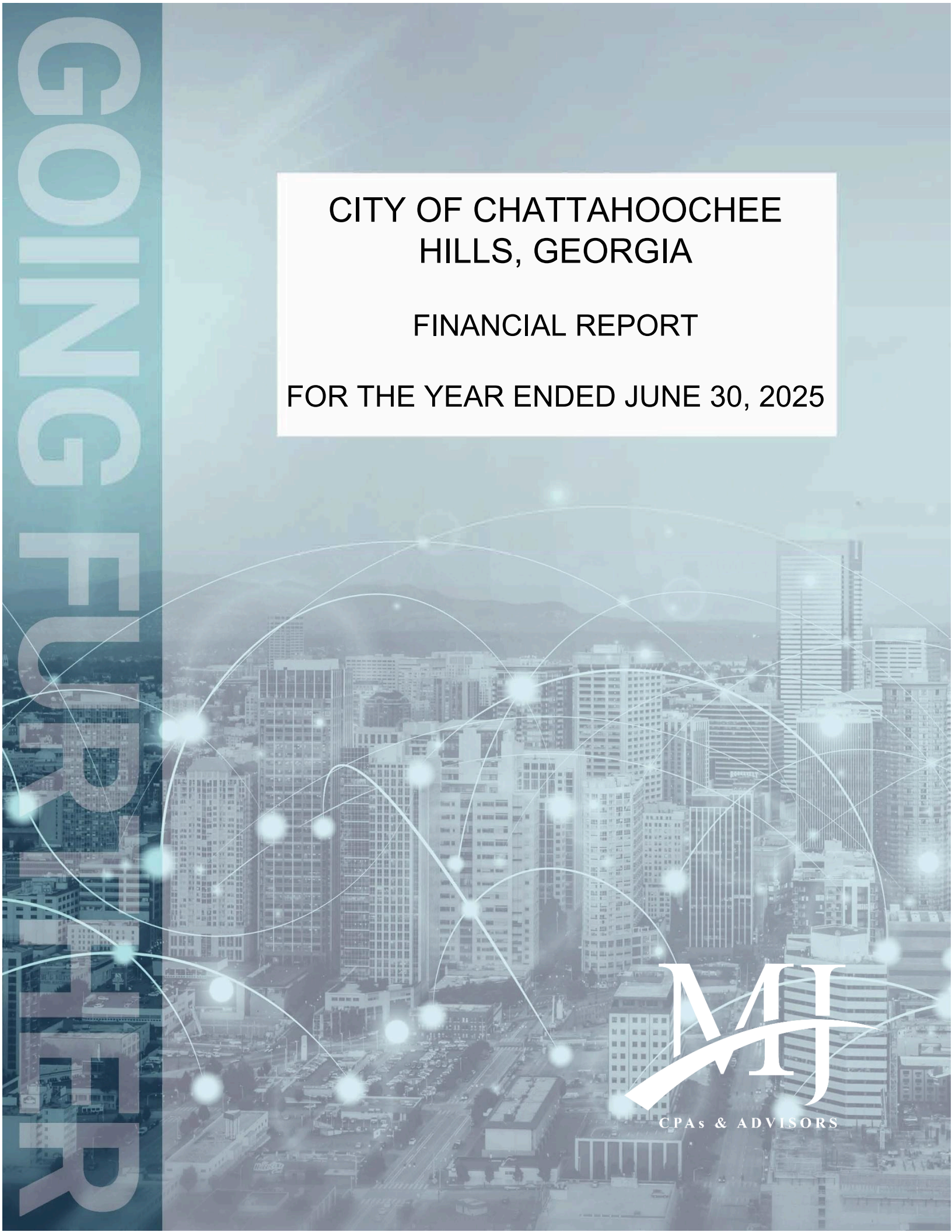
GOING FURTHER

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025



MJ

CPAs & ADVISORS

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

Prepared by:
Finance Department

INTRODUCTORY SECTION

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Chattahoochee Hills, Georgia** (the "City"), as of and for the year ended June 30, 2025, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 15 in the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, as of July 1, 2024. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), and the Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis) be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedules of projects constructed with proceeds from transportation special purpose local option sales tax, as required by the Official Code of Georgia 48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of projects constructed with proceeds from transportation special purpose local option sales tax are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
September 22, 2025

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

As management of the City of Chattahoochee Hills, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Chattahoochee Hills for the year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

- Assets of the City exceeded its liabilities by $12,847,605 (net position), representing a $2,438,639 or 23.43% increase over the prior year.
- Unrestricted net position decreased slightly, from $6,6688,205 to $6,427,051, a decrease of $261,154 or 3.9%.
- As of June 30, 2025, the City's governmental funds reported combined ending fund balances of $6,728,199, a decrease of $386,236 or 5.43% over the prior year.
- The City received donated recreational facilities valued at $2.9 million from the Trust for Public Land.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Chattahoochee Hills' basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide the reader with a broad overview of the City of Chattahoochee Hills' financial position in a manner similar to private-sector business. These statements include the Statement of Net Position and the Statement of Activities and can be found on pages 14 and 15 of this report.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. for uncollected taxes and earned, but unused employee leave).

Both of the government-wide financial statements report functions for the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The City of Chattahoochee Hills' governmental activities include general government, judicial, public safety, public works, culture and recreation, and community development. The City currently does not have any business-type activities.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Chattahoochee Hills maintains three major funds and one nonmajor governmental fund. The City's major governmental funds are the General Fund; Hotel/Motel Fund; and the TSPLOST Fund. The City's nonmajor fund is the Technology Fee Fund.

The basic governmental fund financial statements are presented on pages 16 through 18 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 19 through 37 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The budgetary comparison schedules are intended to demonstrate the City's compliance with the legally adopted and amended budgets. Required supplementary information can be found on pages 38 through 40 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. At June 30, 2025 the City's assets exceeded liabilities and deferred inflows of resources by $12,847,605, and increase of $2,438,639 or 23.43% over the prior year. A significant portion of the City's net position, $5,977,817 is its investment in capital assets (land, buildings, infrastructure, and equipment), less any related debt to acquire those assets. For fiscal year 2025, these assets include of donated recreational facilities valued at $2.9 million from the Trust for Public Land. Because the City uses these capital assets to provide services to its residents, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City also reported $442,737 in restricted net position for funds which can only be spent for designated purposes as required by state law or contractual agreements. In the City's case, $29,245 is restricted for tourism and $413,492 is restricted for capital projects.

