CITY OF CHATSWORTH, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

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INTRODUCTION SECTION

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December 31, 2024

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City of Chatsworth, Georgia
Council Members and Management
As of December 31, 2024

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 ..... Jennifer Baxter

City Attorney ..... Steve Williams

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2024, and, the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and American Rescue Plan 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 October 24, 2025, 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
October 24, 2025

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City of Chatsworth, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2024

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, 2024. 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 $44,775,681 (net position) for the calendar year reported. Of this amount $9,816,568 (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 $523,942; and
    - Business-type activities operated at a surplus of $2,591,804.

- The City's governmental funds reported total ending fund balance of $5,100,074.

- At the end of the current calendar year, unassigned fund balance for the general fund was $4,119,993, or 68.09% of total general fund expenditures.

- The business-type activities, the City of Chatsworth, Georgia's enterprise funds, reported total ending net position of $34,160,401. Of this balance $6,051,493 or 17.71% is unrestricted. The remaining $28,108,908 or 80.64% 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 28 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 29 through 32 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 33 through 66 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 $44,775,681 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, $33,441,636, or 75% 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, $1,517,477, or 3.4% represents resources that are subject to external restrictions on how they may be used:

- The largest portion of the restricted net position, $1,269,596, or 2.83% is restricted for capital projects;
- Another portion, $112,779 or 0.25% is restricted for debt service;
- Another portion, $66,726 or 0.15% is restricted for program activities; and
- The final portion, $68,376, or 0.15% is restricted for public safety.

The remaining balance of unrestricted net position of $9,816,568, or 21.9% 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

	2024		2023		2024	2023
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	Total	Total
Current and other assets	$ 5,415,503	$ 8,508,061	$ 6,525,171	$ 8,829,155	$ 13,923,564	$ 15,354,326
Capital assets, net	5,978,124	41,682,156	5,096,382	39,553,807	47,660,280	44,650,189
Total assets	11,393,627	50,190,217	11,621,553	48,382,962	61,583,844	60,004,515
Deferred outflows of resources	195,641	75,310	215,409	211,823	270,951	427,232
Current liabilities	556,578	3,380,432	1,038,329	3,283,854	3,937,010	4,322,183
Long-term liabilities	284,011	12,528,036	642,609	13,742,334	12,812,047	14,384,943
Total liabilities	840,589	15,908,468	1,680,938	17,026,188	16,749,057	18,707,126
Deferred inflows of resources	133,399	196,658	64,686	-	330,057	64,686
Net position:						
Net investment in capital assets	5,870,124	27,571,512	4,952,382	25,330,728	33,441,636	30,283,110
Restricted	980,081	537,396	1,049,377	206,832	1,517,477	1,256,209
Unrestricted	3,765,075	6,051,493	4,089,579	6,031,037	9,816,568	10,120,616
Total net position	$ 10,615,280	$ 34,160,401	$ 10,091,338	$ 31,568,597	$ 44,775,681	$ 41,659,935

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 $3,115,746. Governmental activities increased the City's net position by $523,942, and the business-type activities increased the City's net position by $2,591,804.

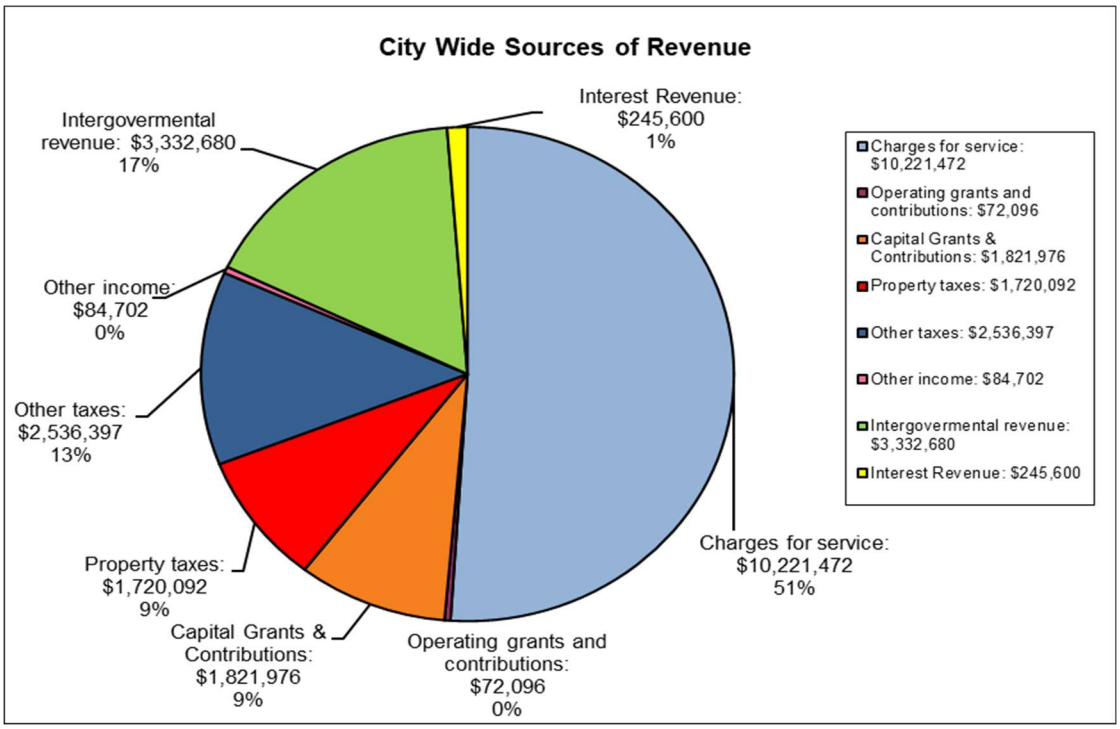
The table below provides a summary of the City's net position broken down by governmental and business-type activities.

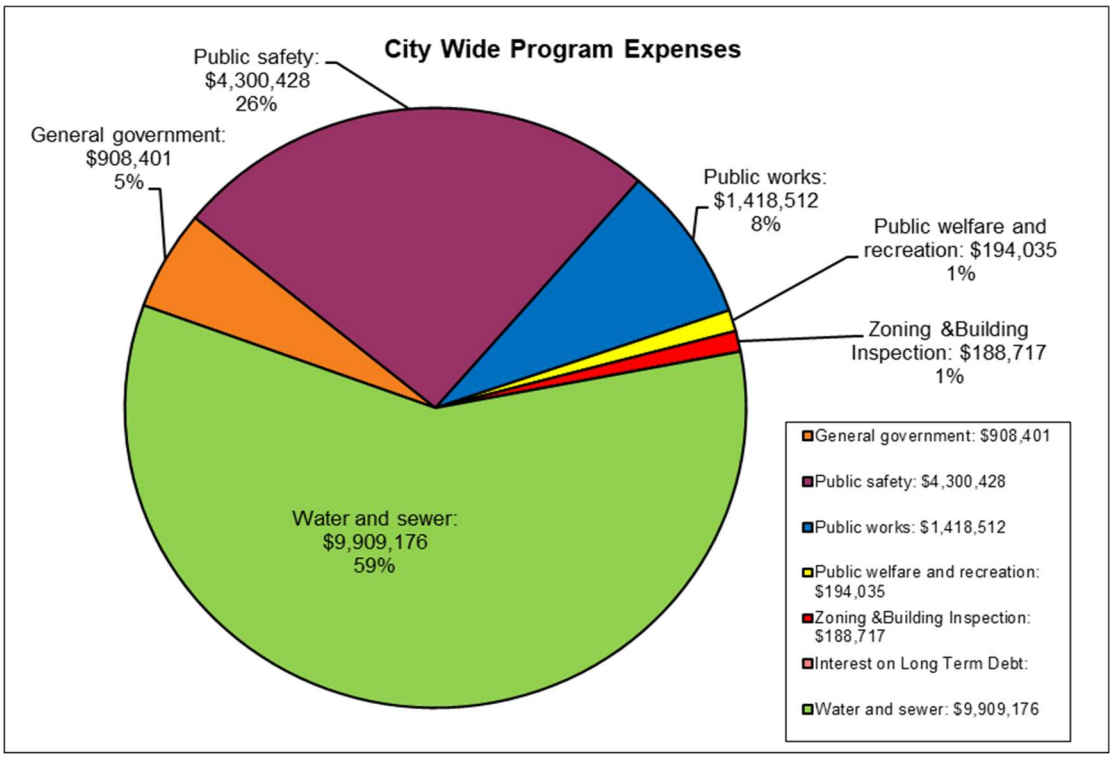
City of Chatsworth, Georgia
Changes in Net Position

	2024		2023		2024	2023
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	Total	Total
REVENUE						
Program revenues:						
Charges for services	$ 620,399	$ 9,601,073	$ 807,846	$ 9,130,360	$ 10,221,472	$ 9,938,206
Operating grants and contributions	72,096	-	418,896	-	72,096	418,896
Capital grants and contributions	1,821,976	-	1,332,497	325,488	1,821,976	1,657,985
General revenues:						
Property taxes	1,720,092	-	1,306,327	-	1,720,092	1,306,327
Other taxes	2,536,397	-	2,348,617	-	2,536,397	2,348,617
Other Revenue	644,613	2,772,769	543,255	1,712,265	3,417,382	2,255,520
Investment Revenue	118,462	127,138	139,400	208,271	245,600	347,671
Total revenues	7,534,035	12,500,980	6,896,838	11,376,384	20,035,014	18,273,222
EXPENSES						
General government	908,401	-	1,113,562	-	908,401	1,113,562
Public safety	4,300,428	-	3,961,457	-	4,300,428	3,961,457
Public works	1,418,512	-	1,344,048	-	1,418,512	1,344,048
Public welfare and recreation	194,035	-	171,580	-	194,035	171,580
Building inspection	188,717	-	170,931	-	188,717	170,931
Interest on long-term debt	-	267,839	5,952	286,259	267,839	292,211
Water & sewer	-	9,641,337	-	9,241,545	9,641,337	9,241,545
Total expenses	7,010,093	9,909,176	6,767,530	9,527,804	16,919,269	16,295,334
Increase (decrease) in net position before transfers	523,942	2,591,804	129,308	1,848,580	3,115,746	1,977,888
Transfers	-	-	-	-	-	-
Change in net position	523,942	2,591,804	129,308	1,848,580	3,115,746	1,977,888
Net position - beginning, restated	10,091,338	31,568,597	9,962,030	29,720,017	41,659,935	39,682,047
Net position - ending	$ 10,615,280	$ 34,160,401	$ 10,091,338	$ 31,568,597	$ 44,775,681	$ 41,659,934

