

CITY OF FORSYTH, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

Prepared by:
City Finance Department

CITY OF FORSYTH, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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INTRODUCTORY SECTION



CITY OF FORSYTH

P. O. BOX 1447
FORSYTH, GEORGIA 31029
(478) 994-5649

August 25, 2023

Honorable Eric Wilson
Members of the Forsyth City Council
Citizens of the City of Forsyth
Forsyth, Georgia 31029

Dear Mayor, Council Members, and Citizens of Forsyth:

The Annual Comprehensive Financial Report (“ACFR”) of the City of Forsyth, Georgia (the “City”), for the year ended December 31, 2022, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included.

The City is required to have an audit in conformity with *Government Auditing Standards*. The auditor’s report on compliance and internal control over financial reporting and the status of prior year findings is included in this report.

This report includes all funds of the City. The City provides a full range of services. These services include police protection, fire protection, the construction and maintenance of streets and drainage improvements, planning and zoning, engineering, building and code enforcement, electrical service, and water and sewer service. In the following section of this report, you will find the Management’s Discussion & Analysis which provides a more in-depth review of all funds and services.

A Mayor and six (6) City Council members serve the City of Forsyth. The Mayor and all City Council members are elected by post and serve at large. All serve four (4) year terms. The Mayor and City Council serve as the legislative body responsible for enacting City ordinances, resolutions, appropriating funds, and providing policy direction to City staff. The City Council appoints a City Manager, City Attorney, City Auditor, Municipal Court Judge, a Planning and Zoning Board, Convention & Visitor’s Bureau, Downtown Development Authority, and Housing Authority. The City Council annually adopts a balanced budget and establishes a tax rate for the support of the City programs. The City Manager and Department Directors have the responsibility of administering these programs in accordance with policies and the annual budget adopted by the City Council.

General Information and History

The City of Forsyth is in central Monroe County, which is located in the central part of the state, approximately 60 miles south of Atlanta. The town was incorporated and made the county seat by an act of the General Assembly, December 10, 1823. The city limits consisted of a circular area with a radius of ½ mile from the courthouse square. By 1827, the City contained 70 houses and stores, an academy, a house of worship for Baptists, and an elegant courthouse and jail.

The City experienced intensive commercial growth between the mid-19th and early 20th centuries. This growth was brought to the area by the arrival of the railroad in 1838 (the City is home to the first passenger rail service in Georgia), 19th century cotton agriculture (farming and two cotton mills), and the opening of Tift College in 1849 (2nd oldest founded female college in the world).

Today, the City covers an area of approximately five square miles with a population from the 2020 census of 4,384.

Economic Condition and Outlook

The economic condition and outlook of the City remains strong as the area is predicted to have a sustained growth pattern through 2022. City leaders have recognized, and plans have been developed and/or implemented to maintain balanced, controlled, and planned developments in concert with an economic development plan that encourages appropriate growth. The economic growth has also placed increased demands on services, but the City has adopted a conservative approach and implemented programs to meet these demands. The City has still been able to provide its services at a cost per capita that is comparable to other communities with similar demographic and economic characteristics.

Future stability for the City is good based upon the solid fund equity balance that is maintained in our funds. This shows that we have goals and objectives that the City can meet in the public service area: police and fire protection, street and drainage improvements, and infrastructure.

Major Initiatives

Mayor and City Council:

Overall Goals and Objectives – 1) Achieve all goals while striving for the lowest total cost for public services with a minimal property tax millage rate; 2) Maintain a managed growth policy that requires quality development in concert with our economic development strategy; 3) Provide for the public safety and welfare by committing appropriate resources to police, fire, streets, recreation, electric, water, and sewer; 4) Continue cooperative efforts with other governments; and 5) Preserve our historic and cultural heritage.

Since 2016, Mayor and Council hold an annual retreat to review prior goals and set new goals for the upcoming year. Goals established for 2022 were: review of annexation areas, improving public/private relationships, and review future needs for all infrastructure.

Finance and Administration:

Overview – The Finance and Administrative Departments consists of the City Manager, City Clerk, and support personnel. The City Manager is appointed by the Mayor and City Council and is responsible for the execution of policies and legislative action of the City Council, direction, control, and coordination of operational agencies. The City Clerk is responsible for City Council agenda preparation, minutes, and custodian of City records. The Clerk is responsible for planning, developing, implementing, and maintaining the administrative and financial operations of the City including purchasing and assisting the City Manager with preparing the annual budget and capital improvement plan.

The new City Hall building became operational in November 2021. The City administration offices, municipal court clerk’s office, and the Economic Development department are housed in the new City Hall building.

Municipal Court:

Overview – The Municipal Court of Forsyth (the “Court”) is dedicated to the principle of equal and timely access to justice so that all individuals are treated with integrity, honesty, equality, respect for the rule of law, and the rights of all. The Court uses all staff members in a collaborative effort to operate the Court efficiently and effectively while maintaining public trust and confidence. The Municipal Court prepares and processes records, citations, warrants and other legal papers for the Court. Court personnel receive and deposit monies collected for fines and fees, set court dates, issue subpoenas and warrants, and prepare various reports, records, and other documents pertinent to the operation of the Court and those required by the State of Georgia.

The Municipal Court personnel consists of a Chief Judge, Assistant Judge, Solicitor, Public Defender, bailiffs, and Court Clerk. In 2022, the Municipal Court heard 2,446 cases in court.

Police:

Overview – The men and women of the Forsyth Police Department are committed to providing a safe community and improving the life of all its citizens. To achieve this goal, we work in partnership with the community to deliver services in a professional and transparent process, while holding ourselves to the highest professional standards. In addition, we hold ourselves to our core values of Professionalism, Respect, Integrity, Dedication, and Excellence.

This year we have hired a new police chief that will bring new and fresh ideas to the Police Department. The City purchased six (6) new patrol vehicles that will help achieve the mission of the Police Department of a safer community. The Police Department purchased a new Taser 7 for the officers that will make it safer for officers and reduce liability. The Police Department updated its radios by purchasing six (6) Motorola mobiles for our vehicles and twelve (12) Motorola walkie-talkies.

Fire:

Overview – The City of Forsyth Fire Department responds to various types of emergency incidents including all types of fires, motor vehicle and other accidents, rescue calls, severe weather, and flooding emergencies. Fire department personnel perform numerous prevention and public relations functions, fire safety inspections, fire safety education, annual hydrant maintenance, emergency management functions, and other specialty programs. The City of Forsyth Fire Department was recertified as a State Certified Agency with an ISO Class 2 rating in 2021.

All employees of the Fire Department maintain their State Certifications and many within the department hold special certifications including arson investigator, fire safety educator, EMT, and paramedic certifications. The Fire Department trains regularly with the Monroe County Fire Department as we have an automatic response agreement with them for all calls within a one (1) mile radius of the city limits. The Fire Department responded to an estimate of 1,800 calls for service in 2022. The Fire Department completed all training and response to calls during 2022 without injury to personnel which is a great accomplishment in the fire service of today. 2022 brought about a change to the Fire Chief position as longtime Chief, David Herndon, retired and Kevin Bunn was hired to fill the position.

Public Works:

Overview – The City of Forsyth Public Works Department is responsible for the maintenance of all streets, sidewalks and drainage facilities located on public property. The Public Works Department is also responsible for grass cutting along City streets and State highways, three (3) City cemeteries, five (5) public parks, a closed City landfill, and all City buildings. The Public Works Department provides landscaping services for public property. The Public Works Department provides emergency services including road closing and sandbagging flood prone areas, debris removal and cleanup after storms, and storm drain maintenance. The Public Works Department maintains all City sidewalks throughout the city limits, including replacing damaged sidewalks and installing new sidewalks as needed.

Recreation:

Overview – The City of Forsyth provides for passive recreation. Forsyth City Council, through the bid process, worked with TSW to design an overall park plan upgrade and has pledged to use property taxes to fund these upgrades. The City of Forsyth was awarded a Land and Water Conservation Fund Grant in the amount of \$1.2 million with \$500,000 from the grant and the City pledging the remaining \$700,000 from the property taxes set aside for these projects. This grant will provide funding for a portion of the overall park plan upgrade. The City borrowed over \$3 million to complete the remainder of the park plan upgrades.

Economic Development:

Overview – The Economic Development Department strives to maintain and improve the overall quality of life for all citizens of the City by promoting sustainable development, encouraging a stable and enduring economic base, providing for the safety, health, and education, and preserving the natural, cultural, and historic assets of the City. The Economic Development Department coordinates the development and implementation of special area studies, plan review process, Zoning Ordinance, Sign Ordinance, and Landscape Ordinances. The Economic Development Department expeditiously reviews and responds to all inquiries, applications, and studies dealing with current planning, zoning, subdivision, and land development to achieve a well-designed, planned, and quality community in accordance with adopted ordinances, resolutions, and policies. The Economic Development Department provides all necessary land use, economic, environmental, and social data upon which to base effective governmental decisions resulting in orderly growth and development and a high quality of life for present and future citizens.

In 2022, the City saw the opening of over 20 small to moderate businesses along with the continued development of three (3) large-scale residential projects. There were also successful meetings with larger businesses and developers concerning projects that would take place at a later time within the City.

The Forsyth Main Street program, along with the Downtown Development Authority (a component of the City of Forsyth), falls under Economic Development. In 2022, the Forsyth Main Street program conducted a successful Summer Concert series, to include a Fourth of July fireworks show, and assisted with raising over \$2,500 for the annual Shop with Public Safety event at Christmas for children in need. In addition to these, Main Street and the Downtown Development Authority were also awarded eight (8) Façade/Sign Grants, totaling approximately \$11,000 to businesses in the downtown area.

Electric:

Overview – The Electric Department is responsible for supplying electricity to the City’s residents for energy needs and minimizing power outages. The Electric Department maintains all streetlights throughout the City along with the lighting on I-75. The Electric Department maintains all rights-of-way for 58 miles of electric lines, maintains all City-owned utility poles, and builds new service lines as needed for new developments. This department is also responsible for monthly reading of all meters for utilities provided by the City, which in 2022 consisted of approximately 3,112 electric and 3,351 water meters.

Water and Sewer:

Overview – The Water and Sewer Department is responsible for supplying water to the City’s residents for potable and firefighting uses, maintaining the water reservoir, testing all water to meet all state and federal regulations, and maintaining the easements associated with the City infrastructure. They are also responsible for the treatment and disposal of the wastewater generated by the City as per regulations set forth by all state and federal agencies. The City operates a permitted 3 mgd water treatment plant and two (2) permitted wastewater treatment plants.

The City was awarded a Community Development Block Grant in the amount of \$1 million for the replacement of water lines in the Jackson Heights, Brookwood, and Union Hill subdivision areas.

Convention and Visitors Bureau:

Overview – In January 2015, the City created the Convention and Visitors Bureau (“CVB”), which is a component unit of the City. The department is funded by 40% of the net revenues received through the hotel/motel tax. The CVB is responsible for promoting tourism, trade, and conventions in the City and operates the City of Forsyth Welcome Center.

The total hotel/motel tax revenue received in 2022 was \$632,645 with \$253,058 transferred to the CVB for promoting tourism, trade, and conventions in the City of Forsyth.

Financial Information

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgements by management.

Basis of accounting. The basis of accounting used determines when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Governmental fund types and expendable trust funds use the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The financial statements for the proprietary fund types are accounted for on the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recognized when the liability is incurred.

Accounting systems. In developing and evaluating the City’s accounting control system, consideration is given in the adequacy of internal accounting controls. Internal accounting controls comprise the plan of organization and the procedures and records concerned with safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance regarding: 1) the safeguarding of assets against loss from unauthorized user disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

Budgetary control. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The level of budgetary control is on a departmental basis. A budget is legally adopted for the General Fund and all Special Revenue Fund types. Formal budgetary integration is employed as a management control device during the year. The budget is based on the same method of accounting as the fund it represents.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require the approval of the Chief Financial Officer. Increase in appropriations in a departmental budget or in a non-departmental expense category requires approval of the governing body in the form of amendments to the budget ordinance.

General government functions. Municipal activities and services are accounted for in the General Fund, Capital Improvement Fund, Special Revenue Funds, Fiduciary Fund and Enterprise Funds.

Capital Improvement Fund. The Capital Improvement Fund is used to account for capital projects that are being acquired or built. The City has one (1) capital improvement fund: the Special Purpose Local Option Sales Tax (“SPLOST”) Fund

SPLOST Fund. The fund is used to account for Special Purpose Local Option Sales Tax proceeds for approved capital improvements. Total revenues equal \$1,130,672. Each SPLOST is passed by referendum and is collected for six (6) years. The City entered into a Bond Agreement with Monroe County to borrow against the projected SPLOST proceeds and that allows the City to expend funds before the proceeds are received. The City only bonds 75% of the estimate of the allowed projects.

Special Revenue Funds. The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The City has two (2) Special Revenue Funds: 1) Hotel/Motel Tax Fund, and 2) Police Special Revenue Fund.

Hotel/Motel Tax Fund. The fund is used to account for hotel/motel taxes collected for the use of tourism. Total revenues equal \$632,645 with expenditures in the amount of \$253,058 for tourism.

Police Special Revenue Fund. The fund is used to account for police seizure monies from federal and state agencies to be used on police expenditures. There were no revenue or expenditures in 2022 for this fund.

Enterprise Fund. Business-type activities of the City are accounted for in the Enterprise Fund. The Enterprise Fund for the City is the Combined Utilities Fund.

Combined Utilities Fund. The Combined Utilities Fund charges City residents for the consumption of electricity, water, and sewer. Total utility revenues for year 2022 were \$18,224,608. Total operating expenditures for year 2022 were \$18,629,962.

Relevant Financial Policies. Throughout the year, the City Manager and City Clerk administer the governing council's approved financial policies. These policies address issuance of debt, purchasing and procurement, cash and investment management, and accounting practices. In totality, these policies formulate the core criteria for which internal evaluations occur. On a continuous basis, these policies are reviewed to maintain relativity to the changing financial needs of the government.

Other Information

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Mauldin & Jenkins was selected by the City Council. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Acknowledgments. The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Clerk's office and the directors of each department. Each has my sincere appreciation for the contributions made in the preparation of this report. A special thank you and appreciation goes to Regina Ivie, City Clerk, for her dedication to ensure timely, accurate information for this annual financial report.