The remaining portion of the City's net position represents unrestricted net position in the amount of $6,427,051 and is primarily attributable to operating revenues in excess of expenditures from the inception of the City through the current period.

The following table provides a summary of the City's governmental net position for fiscal years 2025 and 2024:

City of Chattahoochee Hills Net Position
June 30, 2025 and 2024

	2025	2024 Restated	Inc (Dec)	Percent
Assets				
Current Assets	$ 7,757,826	$ 8,350,816	$ (592,990)	(7.10) %
Capital assets, net of accumulated depreciation	7,187,542	3,730,188	3,457,354	92.69
Total assets	14,945,368	12,081,004	2,864,364	23.71
Liabilities				
Current liabilities	890,926	852,307	38,619	4.53
Long-term liabilities	850,614	442,656	407,958	92.16
Total liabilities	1,741,540	1,294,963	446,577	34.49
Deferred Inflows of Resources				
Leasing arrangements	356,223	377,075	(20,852)	(5.53)
Net Position				
Net Investment in capital assets	5,977,817	3,106,980	2,870,837	92.40
Restricted for Tourism	29,245	24,125	5,120	21.22
Restricted for capital projects	413,492	638,278	(224,786)	(35.22)
Unrestricted	6,427,051	6,639,583	(212,532)	(3.20)
Total net position	$ 12,847,605	$ 10,408,966	$ 2,438,639	23.43 %

Changes in net position. The table on the following page indicates the change in net position for the fiscal years ended June 30, 2025 and 2024:

City of Chattahoochee Hills Changes in Net Position
for the Year Ended June 30, 2025 and 2024

	2025	2024 Restated	Increase (Decrease)	Percent	
Revenues:					
Program Revenues:					
Charges for services	$ 994,818	$ 850,692	$ 144,126	16.94	%
Operating grants and contributions	1,180	700,795	(699,615)	(99.83)	
Capital grants and contributions	4,117,273	1,059,003	3,058,270	288.79	
General Revenues:					
Property taxes	3,618,501	3,372,842	245,659	7.28	
Sales taxes	1,037,122	1,014,332	22,790	2.25	
Hotel/motel taxes	486,112	442,373	43,739	9.89	
Franchise taxes	201,752	182,942	18,810	10.28	
Business taxes	355,518	335,324	20,194	6.02	
Investment earnings	117,824	158,119	(40,295)	(25.48)	
Gain on sale of capital assets	22,726	4,100	18,626	454.29	
Total revenues	10,952,826	8,120,522	2,832,304	34.88	
Expenses:					
General government	858,999	854,708	4,291	0.50	
Judicial	234,791	196,258	38,533	19.63	
Public safety	3,334,741	2,718,448	616,293	22.67	
Public works	2,985,980	2,082,870	903,110	43.36	
Culture and recreation	588,118	476,520	111,598	23.42	
Community development	468,383	368,707	99,676	27.03	
Interest expenses	43,175	19,653	23,522	119.69	
Total expenses	8,514,187	6,717,164	1,797,023	26.75	
Change in net position	2,438,639	1,403,358	$ 1,035,281	73.77	%
Net position beginning of year, as previously reported	10,457,588	9,054,230			
Restatement - change in accounting principal	(48,622)	-			
Net position beginning of year, as restated	10,408,966	9,054,230			
Net position end of year	$ 12,847,605	$ 10,457,588			

Governmental activities increased the City's net position by $2,438,639 in fiscal 2025 and $1,403,358 in fiscal year 2024 as the City continues to generate revenues in excess of expenses. Total revenues increased $2,832,304 or 34.88% from the prior year. Charges for services increased $144,126 or 16.94% primarily from increases in planning and development fees. Operating grants decreased $699,615 or 99.83% as the City expended funds received under the American Rescue Plan Act in the prior year. Capital grants and contributions increased $3,058,270 or 288.79% from donated recreational facilities valued at $2.9 million provided by the Trust for Public Land. Property tax revenues increased $245,659 or 7.28%, as a result of significant increases in assessed values of property. Hotel/motel taxes have increased $43,739 or 9.89% as the travel and vacation sector of the economy continues to improve. Investment earnings decreased $40,295 or 25.48% as interest rates available on surplus balances has decreased from the prior year.

Total expenses have increased $1,797,023 or 26.75%. General government expenses increased $4,291 or less than 1%. Public safety expenses increased $616,293 or 22.67% primarily from increases in salaries and benefits; general increases in operating expenses and increases in depreciation. Public works expenses increased $903,110 or 43.36% as the City expended significant funds for road resurfacing. Culture and recreation expenses increased $111,598 or 23.42% primarily from increases in salaries and benefits along with general increases in operating expenses. Community development expenses increased $99,676 or 27.03% primarily from increases in salaries and benefits and professional fees.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table on the following page indicates the change in fund balances for the fiscal years ended June 30, 2025 and 2024:

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City of Chattahoochee Hills
Comparison of Revenues, Expenditures, and Changes in Fund Balances
for the Years Ended June 30, 2025 and 2024

	2025	2024	Increase (Decrease)	Percent	
Revenues:					
Property taxes	$ 3,590,355	$ 3,365,674	$ 224,681	6.68	%
Sales taxes	1,037,122	1,014,332	22,790	2.25	
Hotel/motel taxes	486,112	442,373	43,739	9.89	
Franchise taxes	201,752	182,942	18,810	10.28	
Business taxes	355,518	335,324	20,194	6.02	
Licenses and permits	122,162	199,315	(77,153)	(38.71)	
Fines and forfeitures	287,592	233,129	54,463	23.36	
Charges for services	531,372	343,887	187,485	54.52	
Intergovernmental	1,193,028	1,713,097	(520,069)	(30.36)	
Contributions	1,180	22,010	(20,830)	(94.64)	
Interest earned	125,326	182,810	(57,484)	(31.44)	
Miscellaneous	53,691	74,361	(20,670)	(27.80)	
Total Revenues	7,985,210	8,109,254	(124,044)	(1.53)	
Expenditures:					
General government	839,170	838,744	426	0.05	
Judicial	234,557	196,216	38,341	19.54	
Public safety	3,828,472	2,905,091	923,381	31.78	
Public works	3,047,272	2,514,266	533,006	21.20	
Culture and recreation	563,434	467,158	96,276	20.61	
Community development	505,695	366,628	139,067	37.93	
Debt service	338,817	275,917	62,900	22.80	
Total Expenditures	9,357,417	7,564,020	1,793,397	23.71	%
Excess (deficiency) of revenues over expenditures	(1,372,207)	545,234	(1,917,441)		
Other financing sources (uses):					
Issuance of lease liability	927,071	-	927,071		
Sale of capital assets	58,900	4,100	54,800		
Net chance in Fund Balances	(386,236)	549,334	(935,570)		
Beginning fund balance	7,114,435	6,565,101	549,334		
Ending fund balance	$ 6,728,199	$ 7,114,435	$ (386,236)		

Governmental funds reported fund balances of $6,728,199 at June 30, 2025. This is a $386,236 decrease over the prior year as the expended significant resources for resurfacing projects and vehicle replacement.

