

**CITY OF FORSYTH, GEORGIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2021**

Prepared by:  
City Finance Department

## **INTRODUCTORY SECTION**

# CITY OF FORSYTH, GEORGIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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## CITY OF FORSYTH

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

June 28, 2022

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 comprehensive annual financial report of the City of Forsyth, Georgia, for the year ended December 31, 2021, 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 government. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. 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 Governmental Auditing Standards. The auditors' 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 government. The government 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 located 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, Forsyth contained 70 houses and stores, an academy, a house of worship for Baptists, and an elegant courthouse and jail.

Forsyth 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 (Forsyth is home to the first passenger rail service in Georgia), 19th century cotton agriculture (farming and 2 cotton mills), and the opening of Tift College in 1849 (2nd oldest founded female college in the world).

Today, Forsyth covers an area of approximately 5 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 2021. 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 of Forsyth 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. (5) Preserve our historic and cultural heritage. Mayor and Council hold an annual retreat in January to review prior goals and set new goals for the upcoming year.

## **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.

In September 2021, City Officials held the Open House and Dedication of the new City Hall building. The City Administration offices, Municipal Court Clerks office, and Economic Development Department are housed in the new City Hall building.

## **Municipal Court:**

**Overview-**The Municipal Court of Forsyth 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 2021, the Municipal Court heard 3,467 cases in court.

## **Police:**

**Overview-**The men and women of the Forsyth Police Department are committed to protect life, property, and the constitutional guarantees of all citizens of Forsyth and those who travel through our City. With community partnership as our foundation, we, as a department, are entrusted to enhance the quality of life, seek solutions to community problems and foster a sense of peace and security for all people within our City. We will honor this trust placed in us by holding ourselves to the highest standards of professional police conduct.

The City of Forsyth Police Department is a State Accredited Agency. All employees of the police department meet or exceed the required number of P.O.S.T. training hours.

## **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.

### **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 department is also responsible for grass cutting along City streets and State highways, three city cemeteries, five public parks, a closed City landfill, and all City buildings. The 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. Public Works 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 applied for a Land and Water Conservation Fund Grant in the amount of \$1.2 million with \$500,000 front the grant and the City pledging the remaining \$700,000 from the property taxes set aside for these projects. Awards for this grant will be made in 2022.

The City of Forsyth was awarded Land and Water Conservation Fund Grant in the amount of \$100,000 for upgrades and improvements to the City Golf Course.

### **Economic Development:**

**Overview**-The Economic Development Department strives to maintain and improve the overall quality of life for all citizens of the City of Forsyth 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 of Forsyth. 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 provides all necessary land use, economic, environmental, and social data upon which to base effective governmental decision resulting in orderly growth and development and a high quality of life for present and future citizens.

Downtown Development Authority, which is a component unit of the City of Forsyth, and Main Street fall under the Economic Development Department. In 2021, they awarded 5 Façade Grants totaling approximately \$3,000 to downtown businesses.

## **Electric:**

**Overview-**The Electric Department is responsible for supplying electricity to City of Forsyth 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 2021 consisted of approximately 3,250 electric and 3,230 water meters.

## **Water and Sewer:**

**Overview-**The Water and Sewer Department is responsible for supplying water to City of Forsyth 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 of Forsyth as per regulations set forth by all state and federal agencies. The City of Forsyth operates a permitted 3 mgd water treatment plant and two permitted wastewater treatment plants.

## **Convention and Visitors Bureau:**

**Overview-** In January 2015, the City of Forsyth created the Convention and Visitors Bureau (CVB), which is a component unit of the City of Forsyth. 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 of Forsyth and operates the City of Forsyth Welcome Center.

The total hotel/motel tax revenue received in 2021 was \$547,211 with \$219,151 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 government are protected from loss, theft, or misuse and to ensure that adequate accounting data are 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 judgments 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 nondepartmental expenditure category require the approval of the Chief Financial Officer. Increase in appropriations in a departmental budget or in a nondepartmental 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 of Forsyth has one capital improvement fund: (1) 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 \$881,169. Total expenditures were made in the amount of \$381,545 for approved capital projects and SPLOST bond debt service. Each SPLOST is passed by referendum and is collected for six years. The City of Forsyth entered into a Bond Agreement with Monroe County to borrow against the projected SPLOST proceeds and that allows us to expend funds before the proceeds are received. The City of Forsyth only bonds 75% of the estimate of the allowed projects.

**Special Revenue Fund.** The special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The City of Forsyth has two Special Revenue Funds: (1) Hotel/Motel Tax Fund and (2) Special Police 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 \$547,211. Expenditures were made in the amount of \$219,151 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 2021 for this fund.

**Enterprise Fund.** Business-type activities of the City of Forsyth are accounted for in the Enterprise Fund. The Enterprise Fund for the City of Forsyth 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 2021 were \$17,557,594. Total operating expenditures for year 2021 were \$15,487,720. The change in net assets after depreciation and non-operating revenues and/or expenses was \$1,958,129 for the year 2021.

**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 statues require an annual audit by independent certified public accounts. The accounting firm of Mauldin & Jenkins was selected by the city council. The auditors' 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 comprehensive annual 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/Bookkeeper, for her dedication to ensure timely, accurate information for this annual financial report.

Sincerely,

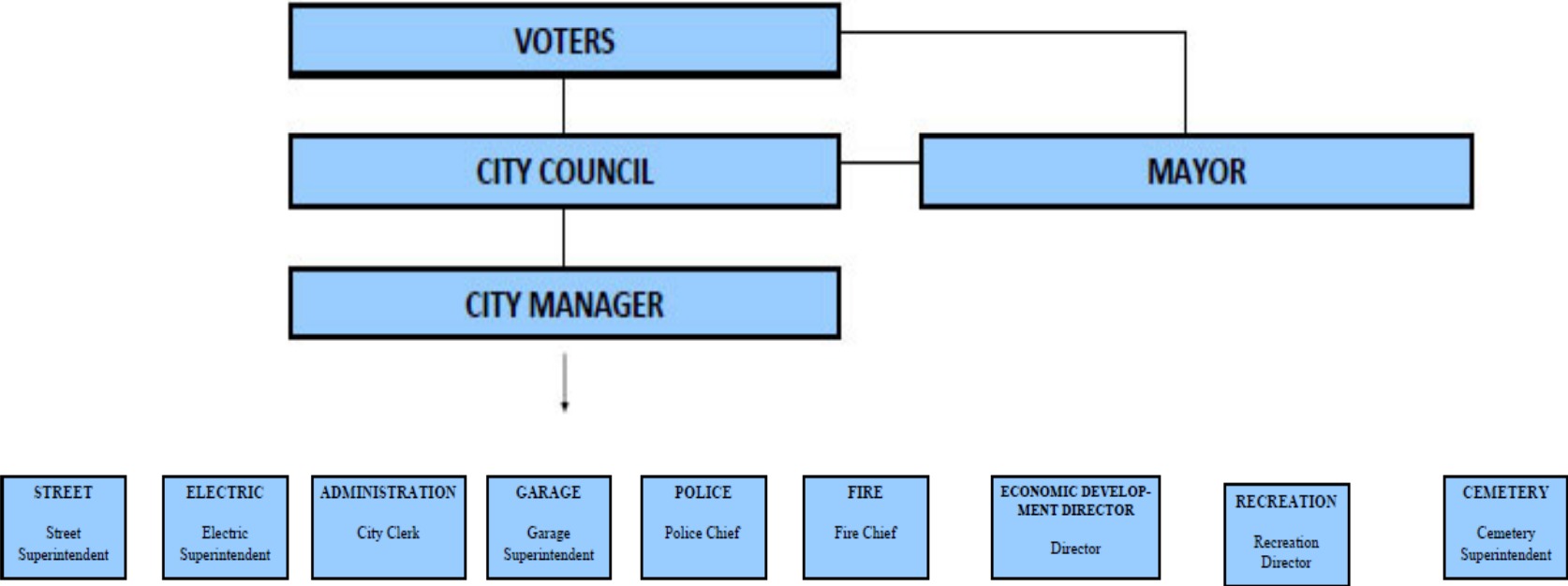
*Janice L. Hall*

Janice L. Hall  
City Manager/Chief Financial Officer

# CITY OF FORSYTH, GEORGIA

## ORGANIZATIONAL CHART DECEMBER 31, 2021

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# CITY OF FORSYTH, GEORGIA

## LIST OF PRINCIPAL OFFICIALS AS OF DECEMBER 31, 2021

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### MAYOR

Eric S. Wilson

### CITY COUNCIL MEMBERS

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

### CITY MANAGER

Janice Hall

### CITY CLERK

Regina Ivie

### POLICE CHIEF

Eddie Harris

### FIRE CHIEF

David Herndon

### ELECTRIC DEPARTMENT HEAD

Michael Batchelor

### GARBAGE DEPARTMENT HEAD

Steve Butler

### ECONOMIC DEVELOPMENT/ DOWNTOWN DEVELOPMENT AUTHORITY/ MAIN STREET

Vacant

### MUNICIPAL COURT JUDGE

Alyssa D. Peters

### CITY ATTORNEY

C. Robert Melton

### CITY AUDITORS

Mauldin & Jenkins, LLC

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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**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 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, 2021, 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, 2021, 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.



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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.

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***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 14), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on pages 68 and 69), and the Schedule of City Contributions (on pages 70 and 71) 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 revenue, expenditures and changes in fund balance for the discretely presented component units, and community development block grant source and application of funds status schedule and the community development block grant project cost schedule, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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, are also 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 community development block grant source and application of funds status schedule, the community development block grant project cost schedule 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.

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**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 June 28, 2022, 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  
June 28, 2022

**CITY OF FORSYTH, GEORGIA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

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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, 2021.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City's Primary Government activities exceeded its liabilities as of December 31, 2021, by \$32,215,023.
- As of December 31, 2021, total net position consisted of \$18,578,428 net investment in capital assets, \$8,467 restricted for law enforcement, and \$13,628,128 unrestricted.
- As of December 31, 2021, the City's governmental funds reported ending fund balance of \$6,867,478, a decrease of \$20,936 in comparison with the prior year.
- As of December 31, 2021, the City's General Fund reported ending fund balance of \$3,133,929, an increase of \$382,508 in comparison with the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis 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.

## MANAGEMENT'S DISCUSSION & ANALYSIS

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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).

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.

## MANAGEMENT'S DISCUSSION & ANALYSIS

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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, SPLOST 2019 Fund, SPLOST 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 non-major governmental fund is provided in the form of both combining statements and individual fund statements and schedules section of this report.

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 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.

## MANAGEMENT'S DISCUSSION & ANALYSIS

### 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 \$32,215,023 at the close of the most recent fiscal year.

#### CITY OF FORSYTH'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$ 5,545,172	\$ 8,463,768	\$ 15,135,999	\$ 14,355,783	\$ 20,681,171	\$ 22,819,551
Capital assets, net of accumulated depreciation	<u>12,731,008</u>	9,331,534	<u>12,936,294</u>	11,404,875	<u>25,667,302</u>	20,736,409
Total assets	<u>\$ 18,276,180</u>	<u>\$ 17,795,302</u>	<u>\$ 28,072,293</u>	<u>\$ 25,760,658</u>	<u>\$ 46,348,473</u>	<u>\$ 43,555,960</u>
<b>Deferred outflows of resources</b>	<b>728,723</b>	1,271,925	-	-	<b>728,723</b>	1,271,925
<b>Liabilities</b>						
Current and other	\$ 1,314,035	\$ 1,493,599	\$ 1,678,824	\$ 1,491,204	\$ 2,992,859	\$ 2,984,803
Long-term liabilities	<u>9,839,693</u>	10,685,214	<u>1,045,924</u>	987,914	<u>10,885,617</u>	11,673,128
Total liabilities	<u>\$ 11,153,728</u>	<u>\$ 12,178,813</u>	<u>\$ 2,724,748</u>	<u>\$ 2,479,118</u>	<u>\$ 13,878,476</u>	<u>\$ 14,657,931</u>
<b>Deferred inflows of resources</b>	-	-	-	-	-	-
<b>Net position</b>						
Net investment in capital assets	\$ 6,688,058	\$ 6,917,783	\$ 11,890,370	\$ 10,416,961	\$ 18,578,428	\$ 17,334,744
Restricted for:						
Debt service	-	-	-	-	-	-
Law enforcement	8,467	8,434	-	-	8,467	8,434
Capital projects	-	4,384,618	-	-	-	4,384,618
Unrestricted	<u>170,953</u>	(4,422,421)	<u>13,457,175</u>	12,864,579	<u>13,628,128</u>	8,442,158
Total net position	<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>

Current and other assets decreased in governmental activities by \$2.9 million from the prior year. The decrease was mainly attributable to the City's unspent notes payable proceeds related to the construction of a new city hall. Current and other assets increased in business-type activities by \$780,000 from the prior year. The increase was in part due to the increase in water/sewer rates (3%).

