

**City of Chatsworth, Georgia**  
**Notes to Financial Statements**  
**December 31, 2017**

**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 3% of the employee's salary. Employees are eligible after one year of employment and are fully vested after five years. Plan provisions and contributions requirements are established and may be amended by the Board of Commissioners.

For the year ending December 31, 2017, number of plan members and the employer contributions are as follow:

	Number of Plan Members	Employer Contributions
City of Chatsworth	24	\$      35,447
Water Works Commission	33	88,289

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, 2017, employee contributions are as follow:

	Nationwide	Newport
City of Chatsworth	\$      9,034	\$      19,318
Water Works Commission	2,600	91,329

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.

**City of Chatsworth, Georgia**  
**Notes to Financial Statements**  
**December 31, 2017**

---

**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.

In 2010, the City's coverage for workers' compensation was changed to a private insurance company with limits of coverage set at \$1,000,000.

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.

**City of Chatsworth, Georgia**  
**Notes to Financial Statements**  
**December 31, 2017**

---

**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.

**City of Chatsworth, Georgia**  
**Notes to Financial Statements**  
**December 31, 2017**

---

**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, 2017, the City paid \$4,264 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 regional organization of water related interests in North Georgia for monitoring and contribution 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, 2017 such dues amounted to \$2,000. Additional information may be obtained from:

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

**NOTE 16. RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2017 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.

**City of Chatsworth, Georgia**  
**Notes to Financial Statements**  
**December 31, 2017**

---

**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**

The Commission has outstanding construction commitments of \$436,457 as of December 31, 2017. This amount is not reflected in the basic financial statements.

**NOTE 18. EVALUATION OF SUBSEQUENT EVENTS**

In January 2018, the Commission entered into a transaction with the Murray County Industrial Development Authority (the "IDA") in which the Commission has provided financing in the amount of \$1,133,000 for the IDA to make purchases and sales of land and property. To finance the property acquisitions, the Commission has borrowed against its investments held with Wells Fargo. Interest on the note is variable from 0% - 3.0% and is due monthly.

The Commission will bill the IDA at the beginning of each month for the prior month's interest due. If the IDA fails to make interest payments of six months or longer, the Commission will notify the IDA and the IDA will have sixty days to pay all past due amounts or the Commission can take back possession of any purchased property. Principal on the note is also variable as the IDA can elect to make principal payments from its operations at their own discretion; however, a minimum of one annual payment is required. There is no set maturity date or payment schedule on the note.

Subsequent to year end, the Commission has also been awarded a \$6,100,000 Clean Water State Revolving Fund (CWSRF) loan by the Georgia Environmental Finance Authority (GEFA). The loan will help finance the construction of the Mill Creek Wastewater Treatment Plant. The Commission will pay 1.89% interest on the twenty year loan, which includes principal forgiveness up to \$500,000 if all funds are drawn. A repayment schedule will be determined once the project is completed and the final draw on the note is made.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

CITY	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>			
Service cost	\$ 23,854	\$ 23,343	\$ 29,710
Interest on pension liability	219,796	216,935	212,158
Differences between expected and actual experience	(2,606)	(56,369)	(15,984)
Changes of assumptions	-	-	(28,346)
Benefit payments, including refunds on employee contributions	(149,406)	(144,589)	(127,212)
<b>Net change in total pension liability</b>	<u>91,638</u>	<u>39,320</u>	<u>70,326</u>
	2,910,778	2,871,458	2,801,132
<b>Total pension liability - ending (a)</b>	<u>\$ 3,002,416</u>	<u>\$ 2,910,778</u>	<u>\$ 2,871,458</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 70,132	\$ 84,747	\$ 97,634
Net investment income	310,549	6,871	229,253
Benefit payments, including refunds of member contributions	(149,406)	(144,589)	(127,212)
Administrative expenses	(12,466)	(8,949)	(8,339)
<b>Net change in plan fiduciary net position</b>	<u>218,809</u>	<u>(61,920)</u>	<u>191,336</u>
<b>Plan fiduciary net position - beginning</b>	<u>2,509,868</u>	<u>2,571,788</u>	<u>2,380,452</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 2,728,677</u>	<u>\$ 2,509,868</u>	<u>\$ 2,571,788</u>
<b>City's net pension liability - ending (a) - (b)</b>	<u>\$ 273,739</u>	<u>\$ 400,910</u>	<u>\$ 299,670</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	90.88%	86.23%	89.56%
<b>Covered-employee payroll</b>	\$ 1,173,211	\$ 1,202,440	\$ 1,223,950
<b>City's net pension liability as a percentage of covered-employee payroll</b>	23.33%	33.34%	24.48%