Revenues have decreased $124,044 or 1.53% over the prior year. Property taxes have increased $224,681 or 6.68% as a result of increases in assessed property values. Hotel/motel taxes and franchise taxes have increased $43,739 (9.89%) and $18,810 (10.28%), respectively, as the general economy continues to improve. Licenses and permits decreased $77,153 or 38.71% as construction permits declined over the prior year. Charges for services increased $187,485 or 54.52%, from significance increases in planning and development fees. Intergovernmental revenues decreased $520,069 or 30.36% as revenues under the American Rescue Plan Act were expended in prior years. Interest income decreased $57,484 or 31.44% as interest rates on surplus funds have decreased from the prior year.

Total expenditures increased $1,793,397 or 23.71%. General government expenditures were consistent with the prior year. Public safety expenditures increased $923,381 or 31.78% primarily from increases in salaries and benefits as well and upgrades to police vehicles. Public works expenditures increased $533,006 or 21.2% as management expended significant funds for road resurfacing. Culture and recreation expenditures increased $96,276 or 20.61% primarily from increases is salaries and benefits and general increases in operating expenditures. Community development expenditures increased $139,067 or 37.93% primarily from increases in professional fees and purchase of vehicles. Debt service expenditures have increased $62,900 or 22.8%, as a result of financing for replacement of city vehicles.

General Fund. The General Fund is the primary operating fund and the largest source of day-to-day service delivery. It accounts for the City's core services such as law enforcement, fire protection, planning and development, roads, streets, and bridges, culture and recreation, municipal court, and administration. The General Fund currently has a fund balance of $6,241,569, a decrease of $148,097 or 2.31%, over the prior year.

The City has adopted a fund balance reserve policy to retain in reserve an amount which represents no less than two months of operating and debt expenditures, approximately 16.7% of the current year's estimated operating and debt expenditures. The policy took into consideration that upon incorporation, no reserves existed and allowed for a period of three to five years to establish the required amount. The current fund balance stands at $6,241,569 or 77.52% of current year expenditures.

Revenues have increased $514,447 or 8.27% over the prior year. Property taxes have increased $224,681 or 6.68% as a result of increases in assessed property values. Licenses and permits decreased $77,153 or 38.71% as construction permits declined over the prior year. Fines and forfeitures increased $54,463 or 23.36% as the City has employed officers who specialize in selective traffic enforcement with citations that have higher fines due to excessive speed. Charges for services increased $187,485 or 54.52%, from significance increases in planning and development fees. Intergovernmental revenues increased $146,481 or 46.86% as a result of additional state transportation grants. Interest income decreased $38,974 or 23.93% as interest rates on surplus funds have decreased from the prior year.

Total expenditures increased $2,642,648 or 48.86%. General government expenditures were consistent with the prior year. Public safety expenditures increased $1,135,255 or 42.7% primarily from increases in salaries and benefits as well and upgrades to police vehicles. Public works expenditures increased $1,140,303 or 121.21% as management expended significant funds for road resurfacing. Culture and recreation expenditures increased $126,357 or 95.73% primarily from increases is salaries and benefits and general increases in operating expenditures. Community development expenditures increased $139,067 or 37.93% primarily from increases in professional fees and purchase of vehicles. Debt service expenditures have increased $62,900 or 22.8%, as a result of financing for replacement of city vehicles.

Hotel/Motel Fund. The Hotel/Motel Fund accounts for the collection of hotel/motel taxes within the City which are restricted for promotion of tourism. Hotel/motel tax revenues were $486,112 and $442,373 for fiscal 2025 and 2024, respectively. Expenditures for promotion of tourism were $305,086 and $335,167 for fiscal 2025 and 2024, respectively.

Transportation Special Purpose Local Option Sales Tax (TSPLOST) Fund. The TSPLOST Fund is used to account for the revenues received by the City to be expended on capital projects identified in the voter approved TSPLOST referendum. The City received $733,947 and $721,712 for fiscal years 2025 and 2024, respectively. The City spent $966,179 and $1,112,283 for road improvement projects in fiscal 2025 and 2024, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

A comparison of budgeted to actual results can be found on pages 38 and 39 of the financial report. Total revenues were $1,140,071 better than budgeted, primarily, as property taxes, sales taxes, fines and forfeitures, charges for services and intergovernmental revenues were significantly higher than budgeted. Total budgeted expenditures were $9,322,988 and actual expenditures were $8,051,702, a favorable variance of $1,271,286.

The City employs a formal budget adjustment process as needed in order to realign original appropriations made during the annual budget process with significant changes in revenue and/or expenditures; ensuring appropriations are in alignment with expected resources. Differences between the original budget and final, amended budget are then resolved through official City Council action.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the City's investment in capital assets for its governmental activities totaled $7,187,542. These assets primarily reflect the infrastructure assets of roads, streets, bridges, culverts, and park land.

City of Chattahoochee Hills
Capital Assets (net of depreciation)
June 30, 2025 and 2024

	2025	2024	Inc (Dec)	Percent	
Land	$ 1,056,643	$ 1,056,643	$ -	-	%
Buildings and improvements	3,738,502	900,367	2,838,135	315.22	
Machinery and equipment	465,264	491,992	(26,728)	(5.43)	
Vehicles	906,478	1,053,377	(146,899)	(13.95)	
Infrastructure	217,839	227,809	(9,970)	(4.38)	
Right-to-use lease vehicles	802,816	-	802,816	-	
Total	$ 7,187,542	$ 3,730,188	$ 3,457,354	92.69	%

Additional information on the City's capital assets can be found in Note 7 beginning on page 32 of the report. Significant asset additions for 2025 included donation of recreational facilities valued at $2,916,743 from the Trust for Public Lands; and additional vehicles valued at $927,071 under a right-to-use lease with Enterprise Leasing.