Sincerely,

Janice L. Hall

Janice L. Hall
City Manager/Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Forsyth
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

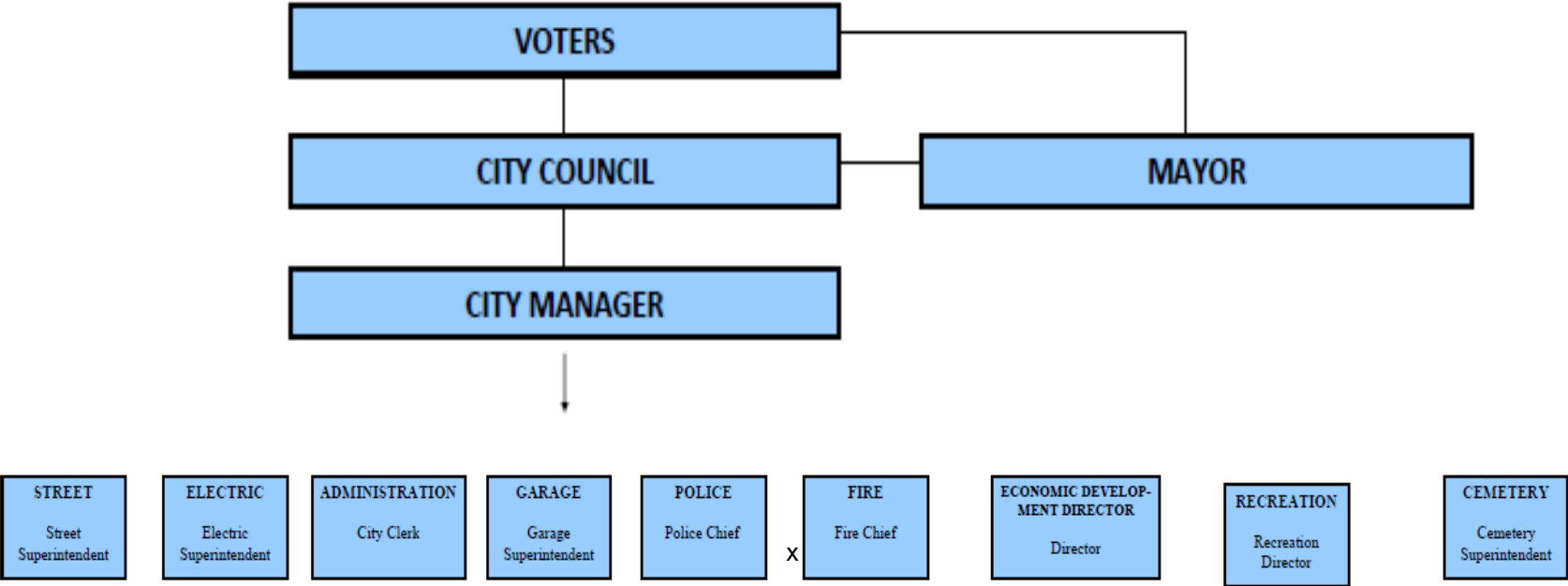
December 31, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF FORSYTH, GEORGIA

ORGANIZATIONAL CHART DECEMBER 31, 2022



CITY OF FORSYTH, GEORGIA

LIST OF PRINCIPAL OFFICIALS AS OF DECEMBER 31, 2022

MAYOR

Eric S. Wilson

CITY COUNCIL MEMBERS

Mike E. Dodd
Gregory Goolsby
Chris H. Hewett
John T. Howard II
Melvin A. Lawrence
Julius Stroud III

CITY MANAGER

Janice L. Hall

CITY CLERK

Regina L. Ivie

POLICE CHIEF

Woodrow Blue

FIRE CHIEF

Kevin Bunn

ELECTRIC DEPARTMENT HEAD

Michael Batchelor

GARBAGE DEPARTMENT HEAD

Vacant

ECONOMIC DEVELOPMENT/ DOWNTOWN DEVELOPMENT AUTHORITY/ MAIN STREET

Cody Ellis

MUNICIPAL COURT JUDGE

Alyssa D. Peters

CITY ATTORNEY

C. Robert Melton

CITY AUDITORS

Mauldin & Jenkins, LLC

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Members
of City Council
City of Forsyth, Georgia
Forsyth, Georgia**

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Hotel/Motel Tax Fund and the Local Fiscal Recovery Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("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 related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State 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 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 (on pages 5 through 13), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on pages 66 and 67), and the Schedule of City Contributions (on pages 68 and 69) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the balance sheet and statements of revenues, expenditures and changes in fund balances for the discretely presented component units, the schedule of expenditures of Special Purpose Local Option Sales Tax proceeds as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and the schedule of Transportation Special Purpose Local Option Sales Tax, as required by the O.C.G.A. §48-8-260 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 the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of Special Purpose Local Option Sales Tax proceeds, the schedule of expenditures of Transportation Special Purpose Local Option Sales Tax proceeds and the balance sheet and statement of revenues, expenditures and changes in fund balance for the discretely presented component units are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2023, on our consideration of the City of Forsyth, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 of Forsyth, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
August 25, 2023

CITY OF FORSYTH, GEORGIA
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

As management of the City of Forsyth, Georgia (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City’s Primary Government activities exceeded its liabilities as of December 31, 2022, by \$35,186,285.
- As of December 31, 2022, total net position consisted of \$21,013,342 net investment in capital assets, \$1,918,657 restricted for law enforcement and capital projects, and \$12,254,286 unrestricted.
- As of December 31, 2022, the City’s governmental funds reported ending fund balance of \$8,937,283, an increase of \$5,509,114 from the prior year.
- As of December 31, 2022, the City’s General Fund reported ending fund balance of \$3,098,582, a decrease of \$35,347 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management’s Discussion and Analysis (“MD&A”) is intended to serve as an introduction to the City’s basic financial statements. The City’s financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The statements within the first component are government-wide financial statements that provide both long-term and short-term information about the City’s overall financial status in a manner similar to a private-sector business.

The statements within the second component are fund financial statements that focus on individual parts of the City government, reporting the City’s operations in more detail than the government-wide statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances. These two statements include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all the City’s assets, liabilities, and deferred inflows/outflows 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 government’s net position changed during the most recent fiscal year. All changes in net assets 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., uncollected taxes).

MANAGEMENT'S DISCUSSION & ANALYSIS

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through administrative fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, housing and development, culture and recreation and better hometown.

The government-wide financial statements include not only the City government itself (known as the primary government), but also the component units of the Downtown Development Authority and the Forsyth Convention & Visitors Bureau Authority. Financial information for these component units are reported separately from the financial information presented for the primary government itself. Data for the component units are presented in a separate column to emphasize that it is legally separate from the City.

Fund Financial Statements

The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide 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 of the funds of the City can be divided into the following categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

Governmental Funds

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

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

The City maintains seven (7) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Capital Projects Fund, Special Purpose Local Option Sales Tax ("SPLOST") 2019 Fund, Hotel/Motel Tax Fund, and the Local Fiscal Recovery Fund, of which are considered to be major funds. Data from the other one (1) governmental fund is combined into a single, aggregated presentation. Individual fund data for this nonmajor governmental fund is provided in the form of both combining statements and individual fund statements and schedules section of this report.

MANAGEMENT'S DISCUSSION & ANALYSIS

The City adopts an annual appropriated budget for its General Fund, Hotel/Motel Tax Fund and the Local Fiscal Recovery Fund. A budgetary comparison statement for each fund has been provided to demonstrate compliance with this budget.

Proprietary Fund

The City maintains one (1) proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund to account for the operation of the Combined Utilities Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for this fund and are provided in the form of individual fund statements elsewhere in this report.

Fiduciary Fund

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one (1) type of fiduciary fund, custodial fund. The Municipal Court Fund is a custodial fund that accounts for the activity of the City's municipal court.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligations to provide pension to its employees. Required supplementary information can be found elsewhere in this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$35,186,285 at the close of the most recent fiscal year.

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF FORSYTH'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 11,291,813	\$ 5,545,172	\$ 13,716,225	\$ 15,135,999	\$ 25,008,038	\$ 20,681,171
Capital assets, net of accumulated depreciation	<u>12,666,662</u>	<u>12,731,008</u>	<u>13,849,066</u>	<u>12,936,294</u>	<u>26,515,728</u>	<u>25,667,302</u>
Total assets	<u>\$ 23,958,475</u>	<u>\$ 18,276,180</u>	<u>\$ 27,565,291</u>	<u>\$ 28,072,293</u>	<u>\$ 51,523,766</u>	<u>\$ 46,348,473</u>
Deferred outflows of resources	\$ 495,284	\$ 728,723	\$ -	\$ -	\$ 495,284	\$ 728,723
Liabilities						
Current and other	\$ 785,080	\$ 1,314,035	\$ 1,599,511	\$ 1,678,824	\$ 2,384,591	\$ 2,992,859
Long-term liabilities	<u>12,573,772</u>	<u>9,839,693</u>	<u>947,268</u>	<u>1,045,924</u>	<u>13,521,040</u>	<u>10,885,617</u>
Total liabilities	<u>\$ 13,358,852</u>	<u>\$ 11,153,728</u>	<u>\$ 2,546,779</u>	<u>\$ 2,724,748</u>	<u>\$ 15,905,631</u>	<u>\$ 13,878,476</u>
Deferred inflows of resources	\$ 927,134	\$ 983,697	\$ -	\$ -	\$ 927,134	\$ 983,697
Net position						
Net investment in capital assets	\$ 8,111,544	\$ 6,688,058	\$ 12,901,798	\$ 11,890,370	\$ 21,013,342	\$ 18,578,428
Restricted for:						
Debt service	-	-	-	-	-	-
Law enforcement	8,600	8,467	-	-	8,600	8,467
Capital projects	1,910,057	-	-	-	1,910,057	-
Unrestricted	<u>137,572</u>	<u>170,953</u>	<u>12,116,714</u>	<u>13,457,175</u>	<u>12,254,286</u>	<u>13,628,128</u>
Total net position	<u>\$ 10,167,773</u>	<u>\$ 6,867,478</u>	<u>\$ 25,018,512</u>	<u>\$ 25,347,545</u>	<u>\$ 35,186,285</u>	<u>\$ 32,215,023</u>

Current and other assets increased in governmental activities by \$5.7 million from the prior year. The increase was mainly attributable to the City's SPLOST/TSPLOST collections and American Rescue Plan Act ("ARPA") Coronavirus State and Local Fiscal Recovery Fund ("CSLFRF") grant proceeds during the current year. Current and other assets decreased in business-type activities by \$1.4 million from the prior year. The decrease was, in part, due to reduction in debt during the current year.

Capital assets net of accumulated depreciation decreased in governmental activities by \$64,346 from the prior year due mainly to less capital asset acquisitions and an increase in depreciation expense during the current year.

Deferred outflows of resources decreased in the governmental activities by \$233,000 due to pension assumption changes.

Current and other liabilities for governmental and business-type activities combined decreased by \$608,000, which was mainly attributable to the timing differences of payments.

Deferred inflows of resources increased in the governmental activities by \$927,134 due to pension assumption changes.

Long-term liabilities, which consist of notes, financed purchases, landfill post-closure care costs, and net pension liability, increased by \$2.6 million from the previous year for governmental and business-type activities combined. A significant portion of the increase was due to the City's issuance of debt during the current year.

MANAGEMENT'S DISCUSSION & ANALYSIS

A significant portion of the City's net position, \$21,013,342, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in 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.

An additional portion of the City's net position, \$1,918,657, represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City's unrestricted net position had a balance of \$12,254,286.

The City's overall net position increased \$3 million from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

CITY OF FORSYTH'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program services:						
Charges for services	\$ 1,045,743	\$ 1,171,311	\$ 17,584,332	\$ 16,158,570	\$ 18,630,075	\$ 17,329,881
Operating grants and contributions	565	11,327	-	-	565	11,327
Capital grants and contributions	1,953,419	978,785	-	1,264,016	1,953,419	2,242,801
General revenues:						
Taxes	3,561,360	3,054,480	-	-	3,561,360	3,054,480
Investment and interest revenues	675	578	-	108,840	675	109,418
Other	-	-	877,247	-	877,247	-
Total revenues	<u>6,561,762</u>	<u>5,216,481</u>	<u>18,461,579</u>	<u>17,531,426</u>	<u>25,023,341</u>	<u>22,747,907</u>
Expenditures/expenses						
General government	1,619,967	1,510,745	-	-	1,619,967	1,510,745
Judicial	-	1,000	-	-	-	1,000
Public safety	3,025,930	3,311,187	-	-	3,025,930	3,311,187
Public works	1,814,757	2,825,459	-	-	1,814,757	2,825,459
Housing and development	259,808	220,493	-	-	259,808	220,493
Culture and recreation	326,033	217,067	-	-	326,033	217,067
Better Hometown	169,755	159,708	-	-	169,755	159,708
Interest	509,680	416,912	-	-	509,680	416,912
Combined utilities	-	-	14,326,149	12,040,267	14,326,149	12,040,267
Total expenses	<u>7,725,930</u>	<u>8,662,571</u>	<u>14,326,149</u>	<u>12,040,267</u>	<u>22,052,079</u>	<u>20,702,838</u>
Change in net position before transfers	(1,164,168)	(3,446,090)	4,135,430	5,491,159	2,971,262	2,045,069
Transfers	4,464,463	3,425,154	(4,464,463)	(3,425,154)	-	-
Change in net position	<u>3,300,295</u>	<u>(20,936)</u>	<u>(329,033)</u>	<u>2,066,005</u>	<u>2,971,262</u>	<u>2,045,069</u>
Net position, beginning, as restated	<u>6,867,478</u>	<u>6,888,414</u>	<u>25,347,545</u>	<u>23,281,540</u>	<u>32,215,023</u>	<u>30,169,954</u>
Net position, ending	<u>\$ 10,167,773</u>	<u>\$ 6,867,478</u>	<u>\$ 25,018,512</u>	<u>\$ 25,347,545</u>	<u>\$ 35,186,285</u>	<u>\$ 32,215,023</u>

MANAGEMENT'S DISCUSSION & ANALYSIS

Governmental activities

During the current fiscal year, net position for governmental activities increased \$3,300,295 from the prior fiscal year for an ending balance of \$10,167,773. The increase in the overall net position of governmental activities is primarily due to increase in transfers from the enterprise fund.

Revenues increased \$1,345,281 from the prior year, which was primarily due to the increase in capital related grants during the current year of \$974,634 mainly from the ARPA CSLFRF grant and accessed taxes increased \$506,880 from the prior year.

Total expenses were \$936,641 (11%) lower than the prior fiscal year. The biggest areas of change were in the functional areas of:

- Public safety decreased by \$285,257 (or 9%) due to a reduction in the computation of actuarial costs.
- Public works decreased by \$1,010,702 (or 36%) due to decreased road resurfacing projects and other related projects.

Business-type activities

For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$25,018,512. The City has one enterprise fund, the Combined Utilities Fund, which maintains the water and sewer operations and electric operations within the City. The total decrease in net position for business-type activities was \$329,033 from the prior year. The decrease, in large part, is attributable to the increase in transfers out to the governmental funds for capital related projects and an increase in water rates and personnel costs.

Financial Analysis of Governmental Funds

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

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. Unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council. On December 31, 2022, the City's governmental funds reported combined fund balances of \$8,987,283, an increase of \$5,509,114 in comparison with the prior year.

Of this amount, \$3,030,081 (or 34%) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is: 1) not in spendable form, \$68,481; or 2) restricted for particular purposes, \$5,888,721.

MANAGEMENT'S DISCUSSION & ANALYSIS

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, net change in fund balance for the General Fund decreased by \$35,347, which was mainly from the transfers out to the Capital Projects Fund to fund upcoming capital projects. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 40% of total General Fund expenditures, while total fund balance represents 40% of that same amount.

The Capital Projects Fund is a capital projects fund that accounts for the acquisition and construction of major capital projects. These resources must be used for various capital projects throughout the City. At the end of the 2022 fiscal year, the Capital Projects Fund had a total fund balance of \$3,920,064, an increase of \$3,834,056 from the prior year.

The 2019 SPLOST Capital Projects Fund accounts for the financial resources provided from the 1% Special Purpose Local Option Sales Tax referendum that took place in November of 2019. These resources must be used for various capital projects and road improvements throughout the City. At the end of the 2022 fiscal year, the 2019 SPLOST had a total fund balance of \$1,217,740, an increase of \$969,409 from the prior year.

The Hotel/Motel Tax Fund is a special revenue fund that accounts the collection and disbursement of monies from the hotel and motel taxes. At the end of the 2022 fiscal year, the Hotel/Motel Tax Fund had a total fund balance of (\$20).

The Local Fiscal Recovery Fund is a special revenue fund that accounts for the collection and disbursement of monies from the American Rescue Plan Act. At the end of the 2022 fiscal year, the Local Fiscal Recovery Fund had a total fund balance of \$166.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. At the end of the current fiscal year, net investment in capital assets and unrestricted net position were \$12,901,798 and \$12,116,714, respectively. As noted earlier, the decrease in net position for the Combined Utilities Fund was due to a water rate increase and personnel cost increase during the current year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories; 1) amendments made to adjust the estimates used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. For fiscal year 2022, the differences between the General Fund original budget and the final amended budget that increased appropriations are as follows:

- A budget amendment was approved to increase appropriations to maintain services

MANAGEMENT'S DISCUSSION & ANALYSIS

The General Fund's actual expenditures of \$484,353 were less than the final amended budget. This was due to a combined effort on the part of all of the departments to tightly manage their spending as summarized below:

- General Government Activities actual spending were \$10,287 the final budget.
- Public Safety actual expenditures were more than final budget by \$271,793. This was primarily the result of being over budget in Police by \$298,262.
- Public Works actual spending was \$298,718 less than the final budget. The most significant savings of \$240,113 was from Streets/Sanitation.
- Better Hometown actual spending was \$11,116 less than the final budget.
- Recreation actual expenditures were \$56,934 more than the final budget.
- Debt service actual expenditures were \$492,959 less than the final budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$26,515,728 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, distribution systems, equipment, and construction in progress.

