CITY OF FORSYTH, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

Prepared by:

City Finance Department

INTRODUCTORY SECTION

CITY OF FORSYTH, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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CITY OF FORSYTH

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

June 30, 2021

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 (the "City"), for the year ended December 31, 2020, 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 is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the 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. 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 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, the City contained 70 houses and stores, an academy, a house of worship for Baptists, and an elegant courthouse and jail.

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

Today, the City covers an area of approximately five square miles with a population estimate for 2020 of 4,312.

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 2020. City leaders have recognized, and plans have been developed and/or implemented to maintain balanced, controlled, and planned developments in concert with an economic development plan that encourages appropriate growth. The economic growth has also placed increased demands on services, but the City has adopted a conservative approach and implemented programs to meet these demands. The City has still been able to provide its services at a cost per capita that is comparable to other communities with similar demographic and economic characteristics.

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

Major Initiatives

Mayor and City Council:

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

and maintaining the administrative and financial operations of the City including purchasing and assisting the City Manager with preparing the annual budget and capital improvement plan.

The City Council adopted a Pay Plan for all City employees in 2020. Along with the adoption of the Pay Plan, all job descriptions were reviewed and updated as needed.

Municipal Court:

Overview - The Municipal Court of the City 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 2020, the Municipal Court heard 3,448 cases in court.

Police:

Overview - The men and women of the City's Police Department are committed to protect life, property, and the constitutional guarantees of all citizens of the City 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's Police Department is a State Accredited Agency.

Fire:

Overview - The City's 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's Fire Department is a State Certified Agency with an ISO Class 2 rating.

In 2020, the fire department placed a new 1,500 gpm pumper truck in service that was purchased with SP LOST funds. The addition of this pumper brings the apparatus in the department to 2-1,500 pumpers, 1-reserve pumper, 1-75' ladder truck with 2,000 gpm pump capability, and 1-rescue truck. 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's 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 provides for passive recreation. The 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. Four of the five City parks have pavilions and playground equipment. Additional activities at Country Club Park include a walking trail, skatepark, and splashpad. Adjacent to Country Club Park is a city-owned 18-hole public golf course. The City has an agreement with the the City's Golf Club to maintain and operate the golf course. Additional amenities at the parks include basketball courts and a ballfield for pickup ballgames.

Economic Development:

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

In 2020, there were 30 new business license applications approved, 12 new development projects, four of which were revitalization of old buildings along with two new subdivisions.

Downtown Development Authority, which is a component unit of the City, and Main Street fall under the Economic Development Department. In 2020, they awarded 12 Façade Grants totaling over $16,000 to downtown businesses. In 2020, Rural Zone Designation was received.

Electric:

Overview - The Electric Department is responsible for supplying electricity to City's residents for energy needs and minimizing power outages. The Electric Department maintains all streetlights throughout the City along with the lighting on I-75. The Electric Department maintains all rights-of-way for 58 miles of electric lines, maintains all city-owned utility poles, and builds new service lines

as needed for new developments. This department is also responsible for monthly reading of all meters for utilities provided by the City, which in 2020 consisted of approximately 3,000 electric and 3,000 water meters.

Water and Sewer:

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

Convention and Visitors Bureau:

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

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 judgements by management.

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

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

Budgetary control. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The level of budgetary control is on a departmental basis. A budget is legally adopted for all Governmental Fund types and Proprietary 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 has one capital improvement fund: The Special Purpose Local Option Sales Tax ("SPLOST") Fund.

SPLOST Fund. The fund is used to account for SPLOST proceeds for approved capital improvements. Total revenues equal $776,047. Total expenditures were made in the amount of $1,252,964 for approved capital projects and SPLOST bond debt service. Each time a SPLOST is passed, it is collected for six years. We had a SPLOST referendum that expired December 2019 and a new SPLOST referendum that was approved, and collections began January 2020. The revenues provided here are those that were collected on the new SPLOST. The expenditures include funds remaining from the prior SPLOST and from the new SPLOST. The City 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 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 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 $345,400. Expenditures were made in the amount of $138,160 for tourism and recreation purposes.

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. Total revenues equal $3,086. There were no expenditures made for police purposes.

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

Combined Utilities Fund. The Combined Utilities Fund charges City residents for the consumption of electricity, water and sewer. Total utility revenues for year 2020 were $14,297,555. Total operating expenditures for year 2020 were $10,938,575. The change in net assets after depreciation and non-operating revenues and/or expenses was $1,062,964 for the year 2020.

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

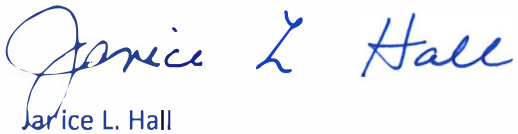
formulate the core criteria for which internal evaluations occur. On a continuous basis, these policies are reviewed to maintain relativity to the changing financial needs of the government.

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.

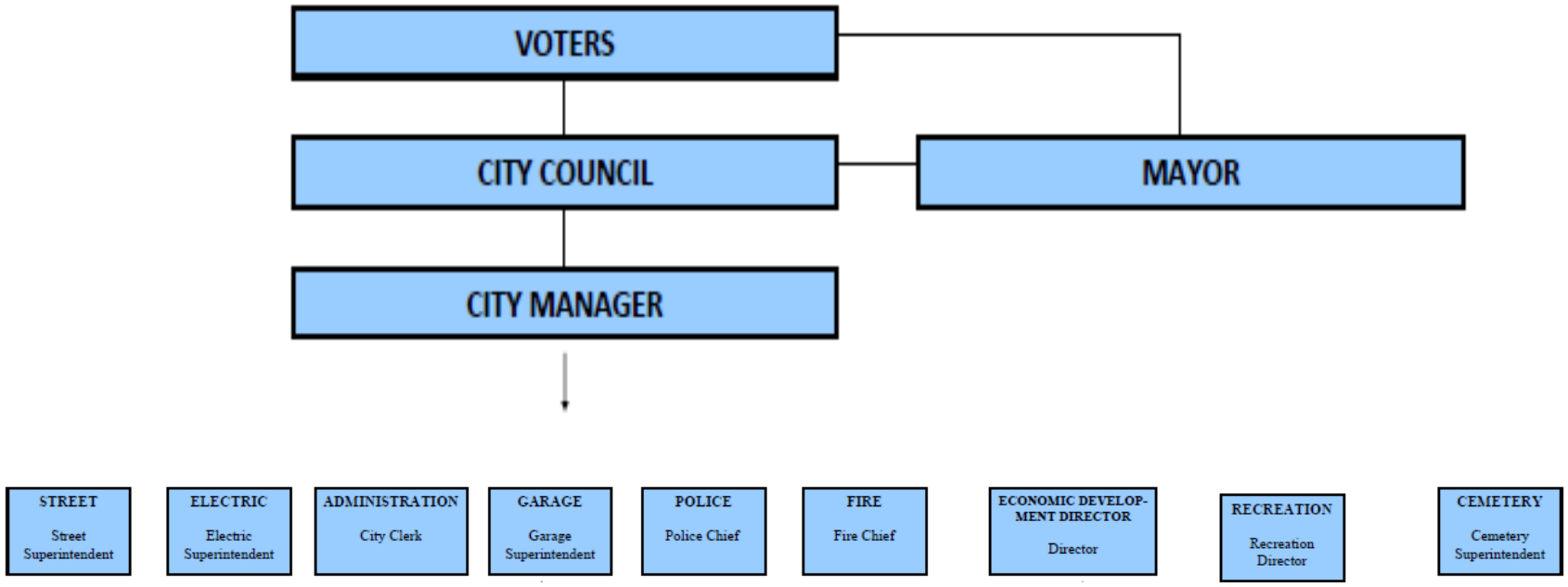
Sincerely,



Janice L. Hall
City Manager and Chief Financial Officer

CITY OF FORSYTH, GEORGIA

ORGANIZATIONAL CHART
DECEMBER 31, 2020



CITY OF FORSYTH, GEORGIA

LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2020

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
Tammie Pierson

MUNICIPAL COURT JUDGE
J. Kristi Lovelace

CITY ATTORNEY
C. Robert Melton

CITY AUDITORS
Mauldin & Jenkins, LLC

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Hotel/Motel Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 15, the City of Forsyth implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*, as of January 1, 2020. This standard significantly changed the accounting for the City of Forsyth's activities previously reported as agency funds. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 13), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 67), and the Schedule of City Contributions (on page 68) 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.

Other 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 introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and is not a required part of the basic financial statements. The community development block grant source and application of funds status schedule and the community development block grant project cost schedule are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

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, and the community development block grant project cost schedule (collectively "the supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 29, 2021

CITY OF FORSYTH, GEORGIA

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City's Primary Government activities exceeded its liabilities as of December 31, 2020, by $30,169,954.
- As of December 31, 2020, total net position consisted of $17,334,744 net investment in capital assets, $8,434 restricted for law enforcement, $4,384,618 restricted for capital projects, and $8,442,158 unrestricted.
- As of December 31, 2020, the City's governmental funds reported ending fund balance of $6,888,414, an increase of $1,339,277 in comparison with the prior year.
- As of December 31, 2020, the City's General Fund reported ending fund balance of $2,751,421, an increase of $266,122 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.

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.

The City maintains six (6) 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, and the Hotel/Motel Tax 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 and Hotel/Motel Tax 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.

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 $30,289,735 at the close of the most recent fiscal year.

CITY OF FORSYTH'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2020	2019	**2020**	2019	**2020**	2019
Assets						
Current and other assets	**$ 8,463,768**	$ 4,216,287	**$ 14,355,783**	$ 13,125,051	**$ 22,819,551**	$ 17,341,338
Capital assets, net of accumulated depreciation	**9,331,534**	7,642,616	**11,404,875**	11,427,842	**20,736,409**	19,070,458
Total assets	**$ 17,795,302**	$ 11,858,903	**$ 25,760,658**	$ 24,552,893	**$ 43,555,960**	$ 36,411,796
Deferred outflows of resources	**1,271,925**	601,767	**-**	-	**1,271,925**	601,767
Liabilities						
Current and other	**$ 1,493,599**	$ 1,480,344	**$ 1,491,204**	$ 1,369,771	**$ 2,984,803**	$ 2,850,115
Long-term liabilities	**10,685,214**	2,457,081	**987,914**	955,905	**11,673,128**	3,412,986
Total liabilities	**$ 12,178,813**	$ 3,937,425	**$ 2,479,118**	$ 2,325,676	**$ 14,657,931**	$ 6,263,101
Deferred inflows of resources	-	-	**-**	-	**-**	-
Net position						
Net investment in capital assets	**$ 6,917,783**	$ 6,324,550	**$ 10,416,961**	$ 10,313,446	**$ 17,334,744**	$ 16,637,996
Restricted for:						
Debt service	**-**	61,288	**-**	-	**-**	61,288
Law enforcment	**8,434**	5,348	**-**	-	**8,434**	5,348
Capital projects	**4,384,618**	898,775	**-**	-	**4,384,618**	898,775
Unrestricted	**(4,422,421)**	937,730	**12,864,579**	11,905,130	**8,442,158**	12,842,860
Total net position	**$ 6,888,414**	$ 8,227,691	**$ 23,281,540**	$ 22,218,576	**$ 30,169,954**	$ 30,446,267

Current and other assets increased in governmental activities by $4.2 million from the prior year. The increase 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 $1.2 million from the prior year. The increase was mainly attribute to a three percent increase in water and sewer rates.

