

CITY OF FOREST PARK, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021



CITY OF
FORESTPARK

Prepared By: Finance Department
City of Forest Park, Georgia

CITY OF FOREST PARK, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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INTRODUCTORY SECTION



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August 5, 2022

To the Honorable Mayor, members of the City Council and the Citizens of Forest Park:

State law requires that all general-purpose local governments publish within six (6) months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. However, an extension may be granted for an additional six months if deemed appropriate. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Forest Park for the fiscal year ended June 30, 2021.

The annual comprehensive financial report consists of management's representations concerning the finances of the City of Forest Park. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Forest Park has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Forest Park's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Forest Park's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Forest Park's basic financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Forest Park for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Forest Park's basic financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Forest Park's MD&A can be found immediately following the report of the independent auditor.

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Profile of the Government

The City, incorporated in 1908, is located approximately nine miles south of Atlanta's downtown business district. The City enjoys access to Interstate Highways I-75 and I-285, and Hartsfield-Jackson International Airport. The City of Forest Park currently occupies a land area of 9.3 square miles and serves a population of approximately 18,500 based on the latest census. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City operates under the Council-Manager form of government. Policymaking and legislative authority are vested in the governing Council, which consists of a mayor and a five-member council. The governing Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees and hiring the City Manager and the City's attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing Council and overseeing the day-to-day operations of the City. The Council is elected on a non-partisan basis. Councilmembers are elected to four-year staggered terms with three councilpersons elected every two years. The mayor is elected for a four-year term. All Councilmembers are elected from their districts, while the Mayor is elected at large.

The financial reporting entity (the "City") includes all the funds of the primary government (i.e. the City of Forest Park, Georgia as legally defined), as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. The City provides a full range of services, including police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; and recreational activities and cultural events.

The annual budget serves as the foundation for the City of Forest Park's financial planning and control. All departments of the City of Forest Park are required to submit requests for appropriation to the City Manager by mid-March of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review by mid-May. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by June 30, the close of the City of Forest Park's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police).

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds other than the General Fund with appropriated annual budgets, these comparisons are presented in the combining and individual fund statements and schedules section of this report.



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Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the City of Forest Park operates.

Local Economy

The economic outlook for this area remains positive, as the state and national economies improve. Many companies continue to discover that the southside of Atlanta provides much opportunity to build and maintain businesses. The City of Forest Park is located on the southside, in Clayton County. Because of the City of Forest Park's proximity to the City of Atlanta, the City is not dependent on a single industry or entity for any substantial portion of its revenue. The area has a wide variety of businesses and industries. The City of Forest Park has among other businesses: Kroger Distribution Facility, Ozark Automotive Distributors (O'Reilly Auto Parts) facility, the Clorox Company, Georgia Power, Cummins Distribution Facility, Keuhne & Nagel, HD Supply Facilities Maintenance, Technique Construction, and Ralcorp Frozen Bakery Products (formerly Sara Lee Bakery Group). The City also projects substantial growth at Gillem Logistics Center (formerly Fort Gillem). Transfer of the majority of the property from the Department of Defense was completed in June 2014. Phase I of the Main Street Project has been completed. Phase II of the project is in the Design/Engineering phase. The City currently has a privately held mixed-use residential and retail development (Jasber Plaza) located on the Main Street corridor underway. The development site is over 4.5 acres; the first phase of the project consisting of 8,000 square feet of retail and restaurant tenant space has been completed and includes Yo Jay's, Mad Mac's, Ban Nuong and Kingston Grill Jamaican Restaurant & Bar as tenants. The second phase of the project will consist of 120 condominium units.

The City of Forest Park continued to experience growth and investment during fiscal year 2021, as indicated by the following areas now under construction or recently completed:

- ❖ Cummins Distribution Facility – 188,500 sq.ft.
- ❖ Capital Investments of \$42,056,853
- ❖ Residential Investments of \$241,626

The activity reflects the continuing recovery of the economy and the construction industry. The City of Forest Park continues to experience growth from construction and improvements to existing structures.



The unemployment rate for Clayton County is 7.6% for June 2021 compared with 4.8% at June 2019. The August 2020 unemployment rate for Metro Atlanta was 5.8%, the State of Georgia's was 5.6%, and the U.S. rate was 5.3%.

Long-term Financial Planning Current and Future Initiatives

Main Street Phase II

Main Street Phase II is a continuation of the streetscape project on Main Street. The project will consist of constructing brick paver handicap accessible sidewalks, landscaping, bicycle racks, trash receptacles, benches, and decorative pedestrian lighting on Main Street. Phase II continues on Main Street between the eastern end of Phase I Streetscape Improvements eastward to Jonesboro Road and on Courtney Drive to Jonesboro Road. The design phase is complete. Meetings are being held to discuss cost estimates to place utilities underground.

Main Street Redevelopment

A conceptual master plan developed by Cooper Carry for the Main Street redevelopment project has been approved by the Mayor and City Council. The master plan includes mixed-use commercial/residential, which allows for a mixture of commercial, retail and residential uses in a traditional main street fashion, mixed use office/residential, which allows for a mixture of professional office and residential uses. The master plan also includes mixed use transit village, which allows for a mixture of neighborhood-friendly commercial and retail, office and residential uses in a vertical arrangement with homes over shops and other uses, and is consistent with the transit village as recommended by the Forest Park Livable Centers Initiative Plan. Cooper Carry developed design guidelines which communicate to potential developers, investors and residents the vision for the community, and address specific architectural and specific design components. Planning efforts are being coordinated with the Main Street Redevelopment Plan and Fort Gillem Reuse Plan to project a seamless continuity of compatible land uses and development. The City of Forest Park has established Main Street and Fort Gillem as its first Redevelopment Area and Tax Allocation District. Development is occurring in the Main Street District.



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Community Development Block Grant Projects

The City of Forest Park has received the following in Community Block Grant Funds for fiscal years 2013-2021 (presented by grant year):

- 2013 – West Street Project - \$75,000 (Funds from a previous CDBG project were reallocated to this project for a total budget of \$113,239.) Fiscal year 2013 funds have been depleted.
- 2014 – Neighborhood Stabilization Officer - \$46,490 (Project Completed).
- 2014 – West Street Project - \$100,000 (Project Completed).
- 2015 – West Street Project - \$150,000 (Project Completed).
- 2016 – West Street Project - \$61,748 (Project Completed).
- 2017 – 2018 Combined for Blight Demolition - \$100,000 (Project Completed).
- 2019 – Rockcut Road - \$64,213.
- 2020 – COVID/CDBG - \$50,000.

The Office of the City Manager will continue to seek grant funding for projects that will improve the quality of life for the residents and businesses in Forest Park.

Fort Gillem

Fort Gillem is a 1,427 acre military installation which was approved for closure on September 15, 2011. The Fort is home of the First U.S. Army, the Army and Air Force Exchange Service Distribution Center, and other entities, including organizations from the Active Component, Reserve Component, Georgia Army National Guard, and other Department of Defense and federal agencies. The Army will retain approximately 250 acres for use by the Criminal Investigation Laboratory and Reserve units, the Gillem Enclave.

The Forest Park/Fort Gillem Local Redevelopment Authority (FP/FG LRA) created by the Mayor and City Council is the entity responsible for developing a Comprehensive Reuse Plan for Fort Gillem. The FP/FG LRA continues to accomplish planning in three phases: Phase I – Visioning and Market Analysis; Phase II – Outreach and Comprehensive Reuse Planning; and Phase III – Property Conveyance and Redevelopment.



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The Forest Park/Fort Gillem Local Redevelopment Authority submitted to the Army, Department of Defense, and U.S. Department of Housing and Urban Development (HUD) a Strategic Reuse Plan for Fort Gillem and a Homeless Assistance Application on August 6, 2007. HUD approved the Reuse Plan and Homeless Assistance Application on September 12, 2008.

The FP/FG LRA continues Phase III- Property Conveyance and Redevelopment. A Master Developer has been selected to assist in preparing an Economic Development Conveyance (EDC) application and in identifying Developments of Regional Impact entitlements. The LRA completed the Operating Plan for Fort Gillem in December 2008 and a Business Plan for Fort Gillem in September 2009.

On October 5, 2009, the Mayor and Council adopted an ordinance that created the Forest Park/Fort Gillem Implementation LRA (ILRA). The ILRA was recognized by OEA on October 30, 2009 as the sole entity responsible for continued planning and redevelopment. In January, 2010, the ILRA submitted to the Army its EDC Application and a letter proposing a disposition strategy for the remaining property. After extensive negotiations and discussions, the ILRA and Army met in October 2011 to discuss and refine the application and to negotiate the property that will be transferred to the ILRA by EDC. In January 2012, the ILRA and Army signed a Deal Points Term Sheet whereby the ILRA would purchase all 1,168 acres for \$30 million, \$15 million of which would be paid at initial closing and the balance over seven years in installments. In October 2012, the Army advised that the ILA had submitted an approvable EDC Application. Final negotiations over a future guaranty of payment and other provisions that would be included in the initial Quitclaim Deed, MOA, Guaranty Letter and Intergovernmental Agreement with the City of Forest Park were finalized the first quarter of calendar year 2014. Also in the first quarter of 2014, the City Council created the Urban Redevelopment Agency of the City of Forest Park (URA) which was recognized by OEA as the “ILRA” going forward. A “Gillem Zoning District” has been approved and implemented. The Boundary Survey work has been completed. On June 11, 2014, the Army transferred 770 acres to the URA. The URA immediately transferred 253 acres to Kroger which completed the development of a 1.2 million square foot regional distribution center in late October 2015. In March 2015, the Forest Park Development Partners exercised their option to purchase approximately 50 acres that was developed into an 850,000 square foot distribution center which opened in mid-2016. The Army continues environmental remediation on the remaining 398 acres and plans to transfer up to 150 additional acres through the Execution of a Finding of Suitability to Transfer (FOST) process in early to mid-2017. The ILRA/URA is funded by OEA grants and City of Forest Park matching funds. The 2009-2010 OEA grant was \$945,257 (\$848,480 in Federal funds). The 2010-2011 OEA grant was \$390,931 (\$351,005 in Federal funds). The 2011-2012 OEA grant was \$348,231 (\$312,305 in Federal funds). The 2012-2013 OEA grant was \$606,520 (\$544,685 in Federal funds). The 2013-extended to 2015 grant is \$1,244,596 (\$1,118,355 in Federal funds.) The 2014-2015 grant was \$626,436 (\$561,196 in Federal funds.) The final 2015-2016 grant is \$485,525 (\$434,306 in Federal funds.) OEA authorized a one-year extension of that grant until June 30, 2017 to cover the Environmental Consultant (\$79,560 in Federal funds). An additional one-year extension of the grant until June 30, 2018 was approved to cover the Environmental Consultant (\$79,560 in Federal funds).

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The URA estimates that the \$482.5 million on and off-site redevelopment of Fort Gillem will take 10-15 years. The site will include 300-350,000 square feet of office space and 8 million square feet of industrial warehouse space. The project is expected to generate an estimated 2,500 – 3,000 permanent jobs and over 4,000 construction jobs. The project will more than double real property taxes for the City.

The Governing Body of the City of Forest Park has created the URA to oversee the Gillem Logistics Center effort and created a Tax Allocation District, effective December 31, 2008, that includes Fort Gillem. The TAD will produce over \$80 million in taxes that can directly benefit this and Main Street revitalization projects.

Impact of Financial Policies on Financial Statements

The following policy was adopted by the City Council during fiscal year 2011 in order to address the implications of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*. The policy is created in consideration of unanticipated events that could adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. This policy will ensure that the City maintains adequate fund balances and reserves in order to:

- Provide sufficient cash flow for daily financial needs,
- Secure and maintain investment grade bond ratings,
- Offset significant economic downturns or revenue shortfalls, and
- Provide funds for unforeseen expenditures related to emergencies.

The City's cash and investment management policy is to minimize credit and market risks while maintaining a competitive yield on its deposits. As of June 30, 2021, all of the City's bank deposits were insured or collateralized. The City's investment objectives in order of priority are:

- Safety of principal,
- Maintenance of adequate liquidity,
- Return on investment, and
- Legality.

The City of Forest Park maintains a partially self-insured Workers' Compensation program. A third party administrator conducts investigations, handles claims payments, and loss reporting.



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The City's safety committee meets on a regular basis to review all claims for property damage and employee injuries and make a determination on whether the accident was chargeable to the employee. Disciplinary action can be taken based on the number of chargeable accidents to an employee. The City's goal is to protect the employee welfare and continue to reduce the City's general liability as well as Workers' Compensation liability.

Awards

The City intends to submit this report to the Government Finance Officers Association of the United States and Canada (GFOA) for its consideration for awarding the Certificate of Achievement for Excellence in Financial Reporting, a prestigious national award. We believe that the report meets the Certificate of Achievement Program's requirements for the highest standards in government accounting and financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

The City has submitted its most recent Annual Comprehensive Financial Report to the GFOA for the fiscal year ended June 30, 2020. As of August 5, 2022, the City has not received notification from GFOA regarding that submission. We believe that our fiscal year 2021 ACFR meets the Certificate of Achievement Program's requirements and we are submitting the fiscal year 2021 ACFR to determine its eligibility for the award.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Also, without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,

Chiquita Barkley
Finance Director

CITY OF FOREST PARK, GEORGIA

PRINCIPAL OFFICIALS

JUNE 30, 2021

ELECTED OFFICIALS

Angelyne Butler, MPA	Mayor
Kimberly James	Council Member (Ward 1)
Dabouze Antoine	Council Member (Ward 2)
Hector Gutierrez	Council Member (Ward 3)
Latresa Akins-Wells	Council Member (Ward 4)
Allan Mears	Council Member (Ward 5)

City Manager & Department Directors

City Manager Dr. Marc-Antonie Cooper

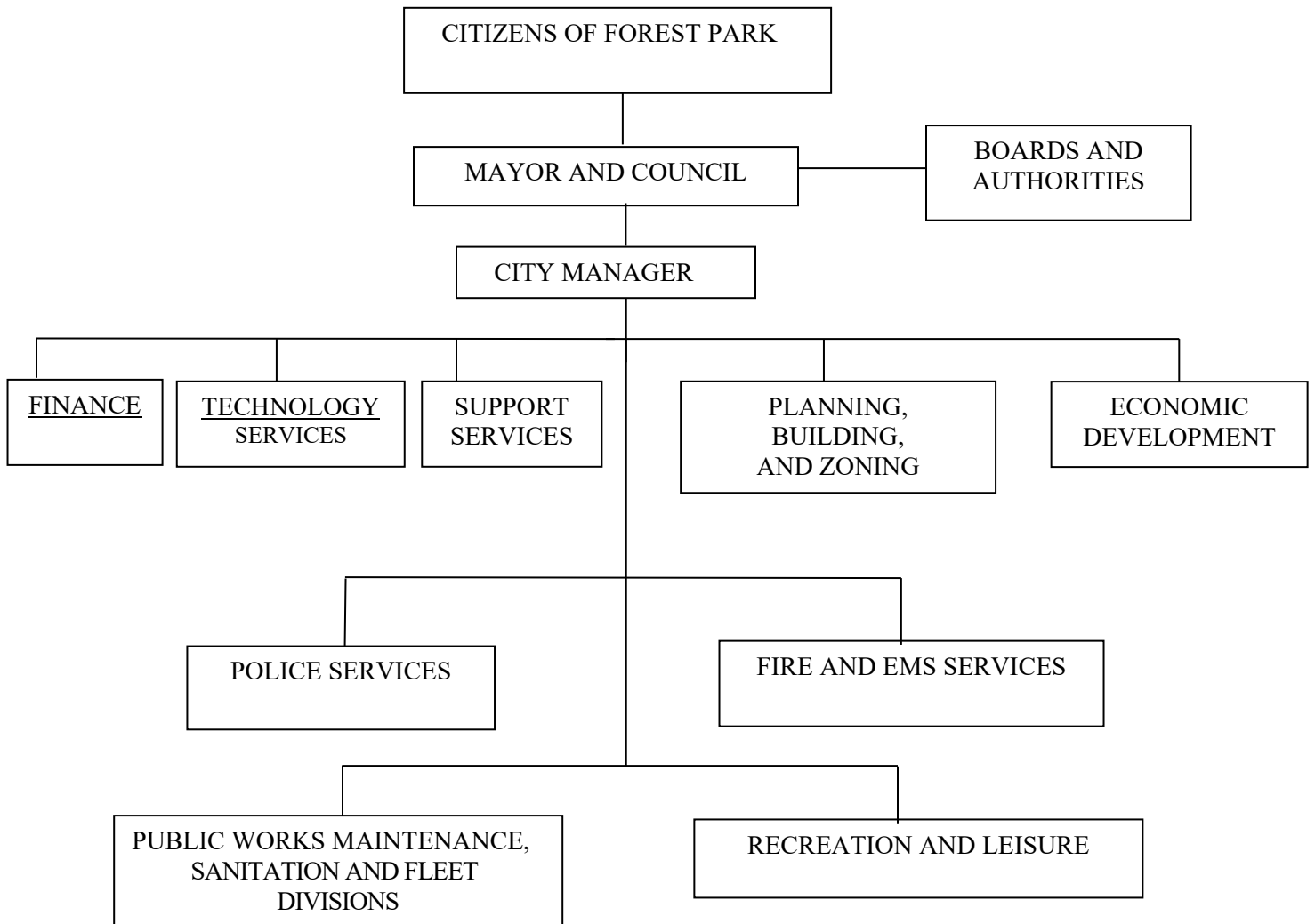
Department Directors/Senior Management Team

• Director of Finance	Chiquita Barkley
• Director of Technology Services	Vacant
• Director of Human Resources	Shalonda Brown
• Director of Economic Development	Bruce Abraham
• Chief of Police	Nathaniel Clark
• Director of Recreation & Leisure	Tarik Maxwell
• Interim Director of Public Works and Fleet	Bobby Jinks
• Interim Director of Planning, Building, & Zoning	James Shelby
• Interim Director of Fire and EMS	Latosha Clemons
• City Attorney	Michael Williams

CITY OF FOREST PARK, GEORGIA

ORGANIZATIONAL CHART

June 30, 2021



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
of the City Council
City of Forest Park, 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 unit, each major fund, and the aggregate remaining fund information of the **City of Forest Park, Georgia** (the "City") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Forest Park, Georgia as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Changes in the City's Total OPEB Liability and Related Ratios (on pages 4 through 11 and page 50, respectively) 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 combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedules of projects constructed with special purpose local option sales tax proceeds as required by the Official Code of Georgia Annotated §48-8-121), as well as the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Information (Continued)

The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards, and the schedules of projects constructed with special purpose local option sales tax proceeds (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 August 5, 2022 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 5, 2022

City of Forest Park, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

As management of the City of Forest Park, 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 June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its deferred inflow of resources and liabilities at the close of the most recent fiscal year by \$59,998,136 (net position).
- The City had an increase in net position of \$5,302,689 compared to an increase of \$4,880,226 in the prior fiscal year, as restated.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$34,406,500. This represents an increase from the prior fiscal year of \$3,095,416.
- As of the close of the current fiscal year, the City's General Fund reported an ending fund balance of \$14,901,757, an increase of \$1,991,545.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,619,105 or 42.86% of total General Fund expenditures.