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

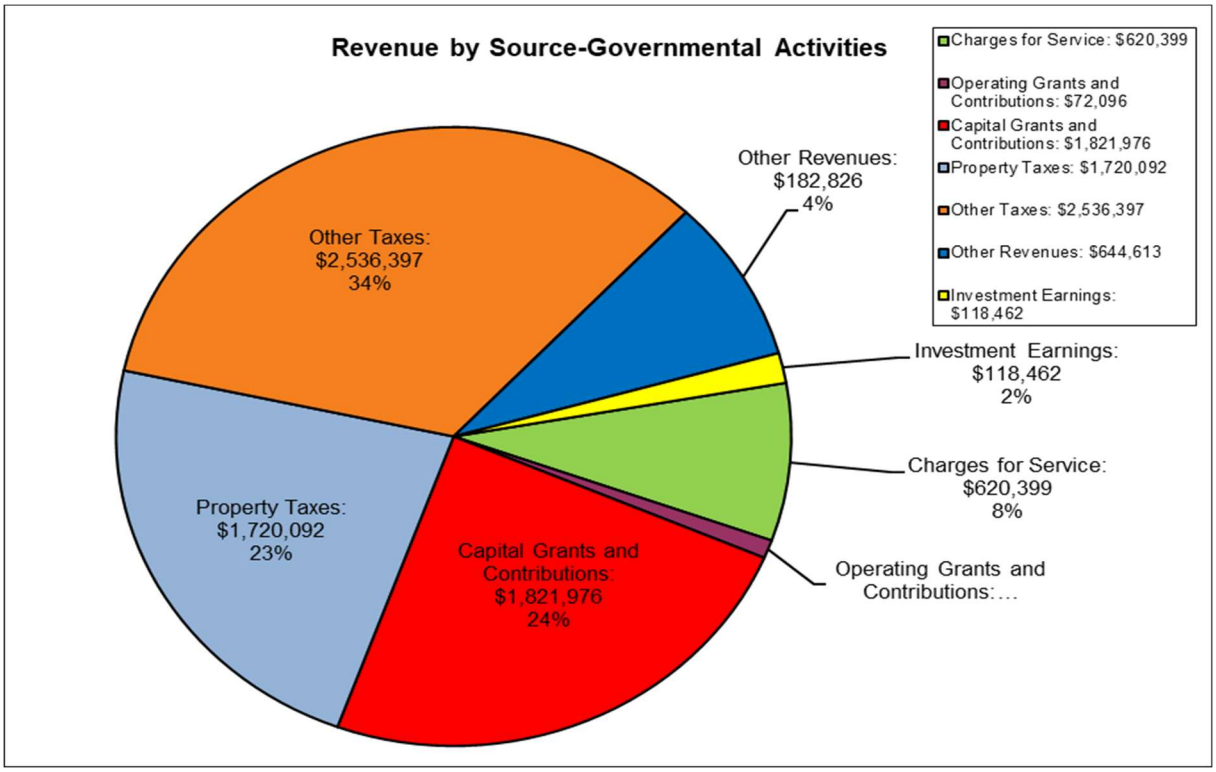
The graphs below summarize the $20,035,014 of the City-Wide Revenue by source, and the associated $16,919,269 of expenses by program. The graph combines data from both governmental and business-type activities.



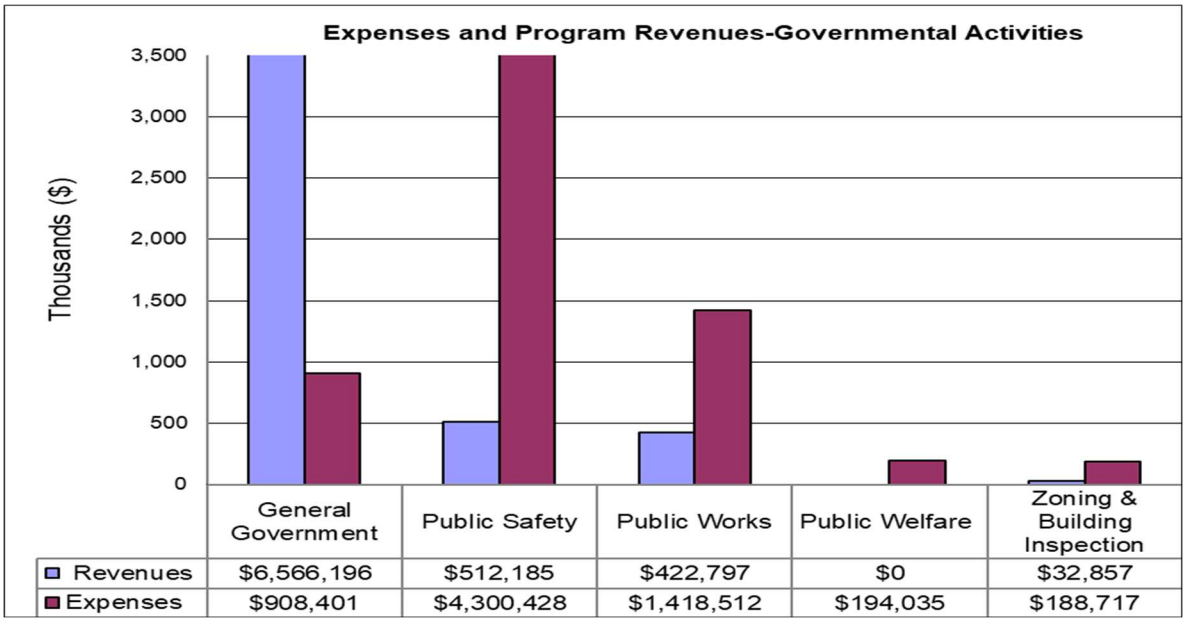


FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Governmental activities accounted for revenues of $7,534,035. 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.

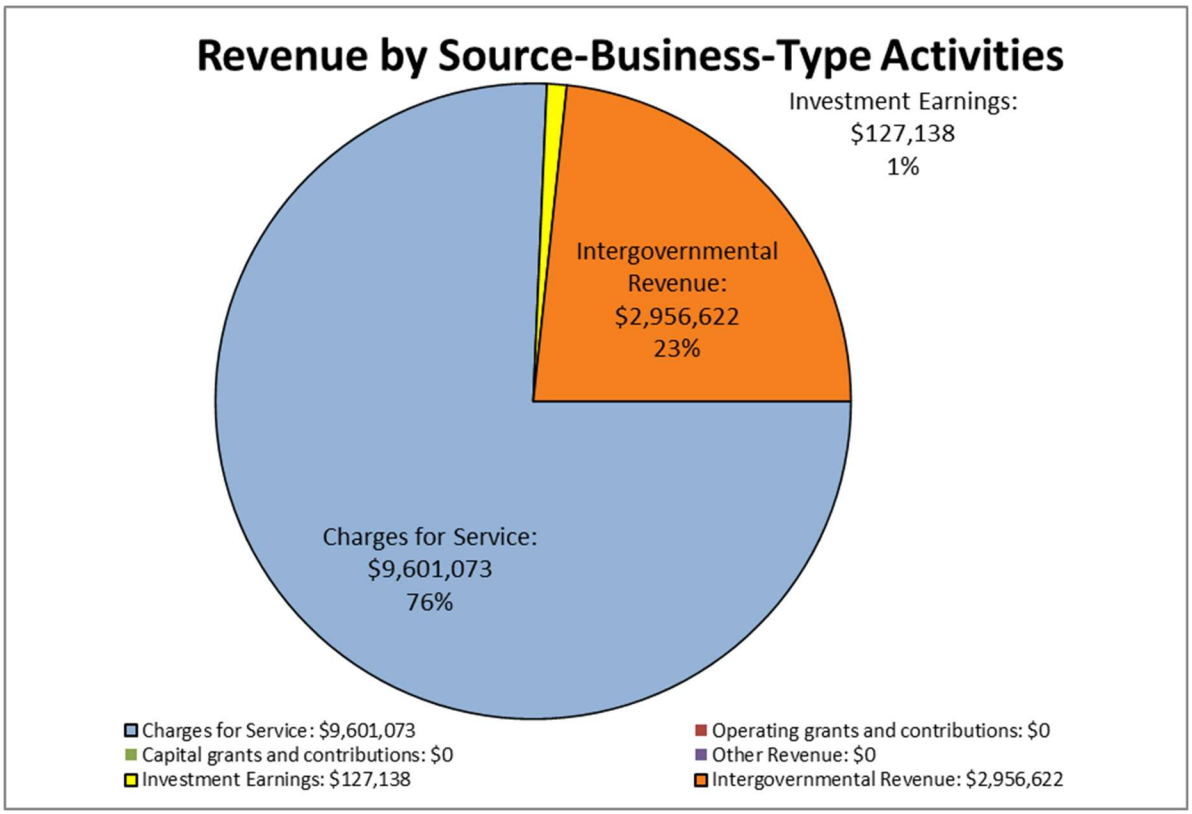


	General Government	Public Safety	Public Works	Public Welfare	Zoning & Building Inspection
Revenues	$6,566,196	$512,185	$422,797	$0	$32,857
Expenses	$908,401	$4,300,428	$1,418,512	$194,035	$188,717