Capital assets net of accumulated depreciation increased in governmental activities by $1.6 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 $670,000 due to changes in actuarial assumptions.

Current and other liabilities year for governmental and business-type activities combined increased by $135,000, which was mainly attributable to the timing differences of payments. During the current year, the City entered into a notes payable agreement with a financial intuition for $5.1 million to finance various capital projects throughout the City.

Long-term liabilities, which consist of notes, leases, landfill post-closure care costs, and net pension liability, increased by $8.2 million from the previous year for governmental and business-type activities combined. A significant portion of the increase were due to changes in the net pension liability and notes payable. The City's net pension liability increased by $1.8 million due to changes in the actuarial assumptions during the current year. During the current year, the City entered into a notes payable agreement with a financial institution for $5.1 million to finance various capital projects throughout the City

A significant portion of the City's net position, $17,334,744 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, $4,393,052 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 $12,261,932.

The City's overall net position decreased $276,313 from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

CITY OF FORSYTH'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2020	2019	**2020**	2019	**2020**	2019
Revenues						
Program services:						
Charges for services	**$ 1,405,985**	$ 1,358,260	**$ 14,297,555**	$ 14,457,310	**$ 15,703,540**	$ 15,815,570
Operating grants and contributions	**731**	-	**-**	-	**731**	-
Capital grants and contributions	**844,319**	822,283	**537,377**	-	**1,381,696**	822,283
General revenues:						
Taxes	**2,364,477**	2,707,479	**-**	-	**2,364,477**	2,707,479
Investment and interest revenues	**1,859**	6,724	**414,401**	411,277	**416,260**	418,001
Other	**-**	-	**-**	-	**-**	-
Total revenues	**4,617,371**	4,894,746	**15,249,333**	14,868,587	**19,866,704**	19,763,333
Expenditures/expenses						
General government	**1,493,680**	1,356,347	**-**	-	**1,493,680**	1,356,347
Judicial	**1,999**	2,000	**-**	-	**1,999**	2,000
Public safety	**4,045,207**	2,649,908	**-**	-	**4,045,207**	2,649,908
Public works	**2,706,548**	2,119,935	**-**	-	**2,706,548**	2,119,935
Housing and development	**138,160**	207,670	**-**	-	**138,160**	207,670
Culture and recreation	**254,438**	269,819	**-**	-	**254,438**	269,819
Better Hometown	**171,992**	9,361	**-**	-	**171,992**	9,361
Interest	**392,418**	88,805	**-**	-	**392,418**	88,805
Combined utilities	**-**	-	**10,938,575**	11,595,772	**10,938,575**	11,595,772
Total expenses	**9,204,442**	6,703,845	**10,938,575**	11,595,772	**20,143,017**	18,299,617
Change in net position before transfers	**(4,587,071)**	(1,809,099)	**4,310,758**	3,272,815	**(276,313)**	1,463,716
Transfers	**3,247,794**	2,869,330	**(3,247,794)**	(2,869,330)	**-**	-
Change in net position	**(1,339,277)**	1,060,231	**1,062,964**	403,485	**(276,313)**	1,463,716
Net position, beginning, as restated	**8,227,691**	7,167,411	**22,218,576**	21,815,140	**30,446,267**	28,982,551
Net position, ending	**$ 6,888,414**	$ 8,227,642	**$ 23,281,540**	$ 22,218,625	**$ 30,169,954**	$ 30,446,267

Governmental activities

During the current fiscal year, net position for governmental activities decreased $1,339,277 from the prior fiscal year for an ending balance of $6,888,414. 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 decreased $277,375 from the prior year, which was primarily due to the decrease in taxes during the current year. Property taxes decreased $87,699 from the prior year, which was due to changes in millage rates. Sales taxes and grants remained constant from the prior year.

Total expenses were $2,500,597 (37%) higher than the prior fiscal year. The biggest areas of change were in the functional areas of:

- Public Safety increased by $1,395,299 (or 53%). This is mainly due to increased law enforcement activity, increased purchase of equipment, and increased personnel services costs.
- Public Works increased by $586,613 (or 28%) 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 $23,281,540. 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 $1,062,964 from the prior year. The growth in large past, 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. In particular, 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. At December 31, 2020, the City's governmental funds reported combined fund balances of $6,973,911, an increase of $3,584,489 in comparison with the prior year.

Of this amount, $2,519,357, or 36%, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form, $214; or (3) restricted for particular purposes, $4,454,340.

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 $266,122, which was mainly from the increased collection of property sales taxes during the current year. Unassigned fund balance of the General Fund was $2,689,919, while total fund balance reached $2,751,421. 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 39% of total General Fund expenditures, while total fund balance represents 26% of that same amount.

The Capital Projects Fund is a capital projects fund that 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 Capital Projects Fund had a total fund balance of $3,792,198, an increase of $3,792,198 from the prior year. This is the first year that fund balance is being report for this fund.

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 2020 fiscal year, the 2019 SPLOST had a total fund deficit of $170,562. 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 a total fund balance of $592,420. 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 higher 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 2020 fiscal year, the Hotel/Motel Tax Fund had no fund balance.

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 $10,416,961 and $12,864,579, 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

The original budget was not amended during the current year; therefore, the original and final budgets remained the same.

The General Fund's actual expenditures of $25,318 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 $179,530 more than the final budget. This was mostly attributable to increased costs from the pandemic.
- Public Safety actual expenditures were less than final budget by $48,348. This was primarily the result of being over budget in Police by $98,433 and under budget in Fire by $150,137.
- Public Works actual spending was $223,133 less than the final budget. The most significant savings of $189,840 was from Streets/sanitation.
- Better Hometown actual spending was $131,549 less than the final budget.
- Recreation actual expenditures were $15,939 less than the final budget.

- Debt service actual expenditures were $214,121 more than the final budget. This was mostly attributable to unanticipated debt service costs increasing during the current year.

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, 2020, amounts to $20,736,409 (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 8.7% (a increase of 22% for governmental activities and a decrease of 1% for business-type activities). 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	
	2020	2019	**2020**	2019	**2020**	2019
Land improvements	**$ 2,723,445**	$ 2,661,493	**$ -**	$ -	**$ 2,723,445**	$ 2,661,493
Distribution system	**-**	-	**27,645,036**	27,263,896	**27,645,036**	27,263,896
Buildings and improvements	**2,388,081**	2,290,675	**5,196,155**	5,091,203	**7,584,236**	7,381,878
Infrastructure	**3,197,944**	3,197,944	**-**	-	**3,197,944**	3,197,944
Machinery and equipment	**1,840,397**	1,784,397	**1,061,281**	1,061,281	**2,901,678**	2,845,678
Vehicles	**3,699,016**	2,913,806	**1,195,613**	1,195,613	**4,894,629**	4,109,419
Land	**1,132,693**	1,132,693	**249,261**	249,261	**1,381,954**	1,381,954
Construction in progress	**1,635,053**	363,166	**396,566**	123,886	**2,031,619**	487,052
Total capital assets	**16,616,629**	14,344,174	**35,743,912**	34,985,140	**52,360,541**	49,329,314
Accumulated depreciation	**(7,285,095)**	(6,701,558)	**(24,339,037)**	(23,557,298)	**(31,624,132)**	(30,258,856)
Total capital assets, net	**$ 9,331,534**	$ 7,642,616	**$ 11,404,875**	$ 11,427,842	**$ 20,736,409**	$ 19,070,458

Long-Term Debt

As of December 31, 2020, the City had approximately $8.2 million in outstanding long-term debt, which does not include interest expense.

During the current year, the City entered into a notes payable for $5.1 million to be used for the construction of the new city hall.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	**2020**	2019	**2020**	2019
Capital leases	**$ 560,121**	$ 621,214	**$ 126,780**	$ 211,439	**$ 686,901**	$ 832,653
Landfill post-closure costs	**995,205**	745,023	**-**	-	**995,205**	745,023
Notes payable	**5,734,692**	696,852	**861,134**	902,957	**6,595,826**	1,599,809
	$ 7,290,018	$ 2,063,089	**$ 987,914**	$ 1,114,396	**$ 8,277,932**	$ 3,177,485

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 3.5%, which is a significant increase from a rate of 4.6% a year ago.
- 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, 2020

ASSETS	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
Cash and cash equivalents	$ 7,914,959	$ 2,196,832	$ 10,111,791	$ 156,831	$ 11,836
Investments	-	10,945,033	10,945,033	-	-
Accounts receivable, net of allowances					
Taxes	191,964	-	191,964	-	-
Accounts	13,452	630,590	644,042	-	-
Due from other governments	342,608	-	342,608	-	-
Due from primary government	-	-	-	22,776	-
Due from component unit	571	117,781	118,352	-	-
Inventories	214	361,161	361,375	-	-
Prepaid expenses	-	104,386	104,386	-	-
Capital assets, nondepreciable	2,767,746	645,827	3,413,573	-	129,194
Capital assets, depreciable, net of accumulated depreciation	6,563,788	10,759,048	17,322,836	-	167,771
Total assets	17,795,302	25,760,658	43,555,960	179,607	308,801
DEFERRED OUTFLOWS OF RESOURCES					
Pension	1,271,925	-	1,271,925	-	-
Total deferred outflows of resources	1,271,925	-	1,271,925	-	-
LIABILITIES					
Accounts payable	506,773	968,424	1,475,197	5,534	-
Accrued liabilities	155,408	41,338	196,746	-	-
Due to component unit	22,776	-	22,776	-	-
Due to primary government	-	-	-	571	117,781
Due to other governments	808,642	-	808,642	-	-
Customer deposits	-	473,975	473,975	-	-
Other liabilities	-	7,467	7,467	-	-
Capital leases due within one year	64,408	59,765	124,173	-	-
Capital leases due in more than one year	495,713	67,015	562,728	-	-
Notes payable due within one year	101,447	42,833	144,280	-	-
Notes payable due in more than one year	5,633,245	818,301	6,451,546	-	-
Net pension liability	3,395,196	-	3,395,196	-	-
Landfill post-closure care costs due in more than one year	995,205	-	995,205	-	-
Total liabilities	12,178,813	2,479,118	14,657,931	6,105	117,781
NET POSITION					
Net investment in capital assets	6,917,783	10,416,961	17,334,744	-	167,771
Restricted for:					
Law enforcement	8,434	-	8,434	-	-
Capital projects	4,384,618	-	4,384,618	-	-
Debt service	-	-	-	-	-
Unrestricted	(4,422,421)	12,864,579	8,442,158	173,502	23,249
Total net position	$ 6,888,414	$ 23,281,540	$ 30,169,954	$ 173,502	$ 191,020