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 basic 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.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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 user fees and charges (*business-type activities*). The governmental activities of the City include general government; public safety; public works; culture and recreation; housing, development, and planning; judicial; and tourism and economic development. The City's business-type activities consist of a Sanitation Fund used to account for the collection of solid waste from residents and businesses, a Development Authority Fund used to account for fees collected from tenants of rental property owned by the City and for property acquisitions and redevelopment of property throughout the City, and an Urban Redevelopment Agency Fund used to account for the property acquisitions of Fort Gillem from the United States Army and subsequent sale of these properties to developers and third parties to implement the urban development plan for the area. The Downtown Development Authority (DDA) was created for the revitalization and redevelopment of the central business district of the City and is reported as a discretely presented component unit.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. As shown on page 14, 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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven (11) 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 balances for the General Fund and SPLOST Fund. Data from the other nine (9) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and all special revenue funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

Proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, as shown on page 18. The City uses enterprise funds to account for its trash pickup services, to account for fees collected from tenants of rental property owned by the City and to account for property acquisitions and redevelopment of property throughout the City and on the Fort Gillem property.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and begin on page 21.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report presents the schedule of changes in the City's total OPEB liability and related ratios as required supplementary information on page 50 of this report.

Combining and individual fund statements and schedules. In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules. This section can be found on pages 51-65 of this report.

Statistical section. In addition to the basic financial statements and accompanying notes, this report also presents various supplementary and statistical information such as 10-year presentations of revenues, expenditures and tax rates. The statistical section can be found on pages 69-89 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, assets (and deferred outflows of resources) exceeded liabilities (and deferred inflows of resources) by \$59,998,136 at the close of the most recent fiscal year. Table 1 below is a summary of the City's net position.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	Restated 2020	2021	2020	2021	Restated 2020
	Current and other assets	\$ 36,815,458	\$ 33,958,538	\$ 53,860,539	\$ 13,664,509	\$ 90,675,997
Capital assets	21,729,267	19,716,442	16,681,235	16,385,591	38,410,502	36,102,033
Total assets	58,544,725	53,674,980	70,541,774	30,050,100	129,086,499	83,725,080
Deferred outflows of resources	430,545	486,838	-	-	430,545	486,838
Current liabilities	3,218,152	2,710,831	6,998,911	7,311,837	10,217,063	10,022,668
Long term liabilities	4,634,114	3,970,659	53,610,039	14,639,593	58,244,153	18,610,252
Total liabilities	7,852,266	6,681,490	60,608,950	21,951,430	68,461,216	28,632,920
Deferred inflows of resources	1,057,692	883,551	-	-	1,057,692	883,551
Net position:						
Net investment in capital assets	20,609,680	19,296,031	2,856,061	16,385,591	23,465,741	35,681,622
Restricted	17,787,469	16,682,950	-	-	17,787,469	16,682,950
Unrestricted (deficit)	11,668,163	10,617,796	7,076,763	(8,286,921)	18,744,926	2,330,875
Total net position	\$ 50,065,312	\$ 46,596,777	\$ 9,932,824	\$ 8,098,670	\$ 59,998,136	\$ 54,695,447

By far, the largest portion of the City's net position (\$23,465,741 or 39.11%) reflects its investment in capital assets, net of related debt (e.g., land, buildings, machinery, and equipment, net of related debt-capital leases). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Governmental activities

Governmental activities resulted in an increase in net position of \$3,468,535 compared to an increase of \$3,841,821 in the prior fiscal year (see Table 2 below). Overall, revenues increased \$2,979,725 or 9.71% from \$30,696,351 to \$33,676,076. Several factors contributed to this increase. Charges for services decreased \$871,160 or 23.78% as a result of decreases in fines and forfeitures due to vacant police positions; decreases in ambulance fees as a result of the pandemic and termination of fees paid by the state farmers market per contract. Operating grants and contributions increased \$2,156,339 or 224.41% primarily from increases in federal pandemic relief funds (CARES) and increases from payments in lieu of taxes (PILOT) payments. Capital grants and contributions increased \$617,220 or 16.41% primarily from increases in SPLOST taxes. Sales taxes increased \$550,262 (9.6%); motor vehicle taxes increased \$471,611 (99.17%) and business taxes increased \$320,984 (27.97%), respectively, as the local economy recovered from the pandemic.

Governmental expenses increased \$3,584,511 or 13.39%. General government expenses increased \$1,451,133 or 43.22% as a result of increases in salaries and related fringe benefits, staffing of vacant positions as well as re-allocation of certain expenses to this category. Culture and recreation expenses increased \$266,978 or 20.94% as these services increased as the pandemic declined. Public safety expenses increased \$809,466 or 4.81% due to increases in salaries and related fringes and additional pandemic related expenses; increases in depreciation expenses related to equipment purchases; and increases in allocation for compensated absences. Housing, development, and planning expenses increased \$341,178 or 36.33% due to increases in salaries and benefits. Public works expenses increased \$501,396 or 12.15% as a result of increased spending of SPLOST funds and increases in property damage claims.

Business-type activities

Business-type activities resulted in an increase in net position of \$1,834,154. Sanitation operations generated an increase in net position of \$915,177; The Development Authority decreased net position by \$359,979; and the Urban Redevelopment Agency reflected an increase in net position of \$1,278,956. The activities of these funds are discussed in more detail later on in this report.

Table 2
Changes in net position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	Restated	2021	2020	2021	Restated
		2020				2020
Revenues:						
Charges for services	\$ 2,792,925	\$ 3,664,085	\$ 10,205,921	\$ 6,507,389	\$ 12,998,846	\$ 10,171,474
Operating grants and Contributions	3,117,240	960,901	350,000	-	3,467,240	960,901
Capital grants and Contributions	4,379,122	3,761,902	-	-	4,379,122	3,761,902
General revenues:						
Property taxes	11,029,007	11,339,846	-	-	11,029,007	11,339,846
Sales taxes	6,280,595	5,730,333	-	-	6,280,595	5,730,333
Hotel/motel taxes	39,314	38,111	-	-	39,314	38,111
Franchise taxes	1,301,830	1,348,907	-	-	1,301,830	1,348,907
Insurance premium taxes	1,505,166	1,424,876	-	-	1,505,166	1,424,876
Alcoholic beverage tax	509,643	481,882	-	-	509,643	481,882
Motor vehicle tax	947,146	475,535	-	-	947,146	475,535
Business taxes	1,468,763	1,147,779	-	-	1,468,763	1,147,779
Other taxes	143,044	94,888	-	-	143,044	94,888
Interest income	10,481	79,001	11	23,062	10,492	102,063
Gain on the sale of capital assets	72,178	29,521	-	-	72,178	29,521
Miscellaneous revenue	79,622	118,784	184,792	5,400	264,414	124,184
Total revenues	<u>33,676,076</u>	<u>30,696,351</u>	<u>10,740,724</u>	<u>6,535,851</u>	<u>44,416,800</u>	<u>37,232,202</u>
Expenses:						
General government	4,808,380	3,357,247	-	-	4,808,380	3,357,247
Public safety	17,628,706	16,819,240	-	-	17,628,706	16,819,240
Culture and recreation	1,542,181	1,275,203	-	-	1,542,181	1,275,203
Housing, development, and planning	1,280,386	939,208	-	-	1,280,386	939,208
Public works	4,628,561	4,127,165	-	-	4,628,561	4,127,165
Redevelopment and planning	-	595	4,982,725	2,112,646	4,982,725	2,113,241
Judicial	196,471	115,236	-	-	196,471	115,236
Tourism and economic development	218,591	109,084	-	-	218,591	109,084
Interest paid on long-term debt	54,265	30,052	-	-	54,265	30,052
Sanitation	-	-	3,773,845	3,466,300	3,773,845	3,466,300
Total expenses	<u>30,357,541</u>	<u>26,773,030</u>	<u>8,756,570</u>	<u>5,578,946</u>	<u>39,114,111</u>	<u>32,351,976</u>
Increase in net position before transfers	3,318,535	3,923,321	1,984,154	956,905	5,302,689	4,880,226
Transfers	150,000	(81,500)	(150,000)	81,500	-	-
Change in net position	<u>3,468,535</u>	<u>3,841,821</u>	<u>1,834,154</u>	<u>1,038,405</u>	<u>5,302,689</u>	<u>4,880,226</u>
Net position beginning of fiscal year, as restated	46,596,777	42,754,956	8,098,670	7,060,265	54,695,447	49,815,221
Net position end of fiscal year	<u>\$ 50,065,312</u>	<u>\$ 46,596,777</u>	<u>\$ 9,932,824</u>	<u>\$ 8,098,670</u>	<u>\$ 59,998,136</u>	<u>\$ 54,695,447</u>

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Table 3 below compares governmental fund revenues and expenditures for fiscal years 2021 and 2020.

Table 3
Governmental Revenues, Expenditures, and Changes in Fund Balances

	Governmental Funds			
	2021	2020	\$Change	%Change
Revenues:				
Taxes	\$ 23,574,562	\$ 21,879,031	\$ 1,695,531	7.75 %
Licenses and permits	731,552	627,047	104,505	16.67
Intergovernmental revenues	7,504,271	4,658,162	2,846,109	61.10
Fines and forfeitures	990,638	1,551,705	(561,067)	(36.16)
Charges for services	1,070,735	1,485,333	(414,598)	(27.91)
Interest income	14,644	124,820	(110,176)	(88.27)
Other	79,622	118,784	(39,162)	(32.97)
Total revenues	33,966,024	30,444,882	3,521,142	11.57
Expenditures:				
General government	4,575,641	3,685,123	890,518	24.17
Public safety	16,696,961	16,902,743	(205,782)	(1.22)
Public works	3,825,082	3,867,542	(42,460)	(1.10)
Culture and recreation	1,343,668	1,111,457	232,211	20.89
Housing, development, and planning	1,269,449	930,683	338,766	36.40
Judicial	194,793	114,190	80,603	70.59
Tourism and economic development	218,591	109,084	109,507	100.39
Capital outlay	3,187,582	616,592	2,570,990	416.97
Debt service				
Principal	197,231	76,709	120,522	157.12
Interest	40,038	17,847	22,191	124.34
Total expenditures	31,549,036	27,431,970	4,117,066	15.01
Excess of revenues over expenditures	2,416,988	3,012,912	(595,924)	(19.78)
Other financing sources (uses)				
Proceeds from sale of capital assets	528,428	45,691	482,737	
Transfers in	1,975,041	1,235,991	739,050	59.79
Transfers out	(1,825,041)	(1,317,491)	(507,550)	38.52
Total other financing sources (uses)	678,428	(35,809)	(714,237)	1,994.57
Net change in fund balances	3,095,416	2,977,103	118,313	3.97
Fund balances, beginning of fiscal year	31,311,084	28,333,981	2,977,103	10.51
Fund balances, end of fiscal year	\$ 34,406,500	\$ 31,311,084	\$ 3,095,416	9.89 %

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 spending at the end of the fiscal year. The combined fund balances for all governmental funds is \$34,406,500 which is an increase of \$3,095,416 or 9.89% from the prior fiscal year.

Governmental revenues were \$33,966,024, an increase of \$3,521,142 or 11.57% over the prior fiscal year. Taxes increased \$1,695,531 or 7.75% primarily from increases in assessed values of property in the City along with increases in sales tax collections as a result of an improving economy. Intergovernmental revenues increased \$2,846,109 or 61.10% primarily from increases of \$1,230,959 in PILOT payments from the Forest Park Downtown Development Authority; CARES funding of \$1,048,001; and increases in SPLOST allocations from Clayton County. Fines and forfeitures decreased \$561,067 or 36.16% as a result of staffing shortage for patrol officers. Charges for services decreased \$414,598 or 27.91% primarily from termination of fees collected from the state farmers market and significant reduction in ambulance fee collections. Interest income decreased \$110,176 as interest rates have decreased.

Governmental expenditures increased \$4,117,066 or 15.01%. General government expenditures increased \$890,518 or 24.17% as a result of increases in salaries and benefits; staffing of vacant positions primarily in the City Manager's office; allocation of additional telephone charges to this category; and allocation of tax refunds to this category. Public safety expenditures and public works expenditures were consistent with the prior fiscal year and decreases slightly by \$205,782 (1.22%) and \$42,460 (1.10%), respectively. Culture and recreation expenditures increased \$232,211 or 20.89% and these activities resumed as the pandemic receded. Housing, development, and planning increased \$338,766 or 36.40% due to increases in salaries and benefits; increases in inspection and planning expenditures along with an expenditure of grant-funded expenditures. Tourism and economic development expenditures increased \$109,507 or 100.39% due to increases in salaries and benefits. Capital outlay increased \$2,570,990 or 416.97% as a result of expenditure of SPLOST funds for purchase of fire vehicles for \$1,945,000 along with park and building improvements. Debt service expenditures increased \$142,713 as the City entered into additional financed purchase agreements for public safety equipment.

A detail of the governmental funds can be found on pages 14-16 of the Annual Comprehensive Financial Report. The **General Fund** is the central operating fund of the City. For fiscal year 2021, this fund contributed \$1,991,545 of available fund balance. Total revenues increased \$2,374,622 or 9.23%. Taxes revenues increased \$2,044,087 or 9.56% as a result of increases in assessed values along with increases in taxes that are a result of improvements in the economy. Intergovernmental revenues increased \$1,884,883 as a result of increases in PILOT (Payments in lieu of taxes) payments from the Forest Park Downtown Development Authority. Fines and forfeitures decreased \$469,663 or 33.65% as a result fewer citations resulting from decreases in staffing. Charges for services decreased \$428,534 or 37.27% primarily as a result of decreases in ambulance fees.

General Fund expenditures increased \$902,678 or 3.44%. General government expenditures increased \$890,329 or 24.16% as a result of increases in salaries and benefits; staffing of vacant positions primarily in the City Manager's office; allocation of additional telephone charges to this category; and allocation of tax refund to this category. Public safety expenditures were consistent with the prior fiscal year and decreased modestly by \$465,055 or 2.79%. Public works expenditures decreased \$287,196 or 7.96% as the prior fiscal year included significant expenditures for right of way enhancements. Culture and recreation expenditures increased \$232,211 or 20.89% as recreational activities recover from the pandemic. Housing, development, and planning expenditures increased \$338,766 or 36.4% due to increases in salaries and benefits; increases in inspection and planning expenditures along with an expenditure of grant-funded expenditures.