Capital assets net of accumulated depreciation increased in governmental activities by 3.4 million from the prior year due mainly to the construction of the new city hall.

Deferred outflows of resources increased in the governmental activities by \$543,000 due to changes in actuarial assumptions.

Current and other liabilities year for governmental and business-type activities combined decreased by \$8,000, which was mainly attributable to the timing differences of payments.

## MANAGEMENT'S DISCUSSION & ANALYSIS

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Long-term liabilities, which consist of notes, leases, landfill post-closure care costs, and net pension liability, decreased by \$788,000 from the previous year for governmental and business-type activities combined. A significant portion of the decrease was due to changes in the net pension liability and notes payable. The City's net pension liability decreased by \$1.5 million due to changes in the actuarial assumptions during the current year.

A significant portion of the City's net position, \$18,578,428 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, \$8,467 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 the unrestricted net position had a balance of \$13,628,128.

The City's overall net position increased \$2 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.



## MANAGEMENT'S DISCUSSION & ANALYSIS

### CITY OF FORSYTH'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program services:						
Charges for services	\$ 1,171,311	\$ 1,405,985	\$ 16,158,570	\$ 14,297,555	\$ 17,329,881	\$ 15,703,540
Operating grants and contributions	11,327	731	-	-	11,327	731
Capital grants and contributions	978,785	844,319	1,264,016	537,377	2,242,801	1,381,696
General revenues:						
Taxes	3,054,480	2,364,477	-	-	3,054,480	2,364,477
Investment and interest revenues	578	1,859	108,840	414,401	109,418	416,260
Other	-	-	-	-	-	-
Total revenues	<u>5,216,481</u>	<u>4,617,371</u>	<u>17,531,426</u>	<u>15,249,333</u>	<u>22,747,907</u>	<u>19,866,704</u>
<b>Expenditures/expenses</b>						
General government	1,510,745	1,493,680	-	-	1,510,745	1,493,680
Judicial	1,000	1,999	-	-	1,000	1,999
Public safety	3,311,187	4,045,207	-	-	3,311,187	4,045,207
Public works	2,825,459	2,706,548	-	-	2,825,459	2,706,548
Housing and development	220,493	138,160	-	-	220,493	138,160
Culture and recreation	217,067	254,438	-	-	217,067	254,438
Better Hometown	159,708	171,992	-	-	159,708	171,992
Interest	416,912	392,418	-	-	416,912	392,418
Combined utilities	-	-	12,040,267	10,938,575	12,040,267	10,938,575
Total expenses	<u>8,662,571</u>	<u>9,204,442</u>	<u>12,040,267</u>	<u>10,938,575</u>	<u>20,702,838</u>	<u>20,143,017</u>
Change in net position before transfers	(3,446,090)	(4,587,071)	5,491,159	4,310,758	2,045,069	(276,313)
Transfers	3,425,154	3,247,794	(3,425,154)	(3,247,794)	-	-
Change in net position	<u>(20,936)</u>	<u>(1,339,277)</u>	<u>2,066,005</u>	<u>1,062,964</u>	<u>2,045,069</u>	<u>(276,313)</u>
Net position, beginning, as restated	<u>6,888,414</u>	<u>8,227,691</u>	<u>23,281,540</u>	<u>22,218,576</u>	<u>30,169,954</u>	<u>30,446,267</u>
Net position, ending	<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>

#### Governmental activities

During the current fiscal year, net position for governmental activities decreased \$20,936 from the prior fiscal year for an ending balance of \$6,867,478. The decrease in the overall net position of governmental activities is primarily due to increase capital outlay and the construction of the new city hall.

Revenues increased \$599,110 from the prior year, which was primarily due to the increase in taxes during the current year of which sales tax increased by \$197,287, and accessed taxes increased \$252,147 from the prior year.

## MANAGEMENT'S DISCUSSION & ANALYSIS

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Total expenses were \$541,871 (6%) lower than the prior fiscal year. The biggest areas of change were in the functional areas of:

- Public Safety decreased by \$734,000 (or 18%) due to a reduction in the computation of actuarial costs.
- Public Works increased by \$118,911 (or 4%) due to increased road resurfacing projects and increased personnel costs.

### **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 \$25,347,545. 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 increase in net position for business-type activities was \$2,066,005 from the prior year. The growth in large part, is attributable to the water rate increase enacted by the City Council. An additional cause of the increase in net position was the city purchased less materials and had less depreciation from capital assets being fully depreciated during the current year.

### **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, 2021, the City's governmental funds reported combined fund balances of \$3,478,169, a decrease of \$3,495,742 in comparison with the prior year.

Of this amount, \$3,133,869, or 90%, 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, \$60; or 2) restricted for particular purposes, \$344,240.

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 increased by \$382,508, which was mainly from the increased collection of property sales taxes during the current year. Unassigned fund balance of the General Fund was \$3,133,869, while total fund balance reached \$3,133,929. 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 44% of total General Fund expenditures, while total fund balance represents 44% of that same amount.

## MANAGEMENT'S DISCUSSION & ANALYSIS

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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 2021 fiscal year, the Capital Projects Fund had a total fund balance of \$86,008, a decrease of \$3,706,190 from the prior year.

The 2019 SPLOST Capital Projects Fund accounts for the financial resources provided from the one percent 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 2021 fiscal year, the 2019 SPLOST had a total fund balance of \$248,331. This is the first year that fund balance is being report for this fund.

The SPLOST Capital Projects Fund accounts for the financial resources provided from the one percent Special Purpose Local Option Sales Tax Referendum that took place in November of 2013. These resources must be used for various capital projects and road improvements throughout the city. At the end of the 2020 fiscal year, the SPLOST had no fund balance. The decrease in fund balance is due to the SPLOST Fund program being in its 7th full year. Many of the major projects have been completed, and collections are lower than the prior fiscal 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 2021 fiscal year, the Hotel/Motel Tax Fund had a total fund balance of \$1,434.

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 2021 fiscal year, the Local Fiscal Recovery Fund had a total fund balance of \$33.

### **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 \$11,890,370 and \$13,457,175, respectively. As noted earlier, the growth in net position for the Combined Utilities Fund was due to a three percent water rate 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 2021, the differences between the General Fund original budget and the final amended budget that increased appropriations are as follows:

- A budget amendment was approved for revenue and expenses for a safety grant in the amount of \$6,900 the city was awarded. The grant purchased a safety barricade system, safety vests, max-dri hi-vis t-shirts, rain parkas and bomber jackets as well an OSHA compliant fixed circulation fan for the inventory department.
- A budget amendment was approved for salary and benefits for a golf course employee. The city had entered into an agreement with the Forsyth Golf Board for this employee. All expenses related to the employee are reimbursed by the golf board quarterly.

## MANAGEMENT'S DISCUSSION & ANALYSIS

- A budget amendment was approved to increase appropriations within the cemetery department for needed additional cemetery lots not previously budgeted for.
- Additional budget amendments were approved to increase appropriations to maintain services.

The General Fund's actual expenditures of \$284,640 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 \$186,004 more than the final budget. This was mostly attributable to increased retirement contributions and increased repairs and maintenance expenses for City Hall in the current year.
- Public Safety actual expenditures were less than final budget by \$232,222. This was primarily the result of being under budget in Police by \$249,893 and over budget in Fire by \$18,649.
- Public Works actual spending was \$72,482 less than the final budget. The most significant savings of \$53,205 was from Streets/sanitation.
- Better Hometown actual spending was \$135,857 less than the final budget.
- Recreation actual expenditures were \$26,367 less than the final budget.
- Debt service actual expenditures were \$3,716 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, 2021, amounts to \$25,667,302 (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 23.8% (an increase of 36% and 13% 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 construction of the new city hall. Additional information on the City's capital assets can be found in the Note 5.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land improvements	\$ 2,901,936	\$ 2,723,445	\$ -	\$ -	\$ 2,901,936	\$ 2,723,445
Distribution system	-	-	28,614,893	27,645,036	28,614,893	27,645,036
Buildings and improvements	2,388,081	2,388,081	5,196,155	5,196,155	7,584,236	7,584,236
Infrastructure	3,197,944	3,197,944	-	-	3,197,944	3,197,944
Machinery and equipment	1,864,417	1,840,397	1,114,889	1,061,281	2,979,306	2,901,678
Vehicles	3,713,016	3,699,016	1,348,446	1,195,613	5,061,462	4,894,629
Land	1,132,693	1,132,693	249,261	249,261	1,381,954	1,381,954
Construction in progress	5,465,509	1,635,053	1,538,626	396,566	7,004,135	2,031,619
Total capital assets	20,663,596	16,616,629	38,062,270	35,743,912	58,725,866	52,360,541
Accumulated depreciation	(7,932,588)	(7,285,095)	(25,125,976)	(24,339,037)	(33,058,564)	(31,624,132)
Total capital assets, net	\$ 12,731,008	\$ 9,331,534	\$ 12,936,294	\$ 11,404,875	\$ 25,667,302	\$ 20,736,409

## MANAGEMENT'S DISCUSSION & ANALYSIS

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### Long-Term Debt

As of December 31, 2021, the City had approximately \$8.2 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	
	2021	2020	2021	2020	2021	2020
Capital leases	\$ 495,713	\$ 560,121	\$ 227,623	\$ 126,780	\$ 723,336	\$ 686,901
Landfill post-closure costs	1,007,147	995,205	-	-	1,007,147	995,205
Notes payable	5,633,245	5,734,692	818,301	861,134	6,451,546	6,595,826
	\$ 7,136,105	\$ 7,290,018	\$ 1,045,924	\$ 987,914	\$ 8,182,029	\$ 8,277,932

### Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City and were considered in developing the 2021 fiscal year budget.

- The unemployment rate for the City is currently 3.2%, a decrease of 0.3% from the prior year.
- An 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, 2021**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Forsyth	
				Bureau Authority	Downtown Development Authority
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,887,779	\$ 2,929,677	\$ 7,817,456	\$ 241,065	\$ 77,199
Investments	-	11,078,493	11,078,493	-	-
Accounts receivable, net of allowances:					
Taxes	157,914	-	157,914	-	-
Accounts	16,215	760,687	776,902	-	-
Due from other governments	461,806	-	461,806	-	-
Due from primary government	-	-	-	15,973	-
Due from component unit	21,398	-	21,398	-	-
Inventories	60	357,291	357,351	-	-
Prepaid expenses	-	9,851	9,851	-	-
Capital assets, non-depreciable	6,598,202	1,787,887	8,386,089	-	-
Capital assets, depreciable, net of accumulated depreciation	6,132,806	11,148,407	17,281,213	-	122,737
<b>Total assets</b>	<b>18,276,180</b>	<b>28,072,293</b>	<b>46,348,473</b>	<b>257,038</b>	<b>199,936</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension	728,723	-	728,723	-	-
<b>Total deferred outflows of resources</b>	<b>728,723</b>	<b>-</b>	<b>728,723</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts payable	708,346	1,139,994	1,848,340	5,534	-
Accrued liabilities	153,247	41,953	195,200	-	-
Due to component unit	15,973	-	15,973	-	-
Due to primary government	-	-	-	21,398	-
Due to other governments	436,469	-	436,469	-	-
Customer deposits	-	496,877	496,877	-	-
Unearned revenues	771,146	-	771,146	-	-
Capital leases due within one year	62,063	56,546	118,609	-	-
Capital leases due in more than one year	433,650	171,077	604,727	-	-
Notes payable due within one year	107,252	43,868	151,120	-	-
Notes payable due in more than one year	5,525,993	774,433	6,300,426	-	-
Net pension liability	1,932,442	-	1,932,442	-	-
Landfill post-closure care costs due in more than one year	1,007,147	-	1,007,147	-	-
<b>Total liabilities</b>	<b>11,153,728</b>	<b>2,724,748</b>	<b>13,878,476</b>	<b>26,932</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension	983,697	-	983,697	-	-
<b>Total deferred inflows of resources</b>	<b>983,697</b>	<b>-</b>	<b>983,697</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	6,688,058	11,890,370	18,578,428	-	122,737
Restricted for:					
Law enforcement	8,467	-	8,467	-	-
Unrestricted	170,953	13,457,175	13,628,128	230,106	77,199
<b>Total net position</b>	<b>\$ 6,867,478</b>	<b>\$ 25,347,545</b>	<b>\$ 32,215,023</b>	<b>\$ 230,106</b>	<b>\$ 199,936</b>

