Type activities	Beginning Balance	Increases	Retirements & Transfers	Ending Balance
Capital assets not being depreciated:				
Land	$ 901,794	$ 5,000	$ -	$ 906,794
Construction in progress	11,062,217	2,560,847	(13,051,142)	571,922
Total	11,964,011	2,565,847	(13,051,142)	1,478,716
Capital assets being depreciated:				
Buildings	8,722,187	22,270	429,923	9,174,380
Infrastructure	44,127,667	245,352	9,065,697	53,438,716
Machinery and equipment	7,412,612	71,669	3,472,409	10,956,690
Furniture and fixtures	339,762	21,909	23,132	384,803
Vehicles	1,679,378	51,568	(61,109)	1,669,837
Total	62,281,606	412,768	12,930,052	75,624,426
Less accumulated depreciation for:				
Buildings	(5,225,240)	(326,962)	-	(5,552,202)
Infrastructure	(26,962,408)	(1,148,086)	-	(28,110,494)
Machinery and equipment	(3,372,270)	(492,310)	44,986	(3,819,594)
Furniture and fixtures	(256,420)	(19,594)	-	(276,014)
Vehicles	(910,972)	(134,017)	61,109	(983,880)
Total	(36,727,310)	(2,120,969)	106,095	(38,742,184)
Total capital assets, being depreciated, net	25,554,296	(1,708,201)	13,036,147	36,882,242
Total capital assets, net	$ 37,518,307	$ 857,646	$ (14,995)	$ 38,360,958

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, 2022, the date of the most recent actuarial valuation, there were 101 participants in the Plan consisting of the following:

	City	Water Works
Inactive plan members or beneficiaries currently receiving benefits	29	22
Inactive plan members entitled to but not receiving benefits	15	5
Active plan members	20	10
Total	**64**	**37**

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, 2022, the City and Commission's recommended contribution rates were 7.67% and 17.60 % respectively of annual payroll.

City and Commission contributions to the Plan were $97,727 and $110,178 respectively for the year ended December 31, 2022. 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, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2022.

Actuarial assumptions. The total pension liability in the July 1, 2022 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	7.375%, net of pension plan investment expense, including inflation

Mortality rates of the July 1, 2022 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, 2022 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, 2022 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.55%
International equity	20%	7.30
Global fixed income	5%	.50
Real estate	10%	3.65
Domestic fixed income	20%	.40
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 7.375%. 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, 2022 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, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/21	$ 3,743,964	$ 3,721,499	$ 22,465
Changes for the year:			
Service cost	25,749	-	25,749
Interest	271,250	-	271,250
Differences between expected and actual experience	(68,887)	-	(68,887)
Contributions-employer	-	97,727	(97,727)
Net investment income	-	227,173	(227,173)
Benefit payments, including refunds of employee contributions	(183,490)	(183,490)	-
Administrative expense	-	(11,596)	11,596
Other	-	-	-
Net changes	44,622	129,814	(85,192)
Balances at 12/31/22	$ 3,788,586	$ 3,851,313	$ (62,727)

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	$ 400,985	$ (62,727)	$ (452,864)

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, 2022 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, 2022, the City recognized pension expense of $(7,246). At December 31, 2022, 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	$ 69,568	$ (45,924)
Changes in assumptions	-	(8,955)
Net difference between projected and actual earnings on pension plan investments	-	(372,354)
City contributions subsequent to the measurement date	75,953	-
Total	$ 145,521	$ (427,233)

City contributions subsequent to the measurement date of $75,953 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, 2023. 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:	
2023	$ (46,629)
2024	(129,895)
2025	(189,880)
2026	8,739
Total	$ (357,665)

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, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/21	$ 3,051,905	$ 2,887,212	$ 164,693
Changes for the year:			
Service cost	15,139	-	15,139
Interest	218,268	-	218,268
Differences between expected and actual experience	(30,724)	-	(30,724)
Change of assumption	-	-	-
Contributions-employer	-	106,849	(106,849)
Net investment income	-	176,844	(176,844)
Benefit payments, including refunds of employee contributions	(214,950)	(214,950)	-
Administrative expense	-	(7,277)	7,277
Net changes	(12,267)	61,466	(73,733)
Balances at 12/31/22	$ 3,039,638	$ 2,948,678	$ 90,960