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, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 1,493,680	$ 649,045	$ -	$ -
Judicial	1,999	436,002	-	-
Public safety	4,045,207	3,083	728	710,884
Public works	2,706,548	317,855	3	133,435
Housing and development	138,160	-	-	-
Culture and recreation	254,438	-	-	-
Better Hometown	171,992	-	-	-
Interest on long-term debt	392,418	-	-	-
Total governmental activities	9,204,442	1,405,985	731	844,319
Business-type activities:				
Water and sewer	3,144,862	3,855,254	-	537,377
Electric	7,793,713	10,442,301	-	-
Total business-type activities	10,938,575	14,297,555	-	537,377
Total primary government	$ 20,143,017	$ 15,703,540	$ 731	$ 1,381,696
Component units				
Forsyth Convention and Visitors Bureau Authority	$ 193,990	$ 142,950	$ -	$ -
Downtown Development Authority	19,451	14,400	-	-
Total component units	$ 213,441	$ 157,350	$ -	$ -
General revenues:				
Sales taxes				
Property taxes				
Franchise taxes				
Alcoholic beverage excise taxes				
Insurance premium taxes				
Other taxes				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position					
Primary Government				Component Units	
Governmental Activities	Business-type Activities	Total	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
$ (844,635)	$ -	$ (844,635)	$ -	$ -
434,003	-	434,003	-	-
(3,330,512)	-	(3,330,512)	-	-
(2,255,255)	-	(2,255,255)	-	-
(138,160)	-	(138,160)	-	-
(254,438)	-	(254,438)	-	-
(171,992)	-	(171,992)	-	-
(392,418)	-	(392,418)	-	-
(6,953,407)	-	(6,953,407)	-	-
-	1,247,769	1,247,769	-	-
-	2,648,588	2,648,588	-	-
-	3,896,357	3,896,357	-	-
(6,953,407)	3,896,357	(3,057,050)	-	-
-	-	-	(51,040)	-
-	-	-	-	(5,051)
-	-	-	(51,040)	(5,051)
1,174,860	-	1,174,860	-	-
218,414	-	218,414	-	-
98,361	-	98,361	-	-
218,243	-	218,243	-	-
309,199	-	309,199	-	-
345,400	-	345,400	-	-
1,859	414,401	416,260	-	-
-	-	-	-	104,953
3,247,794	(3,247,794)	-	-	-
5,614,130	(2,833,393)	2,780,737	-	104,953
(1,339,277)	1,062,964	(276,313)	(51,040)	99,902
8,227,691	22,218,576	30,446,267	224,542	91,118
$ 6,888,414	$ 23,281,540	$ 30,169,954	$ 173,502	$ 191,020

CITY OF FORSYTH, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Capital Projects Fund	SPLOST 2019 Fund
ASSETS			
Cash and cash equivalents	$ 2,559,285	$ 3,881,062	$ 578,160
Accounts receivable, net of allowances			
Taxes	164,314	-	-
Accounts	13,452	-	-
Due from other governments	203,669	-	138,939
Due from other funds	180,525	-	-
Due from component unit	571	-	-
Inventories	214	-	-
Total assets	$ 3,122,030	$ 3,881,062	$ 717,099
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 218,943	$ 88,864	$ 82,559
Accrued liabilities	110,175	-	-
Due to component unit	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	805,102
Total liabilities	329,118	88,864	887,661
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	41,491	-	-
Total deferred inflows of resources	41,491	-	-

(Continued)

SPLOST Fund	Hotel/Motel Tax Fund	Nonmajor Governmental Fund	Total Governmental Funds
$ 708,827	$ 179,191	$ 8,434	$ 7,914,959
-	27,650	-	191,964
-	-	-	13,452
-	-	-	342,608
-	-	-	180,525
-	-	-	571
-	-	-	214
$ 708,827	$ 206,841	$ 8,434	$ 8,644,293

$ 116,407	$ -	$ -	$ 506,773
-	-	-	110,175
-	22,776	-	22,776
-	180,525	-	180,525
-	3,540	-	808,642
116,407	206,841	-	1,628,891
-	-	-	41,491
-	-	-	41,491

CITY OF FORSYTH, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Capital Projects Fund	SPLOST 2019 Fund
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (CONTINUED)			
FUND BALANCES			
Fund balances:			
Nonspendable			
Inventories	$ 214	$ -	$ -
Restricted:			
Law enforcement	-	-	-
Capital projects	-	3,792,198	-
Unassigned	2,751,207	-	(170,562)
Total fund balances (deficit)	2,751,421	3,792,198	(170,562)
Total liabilities, deferred inflows of resources, and fund balances	$ 3,122,030	$ 3,881,062	$ 717,099

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.

SPLOST Fund	Hotel/Motel Tax Fund	Nonmajor Governmental Fund	Total Governmental Funds
$ -	$ -	$ -	$ 214
-	-	8,434	8,434
592,420	-	-	4,384,618
-	-	-	2,580,645
592,420	-	8,434	6,973,911
$ 708,827	$ 206,841	$ 8,434	
			9,331,534
			41,491
			(2,123,271)
			(7,335,251)
			$ 6,888,414

CITY OF FORSYTH, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	General Fund	Capital Projects Fund	SPLOST 2019 Fund	SPLOST Fund
Revenues				
Taxes:				
Property taxes	$ 451,223	$ -	$ -	$ -
Sales taxes	1,174,860	-	-	-
Insurance premium taxes	309,199	-	-	-
Beer, wine and alochol taxes	218,243	-	-	-
Franchise taxes	98,361	-	-	-
Other taxes	-	-	-	-
Licenses and permits	115,913	-	-	-
Intergovernmental	68,665	-	775,654	-
Fines and forfeitures	436,002	-	-	-
Charges for services	317,855	-	-	-
Interest revenue	1,859	335	36	357
Other revenues	533,132	-	-	-
Total revenues	3,725,312	335	775,690	357
Expenditures				
Current:				
General government	1,406,171	-	-	-
Public safety	3,108,674	-	-	-
Public works	1,699,842	-	-	-
Housing and development	-	-	-	-
Better Hometown	254,438	-	-	-
Recreation	92,158	-	-	-
Capital outlay	-	1,271,887	849,981	306,712
Debt service:				
Principal	123,253	-	-	-
Interest	229,688	-	96,271	-
Bond issuance cost	-	36,250	-	-
Total expenditures	6,914,224	1,308,137	946,252	306,712
Excess (deficiency) of revenues over (under) expenditures	(3,188,912)	(1,307,802)	(170,562)	(306,355)

(Continued)

Hotel/Motel Tax Fund	Nonmajor Governmental Fund	Total Governmental Funds
$ -	$ -	$ 451,223
-	-	1,174,860
-	-	309,199
-	-	218,243
-	-	98,361
345,400	-	345,400
-	-	115,913
-	-	844,319
-	3,083	439,085
-	-	317,855
-	3	2,590
-	-	533,132
345,400	3,086	4,850,180
-	-	1,406,171
-	-	3,108,674
-	-	1,699,842
138,160	-	138,160
-	-	254,438
-	-	92,158
-	-	2,428,580
-	-	123,253
-	-	325,959
-	-	36,250
138,160	-	9,613,485
207,240	3,086	(4,763,305)

CITY OF FORSYTH, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	General Fund	Capital Projects Fund	SPLOST 2019 Fund	SPLOST Fund
Other financing sources (uses)				
Proceeds from debt	$ -	$ 5,100,000	$ -	$ -
Transfers in	3,455,034	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	3,455,034	5,100,000	-	-
Net change in fund balances	266,122	3,792,198	(170,562)	(306,355)
Fund balances, beginning of year	2,485,299	-	-	898,775
Fund balances (deficit), end of year	$ 2,751,421	$ 3,792,198	$ (170,562)	$ 592,420

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

Hotel/Motel Tax Fund	Nonmajor Governmental Fund	Total Governmental Funds
$ -	$ -	$ 5,100,000
-	-	3,455,034
(207,240)	-	(207,240)
(207,240)	-	8,347,794
-	3,086	3,584,489
-	5,348	3,389,422
$ -	$ 8,434	$ 6,973,911

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, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	3,584,489
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.		1,688,918
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(232,809)
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.		(4,976,747)
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.		(1,403,128)
Change in net position - governmental activities	$	(1,339,277)

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, 2020

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Taxes:			
Property taxes	$ 452,366	$ 451,223	$ (1,143)
Sales taxes	1,110,000	1,174,860	64,860
Insurance premium taxes	300,000	309,199	9,199
Beer, wine and alochol taxes	201,000	218,243	17,243
Franchise taxes	108,000	98,361	(9,639)
Licenses and permits	125,650	115,913	(9,737)
Intergovernmental	62,000	68,665	6,665
Fines and forfeitures	366,500	436,002	69,502
Charges for services	307,400	317,855	10,455
Interest revenue	4,200	1,859	(2,341)
Miscellaneous income	125,498	533,132	407,634
Total revenues	3,162,614	3,725,312	562,698
Expenditures			
Current			
General government:			
Administration	950,848	1,064,199	(113,351)
Governing body	245,336	310,687	(65,351)
Mayor	13,457	13,365	92
Elections	17,000	17,920	(920)
Total general government	1,226,641	1,406,171	(179,530)
Public safety:			
Police	1,780,915	1,879,348	(98,433)
Fire	1,268,054	1,117,917	150,137
Municipal court	108,053	111,409	(3,356)
Total public safety	3,157,022	3,108,674	48,348
Public works:			
Streets/sanitation	1,527,089	1,337,249	189,840
Garage	228,824	207,270	21,554
Cemetary	167,062	155,323	11,739
Total public works	1,922,975	1,699,842	223,133
Better Hometown	385,987	254,438	131,549
Recreation	108,097	92,158	15,939
Debt service:			
Principal	138,820	123,253	15,567
Interest	-	229,688	(229,688)
Total debt service	138,820	352,941	(214,121)
Total expenditures	6,939,542	6,914,224	25,318
Deficiency of revenues under expenditures	(3,776,928)	(3,188,912)	588,016

(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, 2020

	Original and Final Budget	Actual	Variance With Final Budget
Other financing sources			
Transfers in	$ 3,776,928	$ 3,455,034	$ 321,894
Total other financing sources	3,776,928	3,455,034	321,894
Net change in fund balances	-	266,122	266,122
Fund balances, beginning of year	2,485,299	2,485,299	-
Fund balances, end of year	$ 2,485,299	$ 2,751,421	$ 266,122

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, 2020

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Other taxes	$ 533,000	$ 345,400	$ (187,600)
Total revenues	533,000	345,400	(187,600)
Expenditures			
Current:			
Housing and development	533,000	138,160	394,840
Total expenditures	533,000	138,160	394,840
Excess of revenues over expenditures	-	207,240	207,240
Other financing uses			
Transfers out	-	(207,240)	(207,240)
Total other financing uses	-	(207,240)	(207,240)
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