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, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities:				
General government	\$ 1,510,745	\$ 353,990	\$ 33	\$ -
Judicial	1,000	476,025	-	-
Public safety	3,311,187	-	11,294	816,399
Public works	2,825,459	341,296	-	162,386
Housing and development	220,493	-	-	-
Culture and recreation	217,067	-	-	-
Better Hometown	159,708	-	-	-
Interest on long-term debt	416,912	-	-	-
Total governmental activities	<u>8,662,571</u>	<u>1,171,311</u>	<u>11,327</u>	<u>978,785</u>
Business-type activities:				
Water and sewer	3,318,033	4,103,895	-	1,264,016
Electric	8,722,234	12,054,675	-	-
Total business-type activities	<u>12,040,267</u>	<u>16,158,570</u>	<u>-</u>	<u>1,264,016</u>
Total primary government	<u>\$ 20,702,838</u>	<u>\$ 17,329,881</u>	<u>\$ 11,327</u>	<u>\$ 2,242,801</u>
<b>Component units</b>				
Forsyth Convention and Visitors Bureau Authority	\$ 197,555	\$ 254,159	\$ -	\$ -
Downtown Development Authority	8,334	6,000	-	-
Total component units	<u>\$ 205,889</u>	<u>\$ 260,159</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				
Gain on sale of capital assets				
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			Component Units	
Primary Government			Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
Governmental Activities	Business-type Activities	Total		
\$ (1,156,722)	\$ -	\$ (1,156,722)	\$ -	\$ -
475,025	-	475,025	-	-
(2,483,494)	-	(2,483,494)	-	-
(2,321,777)	-	(2,321,777)	-	-
(220,493)	-	(220,493)	-	-
(217,067)	-	(217,067)	-	-
(159,708)	-	(159,708)	-	-
(416,912)	-	(416,912)	-	-
<u>(6,501,148)</u>	<u>-</u>	<u>(6,501,148)</u>	<u>-</u>	<u>-</u>
-	2,049,878	2,049,878	-	-
-	3,332,441	3,332,441	-	-
-	5,382,319	5,382,319	-	-
<u>(6,501,148)</u>	<u>5,382,319</u>	<u>(1,118,829)</u>	<u>-</u>	<u>-</u>
-	-	-	56,604	-
-	-	-	-	(2,334)
-	-	-	56,604	(2,334)
1,372,687	-	1,372,687	-	-
470,561	-	470,561	-	-
100,831	-	100,831	-	-
230,804	-	230,804	-	-
328,944	-	328,944	-	-
550,653	-	550,653	-	-
578	108,840	109,418	-	-
-	-	-	-	11,250
<u>3,425,154</u>	<u>(3,425,154)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,480,212</u>	<u>(3,316,314)</u>	<u>3,163,898</u>	<u>-</u>	<u>11,250</u>
(20,936)	2,066,005	2,045,069	56,604	8,916
<u>6,888,414</u>	<u>23,281,540</u>	<u>30,169,954</u>	<u>173,502</u>	<u>191,020</u>
<u>\$ 6,867,478</u>	<u>\$ 25,347,545</u>	<u>\$ 32,215,023</u>	<u>\$ 230,106</u>	<u>\$ 199,936</u>

**CITY OF FORSYTH, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>SPLOST 2019 Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,696,315	\$ 577,545	\$ 653,692
Accounts receivable, net of allowances:			
Taxes	115,366	-	-
Accounts	16,215	-	-
Due from other governments	295,390	-	166,416
Due from other funds	203,088	-	-
Due from component unit	21,398	-	-
Inventories	60	-	-
<b>Total assets</b>	<b>\$ 3,347,832</b>	<b>\$ 577,545</b>	<b>\$ 820,108</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 78,834	\$ 491,537	\$ 137,975
Accrued liabilities	111,183	-	-
Due to component unit	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	433,802
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>190,017</b>	<b>491,537</b>	<b>571,777</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	23,886	-	-
<b>Total deferred inflows of resources</b>	<b>23,886</b>	<b>-</b>	<b>-</b>

(Continued)

<b>SPLOST Fund</b>	<b>Hotel/Motel Tax Fund</b>	<b>Local Fiscal Recovery Fund</b>	<b>Nonmajor Governmental Fund</b>	<b>Total Governmental Funds</b>
\$ -	\$ 180,614	\$ 771,179	\$ 8,434	\$ 4,887,779
-	42,548	-	-	157,914
-	-	-	-	16,215
-	-	-	-	461,806
-	-	-	-	203,088
-	-	-	-	21,398
-	-	-	-	60
<u>\$ -</u>	<u>\$ 223,162</u>	<u>\$ 771,179</u>	<u>\$ 8,434</u>	<u>\$ 5,748,260</u>

\$ -	\$ -	\$ -	\$ -	\$ 708,346
-	-	-	-	111,183
-	15,973	-	-	15,973
-	203,088	-	-	203,088
-	2,667	-	-	436,469
-	-	771,146	-	771,146
-	221,728	771,146	-	2,246,205
-	-	-	-	23,886
-	-	-	-	23,886

**CITY OF FORSYTH, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>SPLOST 2019 Fund</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (CONTINUED)</b>			
<b>FUND BALANCES</b>			
Fund balances:			
Non-spendable			
Inventories	\$ 60	\$ -	\$ -
Restricted:			
Law enforcement	-	-	-
Community development	-	-	-
Capital projects	-	86,008	248,331
Unassigned	<u>3,133,869</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>3,133,929</u>	<u>86,008</u>	<u>248,331</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,347,832</u>	<u>\$ 577,545</u>	<u>\$ 820,108</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>SPLOST Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Local Fiscal Recovery Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 60
-	-	33	8,434	8,467
-	1,434	-	-	1,434
-	-	-	-	334,339
-	-	-	-	3,133,869
<u>-</u>	<u>1,434</u>	<u>33</u>	<u>8,434</u>	<u>3,478,169</u>
<u>\$ -</u>	<u>\$ 223,162</u>	<u>771,179</u>	<u>\$ 8,434</u>	

12,731,008

23,886

(2,187,416)

(7,178,169)

\$ 6,867,478

**CITY OF FORSYTH, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>SPLOST 2019 Fund</u>	<u>SPLOST Fund</u>
<b>Revenues</b>				
Taxes:				
Property taxes	\$ 488,166	\$ -	\$ -	\$ -
Sales taxes	1,372,687	-	-	-
Insurance premium taxes	328,944	-	-	-
Beer, wine and alcohol taxes	230,804	-	-	-
Franchise taxes	100,831	-	-	-
Other taxes	-	-	-	-
Licenses and permits	132,571	-	-	-
Intergovernmental	97,616	-	881,169	-
Fines and forfeitures	476,025	-	-	-
Charges for services	341,296	-	-	-
Interest revenue	578	219	61	11,014
Other revenues	221,419	-	-	-
Total revenues	<u>3,790,937</u>	<u>219</u>	<u>881,230</u>	<u>11,014</u>
<b>Expenditures</b>				
Current:				
General government	1,559,306	-	-	-
Public safety	3,106,691	-	-	-
Public works	1,512,645	-	-	-
Housing and development	-	-	-	-
Better Hometown	217,067	-	-	-
Recreation	253,976	-	-	-
Capital outlay	-	3,706,409	389,025	603,434
Debt service:				
Principal	165,855	-	-	-
Interest	346,769	-	73,312	-
Total expenditures	<u>7,162,309</u>	<u>3,706,409</u>	<u>462,337</u>	<u>603,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,371,372)</u>	<u>(3,706,190)</u>	<u>418,893</u>	<u>(592,420)</u>

(Continued)

<u>Hotel/Motel Tax Fund</u>	<u>Local Fiscal Recovery Funds</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 488,166
-	-	-	1,372,687
-	-	-	328,944
-	-	-	230,804
-	-	-	100,831
550,653	-	-	550,653
-	-	-	132,571
-	-	-	978,785
-	-	-	476,025
-	-	-	341,296
-	33	-	11,905
-	-	-	221,419
<u>550,653</u>	<u>33</u>	<u>-</u>	<u>5,234,086</u>
-	-	-	1,559,306
-	-	-	3,106,691
-	-	-	1,512,645
220,493	-	-	220,493
-	-	-	217,067
-	-	-	253,976
-	-	-	4,698,868
-	-	-	165,855
-	-	-	420,081
<u>220,493</u>	<u>-</u>	<u>-</u>	<u>12,154,982</u>
<u>330,160</u>	<u>33</u>	<u>-</u>	<u>(6,920,896)</u>

**CITY OF FORSYTH, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

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	General Fund	Capital Projects Fund	SPLOST 2019 Fund	SPLOST Fund
<b>Other financing sources (uses)</b>				
Transfers in	\$ 3,753,880	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total other financing sources (uses)	3,753,880	-	-	-
Net change in fund balances	382,508	(3,706,190)	418,893	(592,420)
<b>Fund balances (deficit), beginning of year</b>	2,751,421	3,792,198	(170,562)	592,420
<b>Fund balances, end of year</b>	\$ 3,133,929	\$ 86,008	\$ 248,331	\$ -

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>
\$ -	\$ -	\$ -	\$ 3,753,880
<u>(328,726)</u>	<u>-</u>	<u>-</u>	<u>(328,726)</u>
<u>(328,726)</u>	<u>-</u>	<u>-</u>	<u>3,425,154</u>
1,434	33	-	(3,495,742)
<u>-</u>	<u>-</u>	<u>8,434</u>	<u>6,973,911</u>
<u>\$ 1,434</u>	<u>\$ 33</u>	<u>\$ 8,434</u>	<u>\$ 3,478,169</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, 2021

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

Net change in fund balances - total governmental funds	\$ (3,495,742)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	3,399,474
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(17,605)
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.	165,855
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>(72,918)</u>
Change in net position - governmental activities	<u>\$ (20,936)</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, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
<b>Taxes:</b>				
Property taxes	\$ 511,694	\$ 511,694	\$ 488,166	\$ (23,528)
Sales taxes	1,155,000	1,155,000	1,372,687	217,687
Insurance premium taxes	320,000	320,000	328,944	8,944
Beer, wine and alcohol taxes	218,000	218,000	230,804	12,804
Franchise taxes	108,000	108,000	100,831	(7,169)
Licenses and permits	130,150	130,150	132,571	2,421
Intergovernmental	60,600	67,500	97,616	30,116
Fines and forfeitures	441,500	441,500	476,025	34,525
Charges for services	310,000	310,000	341,296	31,296
Interest revenue	4,200	4,200	578	(3,622)
Miscellaneous income	162,359	231,720	221,419	(10,301)
Total revenues	3,421,503	3,497,764	3,790,937	293,173
<b>Expenditures</b>				
<b>Current</b>				
<b>General government:</b>				
Administration	823,296	869,486	1,065,792	(196,306)
Governing body	383,999	383,999	345,361	38,638
Mayor	94,517	102,817	99,469	3,348
Elections	17,000	17,000	48,684	(31,684)
Total general government	1,318,812	1,373,302	1,559,306	(186,004)
<b>Public safety:</b>				
Police	2,024,191	1,878,609	1,628,716	249,893
Fire	1,267,504	1,334,004	1,352,653	(18,649)
Municipal court	110,300	126,300	125,322	978
Total public safety	3,401,995	3,338,913	3,106,691	232,222
<b>Public works:</b>				
Streets/sanitation	1,790,924	1,181,599	1,128,394	53,205
Garage	232,194	232,194	201,854	30,340
Cemetary	160,148	171,334	182,397	(11,063)
Total public works	2,183,266	1,585,127	1,512,645	72,482
<b>Better Hometown</b>	352,924	352,924	217,067	135,857
<b>Recreation</b>	110,982	280,343	253,976	26,367
<b>Debt service:</b>				
Principal	516,340	516,340	165,855	350,485
Interest	-	-	346,769	(346,769)
Total debt service	516,340	516,340	512,624	3,716
Total expenditures	7,884,319	7,446,949	7,162,309	284,640
Deficiency of revenues under expenditures	(4,462,816)	(3,949,185)	(3,371,372)	577,813