Long-Term Debt

The City's long-term debt consists primarily of notes payable for vehicles and equipment. Additional information on the City's debt can be found in Note 8 beginning on page 33 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors are expected to have some noteworthy effects on the City's financial position or results of operations and were taken into account in developing the fiscal year 2026 budget. They will also be an ongoing concern throughout the fiscal year.

- With the projected development of additional housing throughout the City even in the current market, the City maintained its current millage rate of 8.2. The projected net tax will increase 2.33% which should yield an additional $76,752 in ad valorem tax.
- The City has opted to take a conservative approach in projecting revenues from Sales and Use Taxes, Licenses and Permits, Charges for Services, Fines and Forfeitures, and Contributions and Donations. However, due to growing activity in the film industry and Chattahoochee Hills' rising popularity among location scouts, the City expects an increase in revenue under Licenses and Permits as a result of film-related permit activity.
- The national average price for gas in the U.S. typically fluctuates between $3.30 and $4.20 per gallon, depending on the factors such as supply chain issues, refinery shutdowns, or weather events (like hurricanes) that drive prices up in specific regions. As of recent years, Georgia's gas prices have generally been 5–15% lower than the national average. If the national average is around $3.80 per gallon, we might see gas prices in Georgia closer to $3.50 or even lower.
- As of August 2025, the CPI for all energy rose 0.7% month-over-month
- Over the 12 months ending in August 2025, the energy index was up 0.2% year-over-year.
- Gasoline of all types was down about 6.6% year-over-year.
- Electricity rose about 6.2% year-over-year.
- Natural gas increased by 13.8% year-over-year.
- Expected inflation rates can affect costs for goods and services, impacting budget allocations.
- The inflation rate rose from about 2.7% in July to 2.9% in August (year-over-year).
- Statista projects that Georgia's real estate market will grow at a compound annual growth rate (CAGR) of about 5.69% between 2025-2029, reaching from $185.65 billion in 2025 to $231.6 billion by 2029.
- For residential real estate in Georgia, the CAGR is slightly higher: 5.71% over that same period.
- In specific metro markets like Atlanta, several indicators point to continued demand: population growth, economic expansion, and limited housing inventory.
- Home price growth is expected to be more moderate than the "boom" years, but still positive. Some local forecasts for Atlanta expect 3-4% annual price appreciation in 2025, depending on interest rates and inventory.
- This trend will be reflected in Fulton County's 2026 Property Assessment notices, which were mailed in June 2026.
- The Net M&O Digest went from $435,038,212 to $451,897,386 (3.875% increase).
- The Net Taxes levied last year was $3,284,954 compared to this year at $3,361,706 which is a 2.33% increase. This should yield an additional $76,752 in property tax revenue.
- The metro-Atlanta median sale price of $438,000 is higher than many of the national median figures.
- Using the city-only or more narrowly defined Atlanta metrics such as Redfin's $386,250 or Zillow's $393,232, Atlanta might be slightly lower or more in line with but still near the national median.

The City avoids using temporary or non-recurring income like grants, asset sales, or windfalls to pay for ongoing operational costs like salaries, utilities, or routine services. This is a fiscally conservative and sustainable budgeting practice, because recurring costs need stable, predictable funding sources—otherwise, there's a risk of running into deficits in future years when the one-time revenue is gone. It ensures long-term financial stability and prevents structural deficits from forming when temporary income is no longer available.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City of Chattahoochee Hills Finance Department, 6505 Rico Road, Chattahoochee Hills, Georgia 30268. You may also visit our website at www.chatthillsga.us.

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government	Component Units	
	Governmental Activities	Chattahoochee Hills Convention and Visitors Bureau	Chattahoochee Hills Destination Marketing Organization
ASSETS			
Cash and cash equivalents	$ 6,401,255	$ 308,664	$ 48,564
Accounts receivable	17,301	-	-
Taxes receivable, net of allowance	66,976	-	-
Intergovernmental receivable	426,737	-	-
Lease receivable	388,795	-	-
Due from primary government	-	41,556	31,167
Due from component unit	2,274	-	-
Prepaids	57,401	-	-
Land held for development	397,087	-	-
Capital assets:			
Nondepreciable	1,056,643	-	-
Depreciable, net of accumulated depreciation	6,130,899	-	-
Total assets	14,945,368	350,220	79,731
LIABILITIES			
Accounts payable	154,687	51,037	-
Accrued liabilities	162,610	-	-
Due to component unit	72,723	-	-
Due to primary government	-	2,174	100
Compensated absences due within one year	141,795	-	-
Notes payable from direct borrowings due within one year	186,025	-	-
Notes payable from direct borrowings due in more than one year	208,009	-	-
Lease liability, current portion	173,086	-	-
Lease liability, noncurrent portion	642,605	-	-
Total liabilities	1,741,540	53,211	100
DEFERRED INFLOWS OF RESOURCES			
Leasing arrangements	356,223	-	-
NET POSITION			
Net investment in capital assets	5,977,817	-	-
Restricted for tourism	29,245	297,009	79,631
Restricted for capital projects	413,492	-	-
Unrestricted	6,427,051	-	-
Total net position	$ 12,847,605	$ 297,009	$ 79,631

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

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Component Units: Chattahoochee Hills Convention and Visitors Bureau	Net (Expenses) Revenues and Changes in Net Position: Component Units: Chattahoochee Hills Destination Marketing Organization
Primary government:							
Governmental activities:							
General government	$ 858,999	$ 482,510	$ 1,180	$ 2,916,743	$ 2,541,434	$ -	$ -
Judicial	234,791	20	-	-	(234,771)	-	-
Public safety	3,334,741	304,239	-	-	(3,030,502)	-	-
Public works	2,985,980	-	-	1,200,530	(1,785,450)	-	-
Culture and recreation	588,118	893	-	-	(587,225)	-	-
Community development	468,383	207,156	-	-	(261,227)	-	-
Interest on long-term debt	43,175	-	-	-	(43,175)	-	-
Total governmental activities	8,514,187	994,818	1,180	4,117,273	(3,400,916)	-	-
Total primary government	$ 8,514,187	$ 994,818	$ 1,180	$ 4,117,273	(3,400,916)	-	-
Component units:							
Chattahoochee Hills Convention and Visitors Bureau	$ 53,110	$ -	$ -	$ -	-	(53,110)	-
Chattahoochee Hills Destination Marketing Organization	-	1,897	-	-	-	-	1,897
Total component units	$ 53,110	$ 1,897	$ -	$ -	-	(53,110)	1,897
General revenues:							
Property taxes					3,618,501	-	-
Sales taxes					1,037,122	-	-
Hotel/motel taxes					486,112	-	-
Franchise taxes					201,752	-	-
Business taxes					355,518	-	-
Intergovernmental revenue					-	135,155	77,734
Unrestricted investment earnings					117,824	-	-
Gain on disposal of capital assets					22,726	-	-
Total general revenues					5,839,555	135,155	77,734
Change in net position					2,438,639	82,045	79,631
Net position, beginning of year, as previously reported					10,457,588	214,964	-
Restatement - change in accounting principle					(48,622)	-	-
Net position, beginning of year, as restated					10,408,966	214,964	-
Net position, end of year					$ 12,847,605	$ 297,009	$ 79,631