The total net increase in the City's investment in capital assets for the current fiscal year was 3.3% (a decrease of 1% and increase of 7% for governmental activities and business-type activities, respectively). Some of the major capital asset events for the current year include the purchase of vehicles and new construction in progress for distribution systems. Additional information on the City's capital assets can be found in Note 5.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land improvements	\$ 2,901,936	\$ 2,901,936	\$ -	\$ -	\$ 2,901,936	\$ 2,901,936
Distribution system	-	-	29,324,389	28,614,893	29,324,389	28,614,893
Buildings and improvements	7,379,286	2,388,081	5,196,155	5,196,155	12,575,441	7,584,236
Infrastructure	3,197,944	3,197,944	-	-	3,197,944	3,197,944
Machinery and equipment	1,940,450	1,864,417	1,204,849	1,114,889	3,145,299	2,979,306
Vehicles	4,154,172	3,713,016	1,348,446	1,348,446	5,502,618	5,061,462
Land	1,132,693	1,132,693	249,261	249,261	1,381,954	1,381,954
Construction in progress	532,380	5,465,509	2,491,854	1,538,626	3,024,234	7,004,135
Total capital assets	21,238,861	20,663,596	39,814,954	38,062,270	61,053,815	58,725,866
Accumulated depreciation	(8,572,199)	(7,932,588)	(25,965,888)	(25,125,976)	(34,538,087)	(33,058,564)
Total capital assets, net	\$ 12,666,662	\$ 12,731,008	\$ 13,849,066	\$ 12,936,294	\$ 26,515,728	\$ 25,667,302

MANAGEMENT’S DISCUSSION & ANALYSIS

Long-Term Debt

As of December 31, 2022, the City had approximately \$10.5 million in outstanding long-term debt, which does not include interest expense.

Additional information on the City’s long-term debt can be found in Note 6 of this report.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Financed purchases	\$ 433,650	\$ 495,713	\$ 172,835	\$ 227,623	\$ 606,485	\$ 723,336
Landfill post-closure costs	1,048,440	1,007,147	-	-	1,048,440	1,007,147
Notes payable	8,041,532	5,633,245	774,433	818,301	8,815,965	6,451,546
	\$ 9,523,622	\$ 7,136,105	\$ 947,268	\$ 1,045,924	\$ 10,470,890	\$ 8,182,029

Economic Factors and Next Year’s Budgets and Rates

The following economic factors currently affect the City and were considered in developing the 2022 fiscal year budget.

- The unemployment rate for the City is currently 2.8%, a decrease of 0.4% from the prior year.
- An 3% increase in the rates on the City’s current fee schedule for water and sewer.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Forsyth, Georgia’s finances for anyone with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Ms. Janice Hall
P.O. Box 1447
Forsyth, Georgia 31029

BASIC FINANCIAL STATEMENTS

CITY OF FORSYTH, GEORGIA

**STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
ASSETS					
Cash and cash equivalents	\$ 10,438,969	\$ 1,830,559	\$ 12,269,528	\$ 278,811	\$ 76,300
Investments	-	10,827,344	10,827,344	-	-
Accounts receivable, net of allowances:					
Taxes	90,572	-	90,572	-	-
Accounts	16,356	602,440	618,796	-	-
Due from other governments	653,913	-	653,913	-	-
Due from primary government	-	-	-	32,994	-
Due from component unit	23,522	-	23,522	-	-
Inventories	8	433,615	433,623	-	-
Prepaid expenses	68,473	22,267	90,740	-	-
Capital assets, non-depreciable	1,665,073	2,741,115	4,406,188	-	-
Capital assets, depreciable, net of accumulated depreciation	11,001,589	11,107,951	22,109,540	-	169,042
Total assets	23,958,475	27,565,291	51,523,766	311,805	245,342
DEFERRED OUTFLOWS OF RESOURCES					
Pension	495,284	-	495,284	-	-
Total deferred outflows of resources	495,284	-	495,284	-	-
LIABILITIES					
Accounts payable	263,173	1,032,647	1,295,820	4,794	-
Accrued liabilities	168,244	52,820	221,064	-	-
Due to component unit	32,994	-	32,994	-	-
Due to primary government	-	-	-	23,522	-
Due to other governments	320,669	-	320,669	-	-
Customer deposits	-	514,044	514,044	-	-
Unearned revenues	1,542,292	-	1,542,292	-	-
Financed purchases due within one year	46,993	57,502	104,495	-	-
Financed purchases due in more than one year	386,657	115,333	501,990	-	-
Notes payable due within one year	288,763	44,928	333,691	-	-
Notes payable due in more than one year	7,752,769	729,505	8,482,274	-	-
Net pension liability due in more than one year	1,507,858	-	1,507,858	-	-
Landfill post-closure care costs due in more than one year	1,048,440	-	1,048,440	-	-
Total liabilities	13,358,852	2,546,779	15,905,631	28,316	-
DEFERRED INFLOWS OF RESOURCES					
Pension	927,134	-	927,134	-	-
Total deferred inflows of resources	927,134	-	927,134	-	-
NET POSITION					
Net investment in capital assets	8,111,544	12,901,798	21,013,342	-	169,042
Restricted for:					
Law enforcement	8,600	-	8,600	-	-
Capital projects	1,910,057	-	1,910,057	-	-
Unrestricted	137,572	12,116,714	12,254,286	283,489	76,300
Total net position	\$ 10,167,773	\$ 25,018,512	\$ 35,186,285	\$ 283,489	\$ 245,342

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 1,619,967	\$ 349,235	\$ 133	\$ -
Judicial	-	352,805	-	-
Public safety	3,025,930	-	403	1,065,902
Public works	1,814,757	343,703	29	887,517
Housing and development	259,808	-	-	-
Culture and recreation	326,033	-	-	-
Better Hometown	169,755	-	-	-
Interest on long-term debt	509,680	-	-	-
Total governmental activities	<u>7,725,930</u>	<u>1,045,743</u>	<u>565</u>	<u>1,953,419</u>
Business-type activities:				
Water and sewer	3,690,075	4,488,846	-	-
Electric	10,636,074	13,095,486	-	-
Total business-type activities	<u>14,326,149</u>	<u>17,584,332</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 22,052,079</u>	<u>\$ 18,630,075</u>	<u>\$ 565</u>	<u>\$ 1,953,419</u>
Component units				
Forsyth Convention and Visitors Bureau Authority				
	\$ 202,465	\$ 255,848	\$ -	\$ -
Downtown Development Authority				
	5,673	51,079	-	-
Total component units	<u>\$ 208,138</u>	<u>\$ 306,927</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

- Sales taxes
- Property taxes
- Franchise taxes
- Alcoholic beverage excise taxes
- Insurance premium taxes
- Other taxes
- Unrestricted investment earnings
- Miscellaneous

Transfers

- Total general revenues and transfers
- Change in net position
- Net position, beginning of year
- Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
\$ (1,270,599)	\$ -	\$ (1,270,599)	\$ -	\$ -
352,805	-	352,805	-	-
(1,959,625)	-	(1,959,625)	-	-
(583,508)	-	(583,508)	-	-
(259,808)	-	(259,808)	-	-
(326,033)	-	(326,033)	-	-
(169,755)	-	(169,755)	-	-
(509,680)	-	(509,680)	-	-
<u>(4,726,203)</u>	<u>-</u>	<u>(4,726,203)</u>	<u>-</u>	<u>-</u>
-	798,771	798,771	-	-
-	2,459,412	2,459,412	-	-
-	3,258,183	3,258,183	-	-
<u>(4,726,203)</u>	<u>3,258,183</u>	<u>(1,468,020)</u>	<u>-</u>	<u>-</u>
-	-	-	53,383	-
-	-	-	-	45,406
-	-	-	<u>53,383</u>	<u>45,406</u>
1,672,154	-	1,672,154	-	-
534,117	-	534,117	-	-
118,548	-	118,548	-	-
228,874	-	228,874	-	-
369,726	-	369,726	-	-
637,941	-	637,941	-	-
675	-	675	-	-
-	877,247	877,247	-	-
4,464,463	(4,464,463)	-	-	-
<u>8,026,498</u>	<u>(3,587,216)</u>	<u>4,439,282</u>	<u>-</u>	<u>-</u>
3,300,295	(329,033)	2,971,262	53,383	45,406
6,867,478	25,347,545	32,215,023	230,106	199,936
<u>\$ 10,167,773</u>	<u>\$ 25,018,512</u>	<u>\$ 35,186,285</u>	<u>\$ 283,489</u>	<u>\$ 245,342</u>

CITY OF FORSYTH, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>SPLOST 2019 Fund</u>
ASSETS			
Cash and cash equivalents	\$ 2,796,177	\$ 3,970,064	\$ 1,347,411
Accounts receivable, net of allowances:			
Taxes	53,515	-	-
Accounts	16,356	-	-
Due from other governments	300,267	-	188,997
Due from other funds	198,839	-	-
Due from component unit	23,522	-	-
Inventories	8	-	-
Prepaid expenditures	68,473	-	-
	<u>3,457,157</u>	<u>3,970,064</u>	<u>1,536,408</u>
Total assets	\$ 3,457,157	\$ 3,970,064	\$ 1,536,408
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 213,173	\$ 50,000	\$ -
Accrued liabilities	141,794	-	-
Due to component unit	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	318,668
Unearned revenue	-	-	-
	<u>354,967</u>	<u>50,000</u>	<u>318,668</u>
Total liabilities	\$ 354,967	\$ 50,000	\$ 318,668
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>3,608</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>3,608</u>	<u>-</u>	<u>-</u>

(Continued)

<u>Hotel/Motel Tax Fund</u>	<u>Local Fiscal Recovery Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
\$ 196,757	\$ 1,542,458	\$ 586,102	\$ 10,438,969
37,057	-	-	90,572
-	-	-	16,356
-	-	164,649	653,913
-	-	-	198,839
-	-	-	23,522
-	-	-	8
-	-	-	68,473
<u>\$ 233,814</u>	<u>\$ 1,542,458</u>	<u>\$ 750,751</u>	<u>\$ 11,490,652</u>

\$ -	\$ -	\$ -	\$ 263,173
-	-	-	141,794
32,994	-	-	32,994
198,839	-	-	198,839
2,001	-	-	320,669
-	1,542,292	-	1,542,292
<u>233,834</u>	<u>1,542,292</u>	<u>-</u>	<u>2,499,761</u>
-	-	-	3,608
-	-	-	3,608

CITY OF FORSYTH, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>SPLOST 2019 Fund</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (CONTINUED)			
FUND BALANCES			
Fund balances:			
Non-spendable			
Inventories	\$ 8	\$ -	\$ -
Prepaid expenditures	68,473	-	-
Restricted:			
Law enforcement	-	-	-
Capital projects	-	3,920,064	1,217,740
Unassigned	3,030,101	-	-
Total fund balances (deficit)	<u>3,098,582</u>	<u>3,920,064</u>	<u>1,217,740</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,457,157</u>	<u>\$ 3,970,064</u>	<u>\$ 1,536,408</u>

Amounts reported for governmental activities in the Statement of Net Position are different because:

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.
- The net pension liability and related deferred outflows and inflows of resources are not financial resources and, therefore, are not reported in the governmental funds.
- Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net position of governmental activities

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

<u>Hotel/Motel Tax Fund</u>	<u>Local Fiscal Recovery Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 8
-	-	-	68,473
-	166	8,434	8,600
-	-	742,317	5,880,121
<u>(20)</u>	<u>-</u>	<u>-</u>	<u>3,030,081</u>
<u>(20)</u>	<u>166</u>	<u>750,751</u>	<u>8,987,283</u>
<u>\$ 233,814</u>	<u>1,542,458</u>	<u>\$ 750,751</u>	

12,666,662

3,608

(1,939,708)

(9,550,072)

\$ 10,167,773

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>SPLOST 2019 Fund</u>
Revenues			
Taxes:			
Property taxes	\$ 554,395	\$ -	\$ -
Sales taxes	1,672,154	-	-
Insurance premium taxes	369,726	-	-
Beer, wine and alcohol taxes	228,874	-	-
Franchise taxes	118,548	-	-
Other taxes	-	-	-
Licenses and permits	119,568	-	-
Intergovernmental	80,459	-	1,130,672
Fines and forfeitures	352,805	-	-
Charges for services	343,703	-	-
Interest revenue	675	261	142
Other revenues	228,675	992	-
Total revenues	<u>4,069,582</u>	<u>1,253</u>	<u>1,130,814</u>
Expenditures			
Current:			
General government	1,579,239	-	-
Public safety	3,236,913	-	-
Public works	1,610,505	-	-
Housing and development	-	-	-
Better Hometown	326,033	-	-
Recreation	243,929	-	-
Capital outlay	-	-	101,892
Debt service:			
Principal	269,626	-	-
Interest	319,755	-	59,513
Issuance cost	-	146,026	-
Total expenditures	<u>7,586,000</u>	<u>146,026</u>	<u>161,405</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,516,418)</u>	<u>(144,773)</u>	<u>969,409</u>

(Continued)

<u>Hotel/Motel Tax Fund</u>	<u>Local Fiscal Recovery Funds</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 554,395
-	-	-	1,672,154
-	-	-	369,726
-	-	-	228,874
-	-	-	118,548
637,941	-	-	637,941
-	-	-	119,568
-	-	742,288	1,953,419
-	-	-	352,805
-	-	-	343,703
-	133	29	1,240
-	-	-	229,667
<u>637,941</u>	<u>133</u>	<u>742,317</u>	<u>6,582,040</u>
-	-	-	1,579,239
-	-	-	3,236,913
-	-	-	1,610,505
259,808	-	-	259,808
-	-	-	326,033
-	-	-	243,929
-	-	-	101,892
-	-	-	269,626
-	-	-	379,268
-	-	-	146,026
<u>259,808</u>	<u>-</u>	<u>-</u>	<u>8,153,239</u>
<u>378,133</u>	<u>133</u>	<u>742,317</u>	<u>(1,571,199)</u>

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>SPLOST 2019 Fund</u>
Other financing sources (uses)			
Issuance of refunding debt	\$ 7,555,000	\$ -	\$ -
Payment to refunded escrow agent	(4,392,182)	(546,968)	-
Transfers in	4,844,050	4,525,797	-
Transfers out	<u>(4,525,797)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>3,481,071</u>	<u>3,978,829</u>	<u>-</u>
Net change in fund balances	(35,347)	3,834,056	969,409
Fund balances, beginning of year	<u>3,133,929</u>	<u>86,008</u>	<u>248,331</u>
Fund balances (deficit), end of year	<u>\$ 3,098,582</u>	<u>\$ 3,920,064</u>	<u>\$ 1,217,740</u>

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

<u>Hotel/Motel Tax Fund</u>	<u>Local Fiscal Recovery Funds</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 7,555,000
-	-	-	(4,939,150)
-	-	-	9,369,847
<u>(379,587)</u>	<u>-</u>	<u>-</u>	<u>(4,905,384)</u>
<u>(379,587)</u>	<u>-</u>	<u>-</u>	<u>7,080,313</u>
(1,454)	133	742,317	5,509,114
<u>1,434</u>	<u>33</u>	<u>8,434</u>	<u>3,478,169</u>
<u>\$ (20)</u>	<u>\$ 166</u>	<u>\$ 750,751</u>	<u>\$ 8,987,283</u>

CITY OF FORSYTH, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	\$ 5,509,114
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 depreciation expense exceeded capital outlay in the current period.	(64,346)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(20,278)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,346,224)
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.	<u>222,029</u>
Change in net position - governmental activities	<u>\$ 3,300,295</u>