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

CITY OF FORSYTH, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2020

	Major Enterprise Fund Combined Utilities Fund
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 2,196,832
Investments	10,945,033
Accounts receivable, net of allowances	630,590
Due from component unit	117,781
Inventories	361,161
Prepaid expenses	104,386
Total current assets	14,355,783
NON-CURRENT ASSETS	
Capital assets:	
Capital assets, nondepreciable	645,827
Capital assets, depreciable, net of accumulated depreciation	10,759,048
Total capital assets	11,404,875
Total non-current assets	11,404,875
Total assets	25,760,658
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	968,424
Accrued liabilities	41,338
Customer deposits payable	473,975
Notes payable, current portion	42,833
Capital lease payable, current portion	59,765
Other liabilities	7,467
Total current liabilities	1,593,802
NON-CURRENT LIABILITIES	
Notes payable, net of current portion	818,301
Capital lease payable, net of current portion	67,015
Total non-current liabilities	885,316
Total liabilities	2,479,118
NET POSITION	
Net investment in capital assets	10,416,961
Unrestricted	12,864,579
Total net position	$ 23,281,540

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, 2020

	Major Enterprise Fund Combined Utilities Fund
OPERATING REVENUES	
Charges for services:	
Water and sewer sales	$ 3,855,254
Electric sales	10,442,301
Total operating revenues	14,297,555
OPERATING EXPENSES	
Personnel services	608,510
Purchase of utilities	7,129,257
Material and supplies	707,744
Repairs and maintenance	216,669
Depreciation	781,739
Management fees	1,268,248
Miscellaneous	226,408
Total operating expenses	10,938,575
Operating income	3,358,980
NON-OPERATING INCOME (EXPENSES)	
Interest income	453,679
Interest expense	(39,278)
Total non-operating income, net	414,401
Income before transfers and capital contributions	3,773,381
TRANSFERS	
Transfers out	(3,247,794)
CAPITAL CONTRIBUTIONS	537,377
Change in net position	1,062,964
NET POSITION, beginning of year	22,218,576
NET POSITION, end of year	$ 23,281,540

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, 2020

	Major Enterprise Fund Combined Utilities Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 14,244,271
Payments to suppliers and service providers	(9,350,890)
Payments to employees	(585,981)
Net cash provided by operating activities	4,307,400
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out	(3,247,794)
Net cash used in noncapital financing activities	(3,247,794)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of property and equipment	(758,772)
Principal paid on bonds	(41,823)
Principal paid on capital lease	(84,659)
Interest paid	(39,278)
Capital contributions	537,377
Net cash used in capital and related financing activities	(387,155)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(429,260)
Interest on investments	453,679
Net cash used in investing activities	24,419
Increase in cash and cash equivalents	696,870
Cash and cash equivalents:	
Beginning of year	1,499,962
End of year	$ 2,196,832
Classified as:	
Cash and cash equivalents	$ 2,196,832
	$ 2,196,832

(Continued)

CITY OF FORSYTH, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Major Enterprise Fund Combined Utilities Fund
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 3,358,980
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	781,739
(Increase) decrease in assets	
Accounts receivable	(53,284)
Inventories	(69,200)
Due from component unit	104,672
Prepaid expenses	(86,790)
Increase (decrease) in liabilities	
Accrued liabilities	7,676
Accounts payable	260,681
Customer deposits payable	14,853
Other liabilities	(11,927)
Net cash provided by operating activities	$ 4,307,400

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

CITY OF FORSYTH, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2020

	Custodial Fund Municipal Court
ASSETS	
Cash and cash equivalents	$ 103,500
Total assets	103,500
LIABILITIES	
Due to others	62,113
Total liabilities	62,113
NET POSITION	
Restricted:	
Individuals, organizations, and other governments	41,387
Total net position	$ 41,387

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

CITY OF FORSYTH, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Custodial Fund Municipal Court
ADDITIONS	
Fines and fees	$ 698,064
Total additions	698,064
DEDUCTIONS	
Taxes and fees paid to other governments	209,622
Other custodial disbursements	461,772
Total deductions	671,394
Change in fiduciary net position	26,670
NET POSITION, beginning of year, as restated	14,717
NET POSITION, end of year	$ 41,387

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Forsyth, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

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 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.

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 **G*eneral 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*** is a capital projects fund that accounts for the receipts and disbursements of the 2019 1% special purpose local options sales tax collected for various capital related projects.

The **Special Purpose Local Option Sales Tax (*"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 ***SPLOST Fund*** 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 City reports the following major proprietary fund:

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

The City reports the following custodial fund:

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

Additionally, the City reports the following fund types:

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 special revenue funds. 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 budget is legally adopted by the Mayor and the City Council prior to December 31. Revenues and expenditures of the capital projects funds are budgeted on a project basis and are, therefore, excluded from presentation in the financial statements.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deposits and Investments

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

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values. Increases or decreases in the fair value during the year are recognized as a component of interest income.

G. Inventory and Prepaid Items

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

H. Receivables and Payables

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Short-Term Interfund Receivables/Payables

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

J. Restricted Assets

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

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Asset	Years
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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations

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

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

N. Fund Equity

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

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

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

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

- ***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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Fund Balance (Continued)

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

- ***Unassigned*** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

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

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

O. Use of Estimates

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

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 position 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 position 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.

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	$ (45,233)
Notes payable	(5,734,692)
Capital leases	(560,121)
Landfill post-closure care costs	(995,205)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (7,335,251)

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	$ 2,272,455
Depreciation expense	(583,537)
Net adjustment to increase *net changes in fund balance - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 1,688,918

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

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

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

Debt issued:	
Notes payable	$ (5,100,000)
Principal repayments:	
Notes payable	62,160
Capital leases	61,093
Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (4,976,747)

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	$ (250,182)
Accrued interest	(30,209)
Net pension liability and related deferred outflows of resources	(1,122,737)
Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (1,403,128)

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2020, are summarized as follows:

Amount as presented on the entity wide statements of net assets:		
Cash and cash equivalents	$	10,111,791
Investments		10,945,033
Amounts as presented on the fiduciary statement of net assets:		
Cash and cash equivalents - Custodial Fund		103,500
Component Units - cash and cash equivalents		168,667
Total	$	21,328,991
Cash deposited with financial institutions	$	10,383,958
Investments in the Municipal Competitive Trust		10,945,033
Total	$	21,328,991

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, 2020, 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, 2020, the City had the following investments:

Investment	Weighted Average Maturities	Fair Value
Municipal Competitive Trust (Interm. Ext. Mat.)	2.99 years	$ 7,500,367
Municipal Competitive Trust (Intermediate)	525 days	1,502,206
Municipal Competitive Trust (Short-Term)	58 days	1,942,460
		$ 10,945,033

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 these 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, 2020, 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, 2020, including the applicable allowances for uncollectible accounts, are as follows:

	General	Hotel/Motel Tax Fund	Combined Utility Fund	SPLOST 2019 Fund	Total
Receivables:					
Taxes	$ 181,534	$ 27,650	$ -	$ -	$ 209,184
Due from other governments	203,669	-	-	138,939	342,608
Accounts	23,774	-	679,590	-	703,364
Gross receivables	408,977	27,650	679,590	138,939	1,255,156
Less allowance for uncollectibles	27,542	-	49,000	-	76,542
Net total receivables	$ 381,435	$ 27,650	$ 630,590	$ 138,939	$ 1,178,614

NOTE 4. RECEIVABLES (CONTINUED)

Property Taxes

Property taxes were levied on behalf of the City by Monroe County on September 21, 2020, (levy date) based upon property values assessed as of January 1, 2019. Property taxes levied by 2020 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2020, and collected by December, 21, 2020, are recognized as revenues in the year ended December 31, 2020. Net receivables estimated to be collected subsequent to December 22, 2020 are deferred as of December 31, 2020, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are revaluated annually.

NOTE 5. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended December 31, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 1,132,693	$ -	$ -	$ -	$ 1,132,693
Construction in progress	363,166	1,271,887	-	-	1,635,053
Total	1,495,859	1,271,887	-	-	2,767,746
Capital assets, being depreciated:					
Buildings	2,290,675	97,406	-	-	2,388,081
Infrastructure	3,197,944	-	-	-	3,197,944
Land improvements	2,661,493	61,952	-	-	2,723,445
Furniture, fixtures and equipment	1,784,397	56,000	-	-	1,840,397
Vehicles	2,913,806	785,210	-	-	3,699,016
Total	12,848,315	1,000,568	-	-	13,848,883
Less accumulated depreciation for:					
Buildings	1,127,318	86,275	-	-	1,213,593
Infrastructure	776,323	113,410	-	-	889,733
Land improvements	1,321,193	104,536	-	-	1,425,729
Furniture, fixtures and equipment	1,372,431	122,037	-	-	1,494,468
Vehicles	2,104,293	157,279	-	-	2,261,572
Total	6,701,558	583,537	-	-	7,285,095
Total assets, being depreciated, net	6,146,757	417,031	-	-	6,563,788
Governmental activities capital assets, net	$ 7,642,616	$ 1,688,918	$ -	$ -	$ 9,331,534

NOTE 5. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 249,261	$ -	$ -	$ -	$ 249,261
Construction in progress	123,886	272,680	-	-	396,566
Total	373,147	272,680	-	-	645,827
Capital assets, being depreciated:					
Buildings	5,091,203	104,952	-	-	5,196,155
Distribution system	27,263,896	381,140	-	-	27,645,036
Machinery and equipment	1,061,281	-	-	-	1,061,281
Vehicles	1,195,613	-	-	-	1,195,613
Total	34,611,993	486,092	-	-	35,098,085
Less accumulated depreciation for:					
Buildings	5,033,728	2,364	-	-	5,036,092
Distribution system	16,624,350	710,780	-	-	17,335,130
Machinery and equipment	986,802	13,833	-	-	1,000,635
Vehicles	912,418	54,762	-	-	967,180
Total	23,557,298	781,739	-	-	24,339,037
Total assets, being depreciated, net	11,054,695	(295,647)	-	-	10,759,048
Business-type activities capital assets, net	$ 11,427,842	$ (22,967)	$ -	$ -	$ 11,404,875

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

Governmental activities	
General government	$ 72,642
Judicial	2,000
Public safety	206,754
Public works	300,900
Culture and recreation	1,241
Total depreciation expense - governmental activities	$ 583,537
Business-type activities	
Electric	$ 121,995
Water and Sewer	659,744
Total depreciation expense - business-type activities	$ 781,739