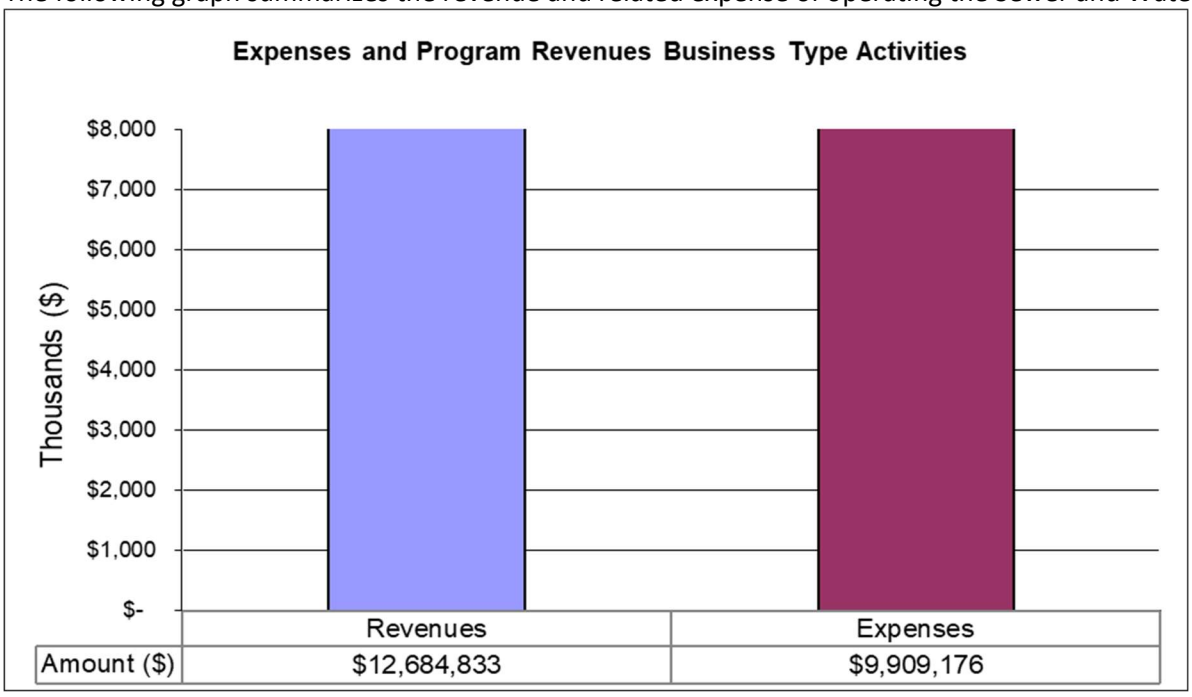
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Business-type activities

Business-type activities accounted for revenues of $12,684,833. 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 $5,100,074. 80.78% of this total amount or $4,119,993 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 $4,119,993. 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 68% of total fund expenditures.

Proprietary Funds

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

Unrestricted net position at the end of the year amounted to $6,051,493.

General Fund Budgetary Highlights

Tax revenues are over the original budget due to increase in property values. There was also increases in the 1% local option sales tax.

Labor cost and increase in insurance (health, workers' comp and liability) cost along with rising cost across the board were major contributors to the city dipping into fund balance on the general fund.

City of Chatsworth, Georgia's Outstanding Debt

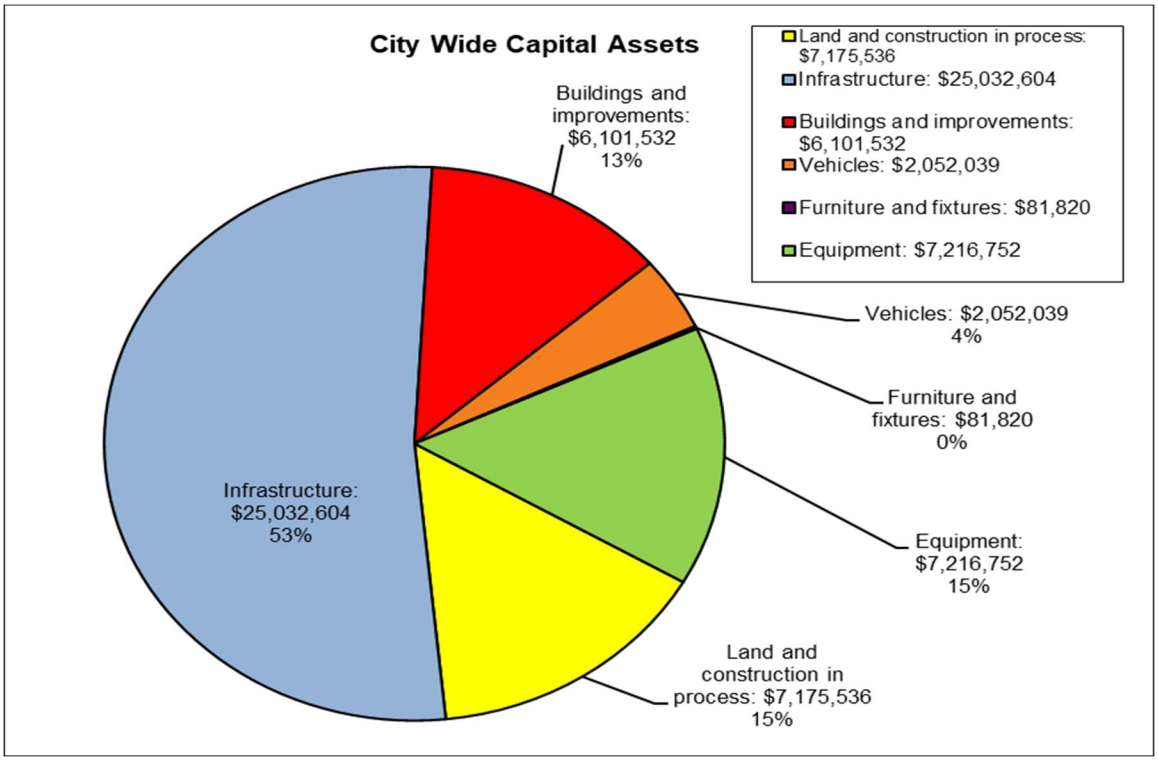
At the end of the current fiscal year, the City of Chatsworth, Georgia had $108,000 debt outstanding in the governmental fund and $13,922,324 outstanding in the proprietary fund. See Note 8 for detail of debt.

CAPITAL ASSET AND DEBT ADMINISTRATION

Investment in capital assets, net of accumulated depreciation, for both governmental and business-type activities, *Primary Government*, increased $3,010,094. Beginning balance was $44,650,189, plus current year additions of $6,305,552, less current year depreciation of $3,297,531, less net dispositions / reclassifications of $2,073 resulted in an ending balance of $47,660,283.

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 11 of this report.

	Governmental Activities	Business-Type Activities	Total
Land and construction in process	$ 979,768	$ 6,195,768	$ 7,175,536
Infrastructure	1,414,741	23,617,863	25,032,604
Buildings and improvements	1,676,155	4,425,377	6,101,532
Vehicles	1,169,271	882,768	2,052,039
Furniture and fixtures	-	81,820	81,820
Equipment	738,192	6,478,560	7,216,752
Total capital assets	**$ 5,978,127**	**$ 41,682,156**	**$ 47,660,283**



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

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CITY OF CHATSWORTH, GEORGIA
Statement of Net Position
December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 1,671,239	$ 1,684,528	$ 3,355,767
Investments	480,046	4,841,381	5,321,427
Receivables, net of allowance for uncollectibles:			
Property taxes	225,545	-	225,545
Accounts	825,951	1,027,832	1,853,783
Intergovernmental	123,388	-	123,388
Other	-	43,476	43,476
Inventory	-	298,385	298,385
Prepaid expenses	-	44,943	44,943
Restricted assets:			
Cash and cash equivalents	897,433	567,516	1,464,949
Due from other governments	1,191,901	-	1,191,901
Total current assets	5,415,503	8,508,061	13,923,564
Non-Current Assets			
Land and other non-depreciable assets	979,768	6,195,768	7,175,536
Other capital assets, net of accumulated depreciation	4,998,356	35,486,388	40,484,744
Total non-current assets	5,978,124	41,682,156	47,660,280
Total assets	11,393,627	50,190,217	61,583,844
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	195,641	75,310	270,951

LIABILITIES AND NET POSITION			
Current Liabilites			
Payable from current assets:			
Accounts payable	$ 104,696	$ 332,600	$ 437,296
Retainage payable	-	188,320	188,320
Compensated absences payable	306,661	226,821	533,482
Accrued expenses and other liabilities	108,096	49,136	157,232
Customer deposits payable	-	1,107,598	1,107,598
Unearned revenue	1,125	40,858	41,983
Notes payable from direct borrowings - current	-	514,977	514,977
Financed purchases from direct borrowings - current	36,000	420,002	456,002
Payable from restricted assets:			
Direct placement bonds payable - current	-	470,000	470,000
Accrued interest payable	-	30,120	30,120
Total current liabilities	556,578	3,380,432	3,937,010
Long-term Liabilities			
Direct placement bonds payable	-	2,566,333	2,566,333
Notes payable from direct borrowings	-	9,566,012	9,566,012
Financed purchases from direct borrowings	72,000	385,000	457,000
Net Pension liability	212,011	10,691	222,702
Total long-term liabilities	284,011	12,528,036	12,812,047
Total liabilities	840,589	15,908,468	16,749,057
DEFERRED INFLOWS OF RESOURCES			
Pension related items	133,399	196,658	330,057
Net Position			
Net investment in capital assets	5,870,124	27,571,512	33,441,636
Restricted for debt service	-	112,779	112,779
Restricted for capital projects	844,979	424,617	1,269,596
Restricted for public safety	68,376	-	68,376
Restricted for program activities	66,726	-	66,726
Unrestricted	3,765,075	6,051,493	9,816,568
Total net position	$ 10,615,280	$ 34,160,401	$ 44,775,681