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

CITY OF FORSYTH, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 484,673	\$ 484,673	\$ 554,395	\$ 69,722
Sales taxes	1,200,000	1,200,000	1,672,154	472,154
Insurance premium taxes	340,000	340,000	369,726	29,726
Beer, wine and alcohol taxes	221,000	221,000	228,874	7,874
Franchise taxes	108,000	108,000	118,548	10,548
Licenses and permits	149,800	149,800	119,568	(30,232)
Intergovernmental	67,500	69,400	80,459	11,059
Fines and forfeitures	460,500	460,500	352,805	(107,695)
Charges for services	332,000	332,000	343,703	11,703
Interest revenue	4,200	4,200	675	(3,525)
Miscellaneous income	225,120	225,120	228,675	3,555
Total revenues	3,592,793	3,594,693	4,069,582	474,889
Expenditures				
Current				
General government:				
Administration	1,020,580	1,144,480	1,143,679	801
Governing body	319,309	319,309	309,647	9,662
Mayor	97,737	97,737	99,308	(1,571)
Elections	28,000	28,000	26,605	1,395
Total general government	1,465,626	1,589,526	1,579,239	10,287
Public safety:				
Police	2,064,775	1,492,448	1,790,710	(298,262)
Fire	1,348,962	1,348,962	1,322,647	26,315
Municipal court	114,710	123,710	123,556	154
Total public safety	3,528,447	2,965,120	3,236,913	(271,793)
Public works:				
Streets/sanitation	1,850,546	1,520,873	1,280,760	240,113
Garage	291,990	201,990	200,852	1,138
Cemetery	186,360	186,360	128,893	57,467
Total public works	2,328,896	1,909,223	1,610,505	298,718
Better Hometown				
	353,149	337,149	326,033	11,116
Recreation				
	184,995	186,995	243,929	(56,934)
Debt service:				
Principal	510,340	1,082,340	269,626	812,714
Interest	-	-	319,755	(319,755)
Total debt service	510,340	1,082,340	589,381	492,959
Total expenditures	8,371,453	8,070,353	7,586,000	484,353
Deficiency of revenues under expenditures	(4,778,660)	(4,475,660)	(3,516,418)	959,242

(Continued)

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Other financing sources (uses)				
Issuance of refunding debt	\$ -	\$ -	\$ 7,555,000	\$ (7,555,000)
Payment to refunded escrow agent	-	-	(4,392,182)	4,392,182
Transfers in	4,493,660	4,190,660	4,844,050	(653,390)
Transfers out	-	-	(4,525,797)	4,525,797
Total other financing sources, net	<u>4,493,660</u>	<u>4,190,660</u>	<u>3,481,071</u>	<u>709,589</u>
Net change in fund balances	(285,000)	(285,000)	(35,347)	249,653
Fund balances, beginning of year	<u>3,133,929</u>	<u>3,133,929</u>	<u>3,133,929</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,848,929</u>	<u>\$ 2,848,929</u>	<u>\$ 3,098,582</u>	<u>\$ 249,653</u>

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
HOTEL/MOTEL TAX FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 365,000	\$ 365,000	\$ 637,941	\$ 272,941
Total revenues	<u>365,000</u>	<u>365,000</u>	<u>637,941</u>	<u>272,941</u>
Expenditures				
Current:				
Housing and development	146,000	146,000	259,808	(113,808)
Total expenditures	<u>146,000</u>	<u>146,000</u>	<u>259,808</u>	<u>(113,808)</u>
Excess of revenues over expenditures	<u>219,000</u>	<u>219,000</u>	<u>378,133</u>	<u>159,133</u>
Other financing uses				
Transfers out	(219,000)	(219,000)	(379,587)	(160,587)
Total other financing uses	<u>(219,000)</u>	<u>(219,000)</u>	<u>(379,587)</u>	<u>(160,587)</u>
Net change in fund balances	-	-	(1,454)	(1,454)
Fund balances, beginning of year	<u>1,434</u>	<u>1,434</u>	<u>1,434</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ 1,434</u>	<u>\$ 1,434</u>	<u>\$ (20)</u>	<u>\$ (1,454)</u>

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
LOCAL FISCAL RECOVERY FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Interest revenue	\$ -	\$ 133	\$ 133
Total revenues	<u>-</u>	<u>133</u>	<u>133</u>
Expenditures			
Current:			
General government	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	133	133
Fund balances, beginning of year	<u>33</u>	<u>33</u>	<u>-</u>
Fund balances, end of year	<u>\$ 33</u>	<u>\$ 166</u>	<u>\$ 133</u>

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2022**

		<u>Major Enterprise Fund Combined Utilities Fund</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$	1,830,559
Investments		10,827,344
Accounts receivable, net of allowances		602,440
Inventories		433,615
Prepaid expenses		<u>22,267</u>
Total current assets		<u>13,716,225</u>
NON-CURRENT ASSETS		
Capital assets:		
Capital assets, non-depreciable		2,741,115
Capital assets, depreciable, net of accumulated depreciation		<u>11,107,951</u>
Total capital assets		<u>13,849,066</u>
Total non-current assets		<u>13,849,066</u>
Total assets		<u>27,565,291</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		1,032,647
Accrued liabilities		52,820
Customer deposits payable		514,044
Notes payable, current portion		44,928
Financed purchases, current portion		<u>57,502</u>
Total current liabilities		<u>1,701,941</u>
NON-CURRENT LIABILITIES		
Notes payable, net of current portion		729,505
Financed purchases, net of current portion		<u>115,333</u>
Total non-current liabilities		<u>844,838</u>
Total liabilities		2,546,779
NET POSITION		
Net investment in capital assets		12,901,798
Unrestricted		<u>12,116,714</u>
Total net position	\$	<u><u>25,018,512</u></u>

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	Major Enterprise Fund Combined Utilities Fund
OPERATING REVENUES	
Charges for services:	
Water and sewer sales	\$ 4,488,846
Electric sales	13,095,486
Total operating revenues	<u>17,584,332</u>
OPERATING EXPENSES	
Personnel services	745,545
Purchase of utilities	9,347,891
Material and supplies	1,203,230
Repairs and maintenance	313,678
Depreciation	839,912
Management fees	1,339,687
Miscellaneous	270,521
Total operating expenses	<u>14,060,464</u>
Operating income	<u>3,523,868</u>
NON-OPERATING INCOME (EXPENSES)	
Miscellaneous revenue	877,247
Investment expense	(236,969)
Interest expense	(28,716)
Total non-operating income, net	<u>611,562</u>
Income before transfers	4,135,430
TRANSFERS	
Transfers out	(4,464,463)
Total transfers	<u>(4,464,463)</u>
Change in net position	<u>(329,033)</u>
NET POSITION, beginning of year	<u>25,347,545</u>
NET POSITION, end of year	<u>\$ 25,018,512</u>

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	Major Enterprise Fund Combined Utilities Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 17,742,579
Payments to suppliers and service providers	(12,671,094)
Payments to employees	(717,511)
	4,353,974
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers out	(4,464,463)
	(4,464,463)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of property and equipment	(1,752,684)
Principal paid on notes payable	(43,868)
Principal paid on financed purchases	(54,788)
Interest paid	(265,685)
	(2,117,025)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	251,149
Proceeds from miscellaneous	877,247
	1,128,396
Decrease in cash and cash equivalents	(1,099,118)
Cash and cash equivalents:	
Beginning of year	2,929,677
End of year	\$ 1,830,559

(Continued)

CITY OF FORSYTH, GEORGIA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

		Major Enterprise Fund Combined Utilities Fund
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$	3,523,868
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		839,912
(Increase) decrease in assets:		
Accounts receivable		158,247
Inventories		(76,324)
Prepaid expenses		(12,416)
Increase (decrease) in liabilities:		
Accrued liabilities		10,867
Accounts payable		(107,347)
Customer deposits payable		17,167
		17,167
Net cash provided by operating activities	\$	4,353,974

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

CITY OF FORSYTH, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2022

	Custodial Fund Municipal Court
ASSETS	
Cash and cash equivalents	\$ 31,244
Total assets	31,244
LIABILITIES	
Due to others	23,156
Total liabilities	23,156
NET POSITION	
Restricted:	
Individuals, organizations, and other governments	8,088
Total net position	\$ 8,088

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	<u>Custodial Fund Municipal Court</u>
ADDITIONS	
Fines and fees	\$ 465,699
Total additions	<u>465,699</u>
DEDUCTIONS	
Taxes and fees paid to other governments	122,390
Other custodial disbursements	<u>339,049</u>
Total deductions	<u>461,439</u>
Change in fiduciary net position	4,260
NET POSITION, beginning of year	<u>3,828</u>
NET POSITION, end of year	<u>\$ 8,088</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF FORSYTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Forsyth, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governments. 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 is a municipal corporation governed by an elected Mayor and six-member Council. The legislative authority of the government of this City shall be vested in a City Council to be composed of a Mayor and six (6) Council members. The City Council established shall, in all respects, be a successor to and continuation of the governing authority under prior law. The Mayor and Council members shall be elected in the manner provided by general law and by the City’s charter. The City Manager is the Chief Executive Officer of the City. As such, he/she is responsible to the City Council for the administration of all City affairs placed in the manager’s charge by or under the City’s charter. The City provides the following services and operations as authorized by its charter: public safety (police and fire); public works; parks and recreation; housing and development; and public utilities (water and sewer and electric). As required by accounting principles generally accepted in the United States of America, these financial statements include the accounts of all City operations and all activities of the City.

The accompanying financial statements present the government and its component units, an entity for which the government is considered to be financial accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely presented component units

The **Downtown Development Authority of Forsyth (the “DDA”)** – The DDA was utilized to issue bonds related to the purchase and establishment of the cable system for the City. The governing board is appointed by the City Council. The City possesses the authority to review, approve and revise the budget and governs collection and disbursement of funds. The DDA is audited and included along with the primary government financial statements in accordance with GASB Statement No. 14, as amended by Statements No. 34 and 61. The DDA does not issue separate component unit financial statements.

The City of Forsyth Convention and Visitors Bureau Authority (the “Authority”) – The City Council appoints all of the members of the Authority’s board. The City possesses the authority to review, approve, and revise the budget and governs collection and disbursement of funds. The Authority is audited and included along with the primary government financial statements in accordance with GASB Statement No. 14, as amended by Statements No. 34 and 61. The Authority does not issue separate component unit financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 non-fiduciary activities of the primary government and of its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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) 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 or other items not properly included among program revenues are reported instead as general revenues.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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. 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, franchise taxes, licenses, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 **Capital Projects Fund** accounts for the acquisition and construction or improvement of major capital projects.

The **Special Purpose Local Option Sales Tax 2019 (the "SPLOST 2019") Fund** is a capital projects fund that accounts for the receipts and disbursements of the 2019 1% SPLOST collected for various capital related projects.

The **Hotel/Motel Tax Fund** is a special revenue fund that is used to account for hotel/motel taxes collected at the City.

The **Local Fiscal Recovery Fund** is a special revenue fund that is used to account for federal funds collected at the City from the American Rescue Plan Act ("ARPA") Coronavirus State and Local Fiscal Recovery Funds ("CSLFRF") grant.

The City reports the following major proprietary fund:

The **Combined Utilities Fund** accounts for the activities of the government's electric, water and sewer systems.

The City reports the following custodial fund:

The **Municipal Court Fund** accounts for the activities of the government's municipal court collected funds.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditures for specific purposes.

The **Capital Projects Funds** account for used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the special revenue funds. The capital projects are appropriated on a project length basis. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The government's department head may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The Council made several supplemental budgetary appropriations throughout the year.

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments.

The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values. Increases or decreases in the fair value during the year are recognized as a component of interest income.

G. Inventory and Prepaid Items

Inventory of supplies in proprietary funds is valued at cost. Prepaid expenses are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption, but not consumed as of December 31. At the fund reporting level, an equal amount of fund balance is non-spendable, as this amount is not available for general appropriation.

H. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are presented net of an allowance for uncollectibles. Trade accounts receivables in excess of 90 days comprise the trade accounts receivable allowance for uncollectibles.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" in the fund financial statements. Short-term interfund loans are classified as "interfund receivables/payables". Long-term interfund loans are classified as "advances". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

J. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, other than infrastructure 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	40
Land improvements	10
Public domain infrastructure	40
System infrastructure	30
Vehicles	5
Furniture, fixtures and equipment	5

L. Compensated Absences

In accordance with the City's policy, employees are entitled to annual vacation and sick leave. The annual vacation benefits do not accrue and cannot be carried forward to subsequent periods. The annual sick leave benefits can accumulate up to three years equivalent but the accumulated sick leave will not be paid when employees leave the City's employment. Accordingly, there is no liability for unpaid accumulated vacation or sick leave.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bond using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported 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 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:

- **Non-spendable** – Fund balances are reported as non-spendable 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.
- **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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Fund Balance (Continued)

- **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 the City Clerk to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. 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. The 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.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. All items relate to the City's Retirement Plan, which are reported in the government-wide and proprietary fund Statements of Net Position. Experience differences result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience differences are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Additionally, any contributions made by the City to the pension plan, before year-end but subsequent to the measurement date of the City's net pension liability, are reported as deferred outflows of resources.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet 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. Two of the items related to the City's Retirement Plan are reported in the government-wide and proprietary fund Statements of Net Position. Experience differences result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience differences are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. The net difference between projected and actual earnings on pension plan investments is deferred and amortized against pension experience over a specified period, resulting in recognition as deferred inflows of resources. In addition, one item, *unavailable revenue*, was reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and this amount was deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

Q. Pensions

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental funds 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 “certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Accrued interest payable	\$ (26,450)
Notes payable	(8,041,532)
Financed purchases	(433,650)
Landfill post-closure care costs	<u>(1,048,440)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (9,550,072)</u>

B. Explanation of Certain Differences Between the Governmental Funds 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 changes in fund balances – total governmental funds* and *changes 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 useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 575,265
Depreciation expense	<u>(639,611)</u>
Net adjustment to reduce <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (64,346)</u>

NOTES TO FINANCIAL STATEMENTS

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

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Nether transaction, however, has any effect of net position.” The details of this difference are as follows:

Debt issued:		
Notes payable		\$ (7,555,000)
Principal repayments:		
Notes payable		207,563
Financed purchases		62,063
Payment to escrow agent		<u>4,939,150</u>
Net adjustment to redcrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>		<u><u>\$ (2,346,224)</u></u>

Another element of that reconciliation explains 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 difference are as follows:

Landfill post-closure care costs		\$ (41,293)
Accrued interest		15,614
Net pension liability and related deferred outflows of resources		<u>247,708</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>		<u><u>\$ 222,029</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2022 are summarized as follows:

Amount as presented on the entity-wide statements of net position:	
Cash and cash equivalents	\$ 12,269,528
Investments	10,827,344
Amounts as presented on the fiduciary statement of net position:	
Cash and cash equivalents - Custodial Fund	31,244
Component Units - cash and cash equivalents	355,111
Total	\$ 23,483,227
Cash deposited with financial institutions	\$ 12,655,883
Investments in the Municipal Competitive Trust	10,827,344
Total	\$ 23,483,227

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the City's policy to limit its investments to those allowed and authorized by state law. As of December 31, 2022, the City's investment in the Municipal Competitive Trust was not rated.

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

As of December 31, 2022, the City had the following investments:

Investment	Weighted Average Maturities	Fair Value
Municipal Competitive Trust (Interm. Ext. Mat.)	3.64 years	\$ 7,477,625
Municipal Competitive Trust (Intermediate)	2.68 years	1,395,657
Municipal Competitive Trust (Short-Term)	155 days	1,954,062
		\$ 10,827,344

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City's only investments that are required to be disclosed in the fair value hierarchy are its holdings in the Municipal Competitive Trust, which are considered to be Level 2 investments. These investments are valued using comparative observable input market data, including, but not limited to: benchmark yields or yield curves; historic sector, security, or issuer relative pricing; observed or reported trades of like assets broker dealer quotes; or quantitative pricing models using any or all of this market data.