NOTE 5. CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Unit

Capital asset activity for the Downtown Development Authority for the fiscal year ended December 31, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Construction in progress	$ 129,194	$ -	$ -	$ -	$ 129,194
Total	129,194	-	-	-	129,194
Capital assets, being depreciated:					
Buildings	180,000	-	-	-	180,000
Total	180,000	-	-	-	180,000
Less accumulated depreciation for:					
Buildings	4,500	7,729	-	-	12,229
Total	4,500	7,729	-	-	12,229
Total assets, being depreciated, net	175,500	(7,729)	-	-	167,771
Discretely presented component unit, capital assets, net	$ 304,694	$ (7,729)	$ -	$ -	$ 296,965

NOTE 6. LONG-TERM DEBT

Notes Payable

Governmental activities

In 2005, the City obtained a note payable totaling $862,080 from the United States Department of Agriculture 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%.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

Governmental activities (Continued)

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

Year	Principal	Interest
2021	$ 101,447	$ 320,979
2022	107,252	315,173
2023	113,394	309,031
2024	119,096	303,330
2025	126,717	295,708
2026 – 2030	750,621	1,361,505
2031 – 2035	992,910	1,192,594
2036 – 2040	1,314,024	678,102
2041 – 2045	1,713,819	371,093
2046 – 2047	395,412	13,568
Total	$ 5,734,692	$ 5,161,083

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, 2020, the City had no unused line of credit related to this note. The City’s line of credit outstanding at December 31, 2020, is as follows:

Purpose	Original Amount	Interest Rate	Due Date	Amount
GEFA Loan – 2016L05WS	$ 1,000,000	2.39%	July 1, 2037	$ 861,134
				861,134
			Less current maturities:	(42,833)
				$ 818,301

NOTE 6. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

Business-type activities (Continued)

The City's outstanding note from direct borrowings related to business-type activities of $861,134 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
2021	$ 42,833	$ 20,114
2022	43,868	19,079
2023	44,928	8,019
2024	46,014	16,933
2025	47,126	15,821
2026 – 2030	253,270	61,466
2031 – 2035	285,385	29,351
2036 – 2037	97,710	1,958
Total	$ 861,134	$ 172,741

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, 2020.

In 2017, the City entered into a capital lease agreement with Kuboto 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, 2020.

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, 2020.

NOTE 6. LONG-TERM DEBT (CONTINUED)

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, 2020.

Year Ending December 31,	Governmental Activities	Business-type Activities
2021	$ 87,816	$ 66,413
2022	85,330	36,399
2023	64,521	36,399
2024	64,521	-
2025	64,521	-
2026 – 2030	319,266	-
Total minimum lease payments	685,975	139,211
Less amount representing interest	(125,854)	(12,431)
Present value of future minimum lease payments	560,121	126,780
Less current maturities	(64,408)	(59,765)
	$ 495,713	$ 67,015

The following is an analysis of equipment leased under capital leases as of December 31, 2020:

	Governmental Activities	Business-type Activities	Total
Equipment	$ 95,523	$ -	$ 95,523
Vehicles	715,265	355,749	1,071,014
Less: accumulated depreciation	(772,579)	(170,008)	(942,587)
Carrying value	$ 38,209	$ 185,741	$ 223,950

The above includes current year depreciation expense of assets under capital lease of $162,157 and $71,150 for the governmental activities and business-type activities, respectively.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable from direct borrowing	$ 696,852	$ 5,100,000	$ (62,160)	$ 5,734,692	$ 101,447
Capital leases	621,214	-	(61,093)	560,121	64,408
Landfill post-closure costs	745,023	250,182	-	995,205	-
Net pension liability	1,602,301	2,099,045	(306,150)	3,395,196	-
Governmental activities Long-term liabilities	$ 3,665,390	$ 7,449,227	$ (429,403)	$ 10,685,214	$ 165,855
Business-type activities					
Notes payable from direct borrowing	$ 902,957	$ -	$ (41,823)	$ 861,134	$ 42,833
Capital leases	211,439	-	(84,659)	126,780	59,765
Business-type activites Long-term liabilities	$ 1,114,396	$ -	$ (126,482)	$ 987,914	$ 102,598

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

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 $995,205 over the remaining 15-year period at December 31, 2020. These costs are based on what it would cost to perform all post-closure care in 1993, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 7. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City's defined benefit pension plan, the City of Forsyth Retirement Plan (the "Plan"), provides retirement, disability, and death benefits to plan members and beneficiaries. The Plan is administered through the Georgia Municipal Employees Benefit System ("GMEBS"), an agent multiple employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive 1.5% multiplied by the five highest consecutive years of gross earnings. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Employee Benefit Section, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Plan Membership. As of July 1, 2020, pension plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	73
Terminated plan members entitled to, but not receiving benefits	37
Active plan members	71
Total beneficiaries	181

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the 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 Plan were $305,118, which is 10.4% of covered payroll for the year ended December 31, 2020.

B. Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2020.

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, 2020, 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, 2020, 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, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
Domestic equity	45%	6.41%
International equity	20%	6.96%
Real estate	20%	1.96%
Global fixed income	10%	4.76%
Domestic fixed income	5%	3.06%
Cash	0%	
Total	100%	

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, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	$ 7,042,549	$ 5,440,248	$ 1,602,301
Changes for the year:			
Service cost	95,423	-	95,423
Interest	519,742	-	519,742
Differences between expected and actual experience	292,806	-	292,806
Assumption changes	-	-	-
Contributions - employer	-	306,150	(306,150)
Contributions - employee	-	-	-
Net investment income	-	(367,012)	367,012
Benefit payments, including refunds of employee contributions	(416,164)	(416,164)	-
Administrative expense	-	(25,973)	25,973
Other	798,089	-	798,089
Net changes	1,289,896	(502,999)	1,792,895
Ending Balance	$ 8,332,445	$ 4,937,249	$ 3,395,196

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.

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:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 4,306,233	$ 3,395,196	$ 2,621,332

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, 2020, 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, 2020, the City recognized pension expense of $1,452,620. At December 31, 2020, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 393,151
Changes in assumptions	48,064
Net difference between projected and actual earnings on pension plan investments	601,871
City contributions subsequent to the measurement date	228,839
Total	$ 1,271,925

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 $228,839, 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	
2021	$ 381,969
2022	311,681
2023	195,450
2024	153,986
Total	$ 1,043,086

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The City had the following interfund balances as of December 31, 2020.

	Payable Fund	
Receivable Fund	Hotel/Motel Tax Fund	Total
General Fund	$ 180,525	$ 180,525
Total	$ 180,525	$ 180,525

Interfund receivables and payables result from timing differences related to payroll and other year-end transactions which normally clear within one to two months.

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

The composition of interfund transfers as of December 31, 2020, is as follows:

	Transfers Out		
Transfers In	Hotel/Motel Tax Fund	Combined Utilities Fund	Total
General Fund	$ 207,240	$ 3,247,794	$ 3,455,034

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, 2020:

Department	Excess
General Fund	
General government	
Administration	$ 113,351
Governing body	65,351
Elections	920
Public safety	
Police	98,433
Municipal court	3,356
Debt service	
Principal	58,126
Interest	55,181

These over expenditures were funded by greater than anticipated revenues.

NOTE 9. BUDGET COMPLIANCE (CONTINUED)

Deficit Fund Balance/Net Position

Primary Government – Fund Level

The SPLOST 2019 Fund reported a fund deficit of $170,562 as of December 31, 2020. This deficit will be reduced by future revenues by the fund.

Discretely Presented Component Unit – Fund Level

The Downtown Development Authority fund reported a fund deficit of $105,945 as of December 31, 2020. This deficit will be reduced by future revenues by the fund.

NOTE 10. HOTEL/MOTEL LODGING TAX

The City has levied a lodging tax. For the fiscal year ended December 31, 2020, $345,400 of hotel/motel tax was collected. Of the total collected, 60% was used for the promotion of tourism in the General Fund for $207,239 and 40% was used for the promotion of tourism in the Convention and Visitors Board for $138,159.

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 ("MGRC") and is required to pay annual dues thereto. During its year ended December 31, 2020, the City paid $22,770 in such dues. Membership in an MGRC is required by the Official Code of Georgia Annotated ("O.C.G.A.") §50-8-34 which provides for the organizational structure of the MGRC in Georgia. The MGRC 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 MGRC. 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 of Forsyth, Georgia is considered a related organization based upon the criteria of GASB Statement 14. The Housing Authority of the City of Forsyth, Georgia 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 of Forsyth, Georgia, 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.

Construction Commitments

In addition to the liabilities enumerated in the balance sheet at December 31, 2020, the City has contractual commitments on uncompleted contracts of approximately $4,022,066 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.

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia (Continued)

As of December 31, 2020, 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 $6,531,293 in 2020.

At December 31, 2020, the outstanding debt of MEAG was approximately $7.58 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $79.38 million at December 31, 2020.

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 cyber security. 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, 2020, the County abated property taxes totaling $102,000.

NOTE 16. RESTATEMENT FOR CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of GASB Statement No. 84, *Fiduciary Activities*, the City is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the City to determine if funds are still considered fiduciary, and if so, if they are considered custodial funds under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the Fiduciary Activities to properly report the custodial fund.

	Custodial Fund
Net position, as previously reported	$ -
Recognition of the beginning net position of the agency fund now reported as custodial fund	14,717
Net position, as restated	$ 14,717

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				
	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$ **95,423**	$ 102,510	$ 81,022	$ 96,516	$ 103,491
Interest on total pension liability	**519,742**	489,784	450,989	438,598	417,009
Differences between expected and actual experience	**292,806**	216,432	358,922	(20,384)	83,950
Changes of assumptions	**35,016**	-	98,880	-	-
Changes in benefit terms	**763,073**	-	-	-	-
Benefit payments, including refunds of employee contributions	**(416,164)**	(388,234)	(373,945)	(335,735)	(316,031)
Net change in total pension liability	**1,289,896**	420,492	615,868	178,995	288,419
Total pension liability - beginning	**7,042,549**	6,622,057	6,006,189	5,827,194	5,538,775
Total pension liability - ending (a)	**8,332,445**	7,042,549	6,622,057	6,006,189	5,827,194
Plan fiduciary net position					
Contributions - employer	**306,150**	216,253	211,201	211,981	199,284
Contributions - employee		-	-	-	-
Net investment income	**(367,012)**	193,577	617,028	570,789	12,908
Benefit payments, including refunds of employee contributions	**(416,164)**	(388,234)	(373,945)	(335,735)	(316,031)
Administrative expenses	**(25,973)**	(25,250)	(22,844)	(24,458)	(11,798)
Net change in plan fiduciary net position	**(502,999)**	(3,654)	431,440	422,577	(115,637)
Plan fiduciary net position - beginning	**5,440,248**	5,443,902	5,012,462	4,589,885	4,705,522
Plan fiduciary net position - ending (b)	**4,937,249**	5,440,248	5,443,902	5,012,462	4,589,885
City's net pension liability (a) - (b)	$ **3,395,196**	$ 1,602,301	$ 1,178,155	$ 993,727	$ 1,237,309
Plan fiduciary net position as a percentage of the total pension liability	**59.3%**	77.2%	82.2%	83.5%	78.8%
Covered payroll	$ **2,733,560**	$ 2,367,499	$ 2,593,409	$ 1,961,386	$ 2,216,376
City's net pension liability as a percentage of covered payroll	**124.2%**	67.7%	45.4%	50.7%	55.8%

Notes to the Schedule:

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

CITY OF FORSYTH, GEORGIA

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

	2020	2019	2018	2017	2016
Actuarially determined contribution	**$ 305,118**	$ 273,474	$ 204,809	$ 212,479	$ 210,591
Contributions in relation to the actuarially determined contribution	**305,118**	273,474	204,809	194,772	228,085
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ 17,707	$ (17,494)
Covered payroll	**$ 2,942,496**	$ 2,701,615	$ 2,480,454	$ 2,277,398	$ 2,088,881
Contributions as a percentage of covered payroll	**10.4%**	10.1%	8.3%	8.6%	10.9%

Notes to the Schedule:

Valuation date	July 1, 2020
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
Assumed rate of return on investments	7.375%
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.