(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, 2021**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Other financing sources</b>				
Transfers in	\$ 4,462,816	\$ 3,949,185	\$ 3,753,880	\$ 195,305
Total other financing sources	<u>4,462,816</u>	<u>3,949,185</u>	<u>3,753,880</u>	<u>195,305</u>
Net change in fund balances	-	-	382,508	382,508
<b>Fund balances, beginning of year</b>	<u>2,751,421</u>	<u>2,751,421</u>	<u>2,751,421</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 2,751,421</u>	<u>\$ 2,751,421</u>	<u>\$ 3,133,929</u>	<u>\$ 382,508</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, 2021**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Other taxes	\$ 365,000	\$ 365,000	\$ 550,653	\$ 185,653
Total revenues	<u>365,000</u>	<u>365,000</u>	<u>550,653</u>	<u>185,653</u>
<b>Expenditures</b>				
Current:				
Housing and development	146,000	146,000	220,493	(74,493)
Total expenditures	<u>146,000</u>	<u>146,000</u>	<u>220,493</u>	<u>(74,493)</u>
Excess of revenues over expenditures	<u>219,000</u>	<u>219,000</u>	<u>330,160</u>	<u>111,160</u>
<b>Other financing uses</b>				
Transfers out	(219,000)	(219,000)	(328,726)	(109,726)
Total other financing uses	<u>(219,000)</u>	<u>(219,000)</u>	<u>(328,726)</u>	<u>(109,726)</u>
Net change in fund balances	-	-	1,434	1,434
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,434</u>	<u>\$ 1,434</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, 2021**

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

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

**CITY OF FORSYTH, GEORGIA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
DECEMBER 31, 2021**

		<u>Major Enterprise Fund Combined Utilities Fund</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		\$ 2,929,677
Investments		11,078,493
Accounts receivable, net of allowances		760,687
Inventories		357,291
Prepaid expenses		9,851
		<hr/>
Total current assets		15,135,999
<b>NON-CURRENT ASSETS</b>		
Capital assets:		
Capital assets, non-depreciable		1,787,887
Capital assets, depreciable, net of accumulated depreciation		11,148,407
		<hr/>
Total capital assets		12,936,294
		<hr/>
Total non-current assets		12,936,294
		<hr/>
Total assets		28,072,293
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable		1,139,994
Accrued liabilities		41,953
Customer deposits payable		496,877
Notes payable, current portion		43,868
Capital lease payable, current portion		56,546
		<hr/>
Total current liabilities		1,779,238
<b>NON-CURRENT LIABILITIES</b>		
Notes payable, net of current portion		774,433
Capital lease payable, net of current portion		171,077
		<hr/>
Total non-current liabilities		945,510
		<hr/>
Total liabilities		2,724,748
<b>NET POSITION</b>		
Net investment in capital assets		11,890,370
Unrestricted		13,457,175
		<hr/>
Total net position		\$ 25,347,545
		<hr/>

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, 2021**

	<b>Major Enterprise Fund Combined Utilities Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water and sewer sales	\$ 4,103,895
Electric sales	12,054,675
Total operating revenues	<u>16,158,570</u>
<b>OPERATING EXPENSES</b>	
Personnel services	634,661
Purchase of utilities	7,862,011
Material and supplies	847,600
Repairs and maintenance	384,033
Depreciation	786,939
Management fees	1,287,074
Miscellaneous	237,949
Total operating expenses	<u>12,040,267</u>
Operating income	<u>4,118,303</u>
<b>NON-OPERATING INCOME (EXPENSES)</b>	
Interest income	135,006
Interest expense	(26,166)
Total non-operating income, net	<u>108,840</u>
Income before transfers and capital contributions	4,227,143
<b>TRANSFERS</b>	
Transfers out	(3,425,154)
<b>CAPITAL CONTRIBUTIONS</b>	<u>1,264,016</u>
Change in net position	<u>2,066,005</u>
<b>NET POSITION, beginning of year</b>	<u>23,281,540</u>
<b>NET POSITION, end of year</b>	<u>\$ 25,347,545</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, 2021**

	<b>Major Enterprise Fund</b>
	<b>Combined Utilities Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 16,028,473
Payments to suppliers and service providers	(10,238,378)
Payments to employees	(611,144)
	5,178,951
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers out	(3,425,154)
	(3,425,154)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of property and equipment	(2,318,358)
Borrowings on capital lease	152,832
Principal paid on notes payable	(42,833)
Principal paid on capital lease	(51,989)
Interest paid	(26,166)
Capital contributions	1,264,016
	(1,022,498)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(133,460)
Interest on investments	135,006
	1,546
Increase in cash and cash equivalents	732,845
<b>Cash and cash equivalents:</b>	
Beginning of year	2,196,832
End of year	\$ 2,929,677

(Continued)

**CITY OF FORSYTH, GEORGIA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

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	<u>Major Enterprise Fund Combined Utilities Fund</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 4,118,303
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	786,939
(Increase) decrease in assets:	
Accounts receivable	(130,097)
Inventories	3,870
Due from component unit	117,781
Prepaid expenses	94,535
Increase (decrease) in liabilities:	
Accrued liabilities	615
Accounts payable	171,570
Customer deposits payable	22,902
Other liabilities	(7,467)
	<u>5,178,951</u>
Net cash provided by operating activities	<u>\$ 5,178,951</u>

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

**CITY OF FORSYTH, GEORGIA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2021**

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	<u>Custodial Fund Municipal Court</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 37,861
Total assets	<u>37,861</u>
<b>LIABILITIES</b>	
Due to others	<u>34,033</u>
Total liabilities	<u>34,033</u>
<b>NET POSITION</b>	
Restricted:	
Individuals, organizations, and other governments	<u>3,828</u>
Total net position	<u>\$ 3,828</u>

**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, 2021**

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	<u>Custodial Fund Municipal Court</u>
<b>ADDITIONS</b>	
Fines and fees	\$ 618,638
Total additions	<u>618,638</u>
<b>DEDUCTIONS</b>	
Taxes and fees paid to other governments	200,339
Other custodial disbursements	<u>455,858</u>
Total deductions	<u>656,197</u>
Change in fiduciary net position	(37,559)
<b>NET POSITION, beginning of year</b>	<u>41,387</u>
<b>NET POSITION, end of year</b>	<u>\$ 3,828</u>

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

**CITY OF FORSYTH, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**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

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### 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 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

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### 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 **Special Purpose Local Option Sales Tax Fund ("SPLOST")** is a capital projects fund that accounts for the receipts and disbursements of the 2013 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.

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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

#### 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".

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### H. Receivables and Payables (Continued)

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.

#### 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Capital Assets (Continued)

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 government'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.

#### 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.
- **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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. Fund Equity (Continued)

##### Fund Balance (Continued)

**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

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### 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 four items that qualify for reporting in this category. All four 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. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The net difference between projected and actual earnings on pension plan investments is deferred and amortized against pension expense over a five-year period, resulting in recognition as deferred outflows of resources. 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category, which arises only under the modified accrual basis of accounting. Accordingly, the two items, *unavailable revenue*, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from: 1) property taxes, and 2) intergovernmental revenues and these amounts are 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

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### 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	\$ (42,064)
Notes payable	(5,633,245)
Capital leases	(495,713)
Landfill post-closure care costs	<u>(1,007,147)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (7,178,169)</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	\$ 4,046,967
Depreciation expense	<u>(647,493)</u>
Net adjustment to increase <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 3,399,474</u>

## NOTES TO FINANCIAL STATEMENTS

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### 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:

Principal repayments:	
Notes payable	\$ 101,447
Capital leases	<u>64,408</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>\$ 165,855</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	\$ (11,942)
Accrued interest	3,169
Net pension liability and related deferred outflows of resources	<u>(64,145)</u>
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (72,918)</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2021 are summarized as follows:

Amount as presented on the entity-wide statements of net assets:	
Cash and cash equivalents	\$ 7,817,456
Investments	11,078,493
Amounts as presented on the fiduciary statement of net assets:	
Cash and cash equivalents - Custodial Fund	37,861
Component Units - cash and cash equivalents	318,264
Total	\$ 19,252,074
Cash deposited with financial institutions	\$ 8,173,581
Investments in the Municipal Competitive Trust	11,078,493
Total	\$ 19,252,074

**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, 2021, 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, 2021, the City had the following investments:

Investment	Weighted Average Maturities	Fair Value
Municipal Competitive Trust (Interm. Ext. Mat.)	4.34 years	\$ 7,650,909
Municipal Competitive Trust (Intermediate)	3.37 years	1,485,916
Municipal Competitive Trust (Short-Term)	172 days	1,941,668
		\$ 11,078,493

## 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, 2021, 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, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	General	Hotel/Motel Tax Fund	Combined Utility Fund	SPLOST 2019 Fund	Total
Receivables:					
Taxes	\$ 140,338	\$ 42,548	\$ -	\$ -	\$ 182,886
Due from other governments	295,390	-	-	166,416	461,806
Accounts	26,537	-	809,687	-	836,224
Gross receivables	462,265	42,548	809,687	166,416	1,480,916
Less allowance for uncollectibles	35,294	-	49,000	-	84,294
Net total receivables	<u>\$ 426,971</u>	<u>\$ 42,548</u>	<u>\$ 760,687</u>	<u>\$ 166,416</u>	<u>\$ 1,396,622</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 22, 2021, (levy date) based upon property values assessed as of January 1, 2020. Property taxes levied by 2021 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2021, and collected by December 20, 2021, are recognized as revenues in the year ended December 31, 2021. Net receivables estimated to be collected subsequent to December 21, 2021 are deferred as of December 31, 2021, 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, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 1,132,693	\$ -	\$ -	\$ -	\$ 1,132,693
Construction in progress	1,635,053	3,830,456	-	-	5,465,509
Total	<u>2,767,746</u>	<u>3,830,456</u>	<u>-</u>	<u>-</u>	<u>6,598,202</u>
Capital assets, being depreciated:					
Buildings	2,388,081	-	-	-	2,388,081
Infrastructure	3,197,944	-	-	-	3,197,944
Land improvements	2,723,445	178,491	-	-	2,901,936
Furniture, fixtures and equipment	1,840,397	24,020	-	-	1,864,417
Vehicles	3,699,016	14,000	-	-	3,713,016
Total	<u>13,848,883</u>	<u>216,511</u>	<u>-</u>	<u>-</u>	<u>14,065,394</u>
Less accumulated depreciation for:					
Buildings	1,213,593	98,806	-	-	1,312,399
Infrastructure	889,733	107,637	-	-	997,370
Land improvements	1,425,729	112,544	-	-	1,538,273
Furniture, fixtures and equipment	1,494,468	110,949	-	-	1,605,417
Vehicles	2,261,572	217,557	-	-	2,479,129
Total	<u>7,285,095</u>	<u>647,493</u>	<u>-</u>	<u>-</u>	<u>7,932,588</u>
Total assets, being depreciated, net	<u>6,563,788</u>	<u>(430,982)</u>	<u>-</u>	<u>-</u>	<u>6,132,806</u>
Governmental activities capital assets, net	<u>\$ 9,331,534</u>	<u>\$ 3,399,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,731,008</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 249,261	\$ -	\$ -	\$ -	\$ 249,261
Construction in progress	396,566	1,221,246	-	(79,186)	1,538,626
Total	645,827	1,221,246	-	(79,186)	1,787,887
Capital assets, being depreciated:					
Buildings	5,196,155	-	-	-	5,196,155
Distribution system	27,645,036	890,671	-	79,186	28,614,893
Machinery and equipment	1,061,281	53,608	-	-	1,114,889
Vehicles	1,195,613	152,833	-	-	1,348,446
Total	35,098,085	1,097,112	-	79,186	36,274,383
Less accumulated depreciation for:					
Buildings	5,036,092	5,863	-	-	5,041,955
Distribution system	17,335,130	717,942	-	-	18,053,072
Machinery and equipment	1,000,635	12,313	-	-	1,012,948
Vehicles	967,180	50,821	-	-	1,018,001
Total	24,339,037	786,939	-	-	25,125,976
Total assets, being depreciated, net	10,759,048	310,173	-	79,186	11,148,407
Business-type activities capital assets, net	\$ 11,404,875	\$ 1,531,419	\$ -	\$ -	\$ 12,936,294