The **SPLOST Fund** is used to account for the proceeds of a sales tax levied in Clayton County by referendums approved in 2008 and 2015 and which will be used by the City for the exclusive purpose of transportation related capital outlay projects. Intergovernmental revenues for this fund decreased from \$3,618,376 to \$1,973,529 as collections for this fund ended December 2020 per referendum. Expenditures for this fund increased from \$788,132 to \$2,975,889 as construction begins on the designated projects. As of fiscal year end, this fund had a fund balance of \$13,362,453 a decrease of \$998,197.

Proprietary funds

Financial statement for the proprietary funds can be found on pages 18 through 20 of the Annual Comprehensive Financial Report.

Sanitation Fund operations generated operating income of \$915,177 compared to \$1,047,916 in the prior fiscal year. Sanitation revenues increased \$197,639 or 4.4% from \$4,491,383 in fiscal year 2020 to \$4,689,022 in fiscal year 2021. The increase is primarily attributable to increases in compactor fees. Increases in revenues were offset by related increases in costs.

The Development Authority Fund generated operating income of \$1,132,475 compared to \$1,085,911 in the prior fiscal year. The Development Authority uses excess proceeds to fund General Fund operations through transfers.

The Urban Redevelopment Agency Fund generated an operating income of \$1,363,814 in fiscal year 2021 compared to a loss of \$341,935 in fiscal year 2020. This is the result of the sale of property on favorable terms compared with sales in prior years at prices limited by option agreements. This fund also benefited from the receipt of state road funds (LMIG) of \$350,000 in fiscal 2021.

General Fund Budgetary Highlights

A comparison of General Fund actual expenditures compared to budget can be found on page 17 of the Annual Comprehensive Financial Report. Overall results were \$4,960,104 better than budgeted. General Fund revenues were \$2,308,518 better than budgeted combined with expenditures that were \$1,089,091 less than budgeted and other financing sources that were \$1,562,495 better than budgeted. Significant components of the net variance of actual compared to budget are discussed below:

Revenues:

Taxes were \$2,896,987 better than budgeted as the economy improved more than expected. Fines and forfeitures were \$690,797 less than budgeted as a result of staffing shortages. Charges for services were \$86,434 less than budgeted due to curtailment of services as a result of the pandemic. Variances in intergovernmental revenues and miscellaneous revenues are offsetting as a result of reclassification of PILOT payments from the downtown development authority.

Expenditures:

Significant variances of actual expenditures as compared to budget are discussed below:

Public safety – expenditures were \$1,280,434 below budget due to very conservative budget estimates across all categories of expenditures. The Police Department operated with a shortage of patrol officers during the entire fiscal year.

Planning and zoning – expenditures were \$302,971 over budget as budgets did not contemplate grant-related expenditures and increases in inspection costs.

Capital Asset and Long Term Debt

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2021, amounts to \$38,410,502 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. Table 4 below summarizes capital assets of the City.

Table 4
Capital Assets net of depreciation

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020 - Restated	2021	2020	2021	2020 - Restated
Land	\$ 2,458,458	\$ 2,881,500	\$ 7,293,358	\$ 6,772,708	\$ 9,751,816	\$ 9,654,208
Construction in progress	562,966	214,714	-	-	562,966	214,714
Buildings and improvements	5,447,180	5,835,034	770,309	800,032	6,217,489	6,635,066
Autos and trucks and other equipment	7,093,130	5,130,003	-	-	7,093,130	5,130,003
Infrastructure	6,167,533	6,551,598	8,617,568	8,812,851	14,785,101	15,364,449
Total	\$ 21,729,267	\$ 20,612,849	\$ 16,681,235	\$ 16,385,591	\$ 38,410,502	\$ 36,998,440

The City's total investment in capital assets increased from \$36,998,440 in 2020 to \$38,410,502 in 2021 due to replacement of older vehicles and significant computer upgrades. Additional information on the City's capital assets can be found at Note 6 on pages 35 through 37 of this report.

Long-term debt. The City's total long-term debt remained consistent with prior fiscal years. The City's long-term debt can be found in Note 7 on pages 37 through 41 of this report. The most significant debt relates to the acquisition of Fort Gillem in June of 2014 along with the additional issuance of series 2020 and 2021 revenue bonds for a total of \$57,325,000 for prior bond refunding and various urban redevelopment projects including a new city hall.

Table 5
Long-term debt

	Governmental Activities		Business-type Activities		Total Primary Government	
	Restated		2021	2020	2021	Restated 2020
	2021	2020				
Claims payable	\$ 469,511	\$ 146,808	\$ -	\$ -	\$ 469,511	\$ 146,808
Financed purchases	1,119,587	1,316,818	-	-	1,119,587	1,316,818
Compensated absences	1,021,700	1,020,657	22,642	17,317	1,044,342	1,037,974
Notes payable, net	-	-	1,745,000	5,777,537	1,745,000	5,777,537
Revenue bonds payable	-	-	57,325,000	15,070,000	57,325,000	15,070,000
Total OPEB liability	3,204,124	3,194,127	-	-	3,204,124	3,194,127
Total	\$ 5,814,922	\$ 5,678,410	\$ 59,092,642	\$ 20,864,854	\$ 64,907,564	\$ 26,543,264

As of June 30, 2021, the City's credit rating has not been evaluated by any of the major credit ratings agencies as the City's bond offerings have only been privately placed.

Economic Factors and Next Fiscal Year's Budgets and Rates

The City has seen significant additions to its net position over the last two years. The City plans to continue improvement in its financial condition as a result of the following:

- After transfer of sanitation operations to a private operator, the fund has reported operating income for several years. Operating income of \$915,177 has been reported for 2021, and significant operating income is projected again for 2022.
- Tax revenues for fiscal year 2021 increased significantly from 2020 as assessed values have increased along with improvements in the local economy. The property tax millage rate of 16.743 was used for the 2021 and 2020 tax digest and is not expected to change significantly. Tax revenues are projected to be approximately the same for fiscal 2021 as for 2020. Planned development of the Fort Gillem area is expected to generate increased property values and assessments for the City in the future.
- Also, planned revitalization and development of commercial areas would increase property tax and business license revenues.

All of these factors were considered in preparing the City's fiscal year 2022 budget.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chiquita Barkley, Director of Finance, City of Forest Park, 745 Forest Parkway, Forest Park, Georgia 30297.

CITY OF FOREST PARK, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Current assets:				
Cash and cash equivalents	\$ 30,682,995	\$ 49,152,790	\$ 79,835,785	\$ 2,454,911
Investments	2,028,868	-	2,028,868	-
Taxes receivable, net of allowance	1,244,804	-	1,244,804	-
Accounts receivable, net of allowance	-	193,626	193,626	-
Internal balances	(441,289)	441,289	-	-
Other receivables	62,951	-	62,951	-
Due from component unit	1,901,198	-	1,901,198	-
Due from other governments	989,328	-	989,328	-
Restricted cash and cash equivalents	-	189,778	189,778	-
Prepaid items	94,555	-	94,555	-
Assets held for resale:				
Buildings held for resale	-	669,509	669,509	-
Land held for resale	252,048	3,213,547	3,465,595	-
Total current assets	<u>36,815,458</u>	<u>53,860,539</u>	<u>90,675,997</u>	<u>2,454,911</u>
Capital assets:				
Non-depreciable	3,021,424	7,293,358	10,314,782	49,536
Depreciable, net of accumulated depreciation	18,707,843	9,387,877	28,095,720	-
Total noncurrent assets	<u>21,729,267</u>	<u>16,681,235</u>	<u>38,410,502</u>	<u>49,536</u>
Total assets	<u>58,544,725</u>	<u>70,541,774</u>	<u>129,086,499</u>	<u>2,504,447</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related items	<u>430,545</u>	<u>-</u>	<u>430,545</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,435,128	587,481	2,022,609	30,202
Accrued liabilities	429,681	246,689	676,370	-
Unearned revenue	-	666,294	666,294	-
Deposits payable	17,539	-	17,539	-
Customer deposits	-	15,845	15,845	-
Due to others	154,996	-	154,996	-
Due to primary government	-	-	-	1,901,198
Claims payable due within one year	469,511	-	469,511	-
Financed purchases due within one year	203,357	-	203,357	-
Revenue bonds payable due within one year	-	3,730,000	3,730,000	-
Notes payable due within one year	-	1,745,000	1,745,000	-
Compensated absences due within one year	507,940	7,602	515,542	-
Total current liabilities	<u>3,218,152</u>	<u>6,998,911</u>	<u>10,217,063</u>	<u>1,931,400</u>
Noncurrent liabilities:				
Financed purchases due in more than one year	916,230	-	916,230	-
Compensated absences due in more than one year	513,760	15,039	528,799	-
Revenue bonds payable due in more than one year	-	53,595,000	53,595,000	-
Total OPEB liability	<u>3,204,124</u>	<u>-</u>	<u>3,204,124</u>	<u>-</u>
Total noncurrent liabilities	<u>4,634,114</u>	<u>53,610,039</u>	<u>58,244,153</u>	<u>-</u>
Total liabilities	<u>7,852,266</u>	<u>60,608,950</u>	<u>68,461,216</u>	<u>1,931,400</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB related items	<u>1,057,692</u>	<u>-</u>	<u>1,057,692</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	20,609,680	2,856,061	23,465,741	19,334
Restricted for capital construction	15,331,402	-	15,331,402	-
Restricted for emergency telephone system operations	401,230	-	401,230	-
Restricted for law enforcement activities	1,801,217	-	1,801,217	-
Restricted for tourism and economic development	253,620	-	253,620	-
Unrestricted	11,668,163	7,076,763	18,744,926	553,713
Total net position	<u>\$ 50,065,312</u>	<u>\$ 9,932,824</u>	<u>\$ 59,998,136</u>	<u>\$ 573,047</u>

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

CITY OF FOREST PARK, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Net (Expenses) Revenues and							Component Unit
	Program Revenues				Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 4,808,380	\$ 731,552	\$ 1,887,504	\$ 1,337,583	\$ (851,741)	\$ -	\$ (851,741)	\$ -
Public safety	17,628,706	1,923,929	1,048,001	718,607	(13,938,169)	-	(13,938,169)	-
Public works	4,628,561	-	181,735	560,510	(3,886,316)	-	(3,886,316)	-
Culture and recreation	1,542,181	137,444	-	1,022,858	(381,879)	-	(381,879)	-
Housing, development, and planning	1,280,386	-	-	739,564	(540,822)	-	(540,822)	-
Judicial	196,471	-	-	-	(196,471)	-	(196,471)	-
Tourism and economic development	218,591	-	-	-	(218,591)	-	(218,591)	-
Interest paid on long-term debt	54,265	-	-	-	(54,265)	-	(54,265)	-
Total governmental activities	<u>30,357,541</u>	<u>2,792,925</u>	<u>3,117,240</u>	<u>4,379,122</u>	<u>(20,068,254)</u>	<u>-</u>	<u>(20,068,254)</u>	<u>-</u>
Business-type activities:								
Sanitation	3,773,845	4,689,022	-	-	-	915,177	915,177	-
Development Authority	476,450	1,236,679	-	-	-	760,229	760,229	-
Urban Redevelopment Agency	4,506,275	4,280,220	350,000	-	-	123,945	123,945	-
Total business-type activities	<u>8,756,570</u>	<u>10,205,921</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>1,799,351</u>	<u>1,799,351</u>	<u>-</u>
Total primary government	<u>\$ 39,114,111</u>	<u>\$ 12,998,846</u>	<u>\$ 3,467,240</u>	<u>\$ 4,379,122</u>	<u>\$ (20,068,254)</u>	<u>\$ 1,799,351</u>	<u>\$ (18,268,903)</u>	<u>\$ -</u>
Component Unit:								
Downtown Development Authority	<u>\$ 1,910,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,910,968)</u>
General revenues:								
Property taxes					11,029,007	-	11,029,007	-
Sales taxes					6,280,595	-	6,280,595	-
Franchise taxes					1,301,830	-	1,301,830	-
Insurance premium taxes					1,505,166	-	1,505,166	-
Alcoholic beverage taxes					509,643	-	509,643	-
Motor vehicle taxes					947,146	-	947,146	-
Business taxes					1,468,763	-	1,468,763	-
Hotel/motel taxes					39,314	-	39,314	-
Other taxes					143,044	-	143,044	-
Payments in lieu of taxes					-	-	-	2,163,167
Unrestricted investment earnings					10,481	11	10,492	-
Gain on the sale of capital assets					72,178	-	72,178	-
Miscellaneous revenue					79,622	184,792	264,414	-
Transfers					150,000	(150,000)	-	-
Total general revenues and transfers					<u>23,536,789</u>	<u>34,803</u>	<u>23,571,592</u>	<u>2,163,167</u>
Change in net position					3,468,535	1,834,154	5,302,689	252,199
Net position, beginning of fiscal year, as restated					46,596,777	8,098,670	54,695,447	320,848
Net position, end of fiscal year					<u>\$ 50,065,312</u>	<u>\$ 9,932,824</u>	<u>\$ 59,998,136</u>	<u>\$ 573,047</u>

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

CITY OF FOREST PARK, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 11,734,821	\$ 12,738,174	\$ 6,210,000	\$ 30,682,995
Investments	2,028,868	-	-	2,028,868
Taxes receivable, net of allowance	1,237,408	-	7,396	1,244,804
Other receivables	3,371	-	59,580	62,951
Due from other governments	257,070	-	732,258	989,328
Due from other funds	439,627	627,776	15,089	1,082,492
Due from component unit	1,901,198	-	-	1,901,198
Land held for redevelopment	252,048	-	-	252,048
Prepaid items	-	-	94,555	94,555
Total assets	\$ 17,854,411	\$ 13,365,950	\$ 7,118,878	\$ 38,339,239
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,244,622	\$ 3,497	\$ 187,009	\$ 1,435,128
Accrued liabilities	400,361	-	-	400,361
Due to other funds	895,948	-	627,833	1,523,781
Deposits payable	17,539	-	-	17,539
Due to others	-	-	154,996	154,996
Total liabilities	2,558,470	3,497	969,838	3,531,805
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	394,184	-	-	394,184
Unavailable revenues - intergovernmental	-	-	6,750	6,750
Total deferred inflows of resources	394,184	-	6,750	400,934
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaid items	-	-	94,555	94,555
Land held for redevelopment	252,048	-	-	252,048
Restricted for:				
Emergency telephone system operations	-	-	306,675	306,675
Capital construction	-	13,362,453	1,968,949	15,331,402
Tourism and economic development	-	-	253,620	253,620
Law enforcement activities	-	-	1,794,467	1,794,467
Committed for:				
Housing, development, and planning	-	-	1,724,024	1,724,024
Assigned for:				
Fiscal year 2022 appropriations of fund balance	3,030,604	-	-	3,030,604
Unassigned	11,619,105	-	-	11,619,105
Total fund balances	14,901,757	13,362,453	6,142,290	34,406,500
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,854,411	\$ 13,365,950	\$ 7,118,878	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	21,729,267
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.	400,934
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(5,844,242)
The deferred inflows of resources pertain to future periods and, therefore, are not reported in the governmental funds.	(1,057,692)
The deferred outflows of resources pertain to future periods and, therefore, are not reported in the governmental funds.	430,545

Net position of governmental activities	<u>\$ 50,065,312</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF FOREST PARK, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 23,434,487	\$ -	\$ 140,075	\$ 23,574,562
Fines and forfeitures	926,203	-	64,435	990,638
Charges for services	721,366	-	349,369	1,070,735
Licenses and permits	731,552	-	-	731,552
Intergovernmental	2,189,239	1,973,529	3,341,503	7,504,271
Interest income	8,869	4,163	1,612	14,644
Miscellaneous	79,622	-	-	79,622
Total revenues	<u>28,091,338</u>	<u>1,977,692</u>	<u>3,896,994</u>	<u>33,966,024</u>
Expenditures				
Current:				
General government	4,575,346	-	295	4,575,641
Public safety	16,190,330	-	506,631	16,696,961
Public works	3,322,611	502,471	-	3,825,082
Culture and recreation	1,343,668	-	-	1,343,668
Housing, development, and planning	1,269,449	-	-	1,269,449
Judicial	194,793	-	-	194,793
Tourism and economic development	211,091	-	7,500	218,591
Capital outlay:				
Public safety	-	-	636,974	636,974
Public works	-	-	77,190	77,190
Culture and recreation	-	2,473,418	-	2,473,418
Debt service:				
Principal	-	-	197,231	197,231
Interest and fiscal charges	-	-	40,038	40,038
Total expenditures	<u>27,107,288</u>	<u>2,975,889</u>	<u>1,465,859</u>	<u>31,549,036</u>
Excess (deficiency) of revenues over (under) expenditures	<u>984,050</u>	<u>(998,197)</u>	<u>2,431,135</u>	<u>2,416,988</u>
Other financing sources (uses):				
Transfers in	1,804,554	-	170,487	1,975,041
Transfers out	(1,325,487)	-	(499,554)	(1,825,041)
Proceeds from the sale of capital assets	528,428	-	-	528,428
Total other financing sources (uses)	<u>1,007,495</u>	<u>-</u>	<u>(329,067)</u>	<u>678,428</u>
Net change in fund balance	1,991,545	(998,197)	2,102,068	3,095,416
Fund balances, beginning of fiscal year	<u>12,910,212</u>	<u>14,360,650</u>	<u>4,040,222</u>	<u>31,311,084</u>
Fund balances, end of fiscal year	<u>\$ 14,901,757</u>	<u>\$ 13,362,453</u>	<u>\$ 6,142,290</u>	<u>\$ 34,406,500</u>