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

CITY OF CHATSWORTH, GEORGIA
Statement of Activities
Year Ended December 31, 2024

Functions/Programs		Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
Primary Government	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	$ 908,401	$ 136,115	$ 4,544	$ 1,405,973	$ 638,231	$ -	$ 638,231
Public safety	4,300,428	444,633	67,552	-	(3,788,243)	-	(3,788,243)
Public works	1,418,512	6,794	-	416,003	(995,715)	-	(995,715)
Public welfare and recreation	194,035	-	-	-	(194,035)	-	(194,035)
Zoning and Building Inspection	188,717	32,857	-	-	(155,860)	-	(155,860)
Interest on long term debt	-	-	-	-	-	-	-
Total governmental activities	7,010,093	620,399	72,096	1,821,976	(4,495,622)	-	(4,495,622)
Business-type activities							
Water & Sewer	9,909,176	9,601,073	-	-	-	(308,103)	(308,103)
Total business-type activities	9,909,176	9,601,073	-	-	-	(308,103)	(308,103)
Total primary government	$ 16,919,269	$ 10,221,472	$ 72,096	$ 1,821,976	$ (4,495,622)	$ (308,103)	$ (4,803,725)
General revenues:							
Property tax					$ 1,720,092	$ -	$ 1,720,092
Franchise tax					791,220	-	791,220
Local option sales tax					910,011	-	910,011
Malt beverage tax					153,815	-	153,815
Motor vehicle tax					123,598	-	123,598
Occupational tax					61,540	-	61,540
Premium tax					466,640	-	466,640
Other taxes					29,573	-	29,573
Other revenue					251,948	-	251,948
Interest revenue					119,528	211,243	330,771
Gain (loss) on sale of assets					16,607	(183,853)	(167,246)
Increase in fair value of investments					(1,066)	(84,105)	(85,171)
Intergovernmental revenue					376,058	2,956,622	3,332,680
Total general revenue					5,019,564	2,899,907	7,919,471
Transfers					-	-	-
Total general revenues and transfers					5,019,564	2,899,907	7,919,471
Change in net position					523,942	2,591,804	3,115,746
Net position - beginning of year, as adjusted					10,091,338	31,568,597	41,659,935
Net position - end of year					$ 10,615,280	$ 34,160,401	$ 44,775,681

CITY OF CHATSWORTH, GEORGIA
Governmental Funds
Balance Sheet
December 31, 2024

	General Fund	SPLOST Capital Projects	TSPLOST Capital Projects	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 1,671,239	$ 269,088	$ 480,597	$ -	$ 147,748	$ 2,568,672
Investment	480,046	-	-	-	-	480,046
Property tax receivable - net	225,545	-	-	-	-	225,545
Other receivables	825,951	-	-	-	-	825,951
Due from other governments	1,191,901	122,836	552	-	-	1,315,289
Total assets	$ 4,394,682	$ 391,924	$ 481,149	$ -	$ 147,748	$ 5,415,503
LIABILITIES						
Accounts payable	$ 63,956	$ 28,094	$ -	$ -	$ 12,646	$ 104,696
Accrued wages	108,096	-	-	-	-	108,096
Unearned revenue	1,125	-	-	-	-	1,125
Total liabilities	173,177	28,094	-	-	12,646	213,917
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - property taxes	101,512	-	-	-	-	101,512
FUND BALANCES						
Nonspendable	-	-	-	-	66,726	66,726
Restricted for -						
Capital Projects	-	363,830	481,149	-	-	844,979
Public Safety	-	-	-	-	68,376	68,376
Unassigned	4,119,993	-	-	-	-	4,119,993
Total fund balances	4,119,993	363,830	481,149	-	135,102	5,100,074
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	$ 4,394,682	$ 391,924	$ 481,149	$ -	$ 147,748	$ 5,415,503

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, 2024

Total Governmental Fund Balances		$ 5,100,074
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	14,751,928	
Less accumulated depreciation	(8,773,804)	5,978,124
Liabilities, including notes, bonds, financed purchases, 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:		
Financed purchases payable	(108,000)	
Compensated absences	(306,661)	(414,661)
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.		101,512
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	195,641	
Net pension liability	(212,011)	
Deferred inflows of resources-pension related	(133,399)	(149,769)
Net Position of Governmental Activities		$ 10,615,280

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, 2024

	General Fund	SPLOST Capital Projects	TSPLOST Capital Projects	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 4,308,104	$ -	$ -	$ -	$ -	$ 4,308,104
License and permits	94,433	-	-	-	-	94,433
Intergovernmental	394,255	673,889	408,328	671,484	-	2,147,956
Fines and forfeitures	426,819	-	-	-	16,935	443,754
Investment earnings	114,175	-	-	2,988	1,299	118,462
Other revenue	383,719	-	7,675	-	-	391,394
Total revenues	5,721,505	673,889	416,003	674,472	18,234	7,504,103
EXPENDITURES						
Current expenditures						
General government	611,274	117,631	-	-	-	728,905
Public safety	3,893,826	56,390	-	-	8,150	3,958,366
Street department	1,170,343	27,573	127,872	-	-	1,325,788
Public welfare and recreation	193,455	-	-	-	-	193,455
Zoning and codes enforcement	93,699	-	-	-	-	93,699
Building inspector	87,901	-	-	-	-	87,901
Capital outlay	-	413,202	369,170	694,607	-	1,476,979
Debt service - principal	-	-	-	-	36,000	36,000
- interest	-	-	-	-	-	-
Total expenditures	6,050,498	614,796	497,042	694,607	44,150	7,901,093
Excess (deficiency) of revenues over expenditures	(328,993)	59,093	(81,039)	(20,135)	(25,916)	(396,990)
Other Financing Sources (Uses)						
Sale of assets	16,607	-	-	-	-	16,607
Transfers in	1,299	-	-	-	-	1,299
Transfers out	-	-	-	-	(1,299)	(1,299)
Total other financing sources (uses)	17,906	-	-	-	(1,299)	16,607
Net change in fund balance	(311,087)	59,093	(81,039)	(20,135)	(27,215)	(380,383)
Fund balances - beginning of year	4,431,080	304,737	562,188	20,135	162,317	5,480,457
Fund balances - end of year	$ 4,119,993	$ 363,830	$ 481,149	$ -	$ 135,102	$ 5,100,074

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, 2024

Net Changes in Fund Balances - Total Governmental Funds		$ (380,383)
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		881,745
Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.		
Principal payments on financed purchases	36,000	
		36,000
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		(47,277)
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		(17,903)
Net change in liability for Pensions		140,241
Net change in deferred inflows - pension related		(68,713)
Net change in deferred outflows - pension related		(19,768)
Change in Net Position of Governmental Activities		$ 523,942

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

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CITY OF CHATSWORTH, GEORGIA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2024

	Budgeted Amounts			Variance Over
	Original	Final	Actual	(Under)
REVENUES				
Taxes				
City property tax	$ 1,316,815	$ 1,766,815	$ 1,771,707	$ 4,892
Premium tax	435,000	435,000	466,640	31,640
Franchise tax	756,000	756,000	791,220	35,220
Local options sales tax	858,000	858,000	910,011	52,011
Malt beverage tax	150,000	150,000	153,815	3,815
Motor vehicle tax	130,000	130,000	123,598	(6,402)
Occupational tax	70,000	70,000	61,540	(8,460)
Banking tax	28,000	28,000	29,573	1,573
Total taxes	3,743,815	4,193,815	4,308,104	114,289
License and permits				
Building Permits	40,000	40,000	32,857	(7,143)
Malt and beverage license	59,000	59,000	61,576	2,576
Total license and permits	99,000	99,000	94,433	(4,567)
Intergovernmental				
Grant revenue	120,000	120,000	18,197	(101,803)
Franchise tax from Water Works	352,000	352,000	376,058	24,058
Total intergovernmental	472,000	472,000	394,255	(77,745)
Fines and forfeitures				
Police and courts	525,000	525,000	426,819	(98,181)
Total fines and forfeitures	525,000	525,000	426,819	(98,181)
Investment earnings				
Investment earnings	70,000	70,000	114,175	44,175
Total investment earnings	70,000	70,000	114,175	44,175
Other revenue				
Miscellaneous	257,700	257,700	383,719	126,019
Total other revenue	257,700	257,700	383,719	126,019
TOTAL REVENUES	5,167,515	5,617,515	5,721,505	103,990