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	$ 394,232	$ 90,960	$ (170,601)

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, 2022 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, 2022, the Commission recognized pension expense of $(23,614). At December 31, 2022, 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	$ -	$ 15,362
Net difference between projected and actual earnings on pension plan investments	-	292,120
Commission contributions subsequent to the measurement date	82,634	-
Total	$ 82,634	$ 307,482

Commission contributions subsequent to the measurement date of $82,634 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, 2023. 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:	
2023	$ (80,910)
2024	(83,842)
2025	(149,097)
2026	6,367
Total	$ (307,482)

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, 2022, number of plan members and the employer contributions are as follow:

	Number of Plan Members	Employer Contributions
City of Chatsworth	26	$ 28,285
Water Works Commission	32	118,343

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, 2022, employee contributions are as follow:

	Nationwide	Newport
City of Chatsworth	$ 3,224	$ 47,108
Water Works Commission	-	146,585

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, 2021, the City paid $4,804 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, 2022 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, 2022 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.

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

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	$ 25,749	$ 24,577	$ 19,372	$ 20,378	$ 23,623	$ 23,854	$ 23,343	$ 29,710
Interest on pension liability	271,250	256,038	245,266	230,603	226,745	219,796	216,935	212,158
Differences between expected and actual experience	(68,887)	104,205	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	(183,490)	(175,956)	(167,791)	(159,190)	(153,349)	(149,406)	(144,589)	(127,212)
Net change in total pension liability	44,622	208,864	200,359	200,819	131,506	91,638	39,320	70,326
	3,743,964	3,535,100	3,334,741	3,133,922	3,002,416	2,910,778	2,871,458	2,801,132
Total pension liability - ending (a)	$ 3,788,586	$ 3,743,964	$ 3,535,100	$ 3,334,741	$3,133,922	$3,002,416	$2,910,778	$2,871,458
Plan fiduciary net position								
Contributions - employer	$ 97,727	$ 77,429	$ 65,842	$ 63,326	$ 63,261	$ 70,132	$ 84,747	$ 97,634
Net investment income	227,173	1,184,269	(197,119)	104,834	335,513	310,549	6,871	229,253
Benefit payments, including refunds of member contributions	(183,490)	(175,956)	(167,761)	(159,190)	(153,349)	(149,406)	(144,589)	(127,212)
Administrative expenses	(11,596)	(11,370)	(12,617)	(12,189)	(12,071)	(12,466)	(8,949)	(8,339)
Net change in plan fiduciary net position	129,814	1,074,372	(311,655)	(3,219)	233,354	218,809	(61,920)	191,336
Plan fiduciary net position - beginning	3,721,499	2,647,127	2,958,812	2,962,031	2,728,677	2,509,868	2,571,788	2,380,452
Plan fiduciary net position - ending (b)	$ 3,851,313	$ 3,721,499	$ 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)	$ (62,727)	$ 22,465	$ 887,943	$ 375,929	$ 171,891	$ 273,739	$ 400,910	$ 299,670
Plan fiduciary net position as a percentage of the total pension liability	101.66%	99.40%	74.88%	88.73%	94.52%	90.88%	86.23%	89.56%
Covered-employee payroll	$ 1,122,225	$ 1,220,347	$ 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	-5.59%	1.84%	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