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. As of December 31, 2022, the City did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

NOTE 4. RECEIVABLES

Receivables as of December 31, 2022, including the applicable allowances for uncollectible accounts, are as follows:

	General	Hotel/Motel Tax Fund	Combined Utility Fund	SPLOST 2019 Fund	Nonmajor Governmental	Total
Receivables:						
Taxes	\$ 82,729	\$ 37,057	\$ -	\$ -	\$ -	\$ 119,786
Due from other governments	300,267	-	-	188,997	164,649	653,913
Accounts	26,678	-	651,440	-	-	678,118
Gross receivables	409,674	37,057	651,440	188,997	164,649	1,451,817
Less allowance for uncollectibles	39,536	-	49,000	-	-	88,536
Net total receivables	<u>\$ 370,138</u>	<u>\$ 37,057</u>	<u>\$ 602,440</u>	<u>\$ 188,997</u>	<u>\$ 164,649</u>	<u>\$ 1,363,281</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

Property Taxes

Property taxes were levied on behalf of the City by Monroe County on September 7, 2022, (levy date) based upon property values assessed as of January 1, 2021. Property taxes levied by 2022 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2022, and collected by December 21, 2022, are recognized as revenues in the year ended December 31, 2022. Net receivables estimated to be collected subsequent to December 21, 2022 are deferred as of December 31, 2022, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are re-evaluated annually.

NOTE 5. CAPITAL ASSETS

A. Primary Government

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 1,132,693	\$ -	\$ -	\$ -	\$ 1,132,693
Construction in progress	5,465,509	58,076	-	(4,991,205)	532,380
Total	<u>6,598,202</u>	<u>58,076</u>	<u>-</u>	<u>(4,991,205)</u>	<u>1,665,073</u>
Capital assets, being depreciated:					
Buildings	2,388,081	-	-	4,991,205	7,379,286
Infrastructure	3,197,944	-	-	-	3,197,944
Land improvements	2,901,936	-	-	-	2,901,936
Furniture, fixtures and equipment	1,864,417	76,033	-	-	1,940,450
Vehicles	3,713,016	441,156	-	-	4,154,172
Total	<u>14,065,394</u>	<u>517,189</u>	<u>-</u>	<u>4,991,205</u>	<u>19,573,788</u>
Less accumulated depreciation for:					
Buildings	1,312,399	95,235	-	-	1,407,634
Infrastructure	997,370	100,999	-	-	1,098,369
Land improvements	1,538,273	107,637	-	-	1,645,910
Furniture, fixtures and equipment	1,605,417	105,531	-	-	1,710,948
Vehicles	2,479,129	230,209	-	-	2,709,338
Total	<u>7,932,588</u>	<u>639,611</u>	<u>-</u>	<u>-</u>	<u>8,572,199</u>
Total assets, being depreciated, net	<u>6,132,806</u>	<u>(122,422)</u>	<u>-</u>	<u>4,991,205</u>	<u>11,001,589</u>
Governmental activities capital assets, net	<u>\$ 12,731,008</u>	<u>\$ (64,346)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,666,662</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 249,261	\$ -	\$ -	\$ -	\$ 249,261
Construction in progress	1,538,626	1,603,238	-	(650,010)	2,491,854
Total	1,787,887	1,603,238	-	(650,010)	2,741,115
Capital assets, being depreciated:					
Buildings	5,196,155	-	-	-	5,196,155
Distribution system	28,614,893	59,486	-	650,010	29,324,389
Machinery and equipment	1,114,889	89,960	-	-	1,204,849
Vehicles	1,348,446	-	-	-	1,348,446
Total	36,274,383	149,446	-	650,010	37,073,839
Less accumulated depreciation for:					
Buildings	5,041,955	5,863	-	-	5,047,818
Distribution system	18,053,072	750,271	-	-	18,803,343
Machinery and equipment	1,012,948	17,674	-	-	1,030,622
Vehicles	1,018,001	66,104	-	-	1,084,105
Total	25,125,976	839,912	-	-	25,965,888
Total assets, being depreciated, net	11,148,407	(690,466)	-	650,010	11,107,951
Business-type activities capital assets, net	\$ 12,936,294	\$ 912,772	\$ -	\$ -	\$ 13,849,066

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

Governmental activities	
General government	\$ 65,499
Public safety	270,880
Public works	301,990
Culture and recreation	1,242
Total depreciation expense - governmental activities	\$ 639,611
Business-type activities	
Electric	\$ 139,846
Water and sewer	700,066
Total depreciation expense - business-type activities	\$ 839,912

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit

Capital asset activity for the DDA for the fiscal year ended December 31, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, being depreciated:					
Buildings	\$ 129,194	\$ 50,805	\$ -	\$ -	\$ 179,999
Total	<u>129,194</u>	<u>50,805</u>	<u>-</u>	<u>-</u>	<u>179,999</u>
Less accumulated depreciation for:					
Buildings	6,457	4,500	-	-	10,957
Total	<u>6,457</u>	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>10,957</u>
Total assets, being depreciated, net	<u>122,737</u>	<u>46,305</u>	<u>-</u>	<u>-</u>	<u>169,042</u>
Discretely presented component unit, capital assets, net	<u>\$ 122,737</u>	<u>\$ 46,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,042</u>

NOTE 6. LONG-TERM DEBT

A. Notes Payable

Governmental activities

In 2005, the City obtained a note payable totaling \$862,080 from the United States Department of Agriculture ("USDA") for cost reimbursements associated with the construction of the Public Safety Building. The note consists of 478 monthly payments in the amount of \$3,742 and a final payment in the amount of \$2,646. The annual interest rate is 4.25%.

In 2022, the City entered into an installment sales agreement debt in the amount of \$7,555,000 from a financial institution to refund the outstanding amount of the 2020 note payable. The note consists of 240 monthly payments in the amount of \$43,731. The annual interest rate is 3.49%. The refunding reduced its total debt service payments by \$2,931,878. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,231,614.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Notes Payable (Continued)

Governmental activities (Continued)

Annual debt service requirements to maturity for the notes payable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 288,763	\$ 281,644
2024	299,143	271,295
2025	309,897	260,575
2026	321,039	249,467
2027	332,583	237,960
2028 – 2032	1,851,176	1,002,139
2033 – 2037	2,209,031	645,455
2038 – 2042	2,327,856	222,318
2043 – 2045	102,044	10,706
Total	<u>\$ 8,041,532</u>	<u>\$ 3,181,559</u>

Business-type activities

In 2016, the City entered into a notes payable agreement with the Georgia Environmental Facilities Authority (“GEFA”) for environmental facilities construction. The note is a construction line of credit agreement with a rate of 2.39% for \$1,000,000. As of December 31, 2022, the City had no unused line of credit related to this note. The City’s line of credit outstanding at December 31, 2022 is as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Amount</u>
GEFA Loan – 2016L05WS	\$ 1,000,000	2.39%	July 1, 2037	\$ 774,433
				<u>774,433</u>
			Less current maturities:	<u>(44,928)</u>
				<u>\$ 729,505</u>

The City’s outstanding note from direct borrowings related to business-type activities of \$774,433 is secured by the City’s revenue raising power. The City covenants and agrees that it shall, to the extent necessary, levy an annual ad valorem tax on all taxable property within the City as necessary to produce revenues that will be sufficient to fulfill the City’s obligations of this note. The outstanding note from direct borrowings contains a provision that in an event of default, the lender may declare the outstanding principal and accrued interest immediately due and may terminate its remaining commitment (if any) to make further advances of the loan.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Notes Payable (Continued)

Business-type activities (Continued)

Annual debt service requirements to maturity for the construction line of credit are as follows:

Year	Principal	Interest
2023	\$ 44,928	\$ 19,079
2024	46,014	18,019
2025	47,126	16,933
2026	48,265	15,821
2027	49,431	14,683
2028 – 2032	265,658	55,346
2033 – 2037	273,011	22,456
Total	\$ 774,433	\$ 162,337

B. Financed Purchases

Governmental activities

In 2015, the City entered into a financed purchase agreement with PNC Financial to purchase a vehicle. The amount financed was \$715,265, due in annual installments of \$64,521, including interest at 3.92%, for 15 years ending in 2030. The balance was \$433,650 as of December 31, 2022.

Annual debt service requirements to maturity for the financed purchases are as follows:

Year	Principal	Interest
2023	\$ 46,993	\$ 17,528
2024	48,892	15,629
2025	50,868	13,652
2026	52,924	11,596
2027	55,064	9,457
2028 – 2030	178,909	14,654
Total	\$ 433,650	\$ 82,516

Business-type activities

In 2019, the City entered into a financed purchase agreement with ALTEC Capital Services to purchase a vehicle. The amount financed was \$190,985, due in annual installments of \$36,399, including interest at 5.70%. The balance was \$67,016 as of December 31, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Financed Purchases (Continued)

Business-type activities (Continued)

In 2021, the City entered into a financed purchase agreement with ALTEC Capital Services to purchase a vehicle. The amount financed was \$152,832, due in annual installments of \$28,027, including interest at 3%. The balance was \$105,819 as of December 31, 2022.

Annual debt service requirements to maturity for the financed purchases are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 57,502	\$ 6,924
2024	60,354	4,073
2025	26,952	1,075
2026	28,027	-
Total	<u>\$ 172,835</u>	<u>\$ 12,072</u>

C. Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Notes payable from direct borrowing	\$ 5,633,245	\$ 7,555,000	\$ (5,146,713)	\$ 8,041,532	\$ 288,763
Financed purchases	495,713	-	(62,063)	433,650	46,993
Landfill post-closure costs	1,007,147	41,293	-	1,048,440	-
Net pension liability	1,932,442	828,888	(1,253,472)	1,507,858	-
Governmental activities Long-term liabilities	<u>\$ 9,068,547</u>	<u>\$ 8,425,181</u>	<u>\$ (6,462,248)</u>	<u>\$ 11,031,480</u>	<u>\$ 335,756</u>
Business-type activities					
Notes payable from direct borrowing	\$ 818,301	\$ -	\$ (43,868)	\$ 774,433	\$ 44,928
Financed purchases	227,623	-	(54,788)	172,835	57,502
Business-type activities Long-term liabilities	<u>\$ 1,045,924</u>	<u>\$ -</u>	<u>\$ (98,656)</u>	<u>\$ 947,268</u>	<u>\$ 102,430</u>

For the governmental activities, the net pension liability and landfill post-closure costs are generally liquidated by the General fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

D. Closure/Post-closure Care Costs

Effective December 2000, the City of Forsyth Old Brent Road Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the City must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate post-closure costs of \$1,048,440 over the remaining 15-year period at December 31, 2022. These costs are based on what it would cost to perform all post-closure care in 1993, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 7. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City's defined benefit pension plan, the Retirement Plan, provides retirement, disability, and death benefits to plan members and beneficiaries. The Retirement Plan is administered through the Georgia Municipal Employees Benefit System ("GMEBS"), an agent multiple employer pension plan administered by the Georgia Municipal Association. The Retirement Plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. Benefits are provided by the Retirement Plan whereby retirees receive 1.5% multiplied by the five highest consecutive years of gross earnings. The City Council, in its role as the Retirement Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to:

Georgia Municipal Association
Employee Benefit Section
201 Pryor Street, SW
Atlanta, Georgia 30303

Plan Membership. As of July 1, 2022, pension plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	68
Terminated plan members entitled to, but not receiving benefits	40
Active plan members	<u>74</u>
Total beneficiaries	<u><u>182</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Plan Description (Continued)

Contributions. The Retirement Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Retirement Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Retirement Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. City contributions to the Retirement Plan were \$508,297, which is 15.4% of covered payroll for the year ended December 31, 2022.

B. Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2022.

Actuarial Assumptions. The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Return	7.375%
Salary increases	2.25% plus service based merit increases
Inflation	2.25%
Cost of living adjustments	0.00%

Mortality rates were based on the gender-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Actuarial Assumptions (Continued). The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
Domestic equity	45%	6.55%
International equity	20%	7.30%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Cash	0%	
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended December 31, 2022 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Beginning Balance	\$ 8,986,292	\$ 7,053,850	\$ 1,932,442
<i>Changes for the year:</i>			
Service cost	145,224	-	145,224
Interest	659,284	-	659,284
Differences between expected and actual experience	(360,181)	-	(360,181)
Assumption changes	-	-	-
Contributions - employer	-	464,293	(464,293)
Net investment income	-	428,998	(428,998)
Benefit payments, including refunds of employee contributions	(384,138)	(384,138)	-
Administrative expense	-	(24,380)	24,380
<i>Net changes</i>	<u>60,189</u>	<u>484,773</u>	<u>(424,584)</u>
Ending Balance	<u>\$ 9,046,481</u>	<u>\$ 7,538,623</u>	<u>\$ 1,507,858</u>

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

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

	1% Decrease	Current	1% Increase
	(6.375%)	Discount Rate	(8.375%)
	<u> </u>	<u> </u>	<u> </u>
City's net pension liability	<u>\$ 2,510,333</u>	<u>\$ 1,507,858</u>	<u>\$ 656,934</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2022, and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2022, the City recognized pension expense of \$260,589. At December 31, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 114,061	\$ (240,120)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(687,014)
City contributions subsequent to the measurement date	381,223	-
Total	\$ 495,284	\$ (927,134)

City contributions subsequent to the measurement date of \$381,223, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,			
2023		\$	(162,251)
2024			(317,776)
2025			(351,702)
2026			18,656
Total		\$	(813,073)

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The City had the following interfund balances as of December 31, 2022.

Receivable Fund	Payable Fund	
	Hotel/Motel Tax Fund	Total
General Fund	\$ 198,839	\$ 198,839
Total	\$ 198,839	\$ 198,839

Interfund receivables and payables result 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.

The composition of interfund transfers as of December 31, 2022 is as follows:

Transfers In	Transfers Out			Total
	General Fund	Hotel/Motel Tax Fund	Combined Utilities Fund	
General Fund	\$ -	\$ 379,587	\$ 4,464,463	\$ 4,844,050
Capital Projects Fund	4,525,797	-	-	4,525,797
	\$ 4,525,797	\$ 379,587	\$ 4,464,463	\$ 9,369,847

Transfers are used to move unrestricted revenue to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. BUDGET COMPLIANCE AND DEFICIT FUND BALANCE

Expenditures in Excess of Appropriations

The following funds and departments had actual expenditures in excess of appropriations for the year ended December 31, 2022:

<u>Department</u>	<u>Excess</u>
General Fund	
General government:	
Mayor	\$ 1,571
Public safety:	
Police	298,262
Recreation	56,934
Debt service:	
Interest	319,755
Hotel/Motel Fund:	
Housing and development	113,808

These over expenditures were funded by greater than anticipated revenues.

Deficit Fund Balance

The Hotel/Motel Tax Fund had a deficit fund balance of \$20 for the fiscal year end December 31, 2022. This is expected to be funded by transfers from other funds.

NOTE 10. HOTEL/MOTEL LODGING TAX

The City has levied a lodging tax. For the fiscal year ended December 31, 2022, \$637,941 of hotel/motel tax was collected. Of the total collected, 60% was used for the promotion of tourism in the General Fund for \$379,587 and 40% was used for the promotion of tourism in the Convention and Visitors Board for \$258,354.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the Middle Georgia area, is a member of the Middle Georgia Regional Commission (“RC”) and is required to pay annual dues thereto. During its year ended December 31, 2022, the City paid \$5,534 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (“O.C.G.A.”) §50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.0 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Middle Georgia Regional Commission
175 Emery Highway
Macon, Georgia 31217

NOTE 12. RELATED ORGANIZATIONS

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

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation

During the course of normal operations of the City, various claims and lawsuits arise. The City attorney has advised that there are no potential liabilities that impair the City’s financial position as of the date of this audit report.

Grants from Governments

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia

The Municipal Electric Authority of Georgia (“MEAG”) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by state law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

As of December 31, 2022, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating city has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on kWh usage. The total payments under these contracts amounted to \$8,742,628 in 2022.

At December 31, 2022, the outstanding debt of MEAG was approximately \$7.76 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$84.19 million at December 31, 2022.

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 has coverage with Travelers' Insurance Company, which the City is fully insured on automobile insurance, general liability employment practices liability, property coverage, and cybersecurity. These plans have various deductibles the City is responsible for meeting. In addition, the City has joined together with other municipalities in the state as part of the Georgia Firefighters' Cancer Benefit Program and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs 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 pools' 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 pools' 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RISK MANAGEMENT (CONTINUED)

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 costs 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.