NONMAJOR GOVERNMENTAL FUND

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, 2020

	Police Special Purpose Revenue Fund
ASSETS	
Cash and cash equivalents	$ 8,434
Total assets	$ 8,434
FUND BALANCE	
Restricted	
Law enforcement	8,434
Total fund balance	8,434
Total fund balance	$ 8,434

CITY OF FORSYTH, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Police Special Purpose Revenue Fund
Revenues	
Fines and forfeitures	$ 3,083
Interest revenue	3
Total revenues	3,086
Expenditures	
Capital outlay	-
Total expenditures	-
Net change in fund balance	3,086
Fund balance, beginning of year	5,348
Fund balance, end of year	$ 8,434

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, 2020

	Police Special Purpose Revenue Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ -	$ 3,083	$ 3,083
Interest revenue	-	3	3
Total revenues	-	3,086	3,086
Expenditures			
Capital outlay	-	-	-
Total expenditures	-	-	-
Net change in fund balance	-	3,086	3,086
Fund balance, beginning of year	5,348	5,348	-
Fund balance, end of year	$ 5,348	$ 8,434	$ 3,086

CITY OF FORSYTH, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2013 ISSUE FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
SPLOST Fund					
Water and Sewer Upgrades	$ 3,220,000	$ 3,220,000	$ 2,414,532	$ 244,760	$ 2,659,292
Road Improvements	550,000	550,000	288,076	61,952	350,028
Public Safety Vehicles	470,000	470,000	310,212	-	310,212
City Park Improvements	285,000	285,000	-	-	-
Downtown Improvements	75,000	75,000	10,710	-	10,710
Totals	$ 4,600,000	$ 4,600,000	$ 3,023,530	$ 306,712	$ 3,330,242

CITY OF FORSYTH, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2019 ISSUE FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
SPLOST 2019 Fund					
Water and Sewer Upgrades	$ 2,502,091	$ 2,502,091	$ -	$ 64,770	$ 64,770
Road Improvements	500,000	500,000	-	-	-
Public Safety	825,000	825,000	-	785,211	785,211
Totals	$ 3,827,091	$ 3,827,091	$ -	$ 849,981	$ 849,981

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

Debt service interest payments	96,271
Total SPLOST 2019 Fund expenditures for the current year	$ 946,252

CITY OF FORSYTH, GEORGIA

SOURCE AND APPLICATION OF FUNDS STATUS SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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

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

CITY OF FORSYTH, GEORGIA

PROJECT COST SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Activity	Revised Budgeted Expenditures	Year Ended 9/30/2020	Prior Years	Questioned Cost
CDBG 15p-x-102-2-6063:				
T-03J-00	$ 800	$ 800	$ -	None
P-03J-01	421,255	167,217	-	None
A-21A-00	25,000	-	-	None
	$ 447,055	$ 168,017	$ -	

CITY OF FORSYTH, GEORGIA

BALANCE SHEET
COMPONENT UNITS
DECEMBER 31, 2020

	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
ASSETS		
Cash and cash equivalents	$ 156,831	$ 11,836
Due from other governments	22,776	-
Total assets	179,607	11,836
LIABILITIES		
Accounts payable	5,534	-
Due to primary government	571	117,781
Total liabilities	6,105	117,781
FUND BALANCES		
Unassigned	173,502	(105,945)
Total fund balances	$ 173,502	$ (105,945)
Amounts reported for discretely presented component units in the statement of net position are different because:		
Fund balances of governmental funds	$ 173,502	$ (105,945)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	-	296,965
Net position of discretely presented component units	$ 173,502	$ 191,020

CITY OF FORSYTH, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
Revenues		
Intergovernmental	$ 137,645	$ 14,400
Miscellaneous	7,501	104,953
Total revenues	145,146	119,353
Expenditures		
Current:		
Housing and economic development	194,479	11,722
Capital outlay	-	-
Total expenditures	194,479	11,722
Net change in fund balances	(49,333)	107,631
Fund balances, beginning of year	222,835	(213,576)
Fund balances, end of year	$ 173,502	$ (105,945)
Amounts reported for discretely presented component units in the statement of activities are different because:		
Net change in fund balances	$ (49,333)	$ 107,631
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.	-	(7,729)
The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.	(1,707)	-
Change in net position of discretely presented component units	$ (51,040)	$ 99,902

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Forsyth's comprehensive annual 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

Page

Financial Trends ..... **76 – 90**
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity ..... **91 – 95**
These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity ..... **96 – 101**
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.

Demographic and Economic Information ..... **102 and 103**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information ..... **104 – 107**
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.

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 COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets	$ 3,983,777	$ 4,048,105	$ 3,231,493	$ 2,006,638
Restricted	1,272,016	430,819	63,354	63,489
Unrestricted	(440,645)	409,023	1,217,566	1,919,922
Total governmental activities net position	$ 4,815,148	$ 4,887,947	$ 4,512,413	$ 3,990,049
Business-Type Activities				
Net investment in capital assets	$ 15,009,325	$ 14,745,496	$ 15,098,938	$ 13,675,730
Restricted	471,000	471,000	-	-
Unrestricted	2,335,630	1,801,812	1,560,350	1,835,680
Total business-type activities net position	$ 17,815,955	$ 17,018,308	$ 16,659,288	$ 15,511,410
Primary Government				
Net investment in capital assets	$ 18,993,102	$ 18,793,601	$ 18,330,431	$ 15,682,368
Restricted	1,743,016	901,819	63,354	1,121,743
Unrestricted	1,894,985	2,210,835	2,777,916	2,697,348
Total primary government net position	$ 22,631,103	$ 21,906,255	$ 21,171,701	$ 19,501,459

Fiscal Year						
2015	2016	2017	2018	2019	2020
$ 1,936,014	$ 2,961,183	$ 5,187,220	$ 6,217,039	$ 6,324,550	$ 6,917,783
986,027	1,399,872	1,363,713	477,567	965,411	4,393,052
1,624,476	244,984	(1,275,332)	484,706	937,730	(4,422,421)
$ 4,546,517	$ 4,606,039	$ 5,275,601	$ 7,179,312	$ 8,227,691	$ 6,888,414
$ 13,039,009	$ 12,461,652	$ 11,940,235	$ 11,099,033	$ 10,313,446	$ 10,416,961
-	-	-	-	-	-
2,265,923	3,153,858	2,267,208	3,121,541	11,905,130	12,864,579
$ 15,304,932	$ 15,615,510	$ 14,207,443	$ 14,220,574	$ 22,218,576	$ 23,281,540
$ 14,975,023	$ 15,422,835	$ 17,127,455	$ 17,316,072	$ 16,637,996	$ 17,334,744
986,027	1,399,872	1,363,713	477,567	965,411	4,393,052
3,890,399	3,398,842	991,876	3,606,247	12,842,860	8,442,158
$ 19,851,449	$ 20,221,549	$ 19,483,044	$ 21,399,886	$ 30,446,267	$ 30,169,954

CITY OF FORSYTH, GEORGIA

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

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	$ 1,283,799	$ 1,320,752	$ 1,524,706	$ 1,282,167
Judicial	-	-	-	-
Public safety	2,497,117	2,313,436	2,148,535	2,161,085
Public works	1,299,110	1,247,275	1,332,709	1,161,433
Housing and development				
Culture and recreation	67,301	59,110	118,824	36,124
Better Hometown	79,813	100,168	36,934	120,804
Interest on long-term debt	85,385	74,021	94,286	72,111
Total governmental activities expenses	5,312,525	5,114,762	5,255,994	4,833,724
Business-type activities:				
Water and sewer	2,766,489	2,763,021	2,765,315	2,716,467
Electric	6,939,331	7,375,402	7,843,734	9,567,802
Cable	1,373,193	1,386,110	1,364,024	1,004,783
Total business-type activities	11,079,013	11,524,533	11,973,073	13,289,052
Total primary government	$ 16,391,538	$ 16,639,295	$ 17,229,067	$ 18,122,776
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 127,796	$ 103,346	$ 143,867	$ 121,714
Judicial	-	-	-	-
Public safety	452,485	520,036	391,328	261,547
Public works	428,856	388,715	315,027	291,718
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Operating grants and contributions	42,232	-	4,750	136,305
Capital grants and contributions	1,098,773	715,875	900,835	710,021
Total governmental activities program revenues	2,150,142	1,727,972	1,755,807	1,521,305
Business-type activities:				
Charges for services:				
Water and sewer	2,381,675	2,348,384	2,324,264	2,563,660
Electric	7,417,847	7,488,911	8,006,946	8,966,317
Cable	1,106,494	1,080,843	1,040,788	626,579
Capital grants and contributions	650,000	-	-	-
Total business-type activities program revenues	11,556,016	10,918,138	11,371,998	12,156,556
Total primary government program revenues	$ 13,706,158	$ 12,646,110	$ 13,127,805	$ 13,677,861

(Continued)

	Fiscal Year					
	2015	2016	2017	2018	2019	2020
$	1,399,516	$ 1,502,667	$ 1,570,103	$ 1,805,038	$ 1,356,347	$ 1,493,680
	-	-	-	-	2,000	1,999
	2,214,927	2,216,538	2,326,825	2,533,783	2,649,908	4,045,207
	1,142,324	1,285,931	1,710,250	1,136,693	2,119,935	2,706,548
				-	207,670	138,160
	41,613	44,433	63,729	130,844	269,819	254,438
	131,824	203,398	258,470	233,403	9,361	171,992
	65,607	52,676	76,050	81,087	88,805	392,418
	4,995,811	5,305,643	6,005,427	5,920,848	6,703,845	9,204,442
	2,986,704	3,111,237	3,161,040	3,488,235	3,542,041	3,144,862
	8,201,218	8,064,027	7,961,400	7,910,144	8,053,731	7,793,713
	10,122	750,000	-	-	-	-
	11,198,044	11,925,264	11,122,440	11,398,379	11,595,772	10,938,575
$	16,193,855	$ 17,230,907	$ 17,127,867	$ 17,319,227	$ 18,299,617	$ 20,143,017
$	122,468	$ 122,405	$ 116,628	$ 132,590	$ 672,239	$ 649,045
	-	-	-	300,435	364,979	436,002
	221,053	372,797	358,043	308,863	-	3,083
	299,979	314,791	305,751	7,660	321,042	317,855
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	345,678	-	731
	898,268	614,730	1,233,674	316,296	822,283	844,319
	1,541,768	1,424,723	2,014,096	1,411,522	2,180,543	2,251,035
	2,877,795	3,284,601	3,375,343	3,350,810	3,619,420	3,855,254
	9,549,219	9,683,451	8,995,614	10,703,701	10,837,890	10,442,301
	-	-	-	-	-	-
	-	266,576	186,321	-	-	537,377
	12,427,014	13,234,628	12,557,278	14,054,511	14,457,310	14,834,932
$	13,968,782	$ 14,659,351	$ 14,571,374	$ 15,466,033	$ 16,637,853	$ 17,085,967