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	$ 15,139	$ 14,092	$ 15,268	$ 20,366	$ 20,977	$ 19,053	$ 21,433	$ 21,314
Interest on pension liability	218,268	210,723	211,603	206,056	202,197	198,593	194,790	189,952
Differences between expected and actual experience	(30,724)	91,642	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	(214,950)	(215,435)	(218,206)	(208,646)	(186,046)	(192,752)	(180,752)	(168,834)
Net change in total pension liability	(12,267)	101,022	35,673	83,842	129,353	43,145	55,081	68,383
Total pension liability - beginning	3,051,905	2,950,883	2,915,210	2,831,368	2,702,015	2,658,870	2,603,789	2,535,406
Total pension liability - ending (a)	$ 3,039,638	$ 3,051,905	$ 2,950,883	$ 2,915,210	$2,831,368	$2,702,015	$2,658,870	$2,603,789
Plan fiduciary net position								
Contributions - employer	$ 106,849	$ 99,719	$ 100,699	$ 93,932	$ 91,856	$ 92,159	$ 85,567	$ 105,333
Net investment income	176,844	926,458	(153,765)	84,030	273,177	255,738	5,036	195,983
Benefit payments, including refunds of member contributions	(214,950)	(215,435)	(218,206)	(208,646)	(186,046)	(192,752)	(180,752)	(168,834)
Administrative expenses	(7,277)	(7,158)	(7,958)	(7,640)	(7,612)	(7,892)	(5,233)	(4,723)
Net change in plan fiduciary net position	61,466	803,584	(279,230)	(38,324)	171,375	147,253	(95,382)	127,759
Plan fiduciary net position - beginning	2,887,212	2,083,628	2,362,858	2,401,182	2,229,807	2,082,554	2,177,936	2,050,177
Plan fiduciary net position - ending (b)	$ 2,948,678	$ 2,887,212	$ 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)	$ 90,960	$ 164,693	$ 867,255	$ 552,352	$ 430,186	$ 472,208	$ 576,316	$ 425,853
Plan fiduciary net position as a percentage of the total pension liability	97.01%	94.60%	70.61%	81.05%	84.81%	82.52%	78.32%	83.64%
Covered payroll	$ 631,794	$ 619,565	$ 590,388	$ 636,183	$ 684,739	$ 672,226	$ 680,926	$ 751,718
City's net pension liability as a percentage of covered-employee payrol	14.40%	26.58%	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:

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ -	$ 96,546	$ 71,057	$ 64,103	$ 63,067	$ 63,325	$ 72,401	$ 88,862	100,558
Contributions in relation to the actuarially determined contribution	-	96,546	71,057	64,103	63,067	63,325	72,401	88,862	100,558
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ -	$ 1,220,347	$1,146,482	$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%	7.91%	6.20%	5.72%	5.29%	5.18%	5.94%	6.46%	7.10%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2022
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:

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 110,178	$ 106,183	$ 98,426	$ 101,154	$ 92,487	$ 91,730	$ 92,245	$ 93,591	$ 109,247
Contributions in relation to the actuarially determined contribution	110,178	106,183	98,426	101,154	92,487	84,344	92,245	93,591	109,247
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ 7,386	$ -	$ -	$ -
Covered payroll	$ 626,142	$ 580,200	$ 589,008	$ 679,349	$ 662,198	$ 619,967	$ 711,182	$ 799,040	$ 876,012
Contributions as a percentage of covered payroll	17.60%	18.30%	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, 2021
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
Nonmajor Governmental funds
Combining Balance Sheet
December 31, 2022

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental
	Confiscated Goods	Cemetary	Funds
ASSETS			
Cash	$ 63,928	$ 72,631	$ 136,559
Total Assets	$ 63,928	$ 72,631	$ 136,559
LIABILITIES			
Accounts payable	$ 26,034	$ -	$ 26,034
Total Liabilities	$ 26,034	$ -	$ 26,034
FUND BALANCES			
Nonspendable	$ -	$ 72,631	$ 72,631
Restricted for -			
Public Safety	$ 37,894	$ -	$ 37,894
Total fund balances	$ 37,894	$ 72,631	$ 110,525
TOTAL LIABILITIES AND FUND BALANCES	$ 63,928	$ 72,631	$ 136,559

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

City of Chatsworth, Georgia
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended December 31, 2022