NOTE 15. TAX ABATEMENT

Pursuant to GASB Statement No. 77, *Tax Abatement Disclosures*, the City is required to disclose certain information about tax abatements as defined in the Statement. For the purposes of GASB No. 77, a tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which: a) one or more governments promise to forgo tax revenues to which they are otherwise entitled, and b) the individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the City or the citizens of the City. Monroe County has entered into such agreements. The following is a description of the City's abatement program where the County and City has promised to forgo taxes.

The Monroe County Board of Commissioners authorizes industries which create new jobs in the County from investing in new facilities. Abatements of real and personal property taxes are provided to the companies based on a criteria calculation which includes targeted industry, capital investment and employment. The abatement may reduce the amount of property taxes paid over seven to twenty-five years. The agreements may contain claw back provisions which would result in the repayment of the annual tax abatement for each year the Company fails to meet its jobs/investment commitment. For the fiscal year ended December 31, 2022, the County abated property taxes totaling \$87,628.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. NET INVESTMENT IN CAPITAL ASSETS

The following schedule provides the details of the net investment in capital assets classification of net position:

	Government-Wide Level		Total
	Governmental Activities	Business-Type Activites	
Capital assets, non-depreciable assets	\$ 1,665,073	\$ 2,741,115	\$ 4,406,188
Capital assets, depreciable assets	19,573,788	37,073,839	56,647,627
Accumulated depreciation	(8,572,199)	(25,965,888)	(34,538,087)
Current notes payable	(288,763)	(44,928)	(333,691)
Non-current notes payable	(7,752,769)	(729,505)	(8,482,274)
Current financed purchases	(46,993)	(57,502)	(104,495)
Non-current financed purchases	(386,657)	(115,333)	(501,990)
Accounts payable - capital	(50,000)	-	(50,000)
Unspent proceeds - notes payable	3,970,064	-	3,970,064
	\$ 8,111,544	\$ 12,901,798	\$ 21,013,342

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FORSYTH, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED DECEMBER 31,

	Fiscal Year		
	2022	2021	2020
Total pension liability			
Service cost	\$ 145,224	\$ 117,299	\$ 95,423
Interest on total pension liability	659,284	607,919	519,742
Differences between expected and actual experience	(360,181)	342,184	292,806
Changes of assumptions	-	-	35,016
Changes in benefit terms	-	-	763,073
Benefit payments, including refunds of employee contributions	(384,138)	(413,555)	(416,164)
Net change in total pension liability	60,189	653,847	1,289,896
Total pension liability - beginning	8,986,292	8,332,445	7,042,549
Total pension liability - ending (a)	9,046,481	8,986,292	8,332,445
Plan fiduciary net position			
Contributions - employer	464,293	341,245	306,150
Net investment income	428,998	2,212,381	(367,012)
Benefit payments, including refunds of employee contributions	(384,138)	(413,555)	(416,164)
Administrative expenses	(24,380)	(23,470)	(25,973)
Net change in plan fiduciary net position	484,773	2,116,601	(502,999)
Plan fiduciary net position - beginning	7,053,850	4,937,249	5,440,248
Plan fiduciary net position - ending (b)	7,538,623	7,053,850	4,937,249
City's net pension liability (a) - (b)	\$ 1,507,858	\$ 1,932,442	\$ 3,395,196
Plan fiduciary net position as a percentage of the total pension liability	83.3%	78.5%	59.3%
Covered payroll	\$ 3,278,773	\$ 3,225,142	\$ 2,733,560
City's net pension liability as a percentage of covered payroll	46.0%	59.9%	124.2%

Notes to the Schedule:

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

Fiscal Year				
	2019	2018	2017	2016
\$	102,510	\$ 81,022	\$ 96,516	\$ 103,491
	489,784	450,989	438,598	417,009
	216,432	358,922	(20,384)	83,950
	-	98,880	-	-
	-	-	-	-
	<u>(388,234)</u>	<u>(373,945)</u>	<u>(335,735)</u>	<u>(316,031)</u>
	420,492	615,868	178,995	288,419
	<u>6,622,057</u>	<u>6,006,189</u>	<u>5,827,194</u>	<u>5,538,775</u>
	<u>7,042,549</u>	<u>6,622,057</u>	<u>6,006,189</u>	<u>5,827,194</u>
	216,253	211,201	211,981	199,284
	193,577	617,028	570,789	12,908
	<u>(388,234)</u>	<u>(373,945)</u>	<u>(335,735)</u>	<u>(316,031)</u>
	<u>(25,250)</u>	<u>(22,844)</u>	<u>(24,458)</u>	<u>(11,798)</u>
	<u>(3,654)</u>	431,440	422,577	(115,637)
	<u>5,443,902</u>	<u>5,012,462</u>	<u>4,589,885</u>	<u>4,705,522</u>
	<u>5,440,248</u>	<u>5,443,902</u>	<u>5,012,462</u>	<u>4,589,885</u>
\$	<u><u>1,602,301</u></u>	<u><u>1,178,155</u></u>	<u><u>993,727</u></u>	<u><u>1,237,309</u></u>
	77.2%	82.2%	83.5%	78.8%
\$	2,367,499	\$ 2,593,409	\$ 1,961,386	\$ 2,216,376
	67.7%	45.4%	50.7%	55.8%

CITY OF FORSYTH, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS FOR THE FISCAL YEAR ENDED DECEMBER 31,

	Fiscal Year		
	2022	2021	2020
Actuarially determined contribution	\$ 508,297	\$ 449,625	\$ 305,118
Contributions in relation to the actuarially determined contribution	<u>508,297</u>	<u>449,625</u>	<u>305,118</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,251,958	\$ 3,292,145	\$ 2,942,496
Contributions as a percentage of covered payroll	15.6%	13.7%	10.4%

Notes to the Schedule:

Valuation date	July 1, 2022
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	N/A
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years.

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

Fiscal Year			
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 273,474	\$ 204,809	\$ 212,479	\$ 210,591
<u>273,474</u>	<u>204,809</u>	<u>194,772</u>	<u>228,085</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,707</u>	<u>\$ (17,494)</u>
\$ 2,701,615	\$ 2,480,454	\$ 2,277,398	\$ 2,088,881
10.1%	8.3%	8.6%	10.9%

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

Police Special Purpose Revenue Fund – This fund is used to account for cash received either as a result of a cash confiscation or from the sale of capital assets acquired from law enforcement activity.

CAPITAL PROJECTS FUND

Transportation Special Purpose Local Option Sales Tax (“TSPLOST”) Fund – This fund is used to account for capital projects activity funded by TSPLOST funds specifically for public service.

CITY OF FORSYTH, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	<u>Special Revenue</u>	<u>Capital Projects</u>	
	<u>Police Special Purpose Revenue Fund</u>	<u>TSPLOST Fund</u>	<u>Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 8,434	\$ 577,668	\$ 586,102
Due from other governments	-	164,649	164,649
Total assets	<u>\$ 8,434</u>	<u>\$ 742,317</u>	<u>\$ 750,751</u>
FUND BALANCES			
Restricted			
Law enforcement	\$ 8,434	\$ -	\$ 8,434
Capital projects	-	742,317	742,317
Total fund balances	<u>8,434</u>	<u>742,317</u>	<u>750,751</u>
Total fund balances	<u>\$ 8,434</u>	<u>\$ 742,317</u>	<u>\$ 750,751</u>

CITY OF FORSYTH, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	<u>Special Revenue</u>	<u>Capital Projects</u>	
	<u>Police Special Purpose Revenue Fund</u>	<u>TSPLOST Fund</u>	<u>Nonmajor Governmental Funds</u>
Revenues			
Intergovernmental	\$ -	\$ 742,288	\$ 742,288
Interest revenue	-	29	29
Total revenues	<u>-</u>	<u>742,317</u>	<u>742,317</u>
 Net change in fund balances	-	742,317	742,317
 Fund balances, beginning of year	<u>8,434</u>	<u>-</u>	<u>8,434</u>
 Fund balances, end of year	<u>\$ 8,434</u>	<u>\$ 742,317</u>	<u>\$ 750,751</u>

CITY OF FORSYTH, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	Police Special Purpose Revenue Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>8,434</u>	<u>8,434</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,434</u>	<u>\$ 8,434</u>	<u>\$ -</u>

CITY OF FORSYTH, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2019 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>SPLOST 2019 Fund</u>					
Water and Sewer Upgrades	\$ 2,502,091	\$ 2,502,091	\$ 446,315	\$ 101,892	\$ 548,207
Road Improvements	500,000	500,000	-	-	-
Public Safety	<u>825,000</u>	<u>825,000</u>	<u>792,691</u>	<u>-</u>	<u>792,691</u>
Totals	<u>\$ 3,827,091</u>	<u>\$ 3,827,091</u>	<u>\$ 1,239,006</u>	101,892	<u>\$ 1,340,898</u>

Reconciliation to the Statement of Revenues, Expenditures and Changes in Fund Balances:

Debt service interest payments	<u>59,513</u>
Total SPLOST 2019 Fund expenditures for the current year	<u>\$ 161,405</u>

CITY OF FORSYTH, GEORGIA

**SCHEDULE OF EXPENDITURES OF
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, streets and bridges	<u>\$ 2,551,394</u>	<u>\$ 2,551,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Totals	<u><u>\$ 2,551,394</u></u>	<u><u>\$ 2,551,394</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF FORSYTH, GEORGIA

**BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2022**

	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
ASSETS		
Cash and cash equivalents	\$ 278,811	\$ 76,300
Due from other governments	32,994	-
	<hr/>	<hr/>
Total assets	311,805	76,300
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	4,795	-
Due to primary government	23,521	-
	<hr/>	<hr/>
Total liabilities	28,316	-
	<hr/>	<hr/>
FUND BALANCES		
Unassigned	283,489	76,300
	<hr/>	<hr/>
Total fund balances	\$ 283,489	\$ 76,300
	<hr/>	<hr/>
Amounts reported for discretely presented component units in the Statement of Net Position are different because:		
Fund balances of governmental funds	\$ 283,489	\$ 76,300
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	-	169,042
	<hr/>	<hr/>
Net position of discretely presented component units	\$ 283,489	\$ 245,342
	<hr/>	<hr/>

CITY OF FORSYTH, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
Revenues		
Intergovernmental	\$ 255,177	\$ 51,076
Miscellaneous	671	-
Total revenues	<u>255,848</u>	<u>51,076</u>
Expenditures		
Current:		
Housing and economic development	202,465	1,170
Capital outlay	<u>-</u>	<u>50,805</u>
Total expenditures	<u>202,465</u>	<u>51,975</u>
Net change in fund balances	53,383	(899)
Fund balances, beginning of year	<u>230,106</u>	<u>77,199</u>
Fund balances, end of year	<u>\$ 283,489</u>	<u>\$ 76,300</u>
Amounts reported for discretely presented component units in the Statement of Activities are different because:		
Net change in fund balances	\$ 53,383	\$ (899)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	<u>-</u>	<u>46,305</u>
Change in net position of discretely presented component units	<u>\$ 53,383</u>	<u>\$ 45,406</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Contents

	<u>Page</u>
Financial Trends	77 – 92
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	93 – 97
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	98 – 103
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	104 and 105
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	106 – 109
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

CITY OF FORSYTH, GEORGIA

**NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities				
Net investment in capital assets	\$ 3,231,493	\$ 2,006,638	\$ 1,936,014	\$ 2,961,183
Restricted	63,354	63,489	986,027	1,399,872
Unrestricted	1,217,566	1,919,922	1,624,476	244,984
Total governmental activities net position	<u>\$ 4,512,413</u>	<u>\$ 3,990,049</u>	<u>\$ 4,546,517</u>	<u>\$ 4,606,039</u>
Business-Type Activities				
Net investment in capital assets	\$ 15,098,938	\$ 13,675,730	\$ 13,039,009	\$ 12,461,652
Restricted	-	-	-	-
Unrestricted	1,560,350	1,835,680	2,265,923	3,153,858
Total business-type activities net position	<u>\$ 16,659,288</u>	<u>\$ 15,511,410</u>	<u>\$ 15,304,932</u>	<u>\$ 15,615,510</u>
Primary Government				
Net investment in capital assets	\$ 18,330,431	\$ 15,682,368	\$ 14,975,023	\$ 15,422,835
Restricted	63,354	1,121,743	986,027	1,399,872
Unrestricted	2,777,916	2,697,348	3,890,399	3,398,842
Total primary government net position	<u>\$ 21,171,701</u>	<u>\$ 19,501,459</u>	<u>\$ 19,851,449</u>	<u>\$ 20,221,549</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 5,187,220	\$ 6,217,039	\$ 6,217,039	\$ 6,917,783	\$ 6,688,058	\$ 8,111,544
1,363,713	477,567	477,567	4,393,052	8,467	1,918,657
(6,550,933)	484,706	484,706	(4,422,421)	170,953	137,572
<u>\$ -</u>	<u>\$ 7,179,312</u>	<u>\$ 7,179,312</u>	<u>\$ 6,888,414</u>	<u>\$ 6,867,478</u>	<u>\$ 10,167,773</u>
\$ 11,940,235	\$ 11,099,033	\$ 11,099,033	\$ 10,416,961	\$ 11,890,370	\$ 12,901,798
-	-	-	-	-	-
2,267,208	3,121,541	3,121,541	12,864,579	13,457,175	12,116,714
<u>\$ 14,207,443</u>	<u>\$ 14,220,574</u>	<u>\$ 14,220,574</u>	<u>\$ 23,281,540</u>	<u>\$ 25,347,545</u>	<u>\$ 25,018,512</u>
\$ 17,127,455	\$ 17,316,072	\$ 17,316,072	\$ 17,334,744	\$ 18,578,428	\$ 21,013,342
1,363,713	477,567	477,567	4,393,052	8,467	1,918,657
(4,283,725)	3,606,247	3,606,247	8,442,158	13,628,128	12,254,286
<u>\$ 14,207,443</u>	<u>\$ 21,399,886</u>	<u>\$ 21,399,886</u>	<u>\$ 30,169,954</u>	<u>\$ 32,215,023</u>	<u>\$ 35,186,285</u>

CITY OF FORSYTH, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$ 1,524,706	\$ 1,282,167	\$ 1,399,516	\$ 1,502,667
Judicial	-	-	-	-
Public safety	2,148,535	2,161,085	2,214,927	2,216,538
Public works	1,332,709	1,161,433	1,142,324	1,285,931
Housing and development	-	-	-	-
Culture and recreation	118,824	36,124	41,613	44,433
Better Hometown	36,934	120,804	131,824	203,398
Interest on long-term debt	94,286	72,111	65,607	52,676
Total governmental activities expenses	<u>5,255,994</u>	<u>4,833,724</u>	<u>4,995,811</u>	<u>5,305,643</u>
Business-type activities:				
Water and sewer	2,765,315	2,716,467	2,986,704	3,111,237
Electric	7,843,734	9,567,802	8,201,218	8,064,027
Cable	1,364,024	1,004,783	10,122	750,000
Total business-type activities expenses	<u>11,973,073</u>	<u>13,289,052</u>	<u>11,198,044</u>	<u>11,925,264</u>
Total primary government expenses	<u>\$ 17,229,067</u>	<u>\$ 18,122,776</u>	<u>\$ 16,193,855</u>	<u>\$ 17,230,907</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 143,867	\$ 121,714	\$ 122,468	\$ 122,405
Judicial	-	-	-	-
Public safety	391,328	261,547	221,053	372,797
Public works	315,027	291,718	299,979	314,791
Operating grants and contributions	4,750	136,305	-	-
Capital grants and contributions	900,835	710,021	898,268	614,730
Total governmental activities program revenues	<u>1,755,807</u>	<u>1,521,305</u>	<u>1,541,768</u>	<u>1,424,723</u>
Business-type activities:				
Charges for services:				
Water and sewer	2,324,264	2,563,660	2,877,795	3,284,601
Electric	8,006,946	8,966,317	9,549,219	9,683,451
Cable	1,040,788	626,579	-	-
Capital grants and contributions	-	-	-	266,576
Total business-type activities program revenues	<u>11,371,998</u>	<u>12,156,556</u>	<u>12,427,014</u>	<u>13,234,628</u>
Total primary government program revenues	<u>\$ 13,127,805</u>	<u>\$ 13,677,861</u>	<u>\$ 13,968,782</u>	<u>\$ 14,659,351</u>