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

#### Governmental activities

General government	\$ 69,071
Judicial	1,000
Public safety	260,647
Public works	315,534
Culture and recreation	1,241
	1,241

Total depreciation expense - governmental activities \$ 647,493

#### Business-type activities

Electric	\$ 124,563
Water and sewer	662,376
	662,376

Total depreciation expense - business-type activities \$ 786,939

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### B. Discretely Presented Component Unit

Capital asset activity for the Downtown Development Authority for the fiscal year ended December 31, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, being depreciated:					
Buildings	\$ 309,194	\$ -	\$ (180,000)	\$ -	\$ 129,194
Total	<u>309,194</u>	<u>-</u>	<u>(180,000)</u>	<u>-</u>	<u>129,194</u>
Less accumulated depreciation for:					
Buildings	12,229	5,478	(11,250)	-	6,457
Total	<u>12,229</u>	<u>5,478</u>	<u>(11,250)</u>	<u>-</u>	<u>6,457</u>
Total assets, being depreciated, net	<u>296,965</u>	<u>(5,478)</u>	<u>(168,750)</u>	<u>-</u>	<u>122,737</u>
Discretely presented component unit, capital assets, net	<u>\$ 296,965</u>	<u>\$ (5,478)</u>	<u>\$ (168,750)</u>	<u>\$ -</u>	<u>\$ 122,737</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 2020, the City obtained a note payable totaling \$5,100,000 from a financial institution. The note consists of 320 monthly payments in the amount of \$31,460 and a final payment in the amount of \$31,459. The annual interest rate is 5.75%.

## 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>
2022	\$ 107,252	\$ 315,173
2023	113,394	309,031
2024	119,096	303,330
2025	126,717	295,708
2026	133,986	288,439
2027 – 2031	793,755	1,318,372
2032 – 2036	1,049,614	1,062,513
2037 – 2041	1,390,445	601,682
2042 – 2046	1,767,606	272,329
2047	31,380	155
Total	<u>\$ 5,633,245</u>	<u>\$ 4,766,732</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, 2021, the City had no unused line of credit related to this note. The City’s line of credit outstanding at December 31, 2021 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	<u>\$ 818,301</u>
			Less current maturities:	818,301
				(43,868)
				<u>\$ 774,433</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### A. Notes Payable (Continued)

##### Business-type activities (Continued)

The City's outstanding note from direct borrowings related to business-type activities of \$818,301 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.

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

Year	Principal	Interest
2022	\$ 43,868	\$ 19,079
2023	44,928	18,019
2024	46,014	16,933
2025	47,126	15,821
2026	48,265	14,683
2027 – 2031	259,390	55,346
2032 – 2036	292,280	22,456
2037	36,430	291
Total	\$ 818,301	\$ 162,628

#### B. Capital Leases

##### Governmental activities

In 2015, the City entered into a capital lease 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 \$507,633 as of December 31, 2021.

In 2017, the City entered into a capital lease agreement with Kubota to purchase equipment. The amount financed was \$95,523, due in monthly installments of \$1,941, including interest at 8.10%, for six years ending in 2022. The balance was \$19,368 as of December 31, 2021.

##### Business-type activities

In 2016, the City entered into a capital lease agreement with ALTEC Capital Services to purchase a vehicle. The amount financed was \$164,764, due in annual installments of \$30,014, including interest at 5.70%. The balance was \$28,942 as of December 31, 2021.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### B. Capital Leases (Continued)

##### Business-type activities (Continued)

In 2019, the City entered into a capital lease 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 \$97,838 as of December 31, 2021.

In 2021, the City entered into a capital lease 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 \$129,785 as of December 31, 2021.

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2022	\$ 81,992	\$ 64,426
2023	64,521	64,426
2024	64,521	64,426
2025	64,521	28,027
2026	64,521	28,027
2027 – 2030	258,083	-
Total minimum lease payments	<u>598,159</u>	<u>249,332</u>
Less amount representing interest	<u>(102,446)</u>	<u>(21,709)</u>
Present value of future minimum lease payments	495,713	227,623
Less current maturities	<u>(62,063)</u>	<u>(56,546)</u>
	<u>\$ 433,650</u>	<u>\$ 171,077</u>

The following is an analysis of equipment leased under capital leases as of December 31, 2021:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Equipment	\$ 95,523	\$ -	\$ 95,523
Vehicles	715,265	343,817	1,059,082
Less: accumulated depreciation	<u>(315,718)</u>	<u>(54,567)</u>	<u>(370,285)</u>
Carrying value	<u>\$ 495,070</u>	<u>\$ 289,250</u>	<u>\$ 784,320</u>

The above includes current year depreciation expense of assets under capital lease of \$72,482 and \$27,284 for the governmental activities and business-type activities, respectively.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### C. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Notes payable from direct borrowing	\$ 5,734,692	\$ -	\$ (101,447)	\$ 5,633,245	\$ 107,252
Capital leases	560,121	-	(64,408)	495,713	62,063
Landfill post-closure costs	995,205	11,942	-	1,007,147	-
Net pension liability	3,395,196	1,090,872	(2,553,626)	1,932,442	-
Governmental activities Long-term liabilities	<u>\$ 10,685,214</u>	<u>\$ 1,102,814</u>	<u>\$ (2,719,481)</u>	<u>\$ 9,068,547</u>	<u>\$ 169,315</u>
<b>Business-type activities</b>					
Notes payable from direct borrowing	\$ 861,134	\$ -	\$ (42,833)	\$ 818,301	\$ 43,868
Capital leases	126,780	152,832	(51,989)	227,623	56,546
Business-type activities Long-term liabilities	<u>\$ 987,914</u>	<u>\$ 152,832</u>	<u>\$ (94,822)</u>	<u>\$ 1,045,924</u>	<u>\$ 100,414</u>

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

#### 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 \$1,007,147 over the remaining 15-year period at December 31, 2021. 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. DEFINED BENEFIT PENSION PLAN

#### A. Plan Description

The City's defined benefit pension plan, the City of Forsyth 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](http://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, 2021, pension plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	75
Terminated plan members entitled to, but not receiving benefits	35
Active plan members	<u>76</u>
Total beneficiaries	<u><u>186</u></u>

*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 \$341,245, which is 10.4% of covered payroll for the year ended December 31, 2021.

#### B. Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2021.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### B. Net Pension Liability of the City (Continued)

*Actuarial Assumptions.* The total pension liability in the July 1, 2021 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

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, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	45%	6.40%
International equity	20%	7.05%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Cash	0%	
Total	<u>100%</u>	

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### B. Net Pension Liability of the City (Continued)

*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.

*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, 2021 were as follows:

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Beginning Balance</b>	<u>\$ 8,332,445</u>	<u>\$ 4,937,249</u>	<u>\$ 3,395,196</u>
<i>Changes for the year:</i>			
Service cost	117,299	-	117,299
Interest	607,919	-	607,919
Differences between expected and actual experience	342,184	-	342,184
Assumption changes	-	-	-
Contributions - employer	-	341,245	(341,245)
Net investment income	-	2,212,381	(2,212,381)
Benefit payments, including refunds of employee contributions	(413,555)	(413,555)	-
Administrative expense	-	(23,470)	23,470
<i>Net changes</i>	<u>653,847</u>	<u>2,116,601</u>	<u>(1,462,754)</u>
<b>Ending Balance</b>	<u><u>\$ 8,986,292</u></u>	<u><u>\$ 7,053,850</u></u>	<u><u>\$ 1,932,442</u></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.

## 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.* 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:

	<b>1% Decrease (6.375%)</b>	<b>Current Discount Rate (7.375%)</b>	<b>1% Increase (8.375%)</b>
City's net pension liability	\$ 2,917,755	\$ 1,932,442	\$ 1,095,549

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, 2021, and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2021, the City recognized pension expense of \$513,770. At December 31, 2021, the City reported deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 379,832	\$ -
Changes in assumptions	11,672	-
Net difference between projected and actual earnings on pension plan investments	-	(983,697)
City contributions subsequent to the measurement date	337,219	-
Total	\$ 728,723	\$ (983,697)

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**C. Pension Expense and Deferred Outflows of Resources Related to Pensions (Continued)**

City contributions subsequent to the measurement date of \$337,219, 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending December 31,</u>		
2022	\$	55,384
2023		(60,847)
2024		(216,372)
2025		(370,358)
Total	<u>\$</u>	<u>(592,193)</u>

**NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The City had the following interfund balances as of December 31, 2021.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
	<u>Hotel/Motel Tax Fund</u>	
General Fund	\$ 203,088	\$ 203,088
Total	<u>\$ 203,088</u>	<u>\$ 203,088</u>

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.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

The composition of interfund transfers as of December 31, 2021 is as follows:

	Transfers Out		
Transfers In	Hotel/Motel Tax Fund	Combined Utilities Fund	Total
General Fund	\$ 328,726	\$ 3,425,154	\$ 3,753,880

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

**NOTE 9. BUDGET COMPLIANCE**

**Expenditures in Excess of Appropriations**

The following departments had actual expenditures in excess of appropriations for the year ended December 31, 2021:

Department	Excess
General Fund	
General government:	
Administration	\$ 196,306
Elections	31,684
Public safety:	
Fire	18,649
Public works:	
Cemetery	11,063
Debt service:	
Interest	346,769
Hotel/Motel Fund:	
Housing and development	74,493

These over expenditures were funded by greater than anticipated revenues.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 10. HOTEL/MOTEL LODGING TAX**

The City has levied a lodging tax. For the fiscal year ended December 31, 2021, \$550,653 of hotel/motel tax was collected. Of the total collected, 60% was used for the promotion of tourism in the General Fund for \$328,726 and 40% was used for the promotion of tourism in the Convention and Visitors Board for \$220,493.

### **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, 2021, the City paid \$23,861 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

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### NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### **Construction Commitments**

In addition to the liabilities enumerated in the balance sheet at December 31, 2021, the City has contractual commitments on uncompleted contracts of approximately \$481,525 related to City Hall building costs and water system upgrades.

#### **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.

#### **Agreements with the Municipal Electric Authority of Georgia (Continued)**

As of December 31, 2021, 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 \$7,290,498 in 2021.

At December 31, 2021, the outstanding debt of MEAG was approximately \$7.68 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$80.42 million at December 31, 2021.

## NOTES TO FINANCIAL STATEMENTS

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### 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.

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 authorize 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, 2021, the County abated property taxes totaling \$96,960.