CITY OF FORSYTH, GEORGIA

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

	Fiscal Year			
	2011	2012	2013	2014
Net (expense)/revenue				
Governmental activities	$ (3,162,383)	$ (3,386,790)	$ (3,500,187)	$ (3,312,419)
Business-type activities	477,003	(606,395)	(601,075)	(1,132,496)
Total primary government net expense	$ (2,685,380)	$ (3,993,185)	$ (4,101,262)	$ (4,444,915)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 609,299	$ 621,760	$ 669,123	$ 594,819
Sales taxes	1,581,895	1,102,851	1,031,557	891,040
Other taxes	791,468	799,138	809,692	797,757
Unrestricted investment earnings	1,145	558	1,244	2,646
Micellaneous	91,482	277,793	53,170	56,325
Transfers	738,811	657,489	559,867	447,468
Total governmental activities	3,814,100	3,459,589	3,124,653	2,790,055
Business-type activities:				
Unrestricted investment earnings	456,593	413,264	570,720	42,014
Micellaneous	140,334	52,973	231,202	390,072
Transfers	(738,811)	(657,489)	(559,867)	(447,468)
Total business-type activities	(141,884)	(191,252)	242,055	(15,382)
Total primary government	$ 3,672,216	$ 3,268,337	$ 3,366,708	$ 2,774,673
Change in Net Position				
Governmental activities	$ 651,717	$ 72,799	$ (375,534)	$ (522,364)
Business-type activities	335,119	(797,647)	(359,020)	(1,147,878)
Total primary government	$ 986,836	$ (724,848)	$ (734,554)	$ (1,670,242)

	Fiscal Year					
	2015	2016	2017	2018	2019	2020
	$ (3,454,043)	$ (3,880,920)	$ (3,991,331)	$ (4,509,326)	$ (4,523,302)	$ (6,953,407)
	1,228,970	1,309,364	1,434,838	2,656,132	2,861,538	3,896,357
	$ (2,225,073)	$ (2,571,556)	$ (2,556,493)	$ (1,853,194)	$ (1,661,764)	$ (3,057,050)
	$ 571,258	$ 483,398	$ 470,156	$ 718,502	$ 462,412	$ 218,414
	921,469	910,954	952,728	1,100,764	1,124,883	1,174,860
	885,101	931,994	1,012,868	1,095,346	1,120,184	971,203
	2,132	1,281	1,374	4,084	6,724	1,859
	70,774	182,118	194,372	124,636	-	-
	1,559,777	1,430,697	-	2,869,330	2,869,379	3,247,794
	4,010,511	3,940,442	2,631,498	5,912,662	5,583,582	5,614,130
	33,476	353,048	26,100	47,746	411,277	414,401
	90,853	78,863	134,237	178,583	-	-
	(1,559,777)	(1,430,697)	-	(2,869,330)	(2,869,379)	(3,247,794)
	(1,435,448)	(998,786)	160,337	(2,643,001)	(2,458,102)	(2,833,393)
	$ 2,575,063	$ 2,941,656	$ 2,791,835	$ 3,269,661	$ 3,125,480	$ 2,780,737
	$ 556,468	$ 59,522	$ (1,359,833)	$ 1,403,336	$ 1,060,280	$ (1,339,277)
	(206,478)	310,578	1,595,175	13,131	403,436	1,062,964
	$ 349,990	$ 370,100	$ 235,342	$ 1,416,467	$ 1,463,716	$ (276,313)

CITY OF FORSYTH, GEORGIA

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

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Nonspendable	$ 23,522	$ 3,494	$ 5,784	$ 2,941
Restricted	47,019	73,608	55,029	60,091
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	984,215	872,761	952,304	1,083,345
Total General Fund	$ 1,054,756	$ 949,863	$ 1,013,117	$ 1,146,377
All Other Governmental Funds				
Nonspendable	$ 324,849	$ 328,986	$ 288,043	$ -
Restricted	1,373,548	3,162,844	2,490,076	1,058,254
Committed	-	-	-	-
Assigned	83,493	44,803	10,599	9,187
Unassigned	-	-	-	-
Total all other governmental funds	$ 1,781,890	$ 3,536,633	$ 2,788,718	$ 1,067,441

Fiscal Year						
2015	2016	2017	2018	2019	2020
$ 3,371	$ 18,995	$ 3,037	$ 3,444	$ 4,801	$ 214
61,011	63,959	769,237	769,237	61,288	-
-	-	-	-	-	-
-	-	-	-	-	-
1,486,907	1,478,775	894,042	959,436	2,419,210	2,751,207
$ 1,551,289	$ 1,561,729	$ 1,666,316	$ 1,732,117	$ 2,485,299	$ 2,751,421
$ -	$ -	$ 76,150	$ 119,781	$ -	$ -
880,272	753,583	594,476	751,706	904,123	4,393,052
-	-	-	-	-	-
2,046	-	-	-	-	-
-	-	-	-	-	(170,562)
$ 882,318	$ 753,583	$ 670,626	$ 871,487	$ 904,123	$ 4,222,490

CITY OF FORSYTH, GEORGIA

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

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes	$ 3,017,700	$ 2,510,573	$ 2,500,962	$ 2,348,811
Licenses and permits	127,796	103,346	143,867	121,714
Intergovernmental	1,137,270	715,875	904,678	634,625
Fines and forfeitures	452,485	520,036	391,328	261,547
Charges for services	428,856	388,715	315,027	291,718
Interest income	4,879	558	2,151	3,042
Other revenues	91,482	35,511	150,010	56,325
Total revenues	5,260,468	4,274,614	4,408,023	3,717,782
Expenditures				
General government	1,622,132	1,257,352	1,461,306	1,293,127
Public safety	2,467,583	2,145,608	2,024,716	2,018,487
Public works	1,410,651	1,218,334	1,290,570	1,098,622
Parks and recreation	63,445	54,761	22,030	12,789
Better Hometown	79,813	100,168	118,824	120,804
Capital outlay	878,815	347,337	241,761	683,619
Debt service				
Principal	426,676	442,583	453,530	404,516
Interest	85,385	74,021	52,378	121,303
Issuance costs	-	-	-	-
Total expenditures	7,034,500	5,640,164	5,665,115	5,753,267
Excess of revenues over (under) expenditures	(1,774,032)	(1,365,550)	(1,257,092)	(2,035,485)
Other financing sources (uses)				
Issuance of debt	-	2,358,019	-	-
Transfers in	738,811	657,489	559,867	447,468
Transfers out	5,542	-	-	-
Total other financing sources (uses)	744,353	3,015,508	559,867	447,468
Net change in fund balances	$ (1,029,679)	$ 1,649,958	$ (697,225)	$ (1,588,017)
Debt service as a percentage of noncapital expenditures	9.07%	10.82%	10.29%	11.57%

Fiscal Year					
2015	2016	2017	2018	2019	2020
$ 2,377,793	$ 2,326,346	$ 2,435,752	$ 2,852,384	$ 2,783,989	$ 2,597,286
122,468	122,405	116,628	92,497	120,581	115,913
901,593	614,730	1,233,402	712,336	822,283	844,319
221,053	372,797	358,043	297,182	364,979	439,085
299,979	314,791	305,751	308,863	321,042	317,855
2,132	1,281	1,646	4,728	6,724	2,590
70,774	182,119	194,372	255,078	551,658	533,132
3,995,792	3,934,469	4,645,594	4,523,068	4,971,256	4,850,180
1,285,496	1,427,457	1,493,221	1,547,123	1,563,852	1,406,171
2,136,605	2,068,830	2,222,127	2,302,215	2,472,131	3,108,674
1,136,757	1,206,140	1,726,703	999,293	1,935,814	1,699,842
18,278	20,567	34,017	37,156	207,670	230,318
131,824	203,398	203,398	233,403	268,578	254,438
256,371	170,378	137,757	1,380,341	70,621	2,428,580
412,611	428,157	443,727	541,796	523,126	123,253
113,694	102,146	129,850	81,087	73,781	325,959
-	-	-	-	-	36,250
5,491,636	5,627,073	6,390,800	7,122,414	7,115,573	9,613,485
(1,495,844)	(1,692,604)	(1,745,206)	(2,599,346)	(2,144,317)	(4,763,305)
2,376,403	1,892,054	-	-	-	5,100,000
-	-	3,221,429	2,900,000	2,384,350	3,455,034
(660,770)	(461,357)	(282,738)	(30,670)	(2,349,389)	(207,240)
1,715,633	1,430,697	2,938,691	2,869,330	34,961	8,347,794
$ 219,789	$ (261,907)	$ 1,193,485	$ 269,984	$ (2,109,356)	$ 3,584,489
11.18%	10.76%	9.0%	8.7%	8.4%	6.1%

CITY OF FORSYTH, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Calendar Year	General Government	Police	Fire Department	Municipal Court	Public Works
2011	$ 1,511,255	$ 1,683,293	$ 714,204	$ 85,444	$ 1,410,651
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

Better Hometown	Parks and Recreation	Total
$ 79,813	$ 63,445	$ 5,548,105
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

CITY OF FORSYTH, GEORGIA

GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Calendar Year	Inter-Government	Ad Valorem Tax	Sales Tax	Franchise Tax	Licenses & Permits
2011	$ 336,489	$ 644,337	$ 2,370,080	$ 119,443	$ 127,796
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

Charges for Services	Fines & Forfeits	Beer & Liquor Taxes	Insurance Premium Tax	Other Taxes	Total
$ 428,856	$ 411,603	$ 217,159	$ 177,673	$ 92,587	$ 4,926,023
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

CITY OF FORSYTH, GEORGIA

SALES TAX COLLECTIONS AND RATES
LAST TEN FISCAL YEARS

	Sales Tax Received by Forsyth			State	County		City	
Fiscal Year	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
2011	$ 1,581,895	$ 788,185	$ 2,370,080	4%	1%	1%	1%	7%
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%

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 (2)
2011	$ 119,762,947	$ 9,906,759	$ 109,856,188	5.600	$ 274,640,470	40%
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%