(Continued)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 1,570,103	\$ 1,805,038	\$ 1,356,347	\$ 1,493,680	\$ 1,510,745	\$ 1,619,967
-	-	2,000	1,999	1,000	-
2,326,825	2,533,783	2,649,908	4,045,207	3,311,187	3,025,930
1,710,250	1,136,693	2,119,935	2,706,548	2,825,459	1,814,757
-	-	207,670	138,160	220,493	259,808
63,729	130,844	269,819	254,438	217,067	326,033
258,470	233,403	9,361	171,992	159,708	169,755
76,050	81,087	88,805	392,418	416,912	509,680
<u>6,005,427</u>	<u>5,920,848</u>	<u>6,703,845</u>	<u>9,204,442</u>	<u>8,662,571</u>	<u>7,725,930</u>
3,161,040	3,488,235	3,542,041	3,144,862	3,318,033	3,690,075
7,961,400	7,910,144	8,053,731	7,793,713	8,722,234	10,636,074
-	-	-	-	-	-
<u>11,122,440</u>	<u>11,398,379</u>	<u>11,595,772</u>	<u>10,938,575</u>	<u>12,040,267</u>	<u>14,326,149</u>
<u>\$ 17,127,867</u>	<u>\$ 17,319,227</u>	<u>\$ 18,299,617</u>	<u>\$ 20,143,017</u>	<u>\$ 20,702,838</u>	<u>\$ 22,052,079</u>
\$ 116,628	\$ 132,590	\$ 672,239	\$ 649,045	\$ 353,990	\$ 349,235
-	300,435	364,979	436,002	476,025	352,805
358,043	308,863	-	3,083	-	-
305,751	7,660	321,042	317,855	341,296	343,703
-	345,678	-	731	11,327	565
<u>1,233,674</u>	<u>316,296</u>	<u>822,283</u>	<u>844,319</u>	<u>978,785</u>	<u>1,953,419</u>
<u>2,014,096</u>	<u>1,411,522</u>	<u>2,180,543</u>	<u>2,251,035</u>	<u>2,161,423</u>	<u>2,999,727</u>
3,375,343	3,350,810	3,619,420	3,855,254	4,103,895	4,488,846
8,995,614	10,703,701	10,837,890	10,442,301	12,054,675	13,095,486
-	-	-	-	-	-
186,321	-	-	537,377	1,264,016	-
<u>12,557,278</u>	<u>14,054,511</u>	<u>14,457,310</u>	<u>14,834,932</u>	<u>17,422,586</u>	<u>17,584,332</u>
<u>\$ 14,571,374</u>	<u>\$ 15,466,033</u>	<u>\$ 16,637,853</u>	<u>\$ 17,085,967</u>	<u>\$ 19,584,009</u>	<u>\$ 20,584,059</u>

CITY OF FORSYTH, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2014	2015	2016
Net (expense)/revenue				
Governmental activities	\$ (3,500,187)	\$ (3,312,419)	\$ (3,454,043)	\$ (3,880,920)
Business-type activities	(601,075)	(1,132,496)	1,228,970	1,309,364
Total primary government net expense	<u>\$ (4,101,262)</u>	<u>\$ (4,444,915)</u>	<u>\$ (2,225,073)</u>	<u>\$ (2,571,556)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 669,123	\$ 594,819	\$ 571,258	\$ 483,398
Sales taxes	1,031,557	891,040	921,469	910,954
Other taxes	809,692	797,757	885,101	931,994
Unrestricted investment earnings	1,244	2,646	2,132	1,281
Miscellaneous	53,170	56,325	70,774	182,118
Transfers	559,867	447,468	1,559,777	1,430,697
Total governmental activities	<u>3,124,653</u>	<u>2,790,055</u>	<u>4,010,511</u>	<u>3,940,442</u>
Business-type activities:				
Unrestricted investment earnings	570,720	42,014	33,476	353,048
Miscellaneous	231,202	390,072	90,853	78,863
Transfers	(559,867)	(447,468)	(1,559,777)	(1,430,697)
Total business-type activities	<u>242,055</u>	<u>(15,382)</u>	<u>(1,435,448)</u>	<u>(998,786)</u>
Total primary government	<u>\$ 3,366,708</u>	<u>\$ 2,774,673</u>	<u>\$ 2,575,063</u>	<u>\$ 2,941,656</u>
Change in Net Position				
Governmental activities	\$ (375,534)	\$ (522,364)	\$ 556,468	\$ 59,522
Business-type activities	(359,020)	(1,147,878)	(206,478)	310,578
Total primary government	<u>\$ (734,554)</u>	<u>\$ (1,670,242)</u>	<u>\$ 349,990</u>	<u>\$ 370,100</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (3,991,331)	\$ (4,509,326)	\$ (4,523,302)	\$ (6,953,407)	\$ (6,501,148)	\$ (4,726,203)
1,434,838	2,656,132	2,861,538	3,896,357	5,382,319	3,258,183
<u>\$ (2,556,493)</u>	<u>\$ (1,853,194)</u>	<u>\$ (1,661,764)</u>	<u>\$ (3,057,050)</u>	<u>\$ (1,118,829)</u>	<u>\$ (1,468,020)</u>
\$ 470,156	\$ 718,502	\$ 462,412	\$ 218,414	\$ 470,561	\$ 534,117
952,728	1,100,764	1,124,883	1,174,860	1,372,687	1,672,154
1,012,868	1,095,346	1,120,184	971,203	1,211,232	1,355,089
1,374	4,084	6,724	1,859	578	675
194,372	124,636	-	-	-	-
-	2,869,330	2,869,379	3,247,794	3,425,154	4,464,463
<u>2,631,498</u>	<u>5,912,662</u>	<u>5,583,582</u>	<u>5,614,130</u>	<u>6,480,212</u>	<u>8,026,498</u>
26,100	47,746	411,277	414,401	108,840	-
134,237	178,583	-	-	-	877,247
-	(2,869,330)	(2,869,379)	(3,247,794)	(3,425,154)	(4,464,463)
<u>160,337</u>	<u>(2,643,001)</u>	<u>(2,458,102)</u>	<u>(2,833,393)</u>	<u>(3,316,314)</u>	<u>(3,587,216)</u>
<u>\$ 2,791,835</u>	<u>\$ 3,269,661</u>	<u>\$ 3,125,480</u>	<u>\$ 2,780,737</u>	<u>\$ 3,163,898</u>	<u>\$ 4,439,282</u>
\$ (1,359,833)	\$ 1,403,336	\$ 1,060,280	\$ (1,339,277)	\$ (20,936)	\$ 3,300,295
1,595,175	13,131	403,436	1,062,964	2,066,005	(329,033)
<u>\$ 235,342</u>	<u>\$ 1,416,467</u>	<u>\$ 1,463,716</u>	<u>\$ (276,313)</u>	<u>\$ 2,045,069</u>	<u>\$ 2,971,262</u>

CITY OF FORSYTH, GEORGIA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Non-spendable	\$ 5,784	\$ 2,941	\$ 3,371	\$ 18,995
Restricted	55,029	60,091	61,011	63,959
Unassigned	952,304	1,083,345	1,486,907	1,478,775
Total General Fund	<u>\$ 1,013,117</u>	<u>\$ 1,146,377</u>	<u>\$ 1,551,289</u>	<u>\$ 1,561,729</u>
All Other Governmental Funds				
Non-spendable	\$ 288,043	\$ -	\$ -	\$ -
Restricted	2,490,076	1,058,254	880,272	753,583
Assigned	10,599	9,187	2,046	-
Total all other governmental funds	<u>\$ 2,788,718</u>	<u>\$ 1,067,441</u>	<u>\$ 882,318</u>	<u>\$ 753,583</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 3,037	\$ 3,444	\$ 4,801	\$ 4,801	\$ 60	\$ 68,481
769,237	769,237	61,288	61,288	-	-
<u>894,042</u>	<u>959,436</u>	<u>2,419,210</u>	<u>2,419,210</u>	<u>3,133,869</u>	<u>3,030,101</u>
<u>\$ 1,666,316</u>	<u>\$ 1,732,117</u>	<u>\$ 2,485,299</u>	<u>\$ 2,485,299</u>	<u>\$ 3,133,929</u>	<u>\$ 3,098,582</u>
\$ 76,150	\$ 119,781	\$ -	\$ -	\$ -	\$ -
594,476	751,706	904,123	904,123	344,240	5,888,701
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 670,626</u>	<u>\$ 871,487</u>	<u>\$ 904,123</u>	<u>\$ 904,123</u>	<u>\$ 344,240</u>	<u>\$ 5,888,701</u>

CITY OF FORSYTH, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes	\$ 2,500,962	\$ 2,348,811	\$ 2,377,793	\$ 2,326,346
Licenses and permits	143,867	121,714	122,468	122,405
Intergovernmental	904,678	634,625	901,593	614,730
Fines and forfeitures	391,328	261,547	221,053	372,797
Charges for services	315,027	291,718	299,979	314,791
Interest income	2,151	3,042	2,132	1,281
Other revenues	150,010	56,325	70,774	182,119
Total revenues	<u>4,408,023</u>	<u>3,717,782</u>	<u>3,995,792</u>	<u>3,934,469</u>
Expenditures				
General government	1,461,306	1,293,127	1,285,496	1,427,457
Public safety	2,024,716	2,018,487	2,136,605	2,068,830
Public works	1,290,570	1,098,622	1,136,757	1,206,140
Parks and recreation	22,030	12,789	18,278	20,567
Better Hometown	118,824	120,804	131,824	203,398
Capital outlay	241,761	683,619	256,371	170,378
Debt service:				
Principal	453,530	404,516	412,611	428,157
Interest	52,378	121,303	113,694	102,146
Issuance costs	-	-	-	-
Total expenditures	<u>5,665,115</u>	<u>5,753,267</u>	<u>5,491,636</u>	<u>5,627,073</u>
Deficiency of revenues over expenditures	<u>(1,257,092)</u>	<u>(2,035,485)</u>	<u>(1,495,844)</u>	<u>(1,692,604)</u>
Other financing sources (uses)				
Issuance of debt	-	-	2,376,403	1,892,054
Issuance of refunding debt	-	-	-	-
Payment to refunded escrow agent	-	-	-	-
Transfers in	559,867	447,468	-	-
Transfers out	-	-	(660,770)	(461,357)
Total other financing sources (uses)	<u>559,867</u>	<u>447,468</u>	<u>1,715,633</u>	<u>1,430,697</u>
Net change in fund balances	<u>\$ (697,225)</u>	<u>\$ (1,588,017)</u>	<u>\$ 219,789</u>	<u>\$ (261,907)</u>
Debt service as a percentage of non-capital expenditures	8.9%	9.1%	9.6%	9.4%

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 2,435,752	\$ 2,852,384	\$ 2,783,989	\$ 2,597,286	\$ 3,072,085	\$ 3,581,638	
116,628	92,497	120,581	115,913	132,571	119,568	
1,233,402	712,336	822,283	844,319	978,785	1,953,419	
358,043	297,182	364,979	439,085	476,025	352,805	
305,751	308,863	321,042	317,855	341,296	343,703	
1,646	4,728	6,724	2,590	11,905	1,240	
194,372	255,078	551,658	533,132	221,419	229,667	
<u>4,645,594</u>	<u>4,523,068</u>	<u>4,971,256</u>	<u>4,850,180</u>	<u>5,234,086</u>	<u>6,582,040</u>	
1,493,221	1,547,123	1,563,852	1,406,171	1,559,306	1,579,239	
2,222,127	2,302,215	2,472,131	3,108,674	3,106,691	3,236,913	
1,726,703	999,293	1,935,814	1,699,842	1,512,645	1,610,505	
34,017	37,156	207,670	230,318	474,469	503,737	
203,398	233,403	268,578	254,438	217,067	326,033	
137,757	1,380,341	70,621	2,428,580	4,698,868	101,892	
443,727	541,796	523,126	123,253	165,855	269,626	
129,850	81,087	73,781	325,959	420,081	379,268	
-	-	-	36,250	-	146,026	
<u>6,390,800</u>	<u>7,122,414</u>	<u>7,115,573</u>	<u>9,613,485</u>	<u>12,154,982</u>	<u>8,153,239</u>	
<u>(1,745,206)</u>	<u>(2,599,346)</u>	<u>(2,144,317)</u>	<u>(4,763,305)</u>	<u>(6,920,896)</u>	<u>(1,571,199)</u>	
-	-	-	5,100,000	-	-	
-	-	-	-	-	7,555,000	
-	-	-	-	-	(4,939,150)	
3,221,429	2,900,000	2,384,350	3,455,034	3,753,880	9,369,847	
(282,738)	(30,670)	(2,349,389)	(207,240)	(328,726)	(4,905,384)	
<u>2,938,691</u>	<u>2,869,330</u>	<u>34,961</u>	<u>8,347,794</u>	<u>3,425,154</u>	<u>7,080,313</u>	
<u>\$ 1,193,485</u>	<u>\$ 269,984</u>	<u>\$ (2,109,356)</u>	<u>\$ 3,584,489</u>	<u>\$ (3,495,742)</u>	<u>\$ 5,509,114</u>	
9.0%	8.7%	8.4%	4.7%	4.8%	8.6%	

CITY OF FORSYTH, GEORGIA

**GOVERNMENTAL ACTIVITIES EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

<u>Calendar Year</u>	<u>General Government</u>	<u>Police</u>	<u>Fire Department</u>	<u>Municipal Court</u>	<u>Public Works</u>
2013	\$ 1,338,921	\$ 1,290,276	\$ 643,157	\$ 95,738	\$ 1,290,570
2014	1,172,578	1,297,778	677,104	92,167	1,098,622
2015	1,147,550	1,304,594	774,868	94,905	1,136,757
2016	1,276,187	1,180,371	846,334	87,028	1,206,140
2017	1,311,764	1,270,660	864,295	84,524	1,726,703
2018	1,342,983	1,330,749	888,326	83,140	999,293
2019	1,563,852	1,375,907	987,337	108,887	1,935,814
2020	1,406,171	1,879,348	1,117,917	111,409	1,699,842
2021	1,559,306	1,628,716	1,352,653	125,322	1,512,645
2022	1,579,239	1,790,710	1,322,647	123,556	1,610,505

	Better Hometown	Parks and Recreation	Total
\$	118,824	\$ 22,030	\$ 4,799,516
	120,804	12,789	4,471,842
	131,824	18,278	4,608,776
	203,398	20,567	4,820,025
	203,398	34,017	5,495,361
	233,403	37,156	4,915,050
	268,578	70,621	6,310,996
	254,438	92,158	6,561,283
	217,067	253,976	6,649,685
	326,033	243,929	6,996,619

CITY OF FORSYTH, GEORGIA

**GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

<u>Calendar Year</u>	<u>Inter- Governmental</u>	<u>Ad Valorem Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Licenses and Permits</u>
2013	\$ 36,024	\$ 659,713	\$ 1,900,211	\$ 116,050	\$ 143,867
2014	180,539	660,014	1,345,126	95,334	121,714
2015	46,897	571,258	1,776,165	118,428	122,468
2016	-	483,398	1,525,684	113,537	122,405
2017	684,483	470,156	952,728	98,205	116,628
2018	396,684	656,274	1,100,764	106,579	92,497
2019	62,495	538,922	1,124,883	105,572	120,581
2020	68,665	451,223	1,174,860	98,361	115,913
2021	90,749	494,087	1,372,687	100,831	132,572
2022	80,459	554,395	1,672,154	118,548	119,568

<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Beer and Liquor Taxes</u>	<u>Insurance Premium Tax</u>	<u>Other Taxes</u>	<u>Total</u>
\$ 315,027	\$ 373,151	\$ 192,281	\$ 195,400	\$ 151,239	\$ 4,082,963
291,718	254,194	193,725	207,325	58,965	3,408,654
299,979	221,053	195,455	221,493	422,596	3,995,792
314,791	372,797	200,477	239,920	561,460	3,934,469
305,751	358,043	205,545	255,476	194,569	3,641,584
308,863	297,182	202,898	275,519	253,379	3,690,639
321,042	364,979	202,852	292,586	551,658	3,685,570
317,855	436,002	218,243	309,199	533,132	3,723,453
341,296	476,025	230,804	328,944	183,286	3,751,281
343,703	352,805	228,874	369,726	637,941	4,478,173

CITY OF FORSYTH, GEORGIA

SALES TAX COLLECTIONS AND RATES LAST TEN FISCAL YEARS

Fiscal Year	Sales Tax Received by Forsyth				State
	Local Option Sales Tax	Special Purpose Local Option Sales Tax	Transportation Special Purpose Local Option Sales Tax	Total Collected Sales Tax	Basic Rate
2013	\$ 1,031,557	\$ 868,654	\$ -	\$ 1,900,211	4%
2014	891,040	454,086	-	1,345,126	4%
2015	921,469	854,696	-	1,776,165	4%
2016	910,954	614,730	-	1,525,684	4%
2017	952,728	548,919	-	1,501,647	4%
2018	1,100,764	512,059	-	1,612,823	4%
2019	1,124,883	759,788	-	1,884,671	4%
2020	1,174,860	775,654	-	1,950,514	4%
2021	1,372,687	881,169	-	2,253,856	4%
2022	1,672,154	1,130,672	742,288	3,545,114	4%

SOURCE:

City of Forsyth, Georgia and Monroe County, Georgia tax records.