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

**CITY OF FOREST PARK, 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 JUNE 30, 2021**

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

Net change in fund balances - total governmental funds.	\$	3,095,416
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		1,572,668
Governmental funds report proceeds from the sale of capital assets, whereas in the statement of activities, a gain or loss will be reported. Therefore, the change in fund balance will differ from the change in net position by the net book value of the capital assets sold.		(456,250)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(362,126)
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. This amount is the total of current year principal payments on the City's financed purchases.		197,231
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.		(578,404)
Change in net position - governmental activities.	\$	<u>3,468,535</u>

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

**CITY OF FOREST PARK, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 20,537,500	\$ 20,537,500	\$ 23,434,487	\$ 2,896,987
Fines and forfeitures	1,617,000	1,617,000	926,203	(690,797)
Charges for services	807,800	807,800	721,366	(86,434)
Licenses and permits	643,000	643,000	731,552	88,552
Intergovernmental	198,000	198,000	2,189,239	1,991,239
Interest	35,000	35,000	8,869	(26,131)
Miscellaneous	1,944,520	1,944,520	79,622	(1,864,898)
Total revenues	<u>25,782,820</u>	<u>25,782,820</u>	<u>28,091,338</u>	<u>2,308,518</u>
Expenditures				
Current:				
General government:				
General administration	2,842,259	2,842,259	3,235,398	(393,139)
Legislative	729,270	728,901	498,620	230,281
Executive	848,546	848,546	841,328	7,218
Total general government	<u>4,420,075</u>	<u>4,419,706</u>	<u>4,575,346</u>	<u>(155,640)</u>
Judicial:				
Municipal court	139,007	139,007	194,793	(55,786)
Total judicial	<u>139,007</u>	<u>139,007</u>	<u>194,793</u>	<u>(55,786)</u>
Public safety:				
Police	9,495,346	9,495,346	8,018,348	1,476,998
Fire	5,251,629	5,251,629	5,567,117	(315,488)
EMS	1,827,841	1,827,841	1,830,589	(2,748)
E911	764,386	764,386	671,727	92,659
Animal control	128,062	128,062	101,751	26,311
Emergency management	3,500	3,500	798	2,702
Total public safety	<u>17,470,764</u>	<u>17,470,764</u>	<u>16,190,330</u>	<u>1,280,434</u>
Public works	3,541,700	3,541,700	3,322,611	219,089
Culture and recreation	1,444,677	1,444,677	1,343,668	101,009
Tourism and economic development	210,547	210,547	211,091	(544)
Housing, development, and planning:				
Planning and zoning	966,478	966,478	1,269,449	(302,971)
Debt service:				
Interest and fiscal charges	3,500	3,500	-	3,500
Total expenditures	<u>28,196,748</u>	<u>28,196,379</u>	<u>27,107,288</u>	<u>1,089,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,413,928)</u>	<u>(2,413,559)</u>	<u>984,050</u>	<u>3,397,609</u>
Other financing sources (uses)				
Transfers in	900,000	900,000	1,804,554	904,554
Transfers out	(1,455,000)	(1,455,000)	(1,325,487)	129,513
Proceeds from the sale of capital assets	-	-	528,428	528,428
Total other financing sources (uses)	<u>(555,000)</u>	<u>(555,000)</u>	<u>1,007,495</u>	<u>1,562,495</u>
Net change in fund balances	<u>(2,968,928)</u>	<u>(2,968,559)</u>	<u>1,991,545</u>	<u>4,960,104</u>
Fund balances, beginning of fiscal year	<u>12,910,212</u>	<u>12,910,212</u>	<u>12,910,212</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 9,941,284</u>	<u>\$ 9,941,653</u>	<u>\$ 14,901,757</u>	<u>\$ 4,960,104</u>

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

CITY OF FOREST PARK, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ASSETS	Business-type Activities - Enterprise Funds			
	Sanitation Fund	Development Authority Fund	Urban Redevelopment Agency Fund	Total Enterprise Funds
Current assets:				
Cash	\$ 6,333,149	\$ 1,085,277	\$ 41,734,364	\$ 49,152,790
Accounts receivable, net of allowance	193,626	-	-	193,626
Due from other funds	-	253,083	730,327	983,410
Restricted cash	-	-	189,778	189,778
Assets held for resale				
Buildings held for resale	-	-	669,509	669,509
Land held for resale	-	-	3,213,547	3,213,547
Total current assets	6,526,775	1,338,360	46,537,525	54,402,660
Noncurrent assets:				
Capital assets:				
Non-depreciable	34,853	6,521,342	737,163	7,293,358
Depreciable, net of accumulated depreciation	-	-	9,387,877	9,387,877
Total noncurrent assets	34,853	6,521,342	10,125,040	16,681,235
Total assets	6,561,628	7,859,702	56,662,565	71,083,895
LIABILITIES				
Current liabilities:				
Accounts payable	368,922	-	218,559	587,481
Accrued liabilities	3,657	-	243,032	246,689
Compensated absences payable, due within one year	7,602	-	-	7,602
Customer deposits	-	15,845	-	15,845
Unearned revenue	666,294	-	-	666,294
Due to other funds	-	540,000	2,121	542,121
Revenue bonds payable, due within one year	-	-	3,730,000	3,730,000
Notes payable, due within one year	-	-	1,745,000	1,745,000
Total current liabilities	1,046,475	555,845	5,938,712	7,541,032
Noncurrent liabilities:				
Revenue bonds payable	-	-	53,595,000	53,595,000
Compensated absences payable	15,039	-	-	15,039
Total noncurrent liabilities	15,039	-	53,595,000	53,610,039
Total liabilities	1,061,514	555,845	59,533,712	61,151,071
NET POSITION (DEFICIT)				
Net investment in capital assets	34,853	6,521,342	(3,700,134)	2,856,061
Unrestricted	5,465,261	782,515	828,987	7,076,763
Total net position (deficit)	\$ 5,500,114	\$ 7,303,857	\$ (2,871,147)	\$ 9,932,824

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

**CITY OF FOREST PARK, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities - Enterprise Funds			
	Sanitation Fund	Development Authority Fund	Urban Redevelopment Agency Fund	Total Enterprise Funds
OPERATING REVENUE				
Charges for sales and services	\$ 4,689,022	\$ 1,236,679	\$ 4,280,220	\$ 10,205,921
Miscellaneous income	-	184,792	-	184,792
Total operating revenues	4,689,022	1,421,471	4,280,220	10,390,713
OPERATING EXPENSES				
Cost of sales and services	3,282,884	87,726	2,110,875	5,481,485
Personnel services	310,142	-	-	310,142
Depreciation	-	-	225,006	225,006
Other operating expenses	180,819	201,270	580,525	962,614
Total operating expenses	3,773,845	288,996	2,916,406	6,979,247
Operating income	915,177	1,132,475	1,363,814	3,411,466
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	-	-	11	11
Intergovernmental revenues	-	-	350,000	350,000
Loss on sale of capital assets	-	(187,454)	-	(187,454)
Interest expense and fiscal charges	-	-	(1,589,869)	(1,589,869)
Total nonoperating revenues (expenses)	-	(187,454)	(1,239,858)	(1,427,312)
Income before transfers	915,177	945,021	123,956	1,984,154
Transfers in	-	-	1,155,000	1,155,000
Transfers out	-	(1,305,000)	-	(1,305,000)
Change in net position (deficit)	915,177	(359,979)	1,278,956	1,834,154
Total net position (deficit), beginning of fiscal year	4,584,937	7,663,836	(4,150,103)	8,098,670
Total net position (deficit), ending of fiscal year	\$ 5,500,114	\$ 7,303,857	\$ (2,871,147)	\$ 9,932,824

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

**CITY OF FOREST PARK, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities - Enterprise Funds			
	Sanitation Fund	Development Authority Fund	Urban Redevelopment Agency Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,757,592	\$ 1,421,471	\$ 4,280,220	\$ 10,459,283
Payments to suppliers	(3,391,382)	(281,306)	(372,241)	(4,044,929)
Payments to employees	(309,135)	-	-	(309,135)
Net cash provided by operating activities	<u>1,057,075</u>	<u>1,140,165</u>	<u>3,907,979</u>	<u>6,105,219</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	-	(765,000)	1,155,000	390,000
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>(765,000)</u>	<u>1,155,000</u>	<u>390,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	-	(423,042)	(520,650)	(943,692)
Proceeds from issuance of bonds	-	-	57,325,000	57,325,000
Interest paid on long-term borrowings	-	-	(1,495,140)	(1,495,140)
Proceeds from sale of capital assets	-	235,588	-	235,588
Proceeds from borrowings on line of credit	-	-	4,000,000	4,000,000
Principal payments on line of credit	-	-	(4,000,000)	(4,000,000)
Principal payments on revenue bonds payable	-	-	(4,000,000)	(4,000,000)
Principal payments on note payable	-	-	(15,070,000)	(15,070,000)
Net cash provided by (used in) capital and relating financing activities	<u>-</u>	<u>(187,454)</u>	<u>36,239,210</u>	<u>36,051,756</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	-	11	11
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
Net increase in cash	1,057,075	187,711	41,302,200	42,546,986
Cash, beginning of fiscal year	5,276,074	897,566	621,942	6,795,582
Cash, end of fiscal year	<u>\$ 6,333,149</u>	<u>\$ 1,085,277</u>	<u>\$ 41,924,142</u>	<u>\$ 49,342,568</u>
Classified as:				
Unrestricted cash	\$ 6,333,149	\$ 1,085,277	\$ 41,734,364	\$ 49,152,790
Restricted cash	-	-	189,778	189,778
	<u>\$ 6,333,149</u>	<u>\$ 1,085,277</u>	<u>\$ 41,924,142</u>	<u>\$ 49,342,568</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 915,177	\$ 1,132,475	\$ 1,363,814	\$ 3,411,466
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	-	225,006	225,006
Change in assets and liabilities:				
Decrease in accounts receivable	50,080	-	-	50,080
Decrease in assets acquired for resale	-	-	2,110,876	2,110,876
Increase (decrease) in accounts payable	72,321	(3,005)	208,283	277,599
Decrease in accrued liabilities	(4,317)	-	-	(4,317)
Increase in customer deposits	-	10,695	-	10,695
Increase in compensated absences payable	5,324	-	-	5,324
Increase in unearned revenue	18,490	-	-	18,490
Net cash provided by operating activities	<u>\$ 1,057,075</u>	<u>\$ 1,140,165</u>	<u>\$ 3,907,979</u>	<u>\$ 6,105,219</u>

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

CITY OF FOREST PARK, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City operates under a council/manager form of government and provides the following services to its citizens: public safety, public works, parks and recreation, public improvements, and general and administrative services.

Based upon criteria set forth by GASB 61 “The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and 34,” the accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City’s blended component units, although legally separate entities, have a governing body which is substantively the same as the City’s governing body and management of the City has operational responsibility for the component unit; therefore, data from these entities are combined with data of the primary government. Substantively the same means sufficient representation of the primary government’s entire governing body on the component unit’s governing body to allow complete control of the component unit’s activities. To illustrate, the Board of a component unit may be composed entirely of the City Council and the Mayor, serving ex officio. The primary government is, essentially, serving as the governing body of the component unit. The blended component units of the City of Forest Park, Georgia have a June 30th fiscal year-end.

Blended Component Units:

The Forest Park/Fort Gillem Local Redevelopment Authority (the “FGLRA”) was established for the purposes of planning the reuse and economic development of the real estate and other assets presently comprising Fort Gillem, Georgia, a military installation which was selected for closure by the United States Department of Defense and the Independent Base Realignment and Closure Commission.

The FGLRA is governed by the Mayor, City Manager, and five (5) members of the City Council. The FGLRA is reported in the City’s financial statements as a blended component unit (special revenue fund) as the governing body is substantively the same as the governing body of the primary government and there is a financial benefit or burden relationship as the City has assumed the obligation to finance the deficits of and provide support to the FGLRA. Separate financial statements for the FGLRA are not prepared.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued):

The Development Authority of the City of Forest Park was created for the purpose of attracting development, industry, and employment opportunities to the City. The Board of the Development Authority is made up of nine (9) board members from the local community who are appointed by the Mayor and City Council. The Development Authority is reported in the City's financial statements as a blended component unit (enterprise fund) as there is a financial benefit or burden relationship as the City provides support to the Development Authority. Separate financial statements for the Development Authority are not prepared.

The Urban Redevelopment Agency of the City of Forest Park (the "URA") was created pursuant to Chapter 61 of Title 36 of the Official Code of Georgia Annotated, known as the Urban Redevelopment Law, which creates in each municipality in the State of Georgia a public body corporate and politic to be known as the urban redevelopment agency of the municipality for the purpose of exercising the urban redevelopment project powers. The URA was created for the purpose of acquiring approximately 1,170 acres of land known as Fort Gillem and will oversee the various redevelopment projects established in the urban redevelopment plan for the area. The URA is governed by a Board of Commissioners consisting of five members, nominated by the Mayor and City Council and confirmed by the City Council. The URA is reported in the City's financial statements as a blended component unit (enterprise fund) as the URA's debt will be repaid entirely or almost entirely with resources of the primary government pursuant to an Intergovernmental Redevelopment Cooperation and Assistance Agreement between the City and the URA. Separate financial statements for the URA are not prepared.

Discretely Presented Component Unit - In conformity with generally accepted accounting principles, the financial statements of the Downtown Development Authority of the City of Forest Park (the "DDA") are presented as a discretely presented component unit. The DDA of the City of Forest Park was created due to the continuing need in the City for the revitalization and redevelopment of the central business district of the City to develop and to promote for the public good and general welfare, trade, commerce, industry, and employment opportunities and to promote the general welfare of the State of Georgia by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade, and commerce within the City. The Board is comprised of seven (7) members who are appointed by the Mayor and City Council. Due to the ability of the City of Forest Park to exercise its will over the Authority's Board and the DDA's fiscal dependence on the City, the Downtown Development Authority is reported in the City's financial statements as a discretely presented component unit (enterprise fund). Separate financial statements for the Development Authority are not prepared.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. (For the most part, the effect of interfund activity has been removed from these statements except for interfund services provided and used which are not eliminated in the process of consolidation). Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally 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 discretely presented component units (if any). The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

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

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

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

The government-wide financial statements are reported using the economic resource 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 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. Property taxes are recognized as revenue in the period for which they were levied if they are collected within sixty (60) days of year end. All other revenues are considered to be available when they are collectible within one hundred eighty (180) days of year end. Expenditures are generally 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The City reports the following major governmental funds:

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

The **SPLOST (Special Purpose Local Option Sales Tax) Fund** is used to account for the proceeds of a sales tax levied in Clayton County, which will be used by the City for the exclusive purpose of capital outlay projects.

Additionally, the City reports the following fund types within the nonmajor governmental funds:

The **special revenue funds** account for revenue sources that are legally restricted or committed to expenditure for specific purposes.

The **capital projects funds** account for acquisition and construction of major capital facilities other than those financed by proprietary funds.

The City reports the following major proprietary funds:

The **Sanitation Fund** is used to account for the City's solid waste collection, recycling and disposal activities.

The **Development Authority Fund** is used to account for the City's property acquisitions and redevelopment of property throughout the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **Urban Redevelopment Agency** is used to account for the property acquisitions of Fort Gillem from the United States Army and subsequent sale of these properties to developers and third parties to implement the urban redevelopment plan for the area.

In accounting and reporting for its proprietary operations, the City applies all GASB pronouncements. 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 enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods 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.

D. Budgets

Annual appropriated budgets are adopted for all funds; however, the City did not adopt budgets for its special revenue and capital projects funds for the fiscal year ended June 30, 2021. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a basis consistent with generally accepted accounting principles. Capital outlay expenditures are budgeted in each department rather than separately as capital outlay. All appropriations lapse at fiscal year end. Expenditures may not legally exceed budgeted appropriations at the department level (e.g., Administration).

E. 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.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8 is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to market value as of year-end and the City's investment in the Georgia Fund 1 is reported at market value.

The City's remaining investments are recorded at market value. Increases or decreases in the market value during the year are recognized as a component of interest income.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year, as well as all other outstanding balances between funds is 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.”

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method by recording an asset for the prepaid amount when acquired and subsequently reflecting the expenditure/expense in the fiscal year in which the services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable, as this amount is not available for general appropriation.