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

(1) Includes heavy duty equipment, timber and conservation use.
(2) 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

Calendar Year	Direct City Basic Rate	Overlapping State and County	Overlapping County School System	Total
2011	5.600	9.531	15.342	30.473
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

SOURCE:
Georgia Department of Revenue

CITY OF FORSYTH, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Calendar Year 2020 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Calendar Year 2011 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	3.59%
Central Georgia Medical Properties, LLC	2,458,916	2	1.99%			
Walmart Stores East, Inc	2,361,259	3	1.91%	3,018,620	2	2.52%
Bran Hospitality Forsyth, Inc	1,976,741	4	1.60%			
Baron Hospitality, LLC	1,902,130	5	1.54%			
Treadwell Family Partnership	1,662,464	6	1.35%	1,230,816	3	1.03%
Atlantic Gas Light Co.	1,394,560	7	1.13%	998,842	7	0.83%
Ingram Center, LLC	1,359,184	8	1.10%			
Ostrom Limited Partnership	1,345,600	9	1.09%			
Peach State Hospitality	1,335,000	10	1.08%			
Ingram Timber Enterprises LP				1,222,327	4	1.02%
Atlantic Southern Bank				1,143,960	5	0.96%
Inges				1,099,976	6	0.92%
Monroe Hospitality Services Inc				903,480	8	0.75%
Sai Ram Hotel				876,684	9	0.73%
Forsyth Inns Inc.				851,620	10	0.71%
Total	$ 18,837,594		15.27%	$ 15,645,825		13.06%

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

CITY OF FORSYTH, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	$ 644,337	$ 562,484	87.3 %	$ 80,266
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

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

Total Collections to Date			Outstanding Delinquent Taxes	Outstanding Delinquent Taxes Percentage of Current Levy
Amount	Percentage of Levy			
$ 642,750	99.8	%	$ 1,587	0.25%
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%

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
2011	$ -	$ 800,382	$ 1,230,000	$ 40,108
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

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

Business-type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
Notes Payable	Revenue Bonds	Capital Leases Payable			
$ -	$ -	$ 1,145,073	$ 3,215,563	2.13 %	$ 840
-	-	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	1.78	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

CITY OF FORSYTH, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITES DEBT
AS OF DECEMBER 31, 2020

Jurisdiction	New Debt Outstanding	Percentage Applicable to City of Forsyth [1]	Amount Applicable to City of Forsyth
Monroe County, Georgia - Overlapping Debt	$ 19,691,724	7.40%	$ 1,457,844
Subtotal Overlapping Debt			1,457,844
City of Forsyth, Georgia - Direct Debt			$ 6,294,813
Total Direct and Overlapping Debt			$ 7,752,657

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 abilitiy to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

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

CITY OF FORSYTH, GEORGIA

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

Fiscal Year	Gross Revenue	Direct Operating Expenses	Available for Debt Service	Principal	Interest	Total
2011	$ 10,906,016	$ 9,860,147	$ 1,045,869	$ 521,820	$ 71,740	$ 593,560
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

SOURCE:
City of Forsyth, Georgia ordinances.

Total Debt Burden	Per Capita
$ -	$ -
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

CITY OF FORSYTH, GEORGIA

PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2011	$ 5,305,085	$ 3,337,598	$ 1,967,487	$ 655,000	$ 506,369	1.69
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	-	-	-

NOTES:

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

Utility service charges include tap fees, but exclude interest.

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

CITY OF FORSYTH, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income	Unemployment Rate (4)
2011	3,826	$ 150,732,922	$ 39,397	8.8
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	31,752	4.0
2019	4,130	127,298,990	30,823	3.5
2020	4,312	126,436,464	29,322	3.5

SOURCES:

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

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

CITY OF FORSYTH, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2020			Fiscal Year 2011		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Monroe County Board of Education	624	1	13.87%	624	1	13.33%
GA Department of Corrections	509	2	11.31%	350	2	9.26%
Monroe County Board of Commissioners	466	3	10.36%	350	3	4.74%
A1 Burrus Correctional Institute	224	6	4.98%	220	4	3.97%
GA Public Safety Training Center	180	7	4.00%	179	5	1.59%
Monroe County Hospital	155	8	3.44%	150	6	3.17%
Wal-Mart	247	5	5.49%	125	7	2.06%
Ingles				100	8	1.40%
City of Forsyth	88	9	1.96%	78	9	2.91%
Perdue Chicken				66	10	1.46%
Georgie Power Company/Plant Scherer	399	4	8.87%			
Bolingreen Nursing Home	80	10	1.78%			
Total	2,972		52.18%	2,242		43.89%

SOURCE:
City of Forsyth, Georgia records.

CITY OF FORSYTH, GEORGIA

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

	Fiscal Year									
Function	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Administrative	11	12	12	8	8	8	19	21	21	19
Public safety:										
Fire	17	16	16	10	14	11	24	27	27	26
Police	32	29	22	23	26	17	20	25	30	23
Municipal Court	1	1	1	1	1	1	3	3	2	2
Public Works	25	18	14	9	12	14	15	17	21	18
Better Hometown	2	2	2	2	4	4	4	5	3	5
Electric	11	11	11	11	11	8	10	10	10	9
Cable	0	0	0	0	0	0	0	0	0	0
Total	99	89	78	64	76	63	95	108	114	102

SOURCE:
City of Forsyth, Georgia records.

CITY OF FORSYTH, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN CALENDAR YEARS

Function	Fiscal Year 2011	2012	2013	2014	2015	2016	2017
Administrative							
Business licenses issued	512	501	444	471	636	753	631
Permits issued	212	207	243	341	110	110	25
Police							
Citations processed	2,879	2,544	2,816	1,703	1,458	2,561	2,010
Public Works							
Garbage customers	1,427	1,481	1,574	1,491	1,513	1,516	1,385
Culture and Recreation							
Annual City-sponsored events	5	10	12	11	13	16	17
Annual non City-sponsored events	1	1	1	1	1	1	1
Electric							
Annual Kilowat Hours Sold (millions)	79	81	86	115	126	132	81
Water							
Average daily consumption in gallons (millions)	2.0	1.5	1.3	1.3	1.4	1.6	-
Cable							
Cable customers	1,432	1,653	1,609	-	-	-	-

SOURCE:
City of Forsyth, Georgia records.

Fiscal Year		
2018	2019	2020
618	614	613
21	16	13
1,808	2,863	3,772
1,351	1,376	1,407
14	13	3
1	1	1
88	85	81
-	-	-
-	-	-

CITY OF FORSYTH, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function/Program	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Administrative										
Buildings	1	1	1	1	2	2	2	2	2	2
Police										
Patrol units	10	8	8	14	22	22	22	22	24	24
Fire										
Fire trucks	4	4	4	7	7	7	8	8	8	8
Public Works										
Vehicles	10	10	8	8	10	10	10	10	10	10
Highways/streets	46	46	46	50	50	50	50	50	50	50
Streetlights	785	785	785	785	795	795	795	795	795	795
Garage										
Vehicles	1	1	2	2	2	2	2	2	2	2
Culture and Recreation										
Acreage	16	16	16	16	16	16	16	16	16	16
Park sites	5	5	5	5	5	5	5	5	5	5
Electric										
Electric lines (miles)	58	58	58	58	58	58	58	58	58	58
Vehicles	8	9	9	5	5	5	9	9	9	9
Water										
Water mains (miles)	40	40	40	40	40	40	40	40	40	40
Sewer										
Sanitary sewers (miles)	30	40	40	40	40	40	40	40	40	40
Cable										
Cable lines (miles)	110	110	110	-	-	-	-	-	-	-

SOURCE:
City of Forsyth, Georgia records.

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2020, 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 29, 2021. Our report also includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, as of January 1, 2020.

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 may exist that have not been identified.

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.

Mauldin & Jenkins, LLC

Macon, Georgia
June 29, 2021

CITY OF FORSYTH, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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, 2020 due to the total amount expended being less than $750,000.

CITY OF FORSYTH, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS

None reported.

CITY OF FORSYTH, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

STATUS OF PRIOR YEAR AUDIT FINDINGS

2019-001 – Proper Recognition of Deferred Inflows of Resources – Unavailable Revenue

Criteria: Revenue recognition in governmental funds must be deferred until the resources are considered to be available to finance expenditures of the fiscal period. Resources are considered to be available only if collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Condition/Context: During the prior year, the City incorrectly recognized revenue resulting in fund balance being overstated in both the General Fund and the SPLOST Fund. The balance should not have been recognized as a revenue considering the balance was not collected within the City's availability period. Consequently, the respective fund balances were overstated and deferred inflow of resources – unavailable revenues balance were understated as of and for the fiscal year ended December 31, 2018. We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Auditee Response/Status: Resolved.

2019-002 – Proper Recognition of Cash in the General Fund and SPLOST Fund

Criteria: Internal controls should be in place to ensure that all bank accounts belonging to the City are identified and recorded for financial reporting. Additionally, internal controls should be in place to ensure that all cash and investment receipts and disbursements are recorded in the proper account in the proper period.

Condition/Context: During the prior year, the City did not properly record cash balances for both the General Fund and SPLOST Fund. We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Auditee Response/Status: Resolved.

2019-003 – Proper Recognition of Capital Leases Payable

Criteria: Generally accepted accounting principles ("GAAP") requires long-term obligations to be recorded in the accounting period in which they have occurred.

Condition/Context: During our testing of the City's capital leases, we noted the City's capital leases for governmental activities balance was not properly recognized as of December 31, 2018. We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Auditee Response/Status: Resolved.

CITY OF FORSYTH, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

STATUS OF PRIOR YEAR AUDIT FINDINGS (CONTINUED)

2019-004 – Proper Recognition of Deferred Outflows of Resources for Pension Contributions Subsequent to Measurement Date

Criteria: GAAP requires contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period should be reported as a deferred outflow of resources related to pensions.

Condition/Context: During our testing of the City's pension, we noted the City did not properly recognize the contributions subsequent to measurement as deferred outflows of resources and net position at the government-wide level - governmental activities during the prior year. We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Auditee Response/Status: Resolved.

2019-005 – Proper Recognition of MEAG Investments in the Combined Utilities Fund

Criteria: GAAP requires investments to be reported at fair value.

Condition: During the prior year, we noted the City did not properly recognize all of the City's MEAG investments as of December 31, 2018. We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Auditee Response/Status: Resolved.

2019-006 – Proper Recognition of Capital Assets for Downtown Development Authority

Criteria: Internal controls should be in place to ensure amounts reported for capital assets and related items are appropriate and properly valued and recorded in accordance with GAAP.

Condition/Context: During our testing of the Downtown Development Authority's (the "Authority") capital assets, we noted the Authority did not properly recognize a donated building from the City of Forsyth during the fiscal year ended December 31, 2018. We addressed the matter with the Authority to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2018.

Auditee Response/Status: Resolved.