County			City	
County Education Rate	Special Purpose Local Option Sales Tax	Transportation Special Purpose Local Option Sales Tax	Local Option Sales Tax	Total Sales Tax Rate
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	1%	1%	8%

CITY OF FORSYTH, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Calendar Year	Assessed Value of Taxable Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value ⁽¹⁾
2013	\$ 121,447,004	\$ 9,691,866	\$ 111,755,138	5.600	\$ 279,387,845	40%
2014	118,275,837	9,728,506	108,547,331	3.500	271,368,328	40%
2015	120,246,776	10,177,848	110,068,928	3.000	275,172,320	40%
2016	119,688,305	10,146,648	109,541,657	3.000	273,854,143	40%
2017	116,881,114	781,027	116,100,087	3.000	290,250,218	40%
2018	116,532,639	2,774,083	113,758,556	3.000	284,396,390	40%
2019	116,881,114	2,784,982	114,096,132	3.000	285,240,330	40%
2020	123,347,883	2,853,377	120,494,506	3.000	301,236,265	40%
2021	140,561,619	3,216,229	137,345,390	2.500	343,363,475	40%
2022	153,004,240	3,407,954	149,596,286	2.500	379,102,462	40%

SOURCE:

City of Forsyth, Georgia and Monroe County, Georgia tax records.

⁽¹⁾ State of Georgia requires 40% assessment of actual value.

CITY OF FORSYTH, GEORGIA

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS**

<u>Calendar Year</u>	<u>Direct</u>	<u>Overlapping</u>		<u>Total</u>
	<u>City Basic Rate</u>	<u>State and County</u>	<u>County School System</u>	
2013	3.500	9.931	15.342	28.773
2014	3.000	10.832	15.318	29.150
2015	3.000	11.831	15.800	30.631
2016	3.000	13.331	15.734	32.065
2017	3.000	13.331	15.716	32.047
2018	3.000	13.291	15.669	31.960
2019	3.000	13.187	15.546	31.733
2020	3.000	13.187	15.546	31.733
2021	2.500	12.800	15.227	30.527
2022	2.500	12.050	15.024	29.574

SOURCE:

Georgia Department of Revenue

CITY OF FORSYTH, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Calendar Year 2022			Calendar Year 2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Zorn Eric S Trustee/Walmart	\$ 3,121,220	1	2.04%	\$ 4,299,500	1	3.53%
Walmart Stroes East Inc	-		-	3,021,432	2	2.48%
Central Georgia Medcial Properties LLC	-		-	2,333,556	3	1.91%
Ingram Timber Enterprises	-		-	1,446,304	4	1.19%
Treadwell Family Partnership	-		-	1,230,816	5	1.01%
Atlanta Gas Light Company	1,522,790	2	1.00%	1,071,355	6	0.88%
Ingles Markets Incorporated	-		-	1,017,056	7	0.83%
Monroe County Bank	-		-	921,415	8	0.76%
Monroe Hospitality Svcs Inc	-		-	891,760	9	0.73%
SAI Ram Hotel	-		-	890,004	10	0.73%
Walmart Inc	2,706,430	3	1.77%	-		-
Central Georgia Medical Properties LLC	2,485,796	4	1.62%	-		-
Forsyth Cabinet, LLC	2,284,282	5	1.49%	-		-
Edgar Hughston Builder, INC	1,905,840	6	1.25%	-		-
Bran Hospitality Forsyth Inc	1,885,692	7	1.23%	-		-
Holiday Cover 19 LLC	1,721,425	8	1.13%	-		-
Baron Hospitality	1,560,850	9	1.02%	-		-
Encore Plastics Southeast LLC	1,439,390	10	0.94%	-		-
Total	\$ 20,633,715		12.54%	\$ 17,123,198		14.04%

SOURCE:

City of Forsyth, Georgia and Monroe County, Georgia tax records.

CITY OF FORSYTH, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 618,538	\$ 525,605	85.0%	\$ 89,681
2014	359,111	302,078	84.1%	53,908
2015	310,410	305,734	98.5%	69,698
2016	312,046	273,554	87.7%	79,518
2017	326,837	296,715	90.8%	17,725
2018	334,919	289,164	86.3%	26,812
2019	348,599	342,288	98.2%	20,326
2020	357,005	322,148	90.2%	38,434
2021	329,683	292,815	88.8%	15,723
2022	412,753	375,304	90.9%	

SOURCE:

City of Forsyth, Georgia and Monroe County, Georgia tax records.

Total Collections to Date		Outstanding Delinquent Taxes	Outstanding Delinquent Taxes Percentage of Current Levy
Amount	Percentage of Levy		
\$ 615,286	99.5%	\$ 3,252	0.53%
355,986	99.1%	3,125	0.87%
310,410	100.0%	-	0.00%
312,046	100.0%	-	0.00%
314,440	96.2%	12,397	3.79%
315,976	94.3%	18,943	5.66%
348,599	100.0%	-	0.00%
357,005	100.0%	-	0.00%
308,538	93.6%	21,145	6.41%
375,304	90.9%	37,449	9.07%

CITY OF FORSYTH, GEORGIA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Governmental Activities		
		Notes Payable	Revenue Bonds	Financed Purchases
2013	\$ -	\$ 777,694	\$ 2,540,000	\$ 16,683
2014	-	765,607	2,160,000	4,254
2015	-	752,995	1,760,000	-
2016	-	739,839	1,439,043	-
2017	-	726,112	915,000	753,042
2018	-	711,795	465,000	622,181
2019	-	696,852	-	621,214
2020	-	5,734,692	-	560,121
2021	-	5,633,245	-	495,713
2022	-	8,041,532	-	433,650

SOURCE:

- (1) Computed using the personal income amount from the "Demographic Statistics Schedule."
- (2) Computed using the population amount from the "Demographics Statistics Schedule."

	Business-type Activities			Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
	Notes Payable	Revenue Bonds	Financed Purchases			
\$ -	\$ -	\$ 38,520	\$ 3,372,897	2.38%	\$ 880	
-	-	12,167	2,942,028	2.08%	746	
-	-	14,616	2,527,611	1.48%	639	
1,000,000	-	144,795	3,323,677	1.44%	832	
983,665	-	114,901	3,492,720	1.99%	858	
943,793	-	943,793	3,686,562	2.10%	895	
902,957	-	211,439	2,432,462	1.20%	589	
861,134	-	126,780	7,282,727	5.08%	1,689	
774,433	-	172,835	7,076,226	5.05%	1,614	
774,433	-	172,835	9,422,450	6.43%	2,002	

CITY OF FORSYTH, GEORGIA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022**

<u>Jurisdiction</u>	<u>New Debt Outstanding</u>	<u>Percentage Applicable to City of Forsyth ⁽¹⁾</u>	<u>Amount Applicable to City of Forsyth</u>
Monroe County, Georgia - Overlapping Debt	\$ 19,207,551	8.00%	<u>\$ 1,535,858</u>
Subtotal Overlapping Debt			1,535,858
City of Forsyth, Georgia - Direct Debt			<u>8,475,182</u>
Total Direct and Overlapping Debt			<u><u>\$ 10,011,040</u></u>

SOURCE:

Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding provided by the County and City Finance Departments.

NOTES:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that could place burden on the residents and businesses of the City of Forsyth. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

⁽¹⁾ The percentage of overlapping debt applicable is estimated using the assessed gross digest. Applicable percentages were estimated by determining the portion of the City's assessed taxable value that is within the County's boundaries and dividing it by the County's total gross digest.

CITY OF FORSYTH, GEORGIA

LONG-TERM DEBT BURDEN WATER AND SEWER FUND LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	Direct Operating Expenses	Available for Debt Service	Principal	Interest	Total
2013	\$ 11,603,199	\$ 10,833,079	\$ 770,120	\$ 27,832	\$ 939	\$ 28,771
2014	12,546,628	12,264,230	282,398	12,167	119	12,286
2015	12,513,524	10,283,929	2,229,595	14,616	1,925	16,541
2016	13,305,452	11,923,971	1,381,481	1,144,795	40,518	1,185,313
2017	12,691,515	11,095,746	1,595,769	46,229	26,694	72,923
2018	14,233,094	11,370,911	2,862,183	71,006	27,468	98,474
2019	14,457,310	11,570,561	2,886,749	104,148	25,211	129,359
2020	14,297,555	10,938,575	3,358,980	126,480	39,277	165,757
2021	16,158,570	12,040,267	4,118,303	94,822	26,166	120,988
2022	17,584,332	14,060,464	3,523,868	98,656	28,716	127,372

SOURCE:

City of Forsyth, Georgia ordinances.

<u>Total</u>		<u>Per</u>	
<u>Debt Burden</u>		<u>Capita</u>	
\$	-	\$	-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-
	-		-

CITY OF FORSYTH, GEORGIA

PLEDGED-REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2013	\$ 5,541,087	\$ 3,782,904	\$ 1,758,183	\$ 565,000	\$ 818,038	1.27
2014	5,448,935	3,582,188	1,866,747	580,000	799,210	1.35
2015	5,674,108	3,760,485	1,913,623	600,000	778,923	1.39
2016	5,917,164	3,802,058	2,115,106	645,000	673,645	1.60
2017	12,691,515	11,095,746	1,595,769	-	-	-
2018	14,233,094	11,370,911	2,862,183	-	-	-
2019	14,186,735	4,175,132	10,011,603	-	-	-
2020	14,297,555	8,723,401	5,574,154	-	-	-
2021	17,584,332	11,253,328	6,331,004	-	-	-
2022	17,584,332	13,220,552	4,363,780	-	-	-

NOTES:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Utility service charges include tap fees, but exclude interest.

Operating expenses do not include interest, depreciation or amortization expense.

CITY OF FORSYTH, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income	Unemployment Rate ⁽⁴⁾
2013	3,834	\$ 141,394,086	\$ 36,879	7.9
2014	3,943	141,447,239	35,873	5.7
2015	3,964	142,200,572	35,873	5.7
2016	3,993	160,941,858	40,306	5.2
2017	4,071	125,964,882	30,942	4.8
2018	4,121	130,749,992	31,728	4.0
2019	4,130	127,298,990	30,823	3.5
2020	4,312	126,436,464	29,322	3.5
2021	4,384	140,055,648	31,947	3.2
2022	4,706	146,488,368	31,128	2.8

SOURCES:

⁽¹⁾ Source - <https://www.homefacts.com/unemployment/Georgia/Monrow-County/Forsyth.html>

⁽²⁾ All personal income is derived by multiplying population by per capita personal income.

⁽⁴⁾ All population data are estimates based on the U.S. Census results.

CITY OF FORSYTH, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	Fiscal Year 2022			Fiscal Year 2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Monroe County Board of Education	532	2	11.82%	724	1	18.90%
GA Department of Corrections	690	1	15.33%	475	2	12.40%
Monroe County Board of Commissioners	400	4	8.89%	500	3	13.05%
Heritage Healthcare of Monroe, LLC	67	10	1.49%	243	4	6.34%
GA Public Safety Training Center	440	3	9.78%	170	5	4.44%
Monroe County Hospital	121	8	2.69%	150	6	3.92%
Wal-Mart	226	6	5.02%	164	7	4.28%
Ingles	146	7	-	100	8	2.61%
City of Forsyth	88	9	1.96%	98	9	2.56%
Perdue Chicken	-		-	65	10	1.70%
Georgie Power Company/Plant Scherer	398	5	8.84%	-		-
Total	3,108		54.00%	2,689		70.21%

SOURCE:

City of Forsyth, Georgia records.

CITY OF FORSYTH, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative	12	8	8	8	19	21	21	19	18	19
Public safety:										
Fire	16	10	14	11	24	27	27	26	21	25
Police	22	23	26	17	20	25	30	23	13	16
Municipal Court	1	1	1	1	3	3	2	2	1	1
Public Works	14	9	12	14	15	17	21	18	10	16
Better Hometown	2	2	4	4	4	5	3	5	2	1
Electric	11	11	11	8	10	10	10	9	8	8
Total	78	64	76	63	95	108	114	102	73	86

SOURCE:

City of Forsyth, Georgia records.

CITY OF FORSYTH, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2013	2014	2015	2016
Administrative				
Business licenses issued	444	471	636	753
Permits issued	243	341	110	110
Police				
Citations processed	2,816	1,703	1,458	2,561
Public Works				
Garbage customers	1,574	1,491	1,513	1,516
Culture and Recreation				
Annual City-sponsored events	12	11	13	16
Annual non City-sponsored events	1	1	1	1
Electric				
Annual Kilowatt hours sold (millions)	86	115	126	132
Water				
Average daily consumption in gallons (millions)	1.3	1.3	1.4	1.6
Cable				
Cable customers	1,609	-	-	-

SOURCE:

City of Forsyth, Georgia records.

Fiscal Year					
2017	2018	2019	2020	2021	2022
631	618	614	613	617	649
25	21	16	13	52	128
2,010	1,808	2,863	3,772	3,275	1,540
1,385	1,351	1,376	1,407	1,647	1,690
17	14	13	3	6	7
1	1	1	1	1	2
81	88	85	81	93	118
-	-	-	-	1	1.5
-	-	-	-	-	-

CITY OF FORSYTH, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrative										
Buildings	1	1	2	2	2	2	2	2	3	3
Police										
Patrol units	8	14	22	22	22	22	24	24	24	25
Fire										
Fire trucks	4	7	7	7	8	8	8	8	8	8
Public Works										
Vehicles	8	8	10	10	10	10	10	10	10	14
Highways/streets	46	50	50	50	50	50	50	50	50	50
Streetlights	785	785	795	795	795	795	795	795	800	850
Garage										
Vehicles	2	2	2	2	2	2	2	2	2	1
Culture and Recreation										
Acreage	16	16	16	16	16	16	16	16	16	16
Park sites	5	5	5	5	5	5	5	5	5	5
Electric										
Electric lines (miles)	58	58	58	58	58	58	58	58	58	58
Vehicles	9	5	5	5	9	9	9	9	10	10
Water										
Water mains (miles)	40	40	40	40	40	40	40	40	40	50
Sewer										
Sanitary sewers (miles)	40	40	40	40	40	40	40	40	40	40
Cable										
Cable lines (miles)	110	-	-	-	-	-	-	-	-	-

SOURCE:

City of Forsyth, Georgia records.

COMPLIANCE SECTION



**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***

**To the Honorable Mayor and Members
of City Council
City of Forsyth, Georgia
Forsyth, Georgia**

We have audited, 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*"), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Forsyth, Georgia (the "City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 25, 2023.

Report on Internal Control Over Financial Reporting

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

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. 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 City'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.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Macon, Georgia
August 25, 2023

CITY OF FORSYTH, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:
Material weaknesses identified? ___ Yes X No

Significant deficiencies identified not considered to be material weaknesses? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

There was not an audit of major federal award programs as of December 31, 2022 due to the total amount expended being less than \$750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS

None reported.

CITY OF FORSYTH, GEORGIA

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.

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