H. Capital Assets

Capital assets, which include property, plant, equipment, computer software, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets (including intangible assets) are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two (2) years. Such assets are recorded at acquisition value or estimated historical cost if purchased or constructed. Infrastructure (e.g., roads, bridges, sidewalks, and similar items) prior to June 30, 1980 has been reported. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15-40
Infrastructure	30-50
Computers, Equipment, and Machinery	5
Vehicles	5

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

Vested employees have the right to receive 20% of accrued sick leave upon termination. The maximum number of days that the employee can buy back is limited to 60 days. Vested vacation and sick leave that is expected to be liquidated with expendable available resources is reported as expenditures and a fund liability at the fund level financial statements, for example, as a result of employee resignations and retirements. All vested vacation pay and sick leave expected to be paid at retirement are accrued when incurred in the government-wide and proprietary fund financial statements.

J. Deferred Outflows and 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 is applicable to a future reporting period. The City has one item, deferred outflows of resources related to OPEB, which is described on the following page.

In addition to liabilities, the financial statements 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 that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. These items, *unavailable revenues – property taxes* and *unavailable revenues – intergovernmental*, arise only under a modified accrual basis of accounting and, accordingly, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The City reports deferred inflows and outflows of resources related to the recording of changes in its total OPEB liability. Certain changes in the total OPEB liability are recognized as OPEB expenses over time instead of all being recognized in the fiscal year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the total OPEB liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into OPEB expenses over the expected remaining service lives of Plan members.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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 bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and 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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Fund Equity and Net Position

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, liabilities, and deferred inflows of resources under the current financial resources management 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 purpose 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 enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity and Net Position (Continued)

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote and passage of an ordinance of the City Council. Only the City Council may modify or rescind the commitment by passage of a subsequent ordinance.

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. The fund balance policy approved by an ordinance of the City Council expressly delegates the authority to assign fund balance to the City's Finance Director.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Only deficits in fund balances may be reported as unassigned fund balance in other governmental 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: (1) Committed, (2) Assigned, and (3) Unassigned.

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

M. Management 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 amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the current fiscal year. Actual results could differ from those estimates.

N. Interfund Transactions

Interfund services provided and used in the fund financial statements are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.” The details of this \$5,844,242 difference are as follows:

Claims payable	\$ (469,511)
Financed purchases payable	(1,119,587)
Total OPEB liability	(3,204,124)
Compensated absences	(1,021,700)
Accrued interest payable	<u>(29,320)</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 \$ <u><u>(5,844,242)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes 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 \$1,572,668 difference are as follows:

Capital outlay	\$ 3,389,286
Depreciation expense	<u>(1,816,618)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u><u>1,572,668</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

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 \$578,404 difference are as follows:

Claims and judgments	\$ (322,703)
Compensated absences	(1,043)
Accrued interest	(14,227)
Other postemployment benefit (OPEB) liability	(9,997)
Deferred outflows of resources related to OPEB	(56,293)
Deferred inflows of resources related to OPEB	(174,141)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ (578,404)

NOTE 3. LEGAL COMPLIANCE – BUDGETS AND FUND DEFICITS

By mid-March of each fiscal year, all departments of the City submit requests for appropriations to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the prior fiscal year, current fiscal year estimates, and requested appropriations for the next fiscal year.

Before May 31, the proposed budget is presented to the City Council for review. City Council holds public hearings and may add to, subtract from or change appropriations. The budget is then approved by an affirmative vote of a majority of the City’s council. Expenditures may not legally exceed budgeted appropriations at the department level (e.g., administration).

The City did not adopt annual budgets for its special revenue funds or its capital projects funds for the fiscal year ended June 30, 2021. For the fiscal year ended June 30, 2021, the General Fund had excesses of actual expenditures over appropriations in the following departments:

General Government - General administration	\$ 393,139
Judicial - Municipal court	55,786
Public Safety - Fire	315,488
Public Safety - EMS	2,748
Tourism and economic development	544
Housing and development - Planning and zoning	302,971

The expenditures in excess of appropriations were funded by greater than anticipated revenues. As of June 30, 2021, the Urban Redevelopment Agency Fund reports a deficit in net position of \$2,871,147. This deficit will be alleviated through increased user charges, sales of land, and General Fund appropriations, as needed.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

As of June 30, 2021, the City had \$2,028,868 of its funds invested as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Ginnie Mae II Pool Asset Backed Security	November 20, 2022	\$ 624
Georgia Fund 1	36 days	2,028,244
Total		<u>\$ 2,028,868</u>

Interest rate risk: On June 15, 2009, the City adopted a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates. The City minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City minimizes risk by investing operating funds primarily in shorter-term securities, money market accounts, or similar investment pools.

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. The City has an investment policy that would further limit its investment choices by investing operating funds primarily in shorter-term securities, money market accounts, or similar investment pools.

The Ginnie Mae II Pool Asset Backed securities are based on cash flows from principal payments on underlying mortgages. Therefore, they are sensitive to less than expected prepayments by mortgagees, which may result from an increase in interest rates. For example, if interest rates rise and homeowners do not refinance their mortgages, thereby not prepaying the mortgages underlying these securities, the cash flows from principal payments may be slower than expected and the value of these securities declines. Likewise, if homeowners prepay mortgages faster than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

The City's investments in mortgage backed securities pool is either insured or registered or are held by the City or its agent in the City's name. As of June 30, 2021, the City's investment in the Ginnie Mae II Pool Asset Backed Security was not rated by any of the major rating agencies, since they are fully backed by mortgages.

Market value Measurements: The City categorizes its market value measurements within the market value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the market 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The City only has one (1) recurring fair value measurement as of June 30, 2021 and that is its investment in the Ginnie Mae Pool which is considered Level 2. This security is valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

Custodial Credit Risk – Deposits: State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2021, all but one financial institution holding the City's deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. Additionally, the City had deposits with another financial institution that were collateralized by pledged securities, as defined above. Therefore all of the City's deposits with financial institutions as of June 30, 2021 were insured and/or collateralized as defined by GASB and required by State Statutes.

NOTE 5. RECEIVABLES

Property taxes are recognized in the governmental funds as revenue when levied to the extent they result in current receivables (i.e., amounts received within 60 days of fiscal year-end). The property tax assessment is formally levied on September 1, based on property values as of the previous January 1 (the lien date). Tax billings are mailed in the month of October, with a due date of sixty days after the mail date. On the sixty-first date, after they have been mailed, the bills become delinquent at which time, penalties and interest may be assessed by the City.

Property taxes are recorded as receivables and deferred inflows of resources when assessed. Revenues are recognized when available.

For the City's Sanitation enterprise fund, residential sanitation fees are billed annually on the same date as the property tax bill as noted above while commercial sanitation fees are billed monthly.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (CONTINUED)

Receivables at June 30, 2021, for the City's individual major governmental funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Nonmajor Governmental Funds	Governmental Activities Total
Receivables:			
Taxes	\$ 1,987,408	\$ 7,396	\$ 1,994,804
Less allowance for uncollectible accounts	(750,000)	-	(750,000)
Taxes receivable, net	1,237,408	7,396	1,244,804
Due from other governments	257,070	732,258	989,328
Other	3,371	59,580	62,951
Net total receivables	\$ 1,497,849	\$ 799,234	\$ 2,297,083

Receivables at June 30, 2021, for the City's major proprietary funds, including the applicable allowances for uncollectible accounts are as follows:

	Sanitation Fund
Receivables:	
Accounts	\$ 738,188
Less allowance for uncollectible	(544,562)
Net total receivables	\$ 193,626

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity of the City's governmental activities for the fiscal year ended June 30, 2021 is as follows:

	<u>Restated Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,881,500	\$ -	\$ (423,042)	\$ -	\$ 2,458,458
Construction in progress	214,714	348,252	-	-	562,966
Total	<u>3,096,214</u>	<u>348,252</u>	<u>(423,042)</u>	<u>-</u>	<u>3,021,424</u>
Capital assets, being depreciated:					
Buildings and building improvements	15,597,593	-	-	-	15,597,593
Computer & office equipment	1,983,388	-	-	-	1,983,388
Machinery & equipment	8,497,253	652,820	-	-	9,150,073
Vehicles	8,952,756	2,388,214	(128,547)	-	11,212,423
Infrastructure	16,249,132	-	-	-	16,249,132
Total	<u>51,280,122</u>	<u>3,041,034</u>	<u>(128,547)</u>	<u>-</u>	<u>54,192,609</u>
Less accumulated depreciation for:					
Buildings and building improvements	(9,762,559)	(387,854)	-	-	(10,150,413)
Computer & office equipment	(1,440,671)	(160,198)	-	-	(1,600,869)
Machinery and equipment	(5,914,474)	(460,800)	-	-	(6,375,274)
Vehicles	(6,948,249)	(423,701)	95,339	-	(7,276,611)
Infrastructure	(9,697,534)	(384,065)	-	-	(10,081,599)
Total	<u>(33,763,487)</u>	<u>(1,816,618)</u>	<u>95,339</u>	<u>-</u>	<u>(35,484,766)</u>
Total capital assets, being depreciated, net	<u>17,516,635</u>	<u>1,224,416</u>	<u>(33,208)</u>	<u>-</u>	<u>18,707,843</u>
Governmental activities capital assets, net	<u>\$ 20,612,849</u>	<u>\$ 1,572,668</u>	<u>\$ (456,250)</u>	<u>\$ -</u>	<u>\$ 21,729,267</u>

Beginning machinery and equipment balances were restated by \$896,407 due to the omission of a capital asset addition in a prior fiscal year. The related beginning accumulated depreciation balance was adjusted by \$106,715, also due to the restatement (Note 17).

During the fiscal year ended June 30, 2021, the City of Forest Park sold land with a carrying value of \$423,042 to the City of Forest Park Development Authority. This land was subsequently sold to third parties, resulting in a loss of \$187,454.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Capital asset activity of the City's business-type activities for the fiscal year ended June 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 6,772,708	\$ 943,692	\$ (423,042)	\$ 7,293,358
Total	6,772,708	943,692	(423,042)	7,293,358
Capital assets, being depreciated:				
Building and building improvements	1,228,765	-	-	1,228,765
Infrastructure	9,628,318	-	-	9,628,318
Equipment	11,000	-	-	11,000
Vehicles	565,578	-	-	565,578
Total	11,433,661	-	-	11,433,661
Less accumulated depreciation for:				
Building and building improvements	(428,733)	(29,723)	-	(458,456)
Infrastructure	(815,467)	(195,283)	-	(1,010,750)
Equipment	(11,000)	-	-	(11,000)
Vehicles	(565,578)	-	-	(565,578)
Total	(1,820,778)	(225,006)	-	(2,045,784)
Total capital assets, being depreciated, net	9,612,883	(225,006)	-	9,387,877
Business-type activities capital assets, net	\$ 16,385,591	\$ 718,686	\$ (423,042)	\$ 16,681,235

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

Governmental activities:	
General government	\$ 217,374
Public safety	878,213
Public works	510,829
Culture and recreation	210,202
Total depreciation expense - governmental activities	\$ 1,816,618
Business-type activities:	
Urban Redevelopment Agency Fund	\$ 225,006
Total depreciation expense - business-type activities	\$ 225,006

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Downtown Development Authority

Capital asset activity of the Downtown Development Authority for the fiscal year ended June 30, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 49,356	\$ -	\$ 49,356
Total	<u>-</u>	<u>49,356</u>	<u>-</u>	<u>49,356</u>
 Total Downtown Development Authority capital assets	 <u>\$ -</u>	 <u>\$ 49,356</u>	 <u>\$ -</u>	 <u>\$ 49,356</u>

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS

Primary Government

Long-term debt and obligation activity for the fiscal year ended June 30, 2021, was as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
Governmental activities:					
Claims payable	\$ 146,808	\$ 776,814	\$ (454,111)	\$ 469,511	\$ 469,511
Financed purchases from direct borrowings	1,316,818	-	(197,231)	1,119,587	203,357
Compensated absences	1,020,657	727,879	(726,836)	1,021,700	507,940
Total OPEB liability	<u>3,194,127</u>	<u>379,836</u>	<u>(369,839)</u>	<u>3,204,124</u>	<u>-</u>
Governmental activities Long-term liabilities	<u>\$ 5,678,410</u>	<u>\$ 1,884,529</u>	<u>\$ (1,748,017)</u>	<u>\$ 5,814,922</u>	<u>\$ 1,180,808</u>
 Business-type activities:					
Compensated absences	\$ 17,317	\$ 8,504	\$ (3,180)	\$ 22,641	\$ 7,602
Note payable	5,745,000	-	(4,000,000)	1,745,000	1,745,000
Less discount	<u>(32,537)</u>	<u>-</u>	<u>32,537</u>	<u>-</u>	<u>-</u>
Note payable- direct borrowings, net	5,712,463	-	(3,967,463)	1,745,000	1,745,000
Revenue bonds payable direct borrowing	<u>15,070,000</u>	<u>57,325,000</u>	<u>(15,070,000)</u>	<u>57,325,000</u>	<u>3,730,000</u>
Business-type activities Long-term liabilities	<u>\$ 20,799,780</u>	<u>\$ 57,333,504</u>	<u>\$ (19,040,643)</u>	<u>\$ 59,092,641</u>	<u>\$ 5,482,602</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

Primary Government (Continued)

For governmental funds, compensated absences are liquidated by the General Fund and financed purchases are liquidated by the Emergency Telephone System Fund. For business-type activities, compensated absences are liquidated by the Sanitation Fund. The claims payable and the total OPEB liability for the City are liquidated by the General Fund. Additionally, the entire balance of claims payable has been reported as a current liability as management of the City expects to liquidate the liability in the upcoming fiscal period.

The beginning balance of financed purchases was restated for the fiscal year ended June 30, 2021 to recognize a previously omitted financed purchase liability in the amount of \$896,407 (Note 17).

Financed purchases from direct borrowings - Equipment. The City has entered into financed purchase arrangements for financing the acquisition of communication equipment used in governmental activities. The lease agreements qualify as financed purchases from direct borrowings for accounting purposes.

The beginning balance of the City's assets under financed purchase arrangements at June 30, 2021 was restated to reflect the addition of \$896,407 of capital asset addition upgrades to the City's leased communication equipment used in governmental activities. The original cost of the City's financed purchases from direct borrowings as reported in its governmental activities at June 30, 2021 is \$1,287,040 and there is \$351,963 of accumulated depreciation as of fiscal year-end for a net book value of \$935,077. Annual depreciation (\$161,122) of these assets is included in depreciation expense.

The City's total financed purchase debt service requirements to maturity are as follows:

	Governmental Activities		
	Principal	Interest	Total
Fiscal Year Ending June 30,			
2022	\$ 203,357	\$ 33,886	\$ 237,243
2023	209,680	27,566	237,246
2024	216,197	21,046	237,243
2025	216,450	14,320	230,770
2026	135,074	7,615	142,689
2027	138,829	3,860	142,689
Total	\$ 1,119,587	\$ 108,293	\$ 1,227,880

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

Urban Redevelopment Agency

In June 2014, the Urban Redevelopment Agency of the City of Forest Park (the "URA") completed the first phase of acquiring Fort Gillem, a previously active military installation, from the United States Department of the Army. The URA used a combination of revenue bonds and a note payable to finance the acquisition of the property and additional information regarding these items is below.

Direct Borrowings—Revenue Bonds. URA Revenue Bonds, Series 2014 were issued in June 2014 to provide part of the financing for acquiring Fort Gillem. The taxable revenue bonds were issued at a par value of \$16,130,000 and bear interest at 4.80% and held with Suntrust Bank. Interest payments are due semi-annually on March 31 and September 30 and commenced on September 30, 2014. Principal repayments on the bonds are due on September 30 as well and commenced on September 30, 2017. During the fiscal year ended June 30, 2021, the City refunded the Series 2014 revenue bonds through the issuance of the Series 2020 Taxable Revenue Refunding Bonds.

During the fiscal year ended June 30, 2021, the URA issued \$15,110,000 of Series 2020 Taxable Revenue Refunding Revenue Bonds to refund the entirety of the URA Revenue Bonds, Series 2014. The URA defeased \$14,630,000 of the Series 2014 bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The Series 2020 refunding bonds bear interest at 2.6% and are payable semi-annually on March 31 (interest only) and September 30 (principal and interest) beginning on March 31, 2021 through the maturity date of September 30, 2038. The refunding transaction undertaken by the URA resulted in aggregate debt service savings of \$1,173,757 and an economic gain (net present value of the aggregate debt service savings) of \$1,806,455. The current amount of debt considered legally defeased amounts to \$14,630,000.