## 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:

	<b>Government-Wide Level</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-Type Activites</b>	
Capital assets, non-depreciable assets	\$ 6,598,202	\$ 1,787,887	\$ 8,386,089
Capital assets, depreciable assets	14,065,394	36,274,383	50,339,777
Accumulated depreciation	(7,932,588)	(25,125,976)	(33,058,564)
Current notes payable	(107,252)	(43,868)	(151,120)
Non-current notes payable	(5,525,993)	(774,433)	(6,300,426)
Current capital leases payable	(62,063)	(56,546)	(118,609)
Non-current capital leases payable	(433,650)	(171,077)	(604,727)
Accounts payable - capital	(491,537)	-	(491,537)
Unspent proceeds - notes payable	577,545	-	577,545
	\$ 6,688,058	\$ 11,890,370	\$ 18,578,428

## **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		
	2021	2020	2019
<b>Total pension liability</b>			
Service cost	\$ 117,299	\$ 95,423	\$ 102,510
Interest on total pension liability	607,919	519,742	489,784
Differences between expected and actual experience	342,184	292,806	216,432
Changes of assumptions	-	35,016	-
Changes in benefit terms	-	763,073	-
Benefit payments, including refunds of employee contributions	<u>(413,555)</u>	<u>(416,164)</u>	<u>(388,234)</u>
<b>Net change in total pension liability</b>	<b>653,847</b>	1,289,896	420,492
<b>Total pension liability - beginning</b>	<b>8,332,445</b>	7,042,549	6,622,057
<b>Total pension liability - ending (a)</b>	<b>8,986,292</b>	8,332,445	7,042,549
<b>Plan fiduciary net position</b>			
Contributions - employer	341,245	306,150	216,253
Contributions - employee			-
Net investment income	2,212,381	(367,012)	193,577
Benefit payments, including refunds of employee contributions	<u>(413,555)</u>	<u>(416,164)</u>	<u>(388,234)</u>
Administrative expenses	<u>(23,470)</u>	<u>(25,973)</u>	<u>(25,250)</u>
<b>Net change in plan fiduciary net position beginning</b>	<b>2,116,601</b>	(502,999)	(3,654)
<b>Plan fiduciary net position - ending (b)</b>	<b>7,053,850</b>	4,937,249	5,440,248
<b>City's net pension liability (a) - (b)</b>	<b>\$ 1,932,442</b>	\$ 3,395,196	\$ 1,602,301
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>78.5%</b>	59.3%	77.2%
<b>Covered payroll</b>	<b>\$ 3,225,142</b>	\$ 2,733,560	\$ 2,367,499
<b>City's net pension liability as a percentage of covered payroll</b>	<b>59.9%</b>	124.2%	67.7%

**Notes to the Schedule:**

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

2018	2017	2016
\$ 81,022	\$ 96,516	\$ 103,491
450,989	438,598	417,009
358,922	(20,384)	83,950
98,880	-	-
-	-	-
(373,945)	(335,735)	(316,031)
615,868	178,995	288,419
6,006,189	5,827,194	5,538,775
6,622,057	6,006,189	5,827,194
211,201	211,981	199,284
-	-	-
617,028	570,789	12,908
(373,945)	(335,735)	(316,031)
(22,844)	(24,458)	(11,798)
431,440	422,577	(115,637)
5,012,462	4,589,885	4,705,522
5,443,902	5,012,462	4,589,885
\$ 1,178,155	\$ 993,727	\$ 1,237,309
82.2%	83.5%	78.8%
\$ 2,593,409	\$ 1,961,386	\$ 2,216,376
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		
	2021	2020	2019
Actuarially determined contribution	\$ 449,625	\$ 305,118	\$ 273,474
Contributions in relation to the actuarially determined contribution	<u>449,625</u>	<u>305,118</u>	<u>273,474</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,292,145	\$ 2,942,496	\$ 2,701,615
Contributions as a percentage of covered payroll	13.7%	10.4%	10.1%

**Notes to the Schedule:**

Valuation date	July 1, 2021
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	0.00%
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 14 years.

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

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2018	2017	2016
\$ 204,809	\$ 212,479	\$ 210,591
204,809	194,772	228,085
\$ -	\$ 17,707	\$ (17,494)
\$ 2,480,454	\$ 2,277,398	\$ 2,088,881
8.3%	8.6%	10.9%



## NONMAJOR GOVERNMENTAL FUND

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### 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.

**CITY OF FORSYTH, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUND  
DECEMBER 31, 2021**

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		<b>Police Special Purpose Revenue Fund</b>
	<b>ASSETS</b>	
Cash and cash equivalents		\$ 8,434
Total assets		<u>\$ 8,434</u>
	<b>FUND BALANCE</b>	
Restricted		
Law enforcement		\$ 8,434
Total fund balance		<u>8,434</u>
Total fund balance		<u>\$ 8,434</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, 2021**

	<b>Police Special Purpose Revenue Fund</b>
<b>Revenues</b>	
Fines and forfeitures	\$ -
Interest revenue	-
Total revenues	<u>-</u>
<b>Expenditures</b>	
Capital outlay	-
Total expenditures	<u>-</u>
Net change in fund balance	-
<b>Fund balance, beginning of year</b>	<u>8,434</u>
<b>Fund balance, end of year</b>	<u>\$ 8,434</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, 2021**

	<b>Police Special Purpose Revenue Fund</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Interest revenue	-	-	-
Total revenues	-	-	-
<b>Expenditures</b>			
Capital outlay	-	-	-
Total expenditures	-	-	-
Net change in fund balance	-	-	-
<b>Fund balance, beginning of year</b>	8,434	8,434	-
<b>Fund balance, end of year</b>	<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  
2013 ISSUE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

<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 Fund</u>					
Water and Sewer Upgrades	\$ 3,220,000	\$ 3,220,000	\$ 2,659,292	\$ 603,434	\$ 3,262,726
Road Improvements	550,000	550,000	350,028	-	350,028
Public Safety Vehicles	470,000	470,000	310,212	-	310,212
City Park Improvements	285,000	285,000	-	-	-
Downtown Improvements	<u>75,000</u>	<u>75,000</u>	<u>10,710</u>	<u>-</u>	<u>10,710</u>
Totals	<u>\$ 4,600,000</u>	<u>\$ 4,600,000</u>	<u>\$ 3,330,242</u>	<u>\$ 603,434</u>	<u>\$ 3,933,676</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, 2021**

<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	\$ 64,770	\$ 381,545	\$ 446,315
Road Improvements	500,000	500,000	-	-	-
Public Safety	<u>825,000</u>	<u>825,000</u>	<u>785,211</u>	<u>7,480</u>	<u>792,691</u>
Totals	<u>\$ 3,827,091</u>	<u>\$ 3,827,091</u>	<u>\$ 849,981</u>	\$ 389,025	<u>\$ 1,239,006</u>

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

Debt service interest payments	<u>73,312</u>
Total SPLOST 2019 Fund expenditures for the current year	<u>\$ 462,337</u>

**CITY OF FORSYTH, GEORGIA**

**COMMUNITY DEVELOPMENT BLOCK GRANT  
SOURCE AND APPLICATION OF FUNDS STATUS SCHEDULE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

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**CDBG 15p-x-102-2-6063:**

Total grant	\$	447,055
Less: Total funds drawn down by recipient for the year ended:		(68,801)
December 31, 2020		<u>(378,254)</u>
December 31, 2021		
Program funds available for future drawdown	\$	<u><u>-</u></u>
Total program funds drawn down by recipient for the year ended December 31, 2021	\$	378,254
Add: Program income applicable to the year ended December 31, 2021		<u>-</u>
Total program funds drawn by recipient and program income for the year ended December 31, 2021	\$	<u><u>378,254</u></u>

**CITY OF FORSYTH, GEORGIA**

**COMMUNITY DEVELOPMENT BLOCK GRANT  
PROJECT COST SCHEDULE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

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<u>Activity</u>	<u>Revised Budgeted Expenditures</u>	<u>Year Ended December 31, 2021</u>	<u>Prior Years</u>	<u>Questioned Cost</u>
<b><u>CDBG 15p-x-102-2-6063:</u></b>				
T-03J-00	\$ 800	\$ -	\$ 800	None
P-03J-01	421,255	254,038	167,217	None
A-21A-00	25,000	25,000	-	None
	<u>\$ 447,055</u>	<u>\$ 279,038</u>	<u>\$ 168,017</u>	



**CITY OF FORSYTH, GEORGIA**

**BALANCE SHEET  
DISCRETELY PRESENTED COMPONENT UNITS  
DECEMBER 31, 2021**

	<b>Forsyth Convention &amp; Visitors Bureau Authority</b>	<b>Downtown Development Authority</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 241,065	\$ 77,199
Due from other governments	15,973	-
	<hr/>	<hr/>
Total assets	257,038	77,199
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Accounts payable	5,534	-
Due to primary government	21,398	-
	<hr/>	<hr/>
Total liabilities	26,932	-
	<hr/>	<hr/>
<b>FUND BALANCES</b>		
Unassigned	230,106	77,199
	<hr/>	<hr/>
Total fund balances	\$ 230,106	\$ 77,199
	<hr/>	<hr/>
Amounts reported for discretely presented component units in the statement of net position are different because:		
Fund balances of governmental funds	\$ 230,106	\$ 77,199
	<hr/>	<hr/>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	-	122,737
Net position of discretely presented component units	\$ 230,106	\$ 199,936
	<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, 2021**

	<u>Forsyth Convention &amp; Visitors Bureau Authority</u>	<u>Downtown Development Authority</u>
<b>Revenues</b>		
Intergovernmental	\$ 217,925	\$ 6,000
Miscellaneous	36,234	-
Total revenues	<u>254,159</u>	<u>6,000</u>
<b>Expenditures</b>		
Current:		
Housing and economic development	<u>197,555</u>	<u>2,856</u>
Total expenditures	<u>197,555</u>	<u>2,856</u>
<b>Other financing sources</b>		
Proceeds from the sale of capital assets	<u>-</u>	<u>180,000</u>
Net change in fund balances	56,604	183,144
<b>Fund balances, beginning of year</b>	<u>173,502</u>	<u>(105,945)</u>
<b>Fund balances, end of year</b>	<u>\$ 230,106</u>	<u>\$ 77,199</u>
Amounts reported for discretely presented component units in the statement of activities are different because:		
Net change in fund balances	\$ 56,604	\$ 183,144
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.	-	(5,478)
The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.	<u>-</u>	<u>(168,750)</u>
Change in net position of discretely presented component units	<u>\$ 56,604</u>	<u>\$ 8,916</u>

## **STATISTICAL SECTION**

# STATISCAL SECTION

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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>
<b>Financial Trends</b> .....	<b>81 – 95</b>
<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>	
<b>Revenue Capacity</b> .....	<b>96 – 100</b>
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
<b>Debt Capacity</b> .....	<b>101 – 106</b>
<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>	
<b>Demographic and Economic Information</b> .....	<b>107 and 108</b>
<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>	
<b>Operating Information</b> .....	<b>109 – 112</b>
<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			
	2012	2013	2014	2015
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 4,048,105	\$ 3,231,493	\$ 2,006,638	\$ 1,936,014
Restricted	430,819	63,354	63,489	986,027
Unrestricted	409,023	1,217,566	1,919,922	1,624,476
Total governmental activities net position	<u>\$ 4,887,947</u>	<u>\$ 4,512,413</u>	<u>\$ 3,990,049</u>	<u>\$ 4,546,517</u>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 14,745,496	\$ 15,098,938	\$ 13,675,730	\$ 13,039,009
Restricted	471,000	-	-	-
Unrestricted	1,801,812	1,560,350	1,835,680	2,265,923
Total business-type activities net position	<u>\$ 17,018,308</u>	<u>\$ 16,659,288</u>	<u>\$ 15,511,410</u>	<u>\$ 15,304,932</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 18,793,601	\$ 18,330,431	\$ 15,682,368	\$ 14,975,023
Restricted	901,819	63,354	1,121,743	986,027
Unrestricted	2,210,835	2,777,916	2,697,348	3,890,399
Total primary government net position	<u>\$ 21,906,255</u>	<u>\$ 21,171,701</u>	<u>\$ 19,501,459</u>	<u>\$ 19,851,449</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 2,961,183	\$ 5,187,220	\$ 6,217,039	\$ 6,217,039	\$ 6,917,783	\$ 6,688,058
1,399,872	1,363,713	477,567	477,567	4,393,052	8,467
244,984	(6,550,933)	484,706	484,706	(4,422,421)	170,953
<u>\$ 4,606,039</u>	<u>\$ -</u>	<u>\$ 7,179,312</u>	<u>\$ 7,179,312</u>	<u>\$ 6,888,414</u>	<u>\$ 6,867,478</u>
\$ 12,461,652	\$ 11,940,235	\$ 11,099,033	\$ 11,099,033	\$ 10,416,961	\$ 11,890,370
-	-	-	-	-	-
3,153,858	2,267,208	3,121,541	3,121,541	12,864,579	13,457,175
<u>\$ 15,615,510</u>	<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>
\$ 15,422,835	\$ 17,127,455	\$ 17,316,072	\$ 17,316,072	\$ 17,334,744	\$ 18,578,428
1,399,872	1,363,713	477,567	477,567	4,393,052	8,467
3,398,842	(4,283,725)	3,606,247	3,606,247	8,442,158	13,628,128
<u>\$ 20,221,549</u>	<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>