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

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS	General Fund	Hotel/Motel Tax Fund	TSPLOST Fund	Nonmajor Fund Capital Projects Technology Fee Fund	Total Governmental Funds
Cash and cash equivalents	$ 5,720,620	$ 286,926	$ 349,816	$ 43,893	$ 6,401,255
Accounts receivable	17,301	-	-	-	17,301
Taxes receivable, net of allowance	28,214	38,762	-	-	66,976
Intergovernmental receivable	362,961	-	63,776	-	426,737
Lease receivable	388,795	-	-	-	388,795
Due from other funds	223,606	-	-	-	223,606
Due from component units	2,274	-	-	-	2,274
Prepaids	57,401	-	-	-	57,401
Land held for development	397,087	-	-	-	397,087
Total assets	$ 7,198,259	$ 325,688	$ 413,592	$ 43,893	$ 7,981,432
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 154,473	$ 214	$ -	$ -	$ 154,687
Accrued liabilities	154,791	-	-	-	154,791
Due to other funds	-	223,506	100	-	223,606
Due to component unit	-	72,723	-	-	72,723
Total liabilities	309,264	296,443	100	-	605,807
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	9,655	-	-	-	9,655
Unavailable revenue - insurance premium taxes	281,548	-	-	-	281,548
Leasing arrangements	356,223	-	-	-	356,223
Total deferred inflows of resources	647,426	-	-	-	647,426
FUND BALANCES					
Fund balances:					
Nonspendable for prepaids	57,401	-	-	-	57,401
Nonspendable for land held for redevelopment	397,087	-	-	-	397,087
Nonspendable for leasing arrangements	32,572	-	-	-	32,572
Restricted for tourism	-	29,245	-	-	29,245
Restricted for capital projects	-	-	413,492	-	413,492
Assigned for public safety	-	-	-	43,893	43,893
Unassigned	5,754,509	-	-	-	5,754,509
Total fund balances	6,241,569	29,245	413,492	43,893	6,728,199
Total liabilities, deferred inflows of resources, and fund balances	$ 7,198,259	$ 325,688	$ 413,592	$ 43,893	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.					7,187,542
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.					(1,359,339)
Some revenues are not available in the current period and, therefore, are not reported in the governmental funds.					291,203
Net position of governmental activities					$ 12,847,605

The accompanying notes are an integral part of these statements.

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Major Funds			Nonmajor Fund	
	General Fund	Hotel/Motel Tax Fund	TSPLOST Fund	Capital Projects Technology Fee Fund	Total Governmental Funds
Revenues:					
Property taxes	$ 3,590,355	$ -	$ -	$ -	$ 3,590,355
Sales taxes	1,037,122	-	-	-	1,037,122
Hotel/Motel taxes	-	486,112	-	-	486,112
Franchise taxes	201,752	-	-	-	201,752
Business taxes	355,518	-	-	-	355,518
Licenses and permits	122,162	-	-	-	122,162
Fines and forfeitures	287,592	-	-	-	287,592
Charges for services	531,372	-	-	-	531,372
Intergovernmental	459,081	-	733,947	-	1,193,028
Contributions	1,180	-	-	-	1,180
Interest earned	111,324	6,500	7,502	-	125,326
Miscellaneous	37,700	70	-	15,921	53,691
Total revenues	6,735,158	492,682	741,449	15,921	7,985,210
Expenditures:					
Current:					
General government	839,170	-	-	-	839,170
Judicial	234,557	-	-	-	234,557
Public safety	3,794,022	-	-	34,450	3,828,472
Public works	2,081,093	-	966,179	-	3,047,272
Culture and recreation	258,348	305,086	-	-	563,434
Community development	505,695	-	-	-	505,695
Debt service:					
Principal	292,297	-	-	-	292,297
Interest	46,520	-	-	-	46,520
Total expenditures	8,051,702	305,086	966,179	34,450	9,357,417
Excess (deficiency) of revenues over expenditures	(1,316,544)	187,596	(224,730)	(18,529)	(1,372,207)
Other financing sources (uses):					
Proceeds from sale of capital assets	58,900	-	-	-	58,900
Issuance of lease liability	927,071	-	-	-	927,071
Transfers in	182,476	-	-	-	182,476
Transfers out	-	(182,476)	-	-	(182,476)
Total other financing sources (uses)	1,168,447	(182,476)	-	-	985,971
Net change in fund balances	(148,097)	5,120	(224,730)	(18,529)	(386,236)
Fund balances, beginning of year	6,389,666	24,125	638,222	62,422	7,114,435
Fund balances, end of year	$ 6,241,569	$ 29,245	$ 413,492	$ 43,893	$ 6,728,199

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

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(386,236)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		576,785
Donations of capital assets and related revenues are not reported in the governmental funds.		2,916,743
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		28,147
Governmental funds report the proceeds from the sale of capital assets; however, the statement of activities reports the gain or loss on disposal. Therefore, the change in net position will differ from the change in fund balance by the net book value of the capital assets disposed.		(36,174)
The issuance of long-term debt provides current financial resources to the governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions have no effect on net position. This amount is the net effect of the differences in the treatment of long-term debt and related items.		(634,774)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(25,852)
Change in net position - governmental activities	$	2,438,639

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Chattahoochee Hills, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City, which was incorporated in 2007, operates under a charter adopted December 1, 2007, as a municipal corporation governed by an elected mayor and a five-member council. The government provides such services as police protection, fire and rescue services, cultural and recreational activities, housing and development, and public works.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City's discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

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

The Chattahoochee Hills Destination Marketing Organization (the "Organization") has been included as a discretely presented component unit in the accompanying financial statements. The Organization is fiscally dependent on the City as it receives the majority of its revenue from the City. Financial information with regard to the Organization can be obtained from the Organization's administrative office at 6505 Rico Road, Chattahoochee Hills, Georgia, 30268. Separate financial statements for the Organization are not prepared.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, insurance premium taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

Additionally, the City reports the following fund type:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Formal budgetary accounting is employed as a management control device for the General, Special Revenue, and Capital Projects Funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for each governmental fund. During the fiscal period ended June 30, 2025, the original budget was amended through supplemental appropriations.