(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, 2024

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES				
Current expenditures				
General government				
Administration				
Administrative salaries	$ 258,000	$ 258,000	$ 214,377	$ 43,623
Insurance	52,150	52,150	46,253	5,897
Payroll taxes	20,000	20,000	16,898	3,102
Retirement contribution	15,000	15,000	12,493	2,507
Advertising	7,500	7,500	5,943	1,557
Telephone	12,000	12,000	11,708	292
Office supplies	25,000	25,000	15,373	9,627
Repairs and maintenance	8,500	8,500	1,453	7,047
Dues and subscriptions	14,000	14,000	18,175	(4,175)
Professional services	55,000	50,000	50,060	(60)
Utilities	11,500	11,500	9,427	2,073
Gas & Oil	2,000	2,000	10	1,990
Miscellaneous expenditures	55,000	38,000	37,511	489
Library aid	30,000	30,000	30,000	-
Contributions	3,000	3,000	15,000	(12,000)
Court services	30,000	30,000	21,047	8,953
Economic development	25,000	25,000	10,000	15,000
Capital purchases	300,000	300,000	-	300,000
Total administration	923,650	901,650	515,728	385,922
Building and plant				
Insurance	24,000	33,500	33,287	213
Janitorial	4,200	4,200	4,396	(196)
Total building and plant	28,200	37,700	37,683	17
Council				
Mayor and Council	27,600	27,600	27,600	-
Total council	27,600	27,600	27,600	-
Elections				
Election	7,500	7,500	-	7,500
Total elections	7,500	7,500	-	7,500
Law				
Professional services	12,000	24,500	25,825	(1,325)
Education and training	6,000	6,000	4,438	1,562
Total law	18,000	30,500	30,263	237
Total general government	$ 1,004,950	$ 1,004,950	$ 611,274	$ 393,676

(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, 2024

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public safety				
Police department				
Salaries	$1,530,689	$1,530,689	$1,513,129	$ 17,560
Payroll taxes	115,721	115,721	111,048	4,673
Group health insurance	240,792	240,792	215,053	25,739
Retirement expenditures	83,528	83,528	67,650	15,878
Workers compensation insurance	42,414	42,414	83,740	(41,326)
Office supplies	4,500	4,500	4,528	(28)
Janitorial	1,250	1,250	876	374
Utilities	15,072	15,072	16,109	(1,037)
Telephone	22,901	22,901	19,850	3,051
Insurance	60,000	60,000	60,714	(714)
Uniforms	22,816	22,816	14,418	8,398
Fuel	88,511	88,511	78,605	9,906
Supplies and materials	37,396	37,396	22,558	14,838
Repairs and maintenance	11,819	11,819	7,460	4,359
Personnel training	20,487	20,487	28,050	(7,563)
State Fines	49,618	49,618	41,938	7,680
Jail board and fund	41,830	41,830	28,294	13,536
Medical Expenditures	1,000	1,000	748	252
Vehicle expenditures	25,000	25,000	26,386	(1,386)
Miscellaneous	7,528	7,528	22,456	(14,928)
Peace officer training fund	27,222	27,222	23,557	3,665
Technology	57,984	57,984	16,983	41,001
Indemnification Fund	3,198	3,198	1,509	1,689
Budgeted and non-budgeted contributions	44,215	44,215	42,139	2,076
Capital Purchases	20,000	20,000	-	20,000
Total police department	2,575,491	2,575,491	2,447,798	127,693
Fire department				
Salaries	989,641	989,641	980,956	8,685
Payroll taxes	75,708	75,708	70,864	4,844
Group health insurance	161,136	161,136	141,320	19,816
Retirement expenditures	58,200	58,200	48,781	9,419
Workers compensation insurance	27,314	27,314	37,367	(10,053)
Insurance	20,100	20,100	19,050	1,050
Telephone	10,000	10,000	10,501	(501)
Advertising	500	500	-	500
Personnel training	7,500	7,500	8,197	(697)
Office supplies	1,300	1,300	781	519
Maintenance	12,000	12,000	14,286	(2,286)
Utilities	24,000	24,000	29,065	(5,065)
Fuel	14,000	14,000	11,255	2,745
Uniforms	15,000	15,000	3,686	11,314
Protective clothing	26,000	26,000	2,652	23,348
Equipment repairs	40,500	40,500	30,457	10,043
Truck expenditures	12,000	12,000	7,979	4,021
Janitorial	1,000	1,000	760	240
Miscellaneous	8,300	8,300	2,118	6,182
Technology	4,500	4,500	4,024	476
Medical Expenditures	500	500	219	281
Capital purchases	-	-	21,710	(21,710)
Total fire department	1,509,199	1,509,199	1,446,028	63,171
Total public safety	$4,084,690	$4,084,690	$3,893,826	$ 190,864

(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, 2024

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public works				
Street department				
Salaries	$ 520,055	$ 528,055	$ 527,664	$ 391
Payroll taxes	25,585	37,585	37,588	(3)
Group health Ins	123,964	123,964	113,208	10,756
Retirement insurance	14,825	14,825	25,476	(10,651)
Workers compensation Ins	147	51,147	51,222	(75)
Insurance	16,991	16,991	20,630	(3,639)
Auto	8,765	8,765	5,106	3,659
Uniforms	5,178	5,178	8,513	(3,335)
Fuel	31,286	40,286	39,821	465
Supplies & materials	52,249	52,249	44,955	7,294
Repairs and maintenance	6,959	25,959	25,567	392
Utilities	161,609	242,609	242,529	80
Street improvements	2,198	2,198	2,964	(766)
Office supplies	480	480	803	(323)
Telephone	4,296	4,296	6,667	(2,371)
Equipment rental	100	100	228	(128)
Miscellaneous	1,295	17,295	17,402	(107)
Capital Purchases	-	-	-	-
Total street department	975,982	1,171,982	1,170,343	1,639
Total public works	975,982	1,171,982	1,170,343	1,639
Public welfare and recreation				
Health and Sanitation				
Salaries	39,318	52,318	51,930	388
Payroll taxes	3,000	3,000	3,884	(884)
Group health insurance	7,000	7,000	9,004	(2,004)
Retirement expenditures	3,600	3,600	3,026	574
Workers compensation insurance	1,800	5,800	5,589	211
Insurance	2,500	2,500	-	2,500
Supplies & materials	500	500	11	489
Repairs & maintenance	5,000	5,000	6,583	(1,583)
Uniforms	1,000	1,000	-	1,000
Miscellaneous	-	-	-	-
Fuel	14,000	14,000	16,081	(2,081)
Tipping fees	44,000	62,500	62,347	153
Health department aid	5,000	5,000	5,000	-
Capital Purchases	-	-	-	-
Budgeted contributions	32,000	32,000	30,000	2,000
Total health and sanitation	158,718	194,218	193,455	763
Parks and recreation				
Recreation expenditures	-	-	-	-
Total parks and recreation	-	-	-	-
Total welfare and recreation	$ 158,718	$ 194,218	$ 193,455	$ 763

(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, 2024

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Zoning and Codes Enforcement				
Salaries	$ 61,000	$ 61,000	$ 62,637	$ (1,637)
Payroll taxes	7,500	7,500	4,662	2,838
Group health	10,240	10,240	9,004	1,236
Retirement	4,800	4,800	4,265	535
Workman's compensation	2,500	2,500	2,987	(487)
Janitorial	1,200	1,200	1,100	100
Insurance	2,000	2,000	780	1,220
Auto	1,000	1,000	604	396
Utilities	3,500	3,500	3,128	372
Fuel	1,500	1,500	667	833
Uniform	500	500	-	500
Contract Services	5,000	5,000	1,975	3,025
Personnel training	1,000	1,000	-	1,000
Office supplies	1,500	1,500	481	1,019
Maintenance and supplies	500	500	30	470
Equipment repairs	500	500	-	500
Telephone	1,500	1,500	1,184	316
Dues	1,500	1,500	195	1,305
Miscellaneous	2,000	2,000	-	2,000
Capital Purchases	-	-	-	-
Total Zoning and Codes Enforcement	109,240	109,240	93,699	15,541
Building Inspection				
Salaries	$ 51,000	$ 51,000	$ 51,750	$ (750)
Payroll taxes	3,902	3,902	3,033	869
Group health	16,065	16,065	18,385	(2,320)
Retirement	3,500	3,500	4,266	(766)
Workman's compensation	1,408	1,408	3,638	(2,230)
Janitorial	120	120	-	120
Insurance	1,000	1,000	780	220
Auto	1,200	1,200	680	520
Fuel	4,000	4,000	1,466	2,534
Uniform	1,120	1,120	662	458
Contract Services	1,000	1,000	100	900
Personnel training	1,406	1,406	1,562	(156)
Office supplies	4,000	4,000	596	3,404
Maintenance and supplies	200	200	53	147
Equipment repairs	-	-	-	-
Telephone	1,200	1,200	930	270
Dues	1,000	1,000	-	1,000
Capital Purchases	-	-	-	-
Total Building Inspection	92,121	92,121	87,901	4,220

(Continued)

CITY OF CHATSWORTH, GEORGIA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Continued)
Year Ended December 31, 2024

	Budgeted Amounts			Variance (Over)
	Original	Final	Actual	Under
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Total Expenditures	6,425,701	6,641,201	6,050,498	590,703
Excess (deficiency) of revenues over (under) expenditures	(1,258,186)	(1,023,686)	(328,993)	694,693
Other financing sources (uses)				
Sale of assets	-	-	16,607	16,607
Transfers in	-	-	1,299	1,299
Total other financing sources (uses)	-	-	17,906	17,906
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,258,186)	(1,023,686)	(311,087)	712,599
Fund balance - beginning of year	4,431,080	4,431,080	4,431,080	-
Fund balance - end of year	$ 3,172,894	$ 3,407,394	$ 4,119,993	$ 712,599

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

CITY OF CHATSWORTH, GEORGIA
American Rescue Plan Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2024

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental Revenue	$ -	$ 671,484	$ 671,484	$ -
Investment Income	-	2,988	2,988	-
Total Revenues	-	674,472	674,472	-
Expenditures				
General Government	-	-	-	-
Capital Outlay	-	694,607	694,607	-
Total Expenditures	-	694,607	694,607	-
Excess of Revenues Over Expenditures	-	(20,135)	(20,135)	-
Net Change in Fund Balance	$ -	$ (20,135)	(20,135)	$ -
Fund Balance - Beginning of Year			20,135	
Fund Balance - End of Year			$ -	

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Net Position
December 31, 2024