# CITY OF FORSYTH, GEORGIA

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,320,752	\$ 1,524,706	\$ 1,282,167	\$ 1,399,516
Judicial	-	-	-	-
Public safety	2,313,436	2,148,535	2,161,085	2,214,927
Public works	1,247,275	1,332,709	1,161,433	1,142,324
Housing and development				
Culture and recreation	59,110	118,824	36,124	41,613
Better Hometown	100,168	36,934	120,804	131,824
Interest on long-term debt	74,021	94,286	72,111	65,607
Total governmental activities expenses	<u>5,114,762</u>	<u>5,255,994</u>	<u>4,833,724</u>	<u>4,995,811</u>
Business-type activities:				
Water and sewer	2,763,021	2,765,315	2,716,467	2,986,704
Electric	7,375,402	7,843,734	9,567,802	8,201,218
Cable	1,386,110	1,364,024	1,004,783	10,122
Total business-type activities expenses	<u>11,524,533</u>	<u>11,973,073</u>	<u>13,289,052</u>	<u>11,198,044</u>
Total primary government expenses	<u>\$ 16,639,295</u>	<u>\$ 17,229,067</u>	<u>\$ 18,122,776</u>	<u>\$ 16,193,855</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 103,346	\$ 143,867	\$ 121,714	\$ 122,468
Judicial	-	-	-	-
Public safety	520,036	391,328	261,547	221,053
Public works	388,715	315,027	291,718	299,979
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Operating grants and contributions	-	4,750	136,305	-
Capital grants and contributions	715,875	900,835	710,021	898,268
Total governmental activities program revenues	<u>1,727,972</u>	<u>1,755,807</u>	<u>1,521,305</u>	<u>1,541,768</u>
Business-type activities:				
Charges for services:				
Water and sewer	2,348,384	2,324,264	2,563,660	2,877,795
Electric	7,488,911	8,006,946	8,966,317	9,549,219
Cable	1,080,843	1,040,788	626,579	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>10,918,138</u>	<u>11,371,998</u>	<u>12,156,556</u>	<u>12,427,014</u>
Total primary government program revenues	<u>\$ 12,646,110</u>	<u>\$ 13,127,805</u>	<u>\$ 13,677,861</u>	<u>\$ 13,968,782</u>

(Continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,502,667	\$ 1,570,103	\$ 1,805,038	\$ 1,356,347	\$ 1,493,680	\$ 1,510,745
-	-	-	2,000	1,999	1,000
2,216,538	2,326,825	2,533,783	2,649,908	4,045,207	3,311,187
1,285,931	1,710,250	1,136,693	2,119,935	2,706,548	2,825,459
		-	207,670	138,160	220,493
44,433	63,729	130,844	269,819	254,438	217,067
203,398	258,470	233,403	9,361	171,992	159,708
52,676	76,050	81,087	88,805	392,418	416,912
<u>5,305,643</u>	<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>
3,111,237	3,161,040	3,488,235	3,542,041	3,144,862	3,318,033
8,064,027	7,961,400	7,910,144	8,053,731	7,793,713	8,722,234
750,000	-	-	-	-	-
<u>11,925,264</u>	<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>\$ 17,230,907</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>
\$ 122,405	\$ 116,628	\$ 132,590	\$ 672,239	\$ 649,045	\$ 353,990
-	-	300,435	364,979	436,002	476,025
372,797	358,043	308,863	-	3,083	-
314,791	305,751	7,660	321,042	317,855	341,296
-	-	-	-	-	-
-	-	-	-	-	-
-	-	345,678	-	731	11,327
<u>614,730</u>	<u>1,233,674</u>	<u>316,296</u>	<u>822,283</u>	<u>844,319</u>	<u>978,785</u>
<u>1,424,723</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>
3,284,601	3,375,343	3,350,810	3,619,420	3,855,254	4,103,895
9,683,451	8,995,614	10,703,701	10,837,890	10,442,301	12,054,675
-	-	-	-	-	-
266,576	186,321	-	-	537,377	1,264,016
<u>13,234,628</u>	<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>\$ 14,659,351</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>



# CITY OF FORSYTH, GEORGIA

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

	Fiscal Year			
	2012	2013	2014	2015
Net (expense)/revenue				
Governmental activities	\$ (3,386,790)	\$ (3,500,187)	\$ (3,312,419)	\$ (3,454,043)
Business-type activities	(606,395)	(601,075)	(1,132,496)	1,228,970
Total primary government net expense	<u>\$ (3,993,185)</u>	<u>\$ (4,101,262)</u>	<u>\$ (4,444,915)</u>	<u>\$ (2,225,073)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 621,760	\$ 669,123	\$ 594,819	\$ 571,258
Sales taxes	1,102,851	1,031,557	891,040	921,469
Other taxes	799,138	809,692	797,757	885,101
Unrestricted investment earnings	558	1,244	2,646	2,132
Miscellaneous	277,793	53,170	56,325	70,774
Transfers	657,489	559,867	447,468	1,559,777
Total governmental activities	<u>3,459,589</u>	<u>3,124,653</u>	<u>2,790,055</u>	<u>4,010,511</u>
Business-type activities:				
Unrestricted investment earnings	413,264	570,720	42,014	33,476
Miscellaneous	52,973	231,202	390,072	90,853
Transfers	(657,489)	(559,867)	(447,468)	(1,559,777)
Total business-type activities	<u>(191,252)</u>	<u>242,055</u>	<u>(15,382)</u>	<u>(1,435,448)</u>
Total primary government	<u>\$ 3,268,337</u>	<u>\$ 3,366,708</u>	<u>\$ 2,774,673</u>	<u>\$ 2,575,063</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 72,799	\$ (375,534)	\$ (522,364)	\$ 556,468
Business-type activities	(797,647)	(359,020)	(1,147,878)	(206,478)
Total primary government	<u>\$ (724,848)</u>	<u>\$ (734,554)</u>	<u>\$ (1,670,242)</u>	<u>\$ 349,990</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ (3,880,920)	\$ (3,991,331)	\$ (4,509,326)	\$ (4,523,302)	\$ (6,953,407)	\$ (6,501,148)
1,309,364	1,434,838	2,656,132	2,861,538	3,896,357	5,382,319
<u>\$ (2,571,556)</u>	<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>
\$ 483,398	\$ 470,156	\$ 718,502	\$ 462,412	\$ 218,414	\$ 470,561
910,954	952,728	1,100,764	1,124,883	1,174,860	1,372,687
931,994	1,012,868	1,095,346	1,120,184	971,203	1,211,232
1,281	1,374	4,084	6,724	1,859	578
182,118	194,372	124,636	-	-	-
1,430,697	-	2,869,330	2,869,379	3,247,794	3,425,154
<u>3,940,442</u>	<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>
353,048	26,100	47,746	411,277	414,401	108,840
78,863	134,237	178,583	-	-	-
<u>(1,430,697)</u>	<u>-</u>	<u>(2,869,330)</u>	<u>(2,869,379)</u>	<u>(3,247,794)</u>	<u>(3,425,154)</u>
<u>(998,786)</u>	<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>\$ 2,941,656</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>
\$ 59,522	\$ (1,359,833)	\$ 1,403,336	\$ 1,060,280	\$ (1,339,277)	\$ (20,936)
310,578	1,595,175	13,131	403,436	1,062,964	2,066,005
<u>\$ 370,100</u>	<u>\$ 235,342</u>	<u>\$ 1,416,467</u>	<u>\$ 1,463,716</u>	<u>\$ (276,313)</u>	<u>\$ 2,045,069</u>

**CITY OF FORSYTH, GEORGIA**

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

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Non-spendable	\$ 3,494	\$ 5,784	\$ 2,941	\$ 3,371
Restricted	73,608	55,029	60,091	61,011
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	984,215	952,304	1,083,345	1,486,907
Total General Fund	<u>\$ 1,061,317</u>	<u>\$ 1,013,117</u>	<u>\$ 1,146,377</u>	<u>\$ 1,551,289</u>
All Other Governmental Funds				
Non-spendable	\$ 328,986	\$ 288,043	\$ -	\$ -
Restricted	3,162,844	2,490,076	1,058,254	880,272
Total all other governmental funds	<u>\$ 3,536,633</u>	<u>\$ 2,788,718</u>	<u>\$ 1,067,441</u>	<u>\$ 882,318</u>

<b>Fiscal Year</b>					
<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 18,995	\$ 3,037	\$ 3,444	\$ 4,801	\$ 4,801	\$ 60
63,959	769,237	769,237	61,288	61,288	-
-	-	-	-	-	-
-	-	-	-	-	-
1,478,775	894,042	959,436	2,419,210	2,419,210	3,133,869
<u>\$ 1,561,729</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>
\$ -	\$ 76,150	\$ 119,781	\$ -	\$ -	\$ -
753,583	594,476	751,706	904,123	904,123	344,240
<u>\$ 753,583</u>	<u>\$ 670,626</u>	<u>\$ 871,487</u>	<u>\$ 904,123</u>	<u>\$ 904,123</u>	<u>\$ 344,240</u>

# CITY OF FORSYTH, GEORGIA

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Revenues</b>				
Taxes	\$ 2,510,573	\$ 2,500,962	\$ 2,348,811	\$ 2,377,793
Licenses and permits	103,346	143,867	121,714	122,468
Intergovernmental	715,875	904,678	634,625	901,593
Fines and forfeitures	520,036	391,328	261,547	221,053
Charges for services	388,715	315,027	291,718	299,979
Interest income	558	2,151	3,042	2,132
Other revenues	35,511	150,010	56,325	70,774
<b>Total revenues</b>	<b>4,274,614</b>	<b>4,408,023</b>	<b>3,717,782</b>	<b>3,995,792</b>
<b>Expenditures</b>				
General government	1,257,352	1,461,306	1,293,127	1,285,496
Public safety	2,145,608	2,024,716	2,018,487	2,136,605
Public works	1,218,334	1,290,570	1,098,622	1,136,757
Parks and recreation	54,761	22,030	12,789	18,278
Better Hometown	100,168	118,824	120,804	131,824
Capital outlay	347,337	241,761	683,619	256,371
Debt service:				
Principal	442,583	453,530	404,516	412,611
Interest	74,021	52,378	121,303	113,694
Issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>5,640,164</b>	<b>5,665,115</b>	<b>5,753,267</b>	<b>5,491,636</b>
Deficiency of revenues over expenditures	(1,365,550)	(1,257,092)	(2,035,485)	(1,495,844)
<b>Other financing sources (uses)</b>				
Issuance of debt	2,358,019	-	-	2,376,403
Transfers in	657,489	559,867	447,468	-
Transfers out	-	-	-	(660,770)
<b>Total other financing sources (uses)</b>	<b>3,015,508</b>	<b>559,867</b>	<b>447,468</b>	<b>1,715,633</b>
<b>Net change in fund balances</b>	<b>\$ 1,649,958</b>	<b>\$ (697,225)</b>	<b>\$ (1,588,017)</b>	<b>\$ 219,789</b>
Debt service as a percentage of non-capital expenditures	10.82%	10.29%	11.57%	11.57%

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 2,326,346	\$ 2,435,752	\$ 2,852,384	\$ 2,783,989	\$ 2,597,286	\$ 3,072,085	
122,405	116,628	92,497	120,581	115,913	132,571	
614,730	1,233,402	712,336	822,283	844,319	978,785	
372,797	358,043	297,182	364,979	439,085	476,025	
314,791	305,751	308,863	321,042	317,855	341,296	
1,281	1,646	4,728	6,724	2,590	11,905	
182,119	194,372	255,078	551,658	533,132	221,419	
<u>3,934,469</u>	<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>	
1,427,457	1,493,221	1,547,123	1,563,852	1,406,171	1,559,306	
2,068,830	2,222,127	2,302,215	2,472,131	3,108,674	3,106,691	
1,206,140	1,726,703	999,293	1,935,814	1,699,842	1,512,645	
20,567	34,017	37,156	207,670	230,318	474,469	
203,398	203,398	233,403	268,578	254,438	217,067	
170,378	137,757	1,380,341	70,621	2,428,580	4,698,868	
428,157	443,727	541,796	523,126	123,253	165,855	
102,146	129,850	81,087	73,781	325,959	420,081	
-	-	-	-	36,250	-	
<u>5,627,073</u>	<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>(1,692,604)</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>	
1,892,054	-	-	-	5,100,000	-	
-	3,221,429	2,900,000	2,384,350	3,455,034	3,753,880	
<u>(461,357)</u>	<u>(282,738)</u>	<u>(30,670)</u>	<u>(2,349,389)</u>	<u>(207,240)</u>	<u>(328,726)</u>	
<u>1,430,697</u>	<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>\$ (261,907)</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>	
10.76%	9.0%	8.7%	8.4%	6.1%	7.2%	