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

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Leases

Lessor

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Leases (Continued)

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

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

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

Lessee

The City is a lessee for noncancellable leases of vehicles. The City recognizes lease liabilities and intangible right-to-use lease assets in the government-wide financial statements. The City recognizes lease liabilities and assets with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial indirect costs. Subsequently, the lease asset is amortized on a straight-line basis over it’s useful life.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Leases (Continued)

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

- The City uses the interest rate charged as the discount rate. When the interest rate charged is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

H. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as other outstanding balances between funds are reported as “due to/from other funds.”

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2025 are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

J. Capital Assets

Capital assets, which include buildings and improvements, machinery and equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City has reported all infrastructure that it currently owns and has a responsibility for maintaining. Donated capital assets are recorded at estimated acquisition value at the date of donation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Capital assets of the City are depreciated/amortized using the straight-line method over the following useful lives:

Buildings and improvements	20-50 years
Machinery and equipment	5-40 years
Vehicles	5-8 years
Infrastructure	10-50 years
Right-to-use leased vehicles	5 years

Fully depreciated/amortized assets still in service are carried in the capital asset accounts.

K. Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and insurance premium taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City does not differentiate between vacation and sick pay. Employees who have worked for the City for at least six months and give a two-week notice before termination are entitled to a payout in the amount of 50% of their accrued vacation and sick hours. Vacation and sick pay that is more likely than not to be used for time off or settled by cash payments is accrued when incurred in the government-wide financial statements. A liability for employee payouts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types recognize the face amount of the long-term debt issued as other financing sources and the repayment of debt as debt service expenditures.

N. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager or his or her designee to assign fund balances.

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. The City intends to maintain an unassigned fund balance in the General Fund equal to approximately 16% of the current year's expenditures. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $1,359,339 difference are as follows:

Notes payable	$	(394,034)
Compensated absences		(141,795)
Leases payable		(815,691)
Accrued interest		(7,819)
Net adjustment to decrease fund balance - *total governmental funds* to arrive at *net position - governmental activities*	$	(1,359,339)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $576,785 difference are as follows:

Capital outlay	$	1,124,273
Depreciation expense		(547,488)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive *at change in net position - governmental activities*	$	576,785

Another element of the reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds." The details of this $25,852 difference are as follows:

Compensated absences	$	(29,197)
Accrued interest		3,345
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(25,852)

Another element of the reconciliation states that "The issuance of long-term debt provides current financial resources to the governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions have no effect on net position." The details of this $634,774 difference are as follows:

Issuance of lease liabilities	$	(927,071)
Principal payments on lease liabilities and notes payable		292,297
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(634,774)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Finance Director and the City Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

B. Expenditures in Excess of Appropriations

For the fiscal year ended June 30, 2025, excesses of actual expenditures over appropriations were as follows:

General Fund		
General government - City council	$	6,646
General government - Executive		3,017
General government - General operations		21,753
Judicial - Municipal court		104,889
Public safety - Police		366,251
Public safety - Fire		213,151
Culture and recreation		29,977
Debt service - Principal		109,626
Debt service - Interest		31,064

These excess expenditures were funded by greater than anticipated revenues.

NOTE 4. DEPOSITS

Total deposits for the City and its component units as of June 30, 2025 are summarized as follows:

Statement of net position:		
Cash and cash equivalents - primary government	$	6,401,255
Cash and cash equivalents - component units		357,228
	$	6,758,483
Cash deposited with financial institutions	$	6,758,483
	$	6,758,483

NOTE 4. DEPOSITS (CONTINUED)

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2025, the financial institution holding all of the City's and the City's component units' deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the state. As of June 30, 2025, all of the City's and the City's component units' bank balances were insured and/or collateralized as defined by GASB and required by state statutes.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The City contracts with Fulton County to bill and collect property taxes. The taxes were levied on October 15 based on the assessed value of property as listed on the previous January 1 and were due 60 days following the billing date each year. Property taxes are recorded as receivables and unavailable revenues when levied as they are intended to fund that fiscal year. Revenues are recognized when available.

Receivables at June 30, 2025, for the City's individual major funds, including any applicable allowances for uncollectible accounts are as follows:

	General	Hotel/Motel Tax	TSPLOST	Total
Receivables:				
Taxes	$ 38,580	$ 38,762	$ -	$ 77,342
Accounts	17,301	-	-	17,301
Lease	388,795	-	-	388,795
Intergovernmental	362,961	-	63,776	426,737
Total receivables	807,637	38,762	63,776	910,175
Less allowance for uncollectible	10,366	-	-	10,366
Net total receivable	$ 797,271	$ 38,762	$ 63,776	$ 899,809

NOTE 6. LEASE RECEIVABLE

In August 2021, the City entered into a lease agreement with a third party, whereby the City leases land for the installation of a cellular telephone tower. The commencement date of this lease began in January of 2023, when the third party commenced installation of equipment on the land. The City receives annual payments in the amount of $26,000 beginning in January of 2023 through January of 2043. Payments are increased by 2% annually, through the term of the agreement. The total amount of lease revenue, including the amortization of deferred inflows and interest revenue, recognized during the fiscal year ended June 30, 2025 was $36,844. At June 30, 2025, the City's receivable for lease payments was $388,795. At June 30, 2025, City has a deferred inflow of resources of $356,223 associated with this lease that will be recognized over the remaining lease term.