During the fiscal year ended June 30, 2021, the URA issued Series 2021A and Series 2021B Revenue Bonds in the amounts of \$9,590,000 and \$32,625,000, respectively. The bonds were issued for the purpose of financing the costs of acquiring, constructing, and installing urban redevelopment projects as part of the City's Urban Redevelopment Plan. The bonds are limited obligations of the URA, payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments to the URA in amounts sufficient to pay the principal and interest on the bonds. Interest rates range from 1.20% to 2.55% and payments are due on September 1 (interest only) and March 1 (principal and interest) beginning September 1, 2021. The Series 2021A bonds mature on March 1, 2027 and the Series 2021B bonds mature on March 1, 2036, and outstanding principal amounts as of June 30, 2021 are \$9,590,000 and \$32,625,000, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

Urban Redevelopment Agency (Continued)

Future debt service requirements to maturity on the revenue bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 3,730,000	\$ 1,161,509	\$ 4,891,509
2023	3,585,000	1,256,080	4,841,080
2024	3,660,000	1,185,168	4,845,168
2025	3,735,000	1,112,603	4,847,603
2026	3,810,000	1,038,385	4,848,385
2027-2031	13,415,000	4,141,473	17,556,473
2032-2036	23,105,000	2,523,780	25,628,780
2037-2039	2,285,000	66,755	2,351,755
	\$ 57,325,000	\$ 12,485,753	\$ 69,810,753

Direct Borrowings—Note Payable. To provide for the remaining part of the financing needed to acquire Fort Gillem, the URA executed a note payable to the U.S. Department of the Army. An initial payment of \$15,000,000 was made at closing (funded by the URA Revenue Bonds, Series 2014 discussed on the previous page) and the remaining balance of \$1,745,000 is due in June of 2022 per the note agreement which was extended during the fiscal year ended June 30, 2021.

The above final payment may be increased to \$9,000,000 contingent upon the Department of the Army completing environmental cleanup and remediation projects on the remaining Fort Gillem property and transferring that property to the URA. As of June 30, 2021, those projects were still in progress.

As a condition to the note payable, the URA has obtained a declining revolving line of credit from Suntrust Bank which may be used, as needed, to meet the regularly scheduled obligations to the Department of the Army detailed above. The total amount available to the URA to be drawn on the line of credit at June 30, 2021 was \$9,000,000 and declines each year in accordance with the payment schedule to the Department of the Army noted above. Outstanding balances which have been drawn on the line of credit will bear interest at an annual rate equal to the sum of 1-month LIBOR plus 1.75%. The line of credit also carries an unused balance fee of 0.21% and is payable quarterly. During the fiscal year ended June 30, 2021, the URA borrowed \$4,000,000 against the line of credit in order to repay a portion of the note payable. At June 30, 2021, there was no outstanding balance on the line of credit (Note 8).

The note exchanged between the URA and the Department of the Army does not include a stated interest rate. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 62, the URA calculated the present value of the future payments on the note using an imputed interest rate of 1.90%. As of June 30, 2021, there was no remaining unamortized discount on the note payable.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

Urban Redevelopment Agency (Continued)

As security for the payments required, the City and the URA have executed an Intergovernmental Redevelopment Cooperation and Assistance Agreement whereby the City of Forest Park has pledged its full faith and credit and unlimited taxing power such that funds are available for the URA to make all debt service payments required by the note payable and line of credit.

NOTE 8. SHORT-TERM BORROWINGS

During the fiscal year ended June 30, 2021, the Urban Redevelopment Agency (URA) utilized a line of credit agreement to borrow \$4,000,000 for the purpose of making a \$4,000,000 payment on amounts owed to the U.S. Department of the Army (Note 7). Per the terms of the line-of-credit agreement, interest accrues on outstanding amounts at 1.75% plus LIBOR. Interest incurred and expensed on short-term borrowings totaled \$30,500 during the fiscal year ended June 30, 2021.

The following is a summary of the URA's short-term borrowings for the fiscal year ended June 30, 2021.

	Beginning Balance	Additions	Reductions	Ending Balance
Line of credit	\$ -	\$ 4,000,000	\$ (4,000,000)	\$ -

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2021, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 247,506
General Fund	Urban Redevelopment Agency	2,121
General Fund	Development Authority	190,000
		\$ 439,627
Nonmajor governmental funds	General Fund	\$ 15,089
SPLOST Fund	General Fund	\$ 627,776
Development Authority	General Fund	\$ 253,083
Urban Redevelopment Agency	Development Authority	\$ 350,000
Urban Redevelopment Agency	Nonmajor governmental funds	380,327
		\$ 730,327
Primary Government: General Fund	Discretely Presented Component Unit: Downtown Development Authority	\$ 1,901,198

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2021, the Downtown Development Authority owed \$1,901,198 to the City's General Fund for collections of payments in lieu of taxes.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Development Authority Fund	\$ 1,305,000
General Fund	Nonmajor governmental funds	499,554
		\$ 1,804,554
Nonmajor governmental funds	General Fund	\$ 170,487
Urban Redevelopment Authority	General Fund	\$ 1,155,000

Transfers between the Development Authority and the General Fund are used to move unrestricted rent revenues collected by the Development Authority to the Urban Redevelopment Agency to fund upcoming debt service payments. Transfers from the General Fund to the Urban Redevelopment Authority are made for the purpose of paying principal and interest on revenue bonds. The General Fund was reimbursed by the CARES Fund and the Multiple Grant Fund for expenditures incurred in the previous fiscal year and reimbursed in the current year. The General Fund also moved funds to the Emergency Telephone System to cover debt service payments on financed purchases.

NOTE 10. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Deferred Compensation Plan for the City of Forest Park, Georgia, available to all full-time employees, is a defined contribution plan and permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. As required by Federal regulations, these plan assets are held in a trust for the exclusive benefit of participants and their beneficiaries. The Plan is administered by a third party administrator, Future Plan by Ascensus. The trustee of the Plan is Reliance Trust Co. The City has no fiduciary relationship with the trust. Accordingly, the plan assets are not reported in the City's financial statements.

Employee contributions range from a minimum of 1% of the employees' base salary to a maximum of \$18,000 per year for employees less than 50 years old, \$24,000 for employees 50 years of age or older (as elected by the employee). Under the Plan authorized by the City Council, the City is required to make a fixed contribution equal to 5% of the aggregate annual compensation of all participants allocated as a 50% match. Additionally, the City can make discretionary contributions if deemed necessary or desirable. The City's contribution and related investment earnings allocated to an employee's account are fully vested after 5 years of continuous service. City contributions and interest forfeited by employees who leave employment before becoming vested are held in the Plan and are distributed to remaining participants.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFERRED COMPENSATION PLAN (CONTINUED)

The City contributed \$336,962 and Plan participants contributed \$962,252 to the Plan during the fiscal year ended June 30, 2021. At the beginning of the fiscal year, there were 399 participants with account balances and at the end of the year there were 433. Total value of the deferred compensation and thrift plans as of the current fiscal year-end is \$13,931,658 which results in an average participant balance of \$32,175.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Administration and Benefits. The City, as authorized by the City Mayor and Council, administers a single-employer defined benefit Postemployment Healthcare Benefits Plan (the “PHCB Plan” or “OPEB Plan”). The Mayor and Council are authorized to approve amendments to the Plan. The Mayor and Council have not elected to advance fund the Plan, but rather maintain the Plan on a “pay as you go” basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The Plan does not issue a separate financial report.

The City's OPEB Plan is a single employer defined benefit postretirement plan which provides postretirement health, dental, and vision insurance benefits to certain retired employees. The benefit plan was established by the City's Mayor and Council under the provisions of the Plan documents on July 1, 1998, with provisions, similar to those provided for active employees.

Under the Plan, all employees retiring after July 1, 1998 and meeting the following requirements are eligible to participate. Disabled employees are also eligible to participate, but benefits are only paid for two (2) years maximum. Insurance coverage is provided for the retiree from the time of retirement until the retiree reaches 65 years of age or is eligible for Medicare coverage, whichever comes first.

Age at Retirement	Number of Years of Employment	Percent of Insurance Cost Paid by City for Retired Employee	Percent of Insurance Cost Paid by City for Retiree's Dependent
55	15	60%	0%
60	20	80%	0%
62	25	100%	0%
Disabled	15	50%	0%

Expenditures for postemployment health care benefits are funded on pay-as-you-go basis. The City will pay between 50% and 100% of individual premium costs based on age and years of service according to the chart above.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Plan Membership. At July 1, 2020, the date of the most recent actuarial valuation, there were 230 participants consisting of the following:

Retirees	1
Active employees	<u>229</u>
Total	<u><u>230</u></u>

Contributions. The City’s contribution is determined by the actuary; however, the Plan is on a “pay as you go” basis. For the fiscal year ended June 30, 2021, the City contributed \$58,371 for the pay as you go benefits for the OPEB Plan.

Total OPEB Liability of the City. The City’s total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020 with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age, cost increasing at inflation
Inflation Rate	2.50%
Discount Rate	2.16%
Long-term Expected Rate of Return	not applicable

Health Care Cost Trend Rate – Healthcare claims costs, premium rates, and retiree contributions will increase from the prior year to the year shown by the indicated percent. For the year beginning July 1, 2021, the trend is 6.10%. For years 2022 and plus, the trend will decrease by .10%. The year beginning July 1, 2037, the trend will be 4.50%.

Mortality Table – PubG – 2010 Mortality Table, projected by the MP- 2019 Mortality Improvement Scale. The plan has had an experience study as of July 1, 2020.

Medical Trend – 6.1% (decrease from fiscal year end 2020 to fiscal year end 2021) decreasing 0.1% annually until reaching an ultimate level of 4.5%.

Discount rate. The discount rate used to measure the total OPEB liability was the discount rate shown above. The Plan is not funded. Therefore, the June 30, 2021 20 – year tax-free municipal bond yield of 2.16% was used as the discount rate.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the Total OPEB Liability of the City. The changes in the total OPEB liability of the City for the fiscal year ended June 30, 2021, were as follows:

	Total OPEB Liability
Balances at June 30, 2020	\$ 3,194,127
Changes for the fiscal year:	
Service cost	293,914
Interest	69,586
Experience differences	(311,468)
Changes of assumptions	16,336
Benefit payments	(58,371)
Net changes	9,997
Balances at June 30, 2021	\$ 3,204,124

The required schedule of changes in the City's total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Current Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 3,502,434	\$ 3,204,124	\$ 2,929,391

Sensitivity of the total OPEB liability to changes in healthcare cost-trend rates. The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage point lower (5.10% decreasing to 3.50%) or 1-percentage point higher (7.10% decreasing to 5.50%) than the current healthcare trend rates:

	1% Decrease (5.10% decreasing to 3.50%)	Current Rate (6.10% decreasing to 4.50%)	1% Increase (7.10% decreasing to 5.50%)
Total OPEB Liability	\$ 2,772,147	\$ 3,204,124	\$ 3,725,989

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions 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 June 30, 2021 and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$248,971. At June 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience differences	\$ -	\$ 707,454
Changes in assumptions	430,545	350,238
	\$ 430,545	\$ 1,057,692
Total	\$ 430,545	\$ 1,057,692

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30:	Outflow	Inflow	Net
2022	\$ 72,629	\$ (137,327)	\$ (64,698)
2023	72,629	(137,327)	(64,698)
2024	72,629	(137,327)	(64,698)
2025	72,629	(137,327)	(64,698)
2026	72,629	(137,327)	(64,698)
2027 and after	67,400	(371,057)	(303,657)
Total	\$ 430,545	\$ (1,057,692)	\$ (627,147)

NOTE 12. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Clayton County. Membership in a regional commission ("RC") is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The RC Board membership includes the chief elected official of each county and one municipality of the area as well as citizen members. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Atlanta Regional Commission, 229 Peachtree St. NE, STE 100, Atlanta, Georgia 30303 or online at <https://atlantaregional.org/about-arc/comprehensive-annual-financial-report>.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured for employee disability claims and partially self-insured for workers' compensation claims. The City purchases commercial insurance for all other risks of loss. Settled claims resulting from these insured risks have not exceeded the City's insurance coverage in any of the past three fiscal years.

Disability Benefits

The City provides disability benefits to employees under a plan adopted by the City Council. Under the City's plan, employees who become disabled are eligible to receive a weekly benefit of \$150 to \$300, depending on job classification. This disability benefit begins only after 30 days of disability and after the employee's accumulated sick leave has been exhausted. An employee may not draw disability benefits for more than twenty-four weeks. These disability benefits are not payable for disabilities covered by workers' compensation benefits. These benefits are paid by the City's General Fund. Disability benefit expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Changes in the disability benefit liability during the last two (2) fiscal years are as follows:

<u>Fiscal Year ended June 30,</u>	<u>Beginning of Year liability</u>	<u>Current Fiscal Year Accrual and Changes in Estimates</u>	<u>Benefit Payments</u>	<u>End of Fiscal Year Liability</u>
2021	\$ -	\$ 2,250	\$ 2,250	\$ -
2020	-	2,900	2,900	-

Workers' Compensation Insurance

The City is partially self-insured for workers' compensation claims. The City pays annual aggregate claims up to \$1,000,000 per year. These benefits are paid by the City's General Fund. Workers' compensation claims expense/expenditure and liability are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

Changes in the workers' compensation claims liability during the last two (2) fiscal years are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2021	\$ 146,808	\$ 776,814	\$ (454,111)	\$ 469,511
2020	193,776	310,942	(357,910)	146,808

NOTES TO FINANCIAL STATEMENTS

NOTE 14. COMMITMENTS AND CONTINGENCIES

Contracts:

As of June 30, 2021, the City has approximately \$9,000 of uncompleted construction contracts outstanding.

Litigation:

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies:

The City has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Other:

The City has provided lump-sum payments to the estates of deceased employees. The amount of these payments, if any, is at the discretion of the City Council and does not represent a formal commitment of the City. Furthermore, when paid, these benefits are paid from the City's General Fund. The City made no such payments for the fiscal year ended June 30, 2021.

NOTE 15. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 3%. Revenues were \$39,314 for the fiscal year ended June 30, 2021. Of this amount, 19% or \$7,500 was expended. Expenditures of the tax were used to promote tourism, conventions, and trade shows and to operate, maintain, and market a conference center facility as required by the Official Code of Georgia Annotated (O.C.G.A.) §48-13-51.

NOTE 16. TAX ABATEMENTS

The City, through its Local Redevelopment Authority (the "Authority"), entered into an agreement under the economic development laws of the State of Georgia that qualifies for disclosure under GASB Statement No. 77, *Tax Abatement Disclosures*. Under the agreement, the Authority obtained tax exempt financing for a large grocery store chain who, in turn, agreed to construct a distribution facility at the old Fort Gillem site. Once completed, the facility was deeded to the Authority who leased it back to the grocery store chain until December 1, 2040 when the agreement expires. Throughout the duration of the agreement, the grocery store chain will not pay any ad valorem taxes on the facility and for the fiscal year ended June 30, 2021, such abatement of these taxes amounted to \$142,759.

The City, through its Downtown Development Authority, also entered into another such type agreement for the construction of a distribution center. In lieu of ad valorem property taxes, the City will receive payments in lieu of taxes ("PILOT" payments) for the real and personal property reflecting an abatement of 35% per year for the 20-year Incentive Period. Such payments were received in December of 2020. Such an abatement of these taxes amounted to \$443,449 at June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. TAX ABATEMENTS (CONTINUED)

The City, through its Local Redevelopment Authority, also entered into another such type agreement for the continuing operations of a distribution center. In lieu of ad valorem property taxes, the City will receive payments in lieu of taxes ("PILOT" payments) for the real and personal property reflecting an abatement of 30% per year for the 20-year Incentive Period. Such payments were received in December of 2020 and January of 2021. Such an abatement of these taxes amounted to \$452,885 at June 30, 2021.

NOTE 17. RESTATEMENT

Financed Purchase: During the fiscal year ended June 30, 2021, the City determined that a restatement of beginning net position was required in order to correct errors in the prior period. In the fiscal year ended June 30, 2020, the City omitted additions of equipment totaling \$896,407 acquired through a financed purchase agreement. The City was therefore required to restate beginning net position for the fiscal year ended June 30, 2021 to correct beginning balances of its financed purchases, depreciable assets, and accumulated depreciation related to its governmental activities. This restatement is as follows:

	Governmental Activities
Net position, as previously reported	\$ 46,703,492
Adjustment to increase capital assets	896,407
Adjustment to increase accumulated depreciation	(106,715)
Adjustment to increase financed purchases	(896,407)
Net position, as restated	<u>\$ 46,596,777</u>

CITY OF FOREST PARK, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Postemployment Benefits (OPEB):

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 293,914	\$ 183,845	\$ 173,435	\$ 204,631
Interest on total OPEB liability	69,586	90,619	102,235	109,240
Experience differences	(311,468)	(376,409)	(201,126)	-
Changes of assumptions	16,336	517,008	43,298	(481,670)
Benefit payments	(58,371)	(5,208)	(6,022)	(13,073)
Net change in total OPEB liability	<u>9,997</u>	<u>409,855</u>	<u>111,820</u>	<u>(180,872)</u>
Total OPEB liability - beginning	<u>3,194,127</u>	<u>2,784,272</u>	<u>2,672,452</u>	<u>2,853,324</u>
Total OPEB liability - ending	<u>\$ 3,204,124</u>	<u>\$ 3,194,127</u>	<u>\$ 2,784,272</u>	<u>\$ 2,672,452</u>
Covered employee payroll	<u>\$ 14,380,329</u>	<u>\$ 13,392,384</u>	<u>\$ 11,791,794</u>	<u>\$ 11,537,877</u>
Total OPEB liability as a percentage of covered employee payroll	22.3%	23.9%	23.6%	23.2%

Notes to the Schedule:

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

The City is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

CITY OF FOREST PARK, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt services or capital projects.