ASSETS	Water and Sewerage Fund
CURRENT ASSETS	
Cash and cash equivalents	$ 1,684,528
Investments	4,841,381
Receivables, net of allowance for uncollectibles:	
Accounts	1,027,832
Other	43,476
Inventory	298,385
Prepaid expenses	44,943
Restricted assets:	
Cash and cash equivalents	567,516
Total current assets	8,508,061
NON-CURRENT ASSETS	
Capital assets:	
Land	906,794
Buildings	10,691,390
Infrastructure	54,456,604
Machinery and equipment	12,019,881
Vehicles	2,067,560
Construction in progress	5,288,974
	85,431,203
Less accumulated depreciation	43,749,047
Total non-current assets	41,682,156
Total assets	50,190,217
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	75,310

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Net Position (Continued)
December 31, 2024

LIABILITIES		
CURRENT LIABILITIES		
Payable from current assets:		
Accounts payable	$	332,600
Retainage payable		188,320
Compensated absences payable		226,821
Accrued expenses and other liabilities		49,136
Customer deposits payable		1,107,598
Unearned revenue		40,858
Notes payable from direct borrowings - current		514,977
Financed purchases from direct borrowings - current		420,002
Payable from restricted assets:		
Direct placement bonds payable - current		470,000
Accrued interest payable		30,120
Total current liabilities		3,380,432
LONG-TERM LIABILITIES		
Direct placement bonds payable		2,566,333
Notes payable from direct borrowings		9,566,012
Finanaced purchases from direct borrowings		385,000
Net pension liability		10,691
Total long-term liabilities		12,528,036
Total liabilities		15,908,468
DEFERRED INFLOWS OF RESOURCES		
Pension related items		196,658
NET POSITION		
Net investment in capital assets		27,571,512
Restricted for debt service		112,779
Restricted for capital projects		424,617
Unrestricted		6,051,493
Total net position	$	34,160,401

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended December 31, 2024

	Water and Sewerage Fund
Operating revenues	
Charges for services:	
Water sales	$ 6,672,256
Sewer sales	1,810,129
Connection fees	294,685
Other fees and charges	824,003
Total operating revenues	9,601,073
Operating expenses	
Administrative	2,162,384
Distribution and maintenance	1,872,077
Sewer plant	957,481
Water plant	2,051,167
Depreciation	2,598,228
Total operating expenses	9,641,337
Operating income	(40,264)
Non-operating revenues (expenses)	
Interest income	211,243
Intergovernmental revenues	2,956,622
Interest expense and fiscal charges	(267,839)
Increase in fair vaue of investments	(84,105)
Gain on sale of capital assets	(183,853)
Total non-operating revenues (expenses), net	2,632,068
Change in net position	2,591,804
Net position, January 1	31,668,762
Adjustment - change in accounting principle	(100,165)
Net position, January 1, as adjusted	31,568,597
Net position, end of year	$ 34,160,401

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

CITY OF CHATSWORTH, GEORGIA
Proprietary Funds
Statement of Cash Flows
Year Ended December 31, 2024

	Water and Sewerage Fund
Cash Flows from Operating Activities	
Receipts from customers and users	$ 9,488,599
Payments to suppliers	(4,462,300)
Payments to employees	(2,887,327)
Net cash used in operating activities	2,138,972
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	(4,920,569)
Intergovernmental receipts	3,311,339
Issuance of long-term borrowing	1,185,000
Principal payments on long-term borrowings	(1,386,972)
Interest paid on long-term borrowings	(280,611)
Proceeds from the sale of capital assets	12,891
Net cash used in capital and related financing activities	(2,078,922)
Cash Flows from Investing Activities	
Purchases of investments	(2,601,241)
Proceeds from maturities of investments	1,677,979
Interest received	211,243
Net cash used in investing activities	(712,019)
Net increase in cash and cash equivalents	(651,969)
Cash and cash equivalents:	
Beginning of year	2,904,013
End of year	$ 2,252,044
Classified as:	
Cash and cash equivalents	$ 1,684,528
Restricted cash and cash equivalents	567,516
	$ 2,252,044
Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating loss	$ (40,264)
Adjustments to reconcile operating income to net cash provided in operating activities	
Depreciation	2,598,228
Changes in assets and liabilities:	
Decrease in accounts receivable	67,378
Increase in inventory	(10,010)
Increase in prepaid expenses	(3,551)
Decrease in deferred outflows - pension items	136,513
Decrease in accounts payable and accrued expenses	(138,852)
Decrease in unearned revenue	(12,109)
Decrease in customer deposits payable	(167,743)
Decrease in net pension liability	(487,276)
Increase in deferred inflows - pension items	196,658
Net cash used in operating activities	$ 2,138,972
Non-Cash Investing Activities	
Decrease in fair value of investments	$ (183,853)

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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.

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, 2024.

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 $5000 and an estimated useful life in excess of two years. Prior to January 1, 2023 the capitalization threshold was $500. Assets were removed in 2023 that did not meet the new threshold. 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 $5,000 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.

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Sick pay is accumulated and in accordance with GASB Statement No. 101 and an estimate for the time to be used during employment has been accrued. A liability for the estimated sick leave as earned PTO has been accrued in the government-wide financial statements.

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, 2024
Levy date	October 20, 2024
Tax bills mailed	October 20, 2024
Payment due date	October 20, 2024 through February 28, 2025
Delinquency date	March 1, 2025

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, 2024:

As reported in the Governmental Funds Statement of Net Position

Cash and cash equivalents	$	1,671,239
Investments		480,046
Restricted:		
Cash and cash equivalents		897,433
	$	3,048,718

Cash deposited with financial institutions	$	2,568,672
Municipal debt obligations		474,971
US government agency bond obligations		5,075
	$	3,048,718

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, 2024, the City did not have any deposits which were uninsured or under collateralized, as defined by State statutes.

On December 31, 2024 , the City had the following investments:

Type of Investment	Maturity Date or Weighted Avg. Maturity	Fair Value
US Government Agency Bonds	7.5 years	$ 5,075
Municipal Bonds	9.75 years	474,971
Total Investments		$ 480,046

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, 2024, 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 $370,040 and represent 77.16% of the City's total investments at year-end. Investments with a market value of $39,586 and $26,082 of the state Illinois and California represent 8.25% and 5.44%, 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, 2024, are summarized as follows:

As reported in the Statement of Net Position

Cash and cash equivalents	$	1,684,528
Investments		4,841,381
Restricted:		
Cash and cash equivalents		567,516
	$	7,093,425
Cash deposited with financial institutions	$	2,252,044
Municipal bonds		4,102,637
U.S. Treasury bonds		738,744
	$	7,093,425

As of December 31, 2024, the Commission held the following investments:

Type of Investment	Weighted Avg. Maturity		Fair Value
Municipal Bonds	7.32	$	4,101,972
U.S. Treasury bonds	.05		738,744
Total investments		$	4,841,381

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, 2024, the Commission's investments of U.S. Government agencies were rated Aaa and its municipal debt obligations ranged from Aaa to A2 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 state of Georgia, Columbia County, Georgia, City of Atlanta, Georgia and the State of Texas. These investments have a market value of $2,029,818 and represent 41.9% 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	$ 488,514	10.1%
Texas	425,418	8.8%
Columbia County, GA	685,187	14.2%
City of Atlanta, GA	430,699	8.9%
	$ 2,029,818	42.0%

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, 2024 are as follows:

Investment	Level 1	Level 2	Fair Value
Municipal Bonds	$ 94,397	$ 4,008,240	$ 4,102,637
U.S. Treasury Bonds	492,629	246,115	738,744
Total investments measured at fair value	$ 587,026	$ 4,254,355	$ 4,841,381

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, 2024, 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, 2024

is as follows:

	Current Levy	Prior Levies	Total
General Fund			
Property Taxes Receivable	$ 212,888	$ 14,355	$ 227,243
Allowance for Uncollectible Taxes	(1,545)	(153)	(1,698)
Net	$ 211,343	$ 14,202	$ 225,545

NOTE 5. RECEIVABLES

The following amounts are due from other governments on December 31, 2024:

Murray County Industrial Development Authority	$	969,401
Murray County Georgia – SPLOST		122,836
State of Georgia – Grants		19,792
State of Georgia – Sales Tax and TSPLOST		203,260
Total	$	1,315,289

Proprietary Funds

Receivables, including the applicable allowances for uncollectible accounts, consisted of the following on December 31, 2024:

Receivables:		
Accounts	$	1,050,749
Less allowance for uncollectibles		22,917
Net accounts receivable	$	1,027,832
Other receivables	$	43,476

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	$ 101,512	$ 101,512

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, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Net Changes	Ending Balance	Due Within One Year
Financed purchases from direct borrowings	$ 144,000	$ -	$ 36,000	$ -	$ 108,000	$ 36,000
Compensated absences	288,758			17,903	306,661	306,661
Total long-term liabilities	$ 432,758	$ -	$ 36,000	$ 17,903	$ 414,661	$ 342,661

Beginning balances of the compensated absences liability have been adjusted due to the implementation of GASB Statement No. 101. See Note 11.