**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>
2012	\$ 1,137,303	\$ 1,495,948	\$ 602,431	\$ 93,164	\$ 1,231,202
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

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	<b>Better Hometown</b>	<b>Parks and Recreation</b>	<b>Total</b>
\$	100,168	\$ 54,761	\$ 4,714,977
	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



# 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>
2012	\$ 90,507	\$ 608,584	\$ 1,728,219	\$ 110,444	\$ 103,346
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

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<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>
\$ 388,715	\$ 489,377	\$ 199,848	\$ 188,719	\$ 36,032	\$ 3,943,791
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

# CITY OF FORSYTH, GEORGIA

## SALES TAX COLLECTIONS AND RATES LAST TEN FISCAL YEARS

Fiscal Year	Sales Tax Received by Forsyth			State	County		City	
	Local Option Sales Tax	Special Purpose Local Option Sales Tax	Total Collected Sales Tax	Basic Rate	County Education Rate	Special Purpose Local Option Sales Tax	Local Option Sales Tax	Total Sales Tax Rate
2012	\$ 1,102,851	\$ 625,368	\$ 1,728,219	4%	1%	1%	1%	7%
2013	1,031,557	868,654	1,900,211	4%	1%	1%	1%	7%
2014	891,040	454,086	1,345,126	4%	1%	1%	1%	7%
2015	921,469	854,696	1,776,165	4%	1%	1%	1%	7%
2016	910,954	614,730	1,525,684	4%	1%	1%	1%	7%
2017	952,728	548,919	1,501,647	4%	1%	1%	1%	7%
2018	1,100,764	512,059	1,612,823	4%	1%	1%	1%	7%
2019	1,124,883	759,788	1,884,671	4%	1%	1%	1%	7%
2020	1,174,860	775,654	1,950,514	4%	1%	1%	1%	7%
2021	1,372,687	881,169	2,253,856	4%	1%	1%	1%	7%

**SOURCE:**

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

# 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 <sup>(1)</sup>
2012	\$ 121,919,065	\$ 9,992,386	\$ 111,926,679	5.600	\$ 279,816,698	40%
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%

**SOURCE:**

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

<sup>(1)</sup> 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

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Calendar Year	Direct	Overlapping		Total
	City Basic Rate	State and County	County School System	
2012	5.600	9.981	15.342	30.923
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

**SOURCE:**

Georgia Department of Revenue

# CITY OF FORSYTH, GEORGIA

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Calendar Year 2021			Calendar Year 2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Eric S. Zorn Trustee (Wal-mart)	\$ 3,041,740	1	2.47%	\$ 4,299,500	1	3.53%
Central Georgia Medical Properties, LLC	2,458,916	2	1.99%	1,700,236	3	1.39%
Walmart Stores East, Inc	2,274,800	3	1.84%	3,075,175	2	2.52%
Bran Hospitality Forsyth, Inc	1,930,619	5	1.57%	-		-
Baron Hospitality, LLC	1,554,424	9	1.26%	-		-
Treadwell Family Partnership	-		-	1,230,816	5	1.01%
Atlantic Gas Light Co.	-		-	1,033,248	8	0.85%
Brentwood Partners	1,740,000	6	1.41%	-		-
Holiday Cover 19 LLC	1,708,146	7	1.38%	-		-
Edgar Hughston Builder Inc	1,693,680	8	1.37%	-		-
Ingram Timber Enterprises LP	-		-	1,438,024	4	1.18%
Royal Refreshment LLC	1,457,400	10	1.18%	-		-
Atlantic Southern Bank	-		-	1,143,960	6	0.94%
Ingles Market Group	-		-	1,099,976	7	0.90%
Forsyth Cablenet, LLC	1,998,848	4	1.62%	-		-
Sai Ram Hotel	-		-	890,004	9	0.73%
Encore Plastics	-		-	853,436	10	-
<b>Total</b>	<b>\$ 19,858,573</b>		<b>16.10%</b>	<b>\$ 16,764,375</b>		<b>13.05%</b>

**SOURCE:**

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

# CITY OF FORSYTH, GEORGIA

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

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Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 625,241	\$ 532,308	85.1%	\$ 90,297
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

**SOURCE:**

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

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<b>Total Collections to Date</b>		<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes Percentage of Current Levy</b>
<b>Amount</b>	<b>Percentage of Levy</b>		
\$ 622,605	99.6%	\$ 2,636	0.42%
615,286	99.5%	3,252	0.53%
355,986	99.1%	3,125	0.87%
375,432	98.5%	4,676	1.51%
353,072	87.7%	38,492	12.34%
314,440	96.2%	30,122	9.22%
315,976	94.3%	45,755	13.66%
362,614	104.0%	44,405	12.74%
360,582	101.0%	67,213	18.83%
308,538	93.6%	36,868	11.18%



# 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	Capital Leases Payable
2012	\$ -	\$ 789,279	\$ 2,970,000	\$ 28,627
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

**Source:**

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

<b>Business-type Activities</b>			<b>Total Primary Government</b>	<b>Percentage of Personal Income <sup>(1)</sup></b>	<b>Per Capita <sup>(2)</sup></b>
<b>Notes Payable</b>	<b>Revenue Bonds</b>	<b>Capital Leases Payable</b>			
\$ -	\$ -	\$ 564,593	\$ 4,352,499	2.88%	\$ 1,136
-	-	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	2,323,677	1.44%	832
983,665	-	114,901	2,509,055	1.99%	616
943,793	-	943,793	2,742,769	2.10%	666
902,957	-	211,439	1,529,505	1.20%	370
861,134	-	126,780	6,421,593	5.08%	1,489
818,301	-	227,623	6,356,581	4.54%	1,450

**CITY OF FORSYTH, GEORGIA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2021**

<u>Jurisdiction</u>	<u>New Debt Outstanding</u>	<u>Percentage Applicable to City of Forsyth <sup>(1)</sup></u>	<u>Amount Applicable to City of Forsyth</u>
<b>Monroe County, Georgia - Overlapping Debt</b>	\$ 19,207,551	8.00%	<u>\$ 1,535,858</u>
Subtotal Overlapping Debt			1,535,858
<b>City of Forsyth, Georgia - Direct Debt</b>			<u>6,128,958</u>
Total Direct and Overlapping Debt			<u><u>\$ 7,664,816</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 government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

<sup>(1)</sup> 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**

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<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Direct Operating Expenses</b>	<b>Available for Debt Service</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 10,971,111	\$ 10,336,256	\$ 634,855	\$ 540,529	\$ 51,955	\$ 592,484
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

**SOURCE:**

City of Forsyth, Georgia ordinances.

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

**CITY OF FORSYTH, GEORGIA**

**PLEGDED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
2012	\$ 5,450,926	\$ 3,716,167	\$ 1,734,759	\$ 550,000	\$ 840,828	1.25
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	2,347,070	-	-	-
2020	14,297,555	8,723,401	5,574,154	-	-	-
2021	16,158,570	11,253,328	4,905,242	-	-	-

**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

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<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income <sup>(2)</sup></b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate <sup>(4)</sup></b>
2012	3,830	150,890,510	\$ 39,397	8.2
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

**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 2021			Fiscal Year 2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Monroe County Board of Education	624	1	13.87%	690	1	18.02%
GA Department of Corrections	509	2	11.31%	350	2	9.14%
Monroe County Board of Commissioners	466	4	10.36%	350	3	9.14%
A1 Burrus Correctional Institute	224	6	4.98%	243	4	6.34%
GA Public Safety Training Center	180	7	4.00%	179	5	4.67%
Monroe County Hospital	86	8	1.91%	156	6	4.07%
Wal-Mart	269	5	5.98%	125	7	3.26%
Ingles	-			100	8	2.61%
City of Forsyth	91	9	2.02%	78	9	2.04%
Perdue Chicken	-			66	10	1.72%
Georgie Power Company/Plant Scherer	399	3	8.87%	-		-
Bolingreen Nursing Home	80	10	1.78%	-		-
<b>Total</b>	<b>2,928</b>		<b>51.20%</b>	<b>2,337</b>		<b>61.02%</b>

**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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administrative	12	12	8	8	8	19	21	21	19	18
Public safety:										
Fire	16	16	10	14	11	24	27	27	26	21
Police	29	22	23	26	17	20	25	30	23	13
Municipal Court	1	1	1	1	1	3	3	2	2	1
Public Works	18	14	9	12	14	15	17	21	18	10
Better Hometown	2	2	2	4	4	4	5	3	5	2
Electric	11	11	11	11	8	10	10	10	9	8
<b>Total</b>	<b>89</b>	<b>78</b>	<b>64</b>	<b>76</b>	<b>63</b>	<b>95</b>	<b>108</b>	<b>114</b>	<b>102</b>	<b>73</b>

**SOURCE:**

City of Forsyth, Georgia records.

# CITY OF FORSYTH, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year						
	2012	2013	2014	2015	2016	2017	2018
<b>Administrative</b>							
Business licenses issued	501	444	471	636	753	631	618
Permits issued	207	243	341	110	110	25	21
<b>Police</b>							
Citations processed	2,544	2,816	1,703	1,458	2,561	2,010	1,808
<b>Public Works</b>							
Garbage customers	1,481	1,574	1,491	1,513	1,516	1,385	1,351
<b>Culture and Recreation</b>							
Annual City-sponsored events	10	12	11	13	16	17	14
Annual non City-sponsored events	1	1	1	1	1	1	1
<b>Electric</b>							
Annual Kilowatt hours sold (millions)	81	86	115	126	132	81	88
<b>Water</b>							
Average daily consumption in gallons (millions)	1.5	1.3	1.3	1.4	1.6	-	-
<b>Cable</b>							
Cable customers	1,653	1,609	-	-	-	-	-

**SOURCE:**

City of Forsyth, Georgia records.

<b>Fiscal Year</b>		
<b>2019</b>	<b>2020</b>	<b>2021</b>
614	613	617
16	13	52
2,863	3,772	3,275
1,376	1,407	1,647
13	3	6
1	1	1
85	81	93
-	-	1
-	-	-

# CITY OF FORSYTH, GEORGIA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Administrative</b>										
Buildings	1	1	1	2	2	2	2	2	2	3
<b>Police</b>										
Patrol units	8	8	14	22	22	22	22	24	24	24
<b>Fire</b>										
Fire trucks	4	4	7	7	7	8	8	8	8	8
<b>Public Works</b>										
Vehicles	10	8	8	10	10	10	10	10	10	10
Highways/streets	46	46	50	50	50	50	50	50	50	50
Streetlights	785	785	785	795	795	795	795	795	795	800
<b>Garage</b>										
Vehicles	1	2	2	2	2	2	2	2	2	2
<b>Culture and Recreation</b>										
Acreage	16	16	16	16	16	16	16	16	16	16
Park sites	5	5	5	5	5	5	5	5	5	5
<b>Electric</b>										
Electric lines (miles)	58	58	58	58	58	58	58	58	58	58
Vehicles	9	9	5	5	5	9	9	9	9	10
<b>Water</b>										
Water mains (miles)	40	40	40	40	40	40	40	40	40	40
<b>Sewer</b>										
Sanitary sewers (miles)	40	40	40	40	40	40	40	40	40	40
<b>Cable</b>										
Cable lines (miles)	110	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**

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**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2022.

**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 and significant deficiencies may exist that have not been 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.



Macon, Georgia  
June 28, 2022

**CITY OF FORSYTH, GEORGIA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

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**SECTION I  
SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued 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, 2021 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, 2021**

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**STATUS OF PRIOR YEAR AUDIT FINDINGS**

None reported.

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