**Notes to the schedule:**

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

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

**WATER WORKS COMMISSION**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>			
Service cost	\$ 19,053	\$ 21,433	\$ 21,314
Interest on pension liability	198,593	194,790	189,952
Differences between expected and actual experience	18,251	19,610	43,682
Changes of assumptions	-	-	(17,731)
Benefit payments, including refunds on employee contributions	<u>(192,752)</u>	<u>(180,752)</u>	<u>(168,834)</u>
<b>Net change in total pension liability</b>	<u>43,145</u>	<u>55,081</u>	<u>68,383</u>
<b>Total pension liability - beginning</b>	<u>2,658,870</u>	<u>2,603,789</u>	<u>2,535,406</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 2,702,015</u></u>	<u><u>\$ 2,658,870</u></u>	<u><u>\$ 2,603,789</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 92,159	\$ 85,567	\$ 105,333
Net investment income	255,738	5,036	195,983
Benefit payments, including refunds of member contributions	(192,752)	(180,752)	(168,834)
Administrative expenses	<u>(7,892)</u>	<u>(5,233)</u>	<u>(4,723)</u>
<b>Net change in plan fiduciary net position</b>	<u>147,253</u>	<u>(95,382)</u>	<u>127,759</u>
<b>Plan fiduciary net position - beginning</b>	<u>2,082,554</u>	<u>2,177,936</u>	<u>2,050,177</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 2,229,807</u></u>	<u><u>\$ 2,082,554</u></u>	<u><u>\$ 2,177,936</u></u>
<b>City's net pension liability - ending (a) - (b)</b>	<u><u>\$ 472,208</u></u>	<u><u>\$ 576,316</u></u>	<u><u>\$ 425,853</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	82.52%	78.32%	83.64%
<b>Covered-employee payroll</b>	\$ 672,226	\$ 680,926	\$ 751,718
<b>City's net pension liability as a percentage of covered-employee payroll</b>	70.25%	84.64%	56.65%

**Notes to the schedule:**

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

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

**City:**

	2017	2016	2015	2014
Actuarially determined contribution	\$ 63,325	\$ 72,401	\$ 88,862	100,558
Contributions in relation to the actuarially determined contribution	63,325	72,401	88,862	100,558
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,202,440	\$ 1,223,950	\$ 1,351,588	\$ 1,391,841
Contributions as a percentage of covered-employee payroll	5.18%	5.94%	6.46%	7.10%

**Notes to the Schedule:**

(1) Actuarial Assumptions:

Valuation Date  
Cost Method  
Actuarial Asset Valuation Method

July 1, 2015

Projected Unit Credit

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  
Projected Salary Increases  
Cost-of-living Adjustment  
Amortization Method  
Remaining Amortization Period

7.75%  
3.75% - 8.75% (including 3.25% for inflation)  
0.00%  
Closed level dollar for unfunded liability  
Varies for the bases, with a net effective amortization period of ten (10) years.

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

**Water Works:**

	2017	2016	2015	2014
Actuarially determined contribution	\$ 91,730	\$ 92,245	\$ 93,591	\$ 109,247
Contributions in relation to the actuarially determined contribution	84,344	92,245	93,591	109,247
Contribution deficiency (excess)	\$ 7,386	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 619,967	\$ 711,182	\$ 799,040	\$ 1,391,841
Contributions as a percentage of covered-employee payroll	13.60%	12.97%	11.71%	7.10%

**Notes to the Schedule:**

(1) Actuarial Assumptions:

Valuation Date  
Cost Method  
Actuarial Asset Valuation Method

July 1, 2016

Projected Unit Credit

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  
Projected Salary Increases  
Cost-of-living Adjustment  
Amortization Method  
Remaining Amortization Period

7.75%  
3.75% - 8.75% (including 3.25% for inflation)  
0.00%  
Closed level dollar for unfunded liability  
Varies for the bases, with a net effective amortization period of ten (10) years.

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

**OTHER SUPPLEMENTARY INFORMATION**

**City of Chatsworth, Georgia**  
**Schedule of Property Taxes Receivable**  
**General Fund**  
**December 31, 2017**

<u>Year of Levy</u>	
2017	\$ 125,353
2016	3,472
2015	999
2014	582
2013	-
	<hr/>
Total property taxes receivable	130,406
	<hr/>
Less: allowance for uncollectible	(1,759)
	<hr/>
Net property taxes receivable	<u>\$ 128,647</u>

**City of Chatsworth, Georgia**  
**Schedule of Changes in Property Taxes Receivable**  
**General Fund**  
**December 31, 2017**

	<u>Taxes Receivable</u> <u>December 31, 2016</u>	<u>Taxes</u> <u>Levied</u>	<u>Pickups and</u> <u>(Releases)</u>	<u>Collections</u>	<u>Taxes Receivable</u> <u>December 31, 2017</u>
2017	\$ -	\$ 1,091,988	\$ (333)	\$ (966,302)	\$ 125,353
2016	125,772	-	(1,019)	(121,281)	3,472
2015	2,442	-		(1,443)	999
2014	1,813	-		(1,231)	582
2013	1,147	-		(1,147)	-
2012	1,142	-		(1,142)	-
2011	-	-		-	-
2010	-	-		-	-
2009	-	-		-	-
<b>Total</b>	<u>\$ 132,316</u>	<u>\$ 1,091,988</u>	<u>\$ (1,352)</u>	<u>\$ (1,092,546)</u>	<u>\$ 130,406</u>

(BLANK PAGE)