Financial Purchases from Direct Borrowings

On July 3, 2023 the City entered into a lease agreement to purchase safety cameras with Flock Safety payable in the amount of $181,950 in 5 installments of $36,000 with interest at 0%,

		Principal	Interest
Debt service requirements to maturity are as follows:			
Year ending December 31,	2025	36,000	-
Year ending December 31,	2026	36,000	-
Year ending December 31,	2027	36,000	
Total Payments		108,000	-

NOTE 8. LONG-TERM DEBT (CONTINUED)

Financial Purchases from Direct Borrowings (Continued)

Assets acquired through financed purchases are as follows:

Governmental activities:	
Equipment	$ 181,950
Less accumulated depreciation	(54,585)
Net Book Value	$ 127,365

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

Water Work Commission

Long-term debt activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Net Changes	Ending Balance	Due Within One Year
Direct placement bonds	$ 3,475,000	$ -	$ (460,000)	$ -	3,015,000	$ 470,000
Premium	27,793	-	(6,460)	-	21,333	-
Direct placement bonds payable, net	3,502,793	-	(466,460)	-	3,036,333	470,000
Notes payable from direct borrowings	10,587,959	-	(506,970)	-	10,080,989	514,977
Financed purchases from direct borrowings	40,004	1,185,000	(420,002)	-	805,002	420,002
Net pension liability	497,967	247,398	(734,674)	-	10,691	-
Compensated absences	224,570	-	-	2,251	226,821	226,821
Total long-term liabilities	$14,853,293	$1,432,398	$ (2,128,106)	$ 2,251	$ 14,159,836	$ 1,631,800

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,			
2025	470,000	81,956	551,956
2026	485,000	70,794	555,794
2027	495,000	58,669	553,669
2028	510,000	45,675	555,675
2029	520,000	31,650	551,650
2030	535,000	16,050	551,050
Total	$ 3,015,000	$ 304,794	$ 3,319,794

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,			
2025	$ 514,977	$ 176,712	$ 691,689
2026	524,404	167,705	692,109
2027	533,574	158,536	692,110
2028	542,909	149,200	692,109
2029	552,414	139,695	692,109
2030-2034	2,910,798	549,750	3,460,548
2035-2039	2,791,647	291,726	3,083,373
2040-2042	1,710,266	50,290	1,760,556
Total	$ 10,080,989	$ 1,683,614	$ 11,764,603

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, 2023, the Commission had equipment under financed purchases with a cost of $100,010 and accumulated depreciation of $33,337 for a net book value of $66,673. Annual depreciation of these assets is included in depreciation expense.

In September 2024, the Commission entered into a purchase agreement for financing the acquisition of a building used in the operations of the Commission. The purchase agreement does 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, 2024, the Commission had the building under financed purchase with a cost of $1,185,000 and accumulated depreciation of $9,875 for a net book value of $1,175,125. Annual depreciation of the asset is included in depreciation expense.

As of December 31, 2024, the future payments for the financed purchases from direct borrowings are as follows:

Year Ending December 31,	Principal
2025	$ 420,002
2026	385,000
Total	$ 805,002

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. CAPITAL ASSETS

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

General government	$	180,134
Public safety		364,465
Public works		145,848
Zoning & Building inspection		8,856
Total	$	699,303

NOTE 11. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended December 31, 2024 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 870,407	$ 60,600	$ -	$ 931,007
Construction in process	18,000	815,429	(784,668)	48,761
Total	888,407	876,029	(784,668)	979,768
Capital assets being depreciated:				
Buildings and improvements	2,487,826	784,668	-	3,272,494
Infrastructure	4,137,100	369,170	-	4,506,270
Equipment	2,096,623	27,021	(23,095)	2,100,549
Furniture and fixtures	83,820	-	-	83,820
Vehicles	3,640,904	314,120	(145,995)	3,809,029
Total	12,446,273	1,494,979	(169,090)	13,772,162
Less accumulated depreciation for:				
Buildings and improvements	(1,526,611)	(69,728)	-	(1,596,339)
Infrastructure	(2,980,908)	(110,621)	-	(3,091,529)
Equipment	(1,177,037)	(208,415)	23,095	(1,362,357)
Furniture and fixtures	(83,820)	-	-	(83,820)
Vehicles	(2,469,922)	(310,539)	140,703	(2,639,758)
Total	(8,238,298)	(699,303)	163,798	(8,773,803)
Total capital assets, being depreciated - net	4,207,975	795,676	(5,292)	4,998,359
Governmental activities, capital assets - net	$ 5,096,382	$ 1,671,705	$ (789,960)	$ 5,978,127

Additions to capital assets consist of SPLOST fund additions of $461,962, TSPLOST additions of $369,170 , American Rescue Plan Fund additions of $694,607 and Donated assets of $60,600.

NOTE 11. CAPITAL ASSETS (CONTINUED)

Water Works Commission

Capital assets activity for the year ended December 31, 2024 is as follows:

Business-Type activities	Beginning Balance	Increases	Retirements & Transfers	Ending Balance
Capital assets not being depreciated:				
Land	$ 906,794	$ -	$ -	$ 906,794
Construction in progress	2,704,120	3,285,716	(700,862)	5,288,974
Total	3,610,914	3,285,716	(700,862)	6,195,768
Capital assets being depreciated:				
Buildings	9,473,395	1,217,995	-	10,691,390
Infrastructure	54,043,169	59,135	354,300	54,456,604
Machinery and equipment	11,274,466	103,376	242,201	11,620,043
Furniture and fixtures	390,340	9,498	-	399,838
Vehicles	1,975,566	147,853	(55,859)	2,067,560
Total	77,156,936	1,537,857	540,642	79,235,435
Less accumulated depreciation for:				
Buildings	(5,899,121)	(366,892)	-	(6,266,013)
Infrastructure	(29,468,941)	(1,369,800)	-	(30,838,741)
Machinery and equipment	(4,463,793)	(685,055)	7,365	(5,141,483)
Furniture and fixtures	(298,174)	(19,844)	-	(318,018)
Vehicles	(1,084,014)	(156,637)	55,859	(1,184,792)
Total	(41,214,043)	(2,598,228)	63,224	(43,749,047)
Total capital assets, being depreciated, net	35,942,893	(1,060,371)	603,866	35,486,388
Total capital assets, net	$ 39,553,807	$ 2,225,345	$ (96,996)	$ 41,682,156

NOTE 12. 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, 2024, the date of the most recent actuarial valuation, there were 91 participants in the Plan consisting of the following:

	City	Water Works
Inactive plan members or beneficiaries currently receiving benefits	26	20
Inactive plan members entitled to but not receiving benefits	15	5
Active plan members	15	10
Total	**56**	**35**

NOTE 12. 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, 2024, the City and Commission's recommended contribution rates were 9.53% and 15.39 % respectively of annual payroll.

City and Commission contributions to the Plan were $90,650 and $100,413 respectively for the year ended December 31, 2024. 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, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2024.

Actuarial assumptions. The total pension liability in the July 1, 2023 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 merit based Increases
Investment rate of return	7.38%, net of pension plan investment expense, including inflation

Mortality rates of the July 1, 2023 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, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015-June 30, 2019.

NOTE 12. 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, 2024 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.91%
International equity	20%	7.21
Global fixed income	5%	1.67
Real estate	10%	3.61
Domestic fixed income	20%	1.61
Cash	-%	
Total	100%	

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

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

Amounts reported for the year ending December 31, 2024 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 12. 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, 2024 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/23	$ 3,806,725	$ 3,454,473	$ 352,252
Changes for the year:			
Service cost	22,090	-	22,090
Interest	273,395	-	273,395
Differences between expected and actual experience	211,890	-	211,890
Contributions-employer	-	90,650	(90,650)
Net investment income	-	567,029	(567,029)
Benefit payments, including refunds of employee contributions	(243,519)	(243,519)	-
Administrative expense	-	(10,063)	10,063
Other	-	-	-
Net changes	263,856	404,097	(140,241)
Balances at 12/31/24	$ 4,070,581	$ 3,858,570	$ 212,011

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	$ 697,938	$ 212,011	$ (198,008)

NOTE 12. 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, 2024 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, 2024, the City recognized pension expense of $20,748. At December 31, 2024, 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	$ 141,260	$ (20,862)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(112,537)
City contributions subsequent to the measurement date	54,381	-
Total	$ 195,641	$ (133,399)

City contributions subsequent to the measurement date of $54,381 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, 2025. 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:	
2025	(96,026)
2026	123,455
2027	44,086
2028	(63,654)
Total	7,861

NOTE 12. 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, 2024 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/23	$ 3,132,480	$ 2,634,513	$ 497,967
Changes for the year:			
Service cost	16,058	-	16,058
Interest	225,086	-	225,086
Differences between expected and actual experience	(214,894)	-	(214,894)
Contributions-employer	-	86,444	(86,444)
Net investment income	-	433,336	(433,336)
Benefit payments, including refunds of employee contributions	(193,038)	(193,038)	-
Administrative expense	-	(6,254)	6,254
Net changes	(166,788)	320,488	(487,276)
Balances at 12/31/24	$ 2,965,692	$ 2,955,001	$ 10,691

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	$ 300,094	$ 10,691	$ (240,454)

NOTE 12. 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, 2024 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, 2024, the Commission recognized pension expense of $(70,128). At December 31, 2024, 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	$ -	$ 107,447
Net difference between projected and actual earnings on pension plan investments	-	89,211
Commission contributions subsequent to the measurement date	75,310	-
Total	$ 75,310	$ 196,658

Commission contributions subsequent to the measurement date of $75,310 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, 2025. 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:	
2025	$ (222,491)
2026	40,420
2027	34,053
2028	(48,640)
Total	$ 196,658

NOTE 13. 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 5% of the employee's salary. Employees are eligible after one month 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, 2024, the employer contributions are as follow:

	Number of Plan Members	Employer Contributions
City of Chatsworth	26	$ 87,724
Water Works Commission	29	152,356

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, 2024, employee contributions are as follow:

	Nationwide	Newport
City of Chatsworth	$ 2,080	$ 74,947
Water Works Commission	-	183,050

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 14. 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 14. 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 15. 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, 2023, the City paid $4,883 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, 2024 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 16. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2024 the City did not engage in any related party transactions with immediate family members of the Commissioners.

NOTE 17. 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 17. 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.

Contractual Commitments:

For the year ended December 21, 2024, the Commission had contractual commitments on uncompleted contracts of $413,570.

NOTE 18. TRANSFERS

Transfers from the cemetery fund of the interest income earned of $1,299 were made to the general fund to cover maintenance costs.