Emergency Telephone System Fund - To account for emergency services which are provided to all City taxpayers; financing is provided through user fees and charges. The charges from the telephone providers are restricted by the Official Code of Georgia Annotated (O.C.G.A.) 46-5-134.

Police Seizure Fund - To account for the collection of confiscated and seized assets obtained by the City's Police Department. These revenues are restricted by State law to be expended on investigations and other law enforcement activities of the City's Police Department.

Hotel/Motel Tax Fund - To account for the 3% lodging tax levied in the City. The tax revenues are restricted by the O.C.G.A. 48-13-51.

Multiple Grants Fund - To account for grants received from various Federal and State agencies and for which projected expenditures do not exceed 2% of the General Fund's budgeted total operating expenditures. The fund's revenues are restricted by the various external resource providers from whom the City has received the grant funds.

Forest Park/Fort Gillem LRA Fund - To account for grants received from the United States Department of Defense – Office of Economic Adjustment for the base reuse planning and redevelopment of the Fort Gillem army base. The fund's revenues are restricted by the grantor agency for the use described previously.

Tax Allocation District One – Fort Gillem and Main Street Fund - To account for incremental property tax revenues received from the district as well as the redevelopment and planning expenditures made as amounts are collected. The City Council has committed all revenues generated by the TAD for the purpose of redevelopment and planning in the area.

CARES Fund - To account for grant activity related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) passed through the State of Georgia.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources restricted, committed or assigned to expenditure for the acquisition or construction of capital assets.

Capital Improvement Fund - To account for locally funded acquisition and construction of major capital facilities financed by restricted local funds.

SPLOST 2021 Fund - To account for receipts of SPLOST revenues received from Clayton County and expenditures of those revenues in accordance with the SPLOST referendum.

**CITY OF FOREST PARK, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

ASSETS	Special Revenue Funds							Capital Projects Fund		Total Nonmajor Governmental Funds
	Emergency Telephone System	Police Seizure	Hotel/Motel Tax	Multiple Grants	Forest Park/ Ft. Gillem LRA	Tax Allocation District One Ft. Gillem & Main Street	CARES	Capital Improvement	2021 SPLOST	
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	
Cash and cash equivalents	\$ 248,884	\$ 1,925,201	\$ 247,474	\$ 9,174	\$ 392,807	\$ 1,702,560	\$ 424,895	\$ 8,435	\$ 1,250,570	\$ 6,210,000
Taxes receivable	-	-	7,396	-	-	-	-	-	-	7,396
Accounts receivable	59,580	-	-	-	-	-	-	-	-	59,580
Due from other governments	-	-	-	13,330	-	8,984	-	-	709,944	732,258
Due from other funds	-	15,089	-	-	-	-	-	-	-	15,089
Prepaid items	94,555	-	-	-	-	-	-	-	-	94,555
Total assets	\$ 403,019	\$ 1,940,290	\$ 254,870	\$ 22,504	\$ 392,807	\$ 1,711,544	\$ 424,895	\$ 8,435	\$ 1,960,514	\$ 7,118,878
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ 1,789	\$ -	\$ 1,250	\$ 6,581	\$ -	\$ -	\$ 177,389	\$ -	\$ -	\$ 187,009
Due to other funds	-	-	-	-	380,327	-	247,506	-	-	627,833
Due to others	-	154,996	-	-	-	-	-	-	-	154,996
Total liabilities	1,789	154,996	1,250	6,581	380,327	-	424,895	-	-	969,838
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenues - intergovernmental	-	-	-	6,750	-	-	-	-	-	6,750
Total deferred inflows of resources	-	-	-	6,750	-	-	-	-	-	6,750
FUND BALANCES										
Nonspendable:										
Prepaid items	94,555	-	-	-	-	-	-	-	-	94,555
Restricted for:										
Capital construction	-	-	-	-	-	-	-	8,435	1,960,514	1,968,949
Emergency telephone system operations	306,675	-	-	-	-	-	-	-	-	306,675
Tourism and economic development	-	-	253,620	-	-	-	-	-	-	253,620
Law enforcement activities	-	1,785,294	-	9,173	-	-	-	-	-	1,794,467
Committed for:										
Housing, development, and planning	-	-	-	-	12,480	1,711,544	-	-	-	1,724,024
Total fund balances	401,230	1,785,294	253,620	9,173	12,480	1,711,544	-	8,435	1,960,514	6,142,290
Total liabilities, deferred inflows of resources, and fund balances	\$ 403,019	\$ 1,940,290	\$ 254,870	\$ 22,504	\$ 392,807	\$ 1,711,544	\$ 424,895	\$ 8,435	\$ 1,960,514	\$ 7,118,878

CITY OF FOREST PARK, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue Funds						Capital Projects Fund			Total Nonmajor Governmental Funds
	Emergency Telephone System Fund	Police Seizure Fund	Hotel/Motel Tax Fund	Multiple Grants Fund	Forest Park/ Ft. Gillem LRA Fund	Tax Allocation	CARES Fund	Capital Improvement Fund	2021 SPLOST Fund	
						District One Ft. Gillem & Main Street Fund				
REVENUES										
Taxes	\$ -	\$ -	\$ 39,314	\$ -	\$ -	\$ 100,761	\$ -	\$ -	\$ -	\$ 140,075
Fines and forfeitures	-	64,435	-	-	-	-	-	-	-	64,435
Charges for services	349,369	-	-	-	-	-	-	-	-	349,369
Intergovernmental	-	-	-	332,963	-	-	1,048,001	-	1,960,539	3,341,503
Interest	-	1,421	-	-	-	191	-	-	-	1,612
Total revenues	349,369	65,856	39,314	332,963	-	100,952	1,048,001	-	1,960,539	3,896,994
EXPENDITURES										
Current:										
General administration	-	-	-	-	-	295	-	-	-	295
Public safety	311,565	6,770	-	10,475	-	-	177,821	-	-	506,631
Tourism and economic development	-	-	7,500	-	-	-	-	-	-	7,500
Capital outlay:										
Public safety	14,300	-	-	-	-	-	622,674	-	-	636,974
Public works	-	-	-	77,190	-	-	-	-	-	77,190
Debt service:										
Principal	197,231	-	-	-	-	-	-	-	-	197,231
Interest and fiscal charges	40,013	-	-	-	-	-	-	-	25	40,038
Total expenditures	563,109	6,770	7,500	87,665	-	295	800,495	-	25	1,465,859
Excess (deficiency) of revenues over (under) expenditures	(213,740)	59,086	31,814	245,298	-	100,657	247,506	-	1,960,514	2,431,135
OTHER FINANCING SOURCES (USES)										
Transfers in	170,487	-	-	-	-	-	-	-	-	170,487
Transfers out	-	-	-	(252,048)	-	-	(247,506)	-	-	(499,554)
Total other financing sources (uses)	170,487	-	-	(252,048)	-	-	(247,506)	-	-	(329,067)
Net change in fund balances	(43,253)	59,086	31,814	(6,750)	-	100,657	-	-	1,960,514	2,102,068
FUND BALANCES, beginning of fiscal year	444,483	1,726,208	221,806	15,923	12,480	1,610,887	-	8,435	-	4,040,222
FUND BALANCES, end of fiscal year	\$ 401,230	\$ 1,785,294	\$ 253,620	\$ 9,173	\$ 12,480	\$ 1,711,544	\$ -	\$ 8,435	\$ 1,960,514	\$ 6,142,290

CITY OF FOREST PARK, GEORGIA
EMERGENCY TELEPHONE SYSTEM FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 349,369	\$ 349,369
Total revenue	-	-	349,369	349,369
EXPENDITURES				
Current:				
Public safety	-	-	311,565	(311,565)
Capital outlay:				
Public safety	-	-	14,300	(14,300)
Debt service:				
Principal	-	-	197,231	(197,231)
Interest and fiscal charges	-	-	40,013	(40,013)
Total expenditures	-	-	563,109	(563,109)
Deficiency of revenues under expenditures	-	-	(213,740)	(213,740)
OTHER FINANCING SOURCES				
Debt Issuance	-	-	170,487	170,487
Net change in fund balances	-	-	(43,253)	(43,253)
FUND BALANCES, beginning of fiscal year	<u>444,483</u>	<u>444,483</u>	<u>444,483</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 444,483</u>	<u>\$ 444,483</u>	<u>\$ 401,230</u>	<u>\$ (43,253)</u>

**CITY OF FOREST PARK, GEORGIA
POLICE SEIZURE FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 64,435	\$ 64,435
Interest income	-	-	1,421	1,421
Total revenues	-	-	65,856	65,856
EXPENDITURES				
Current:				
Public safety	-	-	6,770	(6,770)
Total expenditures	-	-	6,770	(6,770)
Net change in fund balances	-	-	59,086	59,086
FUND BALANCES, beginning of fiscal year	<u>1,726,208</u>	<u>1,726,208</u>	<u>1,726,208</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 1,726,208</u>	<u>\$ 1,726,208</u>	<u>\$ 1,785,294</u>	<u>\$ 59,086</u>

**CITY OF FOREST PARK, GEORGIA
HOTEL/MOTEL TAX FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 39,314	\$ 39,314
Total revenue	-	-	39,314	39,314
EXPENDITURES				
Current:				
Tourism and economic development	-	-	7,500	(7,500)
Total expenditures	-	-	7,500	(7,500)
Net change in fund balances	-	-	31,814	31,814
FUND BALANCES, beginning of fiscal year	221,806	221,806	221,806	-
FUND BALANCES, end of fiscal year	<u>\$ 221,806</u>	<u>\$ 221,806</u>	<u>\$ 253,620</u>	<u>\$ 31,814</u>

CITY OF FOREST PARK, GEORGIA
MULTIPLE GRANTS FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 332,963	\$ 332,963
Total revenue	-	-	332,963	332,963
EXPENDITURES				
Current:				
Public safety	-	-	10,475	(10,475)
Capital outlay:				
Public works	-	-	77,190	(77,190)
Total expenditures	-	-	87,665	(87,665)
Excess of revenues over expenditures	-	-	245,298	245,298
OTHER FINANCING USES				
Transfers out	-	-	(252,048)	(252,048)
Net change in fund balances	-	-	(6,750)	(6,750)
FUND BALANCES, beginning of fiscal year	15,923	15,923	15,923	-
FUND BALANCES, end of fiscal year	<u>\$ 15,923</u>	<u>\$ 15,923</u>	<u>\$ 9,173</u>	<u>\$ (6,750)</u>

**CITY OF FOREST PARK, GEORGIA
FOREST PARK/FT. GILLEM LRA FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Total revenue	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	12,480	12,480	12,480	-
FUND BALANCES, end of fiscal year	\$ 12,480	\$ 12,480	\$ 12,480	\$ -

**CITY OF FOREST PARK, GEORGIA
TAX ALLOCATION DISTRICT ONE - FT. GILLEM AND MAIN STREET
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 100,761	\$ 100,761
Interest	-	-	191	191
Total revenue	-	-	100,952	100,952
EXPENDITURES				
Current:				
General administration	-	-	295	(295)
Total expenditures	-	-	295	(295)
Excess of revenues over expenditures	-	-	100,657	100,657
OTHER FINANCING USES				
Transfers out	-	-	-	-
Net change in fund balances	-	-	100,657	100,657
FUND BALANCES, beginning of fiscal year	<u>1,610,887</u>	<u>1,610,887</u>	<u>1,610,887</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 1,610,887</u>	<u>\$ 1,610,887</u>	<u>\$ 1,711,544</u>	<u>\$ 100,657</u>

**CITY OF FOREST PARK, GEORGIA
CARES FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,048,001	\$ 1,048,001
Total revenue	-	-	1,048,001	1,048,001
EXPENDITURES				
Current:				
Public Safety	-	-	177,821	(177,821)
Capital Outlay	-	-	622,674	(622,674)
Total expenditures	-	-	800,495	(800,495)
Excess of revenues over expenditures	-	-	247,506	247,506
OTHER FINANCING USES				
Transfers out	-	-	(247,506)	(247,506)
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF FOREST PARK, GEORGIA
 CAPITAL IMPROVEMENT FUND - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
OTHER FINANCING USES				
Transfers out	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	<u>8,435</u>	<u>8,435</u>	<u>8,435</u>	<u>-</u>
FUND BALANCES, end of fiscal year	<u>\$ 8,435</u>	<u>\$ 8,435</u>	<u>\$ 8,435</u>	<u>\$ -</u>

**CITY OF FOREST PARK, GEORGIA
2021 SPLOST FUND - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,960,539	\$ 1,960,539
Total revenue	-	-	1,960,539	1,960,539
EXPENDITURES				
Interest and fiscal charges	-	-	25	25
Total expenditures	-	-	25	25
Net change in fund balances	-	-	1,960,514	1,960,564
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	\$ -	\$ -	\$ 1,960,514	\$ 1,960,564

**CITY OF FOREST PARK, GEORGIA
SPLOST FUND - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,973,529	\$ 1,973,529
Interest income	-	-	4,163	4,163
Total revenue	-	-	1,977,692	1,977,692
EXPENDITURES				
Public works	-	-	502,471	(502,471)
Capital outlay:				
Culture and recreation	-	-	2,473,418	(2,473,418)
Total expenditures	-	-	2,975,889	(2,975,889)
Net change in fund balances	-	-	(998,197)	(998,197)
FUND BALANCES, beginning of fiscal year	14,360,650	14,360,650	14,360,650	-
FUND BALANCES, end of fiscal year	<u>\$ 14,360,650</u>	<u>\$ 14,360,650</u>	<u>\$ 13,362,453</u>	<u>\$ (998,197)</u>

CITY OF FOREST PARK, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
SERIES 2008
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Projects	Project	Expenditures					Estimated Percentage of Completion (2)
		Original Estimated Cost (1)	Revised Estimated Cost (1)	Prior Fiscal Years	Current Fiscal Year	Total	
L.C.I. Main Street - Phase I	A	\$ 1,900,000	\$ 560,210	\$ 560,210	\$ -	\$ 560,210	100.00%
Underground Utilities - Main Street	B	2,500,000	2,500,000	547,786	-	547,786	21.91%
Sidewalks to Schools - Phase III Transit Oriented Pedestrian Improvements - design, construction, & right of way acquisition.	C	2,500,000	195,996	195,996	-	195,996	100.00%
Recreational Center - design & construction	D	9,500,000	1,875,161	1,869,184	-	1,869,184	99.68%
Property Acquisition - Street improvements, transit purchase, recreational areas, & greenspace.	E	6,000,000	10,318,399	10,318,399	-	10,318,399	100.00%
Transit Station - design & construction	F	3,000,000	30,000	30,000	-	30,000	100.00%
City Hall - Expansion and parking - design & construction	G	2,300,000	296,583	296,583	-	296,583	100.00%
New Computer System - City Hall - computers, software, & installation.	H	650,000	780,856	780,856	-	780,856	100.00%
Walkover Bridge over Forest Parkway - design & construction	I	1,200,000	-	-	-	-	0.00%
LCI Main Street Project - Phase II	J	2,700,000	1,565,956	589,685	-	589,685	37.66%
Paving of remaining streets not completed in current SPLOST	K	3,400,000	680,355	680,355	-	680,355	100.00%
Annex Expansion - design & construction	L	1,900,000	205,845	205,845	-	205,845	100.00%
Sidewalks to Schools - Phase I & II - design, construction, & right of way acquisition	M	2,800,000	46,741	46,741	-	46,741	100.00%
Recreational Miscellaneous Projects - athletic field development, senior building addition, Starr park & athletic field lighting, outdoor pool & water park, skate park, walking trail, & mini golf new construction.	N	6,500,000	436,866	436,866	-	436,866	100.00%
Sidewalks, curbs, & gutters - right of way acquisition & additional streets.	O	1,500,000	531,668	531,668	-	531,668	100.00%
Capital equipment for parks & streets	P	750,000	805,797	765,701	-	765,701	95.02%
Fire equipment - quint ladder truck, 1 engine, & 3 ambulances	Q	1,500,000	1,639,021	1,639,021	-	1,639,021	100.00%
Police vehicle purchases	R	700,000	1,529,115	1,529,115	-	1,529,115	100.00%
Program administration	S	800,000	12,520	12,520	-	12,520	100.00%
Transportation projects - miscellaneous	T	1,300,000	358,375	358,375	-	358,375	100.00%
Construction & Design Community - buildings phase I, III, IV	U	2,600,000	952,827	952,827	-	952,827	100.00%
New Fire Station - Station 3 - design, construction, & property acquisition.	V	3,500,000	-	-	-	-	100.00%
Totals		\$ 59,500,000	\$ 25,322,291	\$ 22,347,733	\$ -	\$ 22,347,733	88.25%

Notes:

(1) Unaudited

(2) Estimated percentage of completion represents total expenditures divided by revised estimated costs.