NOTE 7. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2025 is as follows:

	Balance at June 30, 2024	Increases	Decreases	Balance at June 30, 2025
Governmental activities:				
Nondepreciable capital assets				
Land	$ 1,056,643	$ -	$ -	$ 1,056,643
Total	1,056,643	-	-	1,056,643
Capital assets, being depreciated/amortized:				
Buildings and improvements	1,179,717	2,930,745	-	4,110,462
Machinery and equipment	1,533,586	90,771	-	1,624,357
Vehicles	2,127,357	92,429	(256,828)	1,962,958
Infrastructure	2,876,561	-	-	2,876,561
Right-to-use lease assets - vehicles	-	927,071	-	927,071
Total	7,717,221	4,041,016	(256,828)	11,501,409
Less accumulated depreciation/amortization for:				
Buildings and improvements	(279,350)	(92,610)	-	(371,960)
Machinery and equipment	(1,041,594)	(117,499)	-	(1,159,093)
Vehicles	(1,073,980)	(203,154)	220,654	(1,056,480)
Infrastructure	(2,648,752)	(9,970)	-	(2,658,722)
Right-to-use lease assets - vehicles	-	(124,255)	-	(124,255)
Total	(5,043,676)	(547,488)	220,654	(5,370,510)
Total capital assets being depreciated/amortized, net	2,673,545	3,493,528	(36,174)	6,130,899
Governmental activities capital assets, net	$ 3,730,188	$ 3,493,528	$ (36,174)	$ 7,187,542

NOTE 7. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:		
General government	$	15,128
Public safety		305,526
Public works		180,566
Culture and recreation		38,450
Community development		7,818
Total depreciation/amortization expense - governmental activities	$	547,488

NOTE 8. LONG-TERM DEBT

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended June 30, 2025:

	Restated Balance at June 30, 2024	Additions		Reductions	Balance at June 30, 2025	Due Within One Year
Governmental activities:						
Notes payable from direct borrowings	$ 574,951	$ -		$ (180,917)	$ 394,034	$ 186,025
Lease liabilities	-	927,071		(111,380)	815,691	173,086
Compensated absences	112,598	29,197	*	-	141,795	141,795
Governmental activity Long-term liabilities	$ 687,549	$ 956,268		$ (292,297)	$ 1,351,520	$ 500,906

* The change in the compensated absences liability is presented as a net change.

Effective July 1, 2024, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. This change in accounting principle resulted in a restatement of the compensated absence balance as of the beginning of the fiscal year (Note 15).

Notes Payable from Direct Borrowings

In November 2020, the City entered into an agreement through the Georgia Municipal Association to borrow $249,632 for the purchase of a fire tanker. Annual payments of $53,115, including interest at a rate of 2.1% began in November 2021 and will continue through November 2025. The outstanding balance at June 30, 2025 is $52,023.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Notes Payable from Direct Borrowings (Continued)

In September 2021, the City entered into an agreement through the Georgia Municipal Association to borrow $336,359 for the purchase of three Deere tractors and equipment. Annual payments of $72,630, including interest at a rate of 2.08% began in September 2022 and will continue through September 2026. The outstanding balance at June 30, 2025 is $139,764.

In November 2022, the City entered into an agreement through the Georgia Municipal Association to borrow $325,000 for the purchase of a Fouts fire pumper. Annual payments of $72,382, including interest at a rate of 3.64% began in November 2023 and will continue through November 2027. The outstanding balance at June 30, 2025 is $202,247.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 186,025	$ 12,102	$ 198,127
2027	138,169	6,842	145,011
2028	69,840	2,542	72,382
	$ 394,034	$ 21,486	$ 415,520

Lease Liabilities

During the fiscal year ended June 30, 2025, the City entered into lease agreements as the lessee for the acquisition and use of vehicles. An initial lease liability was recorded in the amount of $927,071. The City is required to make monthly principal and interest payments in the amounts ranging from $839 to $1,342. The leases carry an interest rate of 5.00%. As of June 30, 2025, the value of the liability was $815,691.

The total debt service requirements to maturity for the City's outstanding leases are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 173,086	$ 36,854	$ 209,940
2027	181,941	27,999	209,940
2028	191,250	18,690	209,940
2029	201,035	8,905	209,940
2030	68,379	871	69,250
	$ 815,691	$ 93,319	$ 909,010

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	TSPLOST Fund	$ 100
General Fund	Hotel/Motel Tax Fund	223,506
		$ 223,606

The composition of balances between the primary government and its discretely presented component unit as of June 30, 2025 is as follows:

Receivable Entity	Payable Entity	Amount
Chattahoochee Hills CVB	Hotel/Motel Tax Fund	$ 41,556
Chattahoochee Hills DMO	Hotel/Motel Tax Fund	31,167
General Fund	Chattahoochee Hills CVB	2,174
General Fund	Chattahoochee Hills DMO	100
		$ 74,997

All interfund balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Hotel/Motel Tax Fund	$ 182,476

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

NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

At June 30, 2025, the City has approximately $319,000 of uncompleted paving and resurfacing contract commitments outstanding.

NOTE 11. DEFINED CONTRIBUTION RETIREMENT PLAN

The City of Chattahoochee Hills' profit-sharing plan is a single employer defined contribution plan established and administered by ICMA-RC for all City employees. At June 30, 2025, there were 63 plan members. The City matches 100% for each dollar of employee contributions up to 3.75% of the employee's salary. Employees are required to contribute 3.75% of their compensation to the plan. Employees are eligible and fully vested immediately upon entering the plan. Plan provisions and contribution requirements are established and may be amended by the City Council. For the fiscal year ended June 30, 2025, employee contributions to the plan were $110,944 and the City's contributions were $110,944.

The City also offers employees the opportunity to contribute to a 457-deferred compensation plan. The plan is administered by ICMA-RC. All full-time employees have the option to participate in the plan and may contribute the maximum allowed under IRS guidelines. Effective July 1, 2015 the City matches employee contributions up to 3% into a 401a plan which is also administered by ICMA-RC. For the fiscal year ended June 30, 2025 there were 29 participants in the plan and the City contributions to the plan were $53,359.

NOTE 12. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which Fulton County has paid on behalf of the City of Chattahoochee Hills. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from Atlanta Regional Commission, 229 Peachtree St NE, STE 100, Atlanta, Georgia 30303.

NOTE 13. HOTEL/MOTEL LODGING TAX

The City has levied an 8% lodging tax. The Official Code of Georgia Annotated (O.C.G.A.) 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended June 30, 2025, the City received $486,112 in Hotel/Motel taxes and expended $487,562 for the promotion of tourism, conventions, or trade shows.

NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks of losses. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the past three years.