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Confiscated Goods	Cemetary	
REVENUES			
Fines and forfeitures	$ 670	$ -	$ 670
Investment earnings	-	495	495
Total revenues	670	495	1,165
EXPENDITURES			
Current expenditures			
General government	-	1,892	1,892
Public safety	5,193	-	5,193
Total expenditures	5,193	1,892	7,085
Excess (deficiency) of revenues over expenditures	(4,523)	(1,397)	(5,920)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(4,523)	(1,397)	(5,920)
Fund balances - beginning of year	42,417	74,028	116,445
Fund balances - end of year	$ 37,894	$ 72,631	$ 110,525

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

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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, 2022, 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 July 21, 2023.

Report on 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

Report on 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
July 21, 2023

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CITY OF CHATSWORTH, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022

Financial Statement Findings

22-01

Criteria: During 2022 the City amended their purchasing policies and procedures.

Condition: During our audit of capital assets, we were unable to find evidence that bids or quotes had been obtained for several asset purchases as required by the purchasing policy. There was no documentation as to an allowable exception to the purchasing policy.

Cause: Expenditures were made without the proper procedures being followed. These expenditures were approved by the mayor and council on an individual basis, but the required procedures were not followed.

Effect: Not following the purchasing policy could allow assets to be purchased at a higher cost.

Recommendation: We recommend that the new policies and procedures be communicated to all department heads and make sure that all new purchases adhere to the policy.

Response: We agree with the finding. The policy will be communicated to all department heads and procedures to obtain the required bids or quotes will be discussed and adhered to.

Compliance Findings

22-02 **Criteria:** The State of Georgia statute 36-81-3 requires that local governments operate under a balanced budget. Any increases in appropriations require the approval of the governing authority.

Condition: The City's actual expenditures exceeded appropriations in the General Fund, for public safety, public works and public welfare.

Cause: Expenditures were made mostly for capital items that were not included in the original budget. These expenditures were approved by the council on an individual basis, but the budget was not formally amended.

Effect: The expenditures resulted in the various functions being over budget.

Recommendation: We recommend a formal adoption of an amended budget for any revenues and expenditures not included in the original budget.

Response: We agree with the finding. These capital expenditures were made possible by grant revenues that were not anticipated and originally not included in the budget. While we did approve these in a formal council meeting an amended budget was not approved. We will prepare amended budgets in the future.

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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, 2022. 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, 2022, in conformity with accounting principles generally accepted in the United States of America.

Chrysan Thomas
Certified Public Accountant
July 21, 2023

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CITY OF CHATSWORTH, GEORGIA
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax
Year Ended December 31, 2022

Local Option Sales Tax – 2018 Cycle

Project #	Project	Original Estimated Cost	Revised Estimated Cost	Expenditures: Prior Years Revised	Expenditures: Current Year	Expenditures: Total	Estimated Percent of Completion
1	Fire Department Equipment	$ 820,000	$ 820,000	$ 464,233	$ 173,404	$ 637,637	78%
2	Police Department Equipment	550,000	550,000	168,556	171,300	339,856	62%
3	Street Department Equipment	370,000	370,000	32,962	144,220	177,182	48%
4	Sanitation Department Equipment	300,000	300,000	250,800	-	250,800	84%
5	Streets, Parks, Drainage	731,750	731,750	313,831	51,664	365,495	50%
6	Economic Development	30,000	30,000	-	-	-	0%
7	Technology Upgrades	217,000	217,000	52,000	82,663	134,663	62%
	Total	$ 3,018,750	$ 3,018,750	$ 1,282,382	$ 623,251	$ 1,905,633	63%

Local Option Sales Tax –Transportation

Project #	Project	Original Estimated Cost	Revised Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percent of Completion
	Roads, Streets, Bridges	$ -	$ -	$ 215,529	$ 358,182	$ 573,711	
	Related Equipment	-	-	118,195	129,247	247,442	
	Total	$ 1,880,000	$ 1,880,000	$ 333,724	$ 487,429	$ 821,153	44%