**STATISTICAL INFORMATION**

**City of Chatsworth, Georgia**  
**Statistical Information**  
**December 31, 2017**

**i. SCHEDULE OF TAX RATES AND ASSESSMENTS**

<u>Tax Year</u>	<u>City Tax Rate</u>	<u>Assessment</u>	<u>Lewy</u>
2017	0.2800%	392,947,171	1,091,988
2016	0.2800%	\$ 374,374,843	\$ 1,048,250
2015	0.2262%	377,033,225	852,850
2014	0.2274%	370,537,692	842,602
2013	0.2274%	362,191,823	823,624
2012	0.2265%	363,845,033	824,109
2011	0.2342%	314,529,098	736,627
2010	0.2342%	343,099,471	803,593

**i. BILLING RATES**

The water and sewer rates for the City of Chatsworth for the year ended December 31, 2017 were:

**Water Rates**

<u>Meter Size</u>	<u>Minimum Usage (Gallons)</u>	<u>Minimum Monthly Bill</u>
5/8"	0 - 1000	\$10.00 minimum
5/8"	>1000	\$2.90 Minimum per 1000 gal.
1"	0 - 2500	\$22.00 minimum
Above 1" up to 2"	0 - 3500	\$35.00 minimum
2"	0 - 4500	\$42.00 minimum
3"	0 - 7500	\$62.00 minimum
4"	0 - 8500	\$84.00 minimum
6"	0 - 18500	\$124.00 minimum
8"	0 - 23500	\$160.00 minimum

**Sewer Rates**

<u>Meter Size</u>	<u>Minimum Usage (Gallons)</u>	<u>Minimum Monthly Bill</u>
Gallons	0 - 1000	\$10.00 minimum
Gallons	All Over 1000	\$3.85 per 1000 gal.

Water rates outside the City are 180% of City rates.

No outside sewer available except by special permit from the Mayor and City Council.

As of December 31, 2017, the City had 11,350 water customers and 2,314 sewer customers.

**INTERNAL CONTROL AND COMPLIANCE SECTION**



**BR Crowe & Associates**  
 187 LAFAYETTE STREET  
 P.O. BOX 1036  
 RINGGOLD, GA 30736  
 PHONE 706 / 963-6100  
 FAX 706 / 963-4303  
 brcrowe@catn.com

**KEN MALLETTE, CPA, CGMA**  
**B. RODNEY CROWE, CPA, CFP**  
**WILLIAM WATSON, CPA, MBA, CMFO**

*Members:*  
 American Institute of  
 Certified Public Accountants  
 Georgia and Tennessee Societies  
 of Certified Public Accountants

**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, 2017, 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 June 29, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City of Chatsworth, Georgia’s internal control over financial reporting as a basis for designing our auditing procedures 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.

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.

**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.

*B R Crowe & Associates*

B. R. Crowe & Associates  
June 29, 2018

This page intentionally left blank.

**SPECIAL LOCAL OPTION SALES TAX**



BR Crowe & Associates  
18- LAFAYETTE STREET  
P.O. BOX 1036  
RINGGOLD, GA 30736  
PHONE 706 / 065-6100  
FAX 706 / 065-4303  
brcrowe@carl.com

KEN MALLETTE, CPA, CGMA  
B. RODNEY CROWE, CPA, CFP  
WILLIAM WATSON, CPA, MBA, CMFO

Members:  
American Institute of  
Certified Public Accountants  
Georgia and Tennessee Societies  
of Certified Public Accountants

**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, 2017. 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, 2015, in conformity with accounting principles generally accepted in the United States of America.

*B R Crowe & Associates*

B. R. Crowe & Associates  
June 30, 2018

**CITY OF CHATSWORTH, GEORGIA**  
**Schedule of Projects Constructed with Special Purpose**  
**Local Option Sales Tax – 2014 Cycle**  
**Year Ended December 31, 2017**

Project #	Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Percent of Completion
				Prior Years	Current Year	Total	
1	Fire Department Equipment	\$ 750,000	\$ 750,000	\$ 772,063	\$ 16,961	\$ 789,024	105%
2	Police Department Equipment	\$ 285,000	\$ 285,000	\$ 138,387	\$ 68,408	\$ 206,795	73%
3	Street Department Equipment	\$ 320,000	\$ 320,000	\$ 242,488	\$ 15,184	\$ 257,672	81%
4	Sanitation Department Equipment	\$ 180,000	\$ 180,000	\$ -	\$ -	\$ -	0%
5	Streets, Parks, Drainage	\$ 820,000	\$ 820,000	\$ 240,108	\$ 311,105	\$ 551,213	67%
6	Economic Development	\$ 400,000	\$ 400,000	\$ 21,097	\$ 26,675	\$ 47,772	12%
7	Technology Upgrades	\$ 80,000	\$ 80,000	\$ 9,591	\$ 29,420	\$ 39,011	49%
<b>Total</b>		<b>\$ 2,835,000</b>	<b>\$ 2,835,000</b>	<b>\$ 1,423,734</b>	<b>\$ 467,753</b>	<b>\$ 1,891,487</b>	<b>67%</b>