NOTE 19. ACCOUNTING CHANGES

Change in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences,* the City and Commission is required to reevaluate the accounting treatment of compensated absences. Also, in conjunction with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections,* the City and Commission is required to reevaluate its reporting of a Change in Accounting Principle by adjusting net position for the effect of a newly adopted accounting principle on prior periods. Therefore, in conjunction with the implementation of GASB Statements No. 101 and 100, the following adjustment was required to the beginning net position of the City and Commission.

	CITY	COMMISSION
Beginning net position, as previously reported	$ 10,273,695	$ 31,668,762
Adjustment due to implementation of GASB No. 101 and 100	(182,357)	(100,165)
Beginning net position, as adjusted	10,091,338	31,568,597

REQUIRED SUPPLEMENTARY INFORMATION

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

CITY

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 22,090	$ 23,013	$ 25,749	$ 24,577	$ 19,372	$ 20,378	$ 23,623	$ 23,854	$ 23,343	$ 29,710
Interest on pension liability	273,395	273,161	271,250	256,038	245,266	230,603	226,745	219,796	216,935	212,158
Differences between expected and actual experience	211,890	(62,587)	(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	(243,519)	(215,448)	(183,490)	(175,956)	(167,791)	(159,190)	(153,349)	(149,406)	(144,589)	(127,212)
Net change in total pension liability	263,856	18,139	44,622	208,864	200,359	200,819	131,506	91,638	39,320	70,326
	3,806,725	3,788,586	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)	$ 4,070,581	$ 3,806,725	$ 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	$ 90,650	$ 90,458	$ 97,727	$ 77,429	$ 65,842	$ 63,326	$ 63,261	$ 70,132	$ 84,747	$ 97,634
Net investment income	567,029	(259,723)	227,173	1,184,269	(197,119)	104,834	335,513	310,549	6,871	229,253
Benefit payments, including refunds of member contributions	(243,519)	(215,448)	(183,490)	(175,956)	(167,761)	(159,190)	(153,349)	(149,406)	(144,589)	(127,212)
Administrative expenses	(10,063)	(12,127)	(11,596)	(11,370)	(12,617)	(12,189)	(12,071)	(12,466)	(8,949)	(8,339)
Net change in plan fiduciary net position	404,097	(396,840)	129,814	1,074,372	(311,655)	(3,219)	233,354	218,809	(61,920)	191,336
Plan fiduciary net position - beginning	3,454,473	3,851,313	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)	$ 3,858,570	$ 3,454,473	$ 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)	$ 212,011	$ 352,252	$ (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	94.79%	90.75%	101.66%	99.40%	74.88%	88.73%	94.52%	90.88%	86.23%	89.56%
Covered-employee payroll	$ 938,205	$ 1,008,967	$ 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 payroll	22.60%	34.91%	-5.59%	1.84%	77.45%	34.40%	15.55%	23.33%	33.34%	24.48%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 16,058	$ 14,481	$ 15,139	$ 14,092	$ 15,268	$ 20,366	$ 20,977	$ 19,053	$ 21,433	$ 21,314
Interest on pension liability	225,086	217,359	218,268	210,723	211,603	206,056	202,197	198,593	194,790	189,952
Differences between expected and actual experience	(214,894)	74,764	(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	(193,038)	(213,762)	(214,950)	(215,435)	(218,206)	(208,646)	(186,046)	(192,752)	(180,752)	(168,834)
Net change in total pension liability	(166,788)	92,842	(12,267)	101,022	35,673	83,842	129,353	43,145	55,081	68,383
Total pension liability - beginning	3,132,480	3,039,638	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)	$ 2,965,692	$ 3,132,480	$ 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	$ 86,444	$ 107,424	$ 106,849	$ 99,719	$ 100,699	$ 93,932	$ 91,856	$ 92,159	$ 85,567	$ 105,333
Net investment income	433,336	(200,204)	176,844	926,458	(153,765)	84,030	273,177	255,738	5,036	195,983
Benefit payments, including refunds of member contributions	(193,038)	(213,762)	(214,950)	(215,435)	(218,206)	(208,646)	(186,046)	(192,752)	(180,752)	(168,834)
Administrative expenses	(6,254)	(7,623)	(7,277)	(7,158)	(7,958)	(7,640)	(7,612)	(7,892)	(5,233)	(4,723)
Net change in plan fiduciary net position	320,488	(314,165)	61,466	803,584	(279,230)	(38,324)	171,375	147,253	(95,382)	127,759
Plan fiduciary net position - beginning	2,634,513	2,948,678	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)	$ 2,955,001	$ 2,634,513	$ 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)	$ 10,691	$ 497,967	$ 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	99.64%	84.10%	97.01%	94.60%	70.61%	81.05%	84.81%	82.52%	78.32%	83.64%
Covered payroll	$ 672,549	$ 683,894	$ 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 payroll	1.59%	72.81%	14.40%	26.58%	146.90%	86.82%	62.82%	70.25%	84.64%	56.65%

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

City:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ -	$ 87,028	$ 101,271	$ 96,546	$ 71,057	$ 64,103	$ 63,067	$ 63,325	$ 72,401	88,862
Contributions in relation to the actuarially determined contribution	-	87,028	101,271	96,546	71,057	64,103	63,067	63,325	72,401	88,862
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ -	$ 1,008,967	$ 1,122,225	$ 1,220,347	$ 1,146,482	$ 1,105,460	$ 1,173,211	$ 1,202,440	$ 1,223,950	$ 1,351,588
Contributions as a percentage of covered-employee payroll	0.00%	8.63%	9.02%	7.91%	6.20%	5.72%	5.29%	5.18%	5.94%	6.46%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2024
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 13 years.

Water Works:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 100,413	$ 93,655	$ 110,178	$ 106,183	$ 98,426	$ 101,154	$ 92,487	$ 91,730	$ 92,245	$ 93,591
Contributions in relation to the actuarially determined contribution	100,413	93,655	110,178	106,183	98,426	101,154	92,487	84,344	92,245	93,591
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,386	$ -	$ -
Covered payroll	$ 652,574	$ 618,005	$ 626,142	$ 580,200	$ 589,008	$ 679,349	$ 662,198	$ 619,967	$ 711,182	$ 799,040
Contributions as a percentage of covered payroll	15.39%	15.15%	17.60%	18.30%	16.71%	14.89%	13.97%	13.60%	12.97%	11.71%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2023
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.

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OTHER SUPPLEMENTARY INFORMATION

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City of Chatsworth, Georgia
Nonmajor Governmental funds
Combining Balance Sheet
December 31, 2024

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental
	Confiscated Goods	Cemetary	Funds
ASSETS			
Cash	$ 81,022	$ 66,726	$ 147,748
Total Assets	$ 81,022	$ 66,726	$ 147,748
LIABILITIES			
Accounts payable	$ 12,646	-	$ 12,646
Total Liabilities	12,646	-	12,646
FUND BALANCES			
Nonspendable	-	66,726	66,726
Restricted for -			
Public Safety	68,376	-	68,376
Total fund balances	68,376	66,726	135,102
TOTAL LIABILITIES AND FUND BALANCES	$ 81,022	$ 66,726	$ 147,748

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, 2024

	Special Revenue Fund Confiscated Goods	Permanent Fund Cemetary	Total Nonmajor Governmental Funds
REVENUES			
Fines and forfeitures	$ 16,935	$ -	$ 16,935
Investment earnings	-	1,299	1,299
Total revenues	16,935	1,299	18,234
EXPENDITURES			
Current expenditures			
General government	-	-	-
Public safety	44,150	-	44,150
Total expenditures	44,150	-	44,150
Excess (deficiency) of revenues over expenditures	(27,215)	1,299	(25,916)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	(1,299)	(1,299)
Total other financing sources (uses)	-	(1,299)	(1,299)
Net change in fund balance	(27,215)	-	(27,215)
Fund balances - beginning of year	95,591	66,726	162,317
Fund balances - end of year	$ 68,376	$ 66,726	$ 135,102

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

INTERNAL CONTROL AND COMPLIANCE SECTION

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities business-type and each major fund and the remaining fund information of the City of Chatsworth, Georgia, as of and for the year ended December 31, 2024, 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 October 24, 2025.

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.

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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
October 24, 2025

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, 2024. 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, 2024, in conformity with accounting principles generally accepted in the United States of America.

Chrysan Thomas
Chrysan Thomas
Certified Public Accountant
October 24, 2025

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

CITY OF CHATSWORTH, GEORGIA
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax
Year Ended December 31, 2024

Local Option Sales Tax – 2018 Cycle

Project #	Project	Original Estimated Cost	Revised Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percent of Completion
1	Fire Department Equipment	$ 820,000	$ 1,061,559	$ 1,001,211	$ 60,348	$ 1,061,559	100%
2	Police Department Equipment	550,000	915,651	533,428	382,223	915,651	100%
3	Street Department Equipment	370,000	323,864	296,843	27,021	323,864	100%
4	Sanitation Department Equipment	300,000	250,800	250,800	-	250,800	100%
5	Streets, Parks, Drainage	731,750	488,855	458,455	30,400	488,855	100%
6	Economic Development	30,000	16,000	-	16,000	16,000	100%
7	Technology Upgrades	217,000	336,362	237,558	98,804	336,362	100%
	Total	$ 3,018,750	$ 3,393,091	$ 2,778,295	$ 614,796	$ 3,393,091	100%

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	$ -	$ -	$ 988,325	$ 489,367	$ 1,477,692	
	Related Equipment	-	-	247,442	-	247,442	
	Total	$ 1,880,000	$ 1,880,000	$ 1,235,767	$ 489,367	$ 1,725,134	92%

Non-TSPLOST expenditures	7,675
Total expenditur	$ 497,042