NOTE 15. ACCOUNTING CHANGES

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, the City is required to reevaluate the accounting treatment of compensated absences. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections,* the City is restating the beginning net position for governmental activities, as follows:

	Governmental Activities
June 30, 2024, as previously reported	**$ 10,457,588**
Change in accounting principle	(48,622)
June 30, 2024, as restated	**$ 10,408,966**

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,277,000	$ 3,277,000	$ 3,590,355	$ 313,355
Sales taxes	820,000	820,000	1,037,122	217,122
Franchise taxes	175,000	175,000	201,752	26,752
Business taxes	327,000	327,000	355,518	28,518
Licenses and permits	190,000	190,000	122,162	(67,838)
Fines and forfeitures	150,000	150,000	287,592	137,592
Charges for services	230,000	230,000	531,372	301,372
Intergovernmental	316,087	316,087	459,081	142,994
Interest earned	80,000	80,000	111,324	31,324
Contributions	-	-	1,180	1,180
Miscellaneous	30,000	30,000	37,700	7,700
Total revenues	5,595,087	5,595,087	6,735,158	1,140,071
Expenditures:				
Current:				
General government:				
City council	268,363	268,363	275,009	(6,646)
Executive	172,202	172,202	175,219	(3,017)
General operations	367,189	367,189	388,942	(21,753)
Total general government	807,754	807,754	839,170	(31,416)
Judicial:				
Municipal court	129,658	129,658	234,557	(104,899)
Total judicial	129,658	129,658	234,557	(104,899)
Public safety:				
Police	1,631,116	1,631,116	1,997,367	(366,251)
Fire	1,583,504	1,583,504	1,796,655	(213,151)
Total public safety	3,214,620	3,214,620	3,794,022	(579,402)
Public works	4,020,874	4,020,874	2,081,093	1,939,781
Culture and recreation	228,371	228,371	258,348	(29,977)
Community development				
Economic development	141,597	141,597	124,679	16,918
Planning and zoning	581,987	581,987	381,016	200,971
Total community development	723,584	723,584	505,695	217,889
Debt service:				
Principal	182,671	182,671	292,297	(109,626)
Interest	15,456	15,456	46,520	(31,064)
Total debt service	198,127	198,127	338,817	(140,690)
Total expenditures	9,322,988	9,322,988	8,051,702	1,271,286
Deficiency of revenues over expenditures	(3,727,901)	(3,727,901)	(1,316,544)	2,411,357

(Continued)

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Other financing sources:				
Sale of capital assets	$ -	$ -	$ 58,900	$ 58,900
Issuance of leases	-	-	927,071	927,071
Transfers in	-	-	182,476	182,476
Total other financing sources	-	-	1,168,447	1,168,447
Net change in fund balance	(3,727,901)	(3,727,901)	(148,097)	3,579,804
Fund balance, beginning of year	6,389,666	6,389,666	6,389,666	-
Fund balance, end of year	$ 2,661,765	$ 2,661,765	$ 6,241,569	$ 3,579,804

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

CITY OF CHATTAHOOCHEE HILLS, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 525,059	$ 525,059	$ 486,112	$ (38,947)
Interest income	-	-	6,500	6,500
Miscellaneous	-	-	70	70
Total revenues	525,059	525,059	492,682	(32,377)
Expenditures:				
Culture and recreation	434,205	434,205	305,086	129,119
Total expenditures	434,205	434,205	305,086	129,119
Excess of revenues over expenditures	90,854	90,854	187,596	96,742
Other financing uses:				
Transfers out	(90,854)	(90,854)	(182,476)	(91,622)
Total other financing uses	(90,854)	(90,854)	(182,476)	(91,622)
Net change in fund balances	-	-	5,120	5,120
Fund balance, beginning of year	24,125	24,125	24,125	-
Fund balance, end of year	$ 24,125	$ 24,125	$ 29,245	$ 5,120

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

SUPPLEMENTARY SCHEDULES

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST I) FOR THE YEAR ENDED JUNE 30, 2025

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
TSPLOST TIER 1						
Maintenance and Safety Enhancements	$ 2,082,377	$ 2,389,725	$ 2,232,351	$ -	$ 2,232,351	93.41 %
Quick Response Projects	56,280	51,391	-	-	-	0.00 %
Project Management	112,561	128,480	73,261	-	73,261	57.02 %
TSPLOST TIER 2						
Maintenance and Safety Enhancements	369,464	421,716	159,721	-	159,721	37.87 %
Quick Response Projects	7,945	9,070	-	-	-	0.00 %
Project Management	19,865	22,673	-	-	-	0.00 %
TSPLOST TIER 3						
Maintenance and Safety Enhancements	369,464	421,716	-	-	-	0.00 %
Quick Response Projects	9,514	9,069	-	-	-	0.00 %
Project Management	19,864	22,673	-	-	-	0.00 %
TOTAL TSPLOST I	$ 3,047,334	$ 3,476,513	$ 2,465,333	$ -	$ 2,465,333	

CITY OF CHATTAHOOCHEE HILLS, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST II) FOR THE YEAR ENDED JUNE 30, 2025

PROJECT	ESTIMATED COST ORIGINAL	ESTIMATED COST CURRENT	EXPENDITURES PRIOR	EXPENDITURES CURRENT	EXPENDITURES TOTAL	PROJECT COMPLETION
TSPLOST TIER 1						
Maintenance and Safety Enhancements	$ 2,389,725	$ 2,389,725	$ 1,022,521	$ 955,124	$ 1,977,645	82.76 %
Quick Response Projects	51,391	51,391	-	-	-	0.00 %
Project Management	128,480	128,480	-	11,055	11,055	8.60 %
TSPLOST TIER 2						
Maintenance and Safety Enhancements	421,716	421,716	-	-	-	0.00 %
Quick Response Projects	9,070	9,070	-	-	-	0.00 %
Project Management	22,673	22,673	-	-	-	0.00 %
TSPLOST TIER 3						
Maintenance and Safety Enhancements	421,716	421,716	-	-	-	0.00 %
Quick Response Projects	9,069	9,069	-	-	-	0.00 %
Project Management	22,673	22,673	-	-	-	0.00 %
TOTAL TSPLOST II	$ 3,476,513	$ 3,476,513	$ 1,022,521	966,179	$ 1,988,700	

Total Expenditures - TSPLOST I:	-
Total TSPLOST Expenditures - Fiscal Year Ended June 30, 2024:	$ 966,179