- For Projects F, I, L, M, N, O, S, T, U, and V, per the original County SPLOST Resolution, these projects were to be completed if additional SPLOST Funds were available. However, the City only received 42% of the original estimated 2008 SPLOST funding as of June 30, 2015. Due to the lack of additional funding, these projects will either not be completed or will be completed in the future through other funding sources. The original estimated costs have been revised to reflect these changes.

- For Project V, prior to June 30, 2015, the U.S. Department of Defense donated the Fire Station that is located on the Ft. Gillem Army Military Base to the City of Forest Park prior to the City's acquisition of the military base. This Project was initially included in the County Resolution to support this additional area upon acquisition. Since the Fire Station was donated, there was no need for the City to use SPLOST funding to build a new fire station. Therefore, the original estimated cost was revised to zero and the project is assumed to be 100% completed.

CITY OF FOREST PARK, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
SERIES 2015
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Projects	Expenditures					Estimated Percentage of Completion (2)
	Original Estimated Cost (1)	Revised Estimated Cost (1)	Prior Fiscal Years	Current Fiscal Year	Total	
City Hall Equipment	\$ 150,000	\$ 224,161	\$ 224,161	\$ -	\$ 224,161	100.00%
Streetscape Improvements, sidewalks, curb & gutter and landscaping on misc. streets	1,500,000	1,425,839	8,174	26,784	34,958	2.45%
Landscaping (Median areas city wide)	500,000	500,000	-	-	-	0.00%
Multi Purpose Special Event Center	2,000,000	2,000,000	-	-	-	0.00%
City Hall Renovation, Parking & Equipment (Continuation)	1,500,000	1,500,000	968,396	165,444	1,133,840	75.59%
Support Services Computer & Other Equipment	22,000	22,000	21,205	-	21,205	96.39%
City Hall Annex Improvements	6,000	6,000	1,525	-	1,525	25.42%
Police Vehicles	800,000	800,000	740,800	-	740,800	92.60%
Police Computer Equipment	215,000	710,042	696,342	13,700	710,042	100.00%
Police Firearms Training Systems	235,000	203,546	149,020	2,200	151,220	74.29%
Police Facility Improvements	35,000	35,000	27,450	-	27,450	78.43%
Pool renovation, pool addition, tennis courts & equipment	2,567,048	2,567,048	598,266	155,752	754,018	29.37%
Kiwanis Stadium Construction/Renovation	2,000,000	2,000,000	110,926	-	110,926	5.55%
Memorial Park	1,000,000	1,000,000	-	81,571	81,571	8.16%
Street Resurfacing	2,000,000	2,000,000	1,068,671	502,471	1,571,142	78.56%
Public Works Building Construction	1,500,000	1,500,000	1,382,237	-	1,382,237	92.15%
Public Works Vehicles	100,000	104,830	104,830	-	104,830	100.00%
Planning, Building & Zoning Equipment	85,000	108,700	108,700	-	108,700	100.00%
Planning, Building & Zoning Vehicles	84,500	36,990	-	-	-	0.00%
Agnes Bateman Community Building	85,000	123,454	123,454	-	123,454	100.00%
Fire Vehicle/Equipment Replacement	1,000,000	2,451,377	505,639	1,945,738	2,451,377	100.00%
Fire Facility Improvements/Renovation	2,000,000	548,623	188,178	82,229	270,407	49.29%
Totals	\$ 19,384,548	\$ 19,867,610	\$ 7,027,974	\$ 2,975,889	\$ 10,003,863	50.35%

(1) Unaudited

(2) Estimated percentage of completion represents total expenditures divided by revised estimated costs.

CITY OF FOREST PARK, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
SERIES 2021
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Projects	Expenditures						Estimated Percentage of Completion (2)
	Original Estimated Cost (1)	Revised Estimated Cost (1)	Prior Fiscal Years	Current Fiscal Year	Total		
Streetscape Improvements - Infrastructure improvements - curb and gutter, drainage improvements and other improvements on various streets	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 25	\$ 25		0.00%
Street Resurfacing and Construction	3,000,000	3,000,000	-	-	-		0.00%
Building Construction - Facility Improvements	6,156,548	6,156,548	-	-	-		0.00%
Equipment - Various Departments	480,000	480,000	-	-	-		0.00%
Police, Fire, EMS - Equipment and Vehicles	4,268,000	4,268,000	-	-	-		0.00%
Recreation, Leisure, and Public Works - Park and Greenway Improvements	3,000,000	3,000,000	-	-	-		0.00%
Capital Outlay - Public Works Vehicles	480,000	480,000	-	-	-		0.00%
Totals	\$ 19,384,548	\$ 19,384,548	\$ -	\$ 25	\$ 25		0.00%

Total Expenditures - 2015 SPLOST: \$ 2,975,889

Total SPLOST Expenditures - Fiscal Year Ended June 30, 2021: \$ 2,975,914

Reconciliation of the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds to the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds:

SPLOST Fund
Public Works: \$ 502,471
Capital Outlay: 2,473,418

SPLOST 2021 Fund
Fiscal charges 25
\$ 2,975,914

(1) Unaudited

(2) Estimated percentage of completion represents total expenditures divided by revised estimated costs.

**DOWNTOWN DEVELOPMENT AUTHORITY
DISCRETELY PRESENTED COMPONENT UNIT**

**CITY OF FOREST PARK, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

ASSETS

Current assets:

Cash and cash equivalents \$ 2,454,911

Noncurrent assets:

Construction in progress 49,536

Total assets 2,504,447

LIABILITIES

Accounts payable 30,202

Due to primary government 1,901,198

Total liabilities 1,931,400

NET POSITION

Net investment in capital assets 19,334

Unrestricted 553,713

Total net position \$ 573,047

**CITY OF FOREST PARK, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
PROPRIETARY COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

OPERATING REVENUES	
Charges for services	\$ -
Total operating revenues	<u>-</u>
OPERATING EXPENSES	
General administration	1,100
Economic development	21,284
Other	1,080
Total operating expenses	<u>23,464</u>
Operating loss	(23,464)
NONOPERATING REVENUES (EXPENSES)	
Payments in lieu of taxes	2,163,167
Intergovernmental expense	<u>(1,887,504)</u>
Total nonoperating revenue (expenses)	<u>275,663</u>
Change in net position	252,199
Total net position, beginning of fiscal year	<u>320,848</u>
Total net position, end of fiscal year	<u><u>\$ 573,047</u></u>

**CITY OF FOREST PARK, GEORGIA
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Payments of operating expenses	\$ (23,464)
Net cash used in operating activities	<u>(23,464)</u>

CASH FLOWS FROM NON-CAPITAL

FINANCING ACTIVITIES:

Receipts from payments in lieu of taxes	<u>2,163,167</u>
Net cash provided by non-capital financing activities	<u>2,163,167</u>

CASH FLOWS FROM CAPITAL AND RELATED

FINANCING ACTIVITIES:

Purchase of capital assets	<u>(19,335)</u>
Net cash used in non-capital financing activities	<u>(19,335)</u>

Net increase in cash and cash equivalents	2,120,368
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Cash and cash equivalents, beginning of fiscal year	<u>334,543</u>
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Cash and cash equivalents, end of fiscal year	<u><u>\$ 2,454,911</u></u>
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STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends	69
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	75
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	
Debt Capacity	81
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	85
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	87
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 annual comprehensive financial report for the relevant year. The City implemented GASB 63; *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in Fiscal Year 2013. The City implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* in fiscal year 2018.

**SCHEDULE 1
CITY OF FOREST PARK, GEORGIA
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019 (Restated)	2020 (Restated)	2021
Governmental activities										
Net investment in capital assets	\$ 15,242,947	\$ 16,185,806	\$ 17,669,695	\$ 18,964,221	\$ 18,604,312	\$ 18,808,484	\$ 19,438,420	\$ 18,661,292 (1)	\$ 19,296,031 (4)	\$ 20,609,680
Restricted	1,426,846	3,623,381	5,242,867	5,615,883	7,298,649	8,517,272	9,854,517	13,496,784	16,682,950	17,787,469
Unrestricted (deficit)	2,577,470	1,690,027	50,277	(1,391,133)	(1,033,770)	777,244 (3)	7,294,353	10,596,880	10,617,796	11,668,163
Total governmental activities net position	19,247,263	21,499,214	22,962,839	23,188,971	24,869,191	28,103,000	36,587,290	42,754,956 (1)	46,596,777 (4)	50,065,312
Business-type activities										
Net investment in capital assets	8,013,467	8,001,214	8,001,214	14,685,778	17,318,422	17,723,571	16,729,594	16,504,532	16,385,591	2,856,061
Unrestricted (deficit)	572,360	200,431 (2)	6,807,960	(3,152,169)	(7,684,006)	(9,652,045) (3)	(10,575,017)	(9,444,267)	(8,286,921)	7,076,763
Total business-type activities net position	8,585,827	8,201,645	14,809,174	11,533,609	9,634,416	8,071,526	6,154,577	7,060,265	8,098,670	9,932,824
Primary government										
Net investment in capital assets	23,256,414	24,187,020	25,670,909	33,649,999	35,922,734	36,532,055	36,168,014	35,165,824 (1)	35,681,622 (4)	23,465,741
Restricted	1,426,846	3,623,381	5,242,867	5,615,883	7,298,649	8,517,272	9,854,517	13,496,784	16,682,950	17,787,469
Unrestricted (deficit)	3,149,830	1,890,458	6,858,237	(4,543,302)	(8,717,776)	(8,874,801) (3)	(3,280,664)	1,152,613	2,330,875	18,744,926
Total primary government net position	\$ 27,833,090	\$ 29,700,859	\$ 37,772,013	\$ 34,722,580	\$ 34,503,607	\$ 36,174,526	\$ 42,741,867	\$ 49,815,221	\$ 54,695,447	\$ 59,998,136

Notes:

- (1) The 2019 column for governmental activities was restated for errors in the prior year.
- (2) Changes due to unspent committed debt proceeds and operating income to be used for future land acquisition and redevelopment projects.
- (3) The 2017 column for governmental activities was restated due to the implementation of GASB 75 and the 2017 column for business-type activities was restated due to errors in the prior year.
- (4) The 2020 column for governmental activities was restated for errors in the prior year. See Note 16 for more information.

SCHEDULE 2
CITY OF FOREST PARK, GEORGIA
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

Expenses	2012	2013	2014	2015	2016	2017	2018	2019 (Restated)	2020 (Restated)	2021
Governmental activities:										
General government	\$ 3,142,120	\$ 3,124,003	\$ 2,855,909	\$ 2,863,828	\$ 2,677,825	\$ 2,580,660	\$ 2,848,921	\$ 2,756,142	\$ 3,357,247	\$ 4,808,380
Public safety	15,782,226	15,857,835	15,756,330	15,451,710	15,230,605	15,648,967	16,178,020	15,812,932 (4)	16,819,240 (5)	17,628,706
Public works	3,146,528	3,254,195	3,196,689	3,358,782	3,892,680	3,707,374	3,489,626	3,550,427	4,127,165	4,628,561
Culture and recreation	1,366,783	1,286,548	1,353,806	1,353,839	1,331,029	1,348,717	1,401,596	1,420,765	1,275,203	1,542,181
Housing, development, and planning	985,641	1,126,218	769,672	730,914	765,987	755,235	705,677	688,602	939,208	1,280,386
Redevelopment and planning	395,892	725,506	1,260,977	1,241,205	445,708	65,611	62,974	-	595	-
Judicial	141,786	130,288	140,667	134,087	126,397	133,009	134,652	147,474	115,236	196,471
Tourism and economic development	32,499	42,707	29,944	31,098	25,455	37,475	41,312	37,511	109,084	218,591
Interest on long-term debt	-	18,452	16,055	13,582	23,284	19,143	5,687	2,888	30,052	54,265
Total governmental activities expenses	24,993,475	25,565,752	25,380,049	25,179,045	24,518,970	24,296,191	24,868,465	24,416,741 (4)	26,773,030 (5)	30,357,541
Business-type activities:										
Development Authority	109,697	62,249	82,945	344,520	230,797	75,689	183,233	68,071	64,817	476,450
Urban Redevelopment Agency	-	-	15,388,137 (1)	4,743,090	2,134,449	5,348,665 (3)	7,813,785	1,774,119	2,047,829	4,506,275
Sanitation	2,622,834	2,511,093	2,379,596	2,105,456	2,272,674	2,516,090	2,724,044	2,826,213	3,466,300	3,773,845
Total business-type activities expenses	2,732,531	2,573,342	17,850,678	7,193,066	4,637,920	7,940,444	10,721,062	4,668,403	5,578,946	8,756,570
Program Revenues										
Governmental activities:										
Charges for services:										
General government	199,891	226,944	208,726	616,160	467,915	461,201	429,774	627,865	627,047	731,552
Public safety	4,192,881	4,059,079	3,346,648	3,585,768	3,414,799	4,106,376	3,895,344	3,802,079	2,952,978	1,923,929
Public works	970	1,995	1,225	-	-	335	-	-	-	-
Culture and Recreation	216,339	202,393	667,820	225,541	230,209	233,736	261,136	243,160	84,060	137,444
Operating grants and contributions	695,971	751,815	1,136,655	820,913	519,298	319,886	3,460,594	348,240	304,356	3,117,240
Capital grants and contributions	5,246,034	5,444,621	4,506,932	3,820,567	3,143,555	3,312,427	3,715,834	3,680,514	3,761,902	4,379,122
Total governmental activities program revenues	10,552,086	10,686,847	9,868,006	9,068,949	7,775,776	8,433,961	11,762,682	8,701,858	7,730,343	10,289,287
Business-type activities:										
Charges for services:										
Development Authority	82,810	71,960	85,916	103,558	97,653	924,877	1,239,287	1,229,951	1,145,328	1,236,679
Urban Redevelopment Agency	-	-	22,093,933 (1)	1,071,561	263,913	1,916,227	3,808,440	438,327	870,678	4,280,220
Sanitation	2,406,240	2,691,874	2,778,338	2,300,605	3,117,709	3,418,305	3,652,013	3,857,193	4,491,383	4,689,022
Operating grants and contributions	-	-	-	-	-	105,576 (3)	74,310	-	-	350,000
Capital grants and contributions	-	-	-	450,000	-	-	-	-	-	-
Total business-type activities program revenues	2,489,050	2,763,834	24,958,187	3,925,724	3,479,275	6,364,985	8,774,050	5,525,471	6,507,389	10,555,921
Total primary government program revenues	13,041,136	13,450,681	34,826,193	12,994,673	11,255,051	14,798,946	20,536,732	14,227,329	14,237,732	20,845,208

SCHEDULE 2 (CONTINUED)
CITY OF FOREST PARK, GEORGIA
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	2012	2013	2014	2015	2016	2017 (restated)	2018	2019 (restated)	2020	2021
Net (Expense) Revenue										
Governmental activities	\$ (14,441,389)	\$ (14,878,905)	\$ (15,512,043)	\$ (16,110,096)	\$ (16,743,194)	\$ (15,862,230)	\$ (13,105,783)	\$ (15,714,883) (4)	\$ (19,042,687) (5)	\$ (20,068,254)
Business-type activities	(243,481)	190,492	7,107,509	(3,267,342)	(1,158,645)	(1,575,459)	(1,947,012)	857,068	928,443	1,799,351
Total primary government net expense	<u>(14,684,870)</u>	<u>(14,688,413)</u>	<u>(8,404,534)</u>	<u>(19,377,438)</u>	<u>(17,901,839)</u>	<u>(17,437,689)</u>	<u>(15,052,795)</u>	<u>(14,857,815) (4)</u>	<u>(18,114,244) (5)</u>	<u>(18,268,903)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Property and other taxes	16,121,874	16,449,435	16,419,905	16,214,024	17,557,309 (2)	19,585,336 (2)	21,436,217	21,748,584	22,082,157	23,224,508
Unrestricted investment earnings	12,390	10,673	6,775	3,775	8,561	27,936	70,550	108,636	79,001	10,481
Miscellaneous	32,137	96,060	48,988	55,259	30,421	5,906	3,890	25,329	775,329	79,622
Gains on sale of capital assets	-	-	-	10,259	76,388	6,655	79,416	-	29,521	72,178
Transfers	(3,897,637)	574,688	500,000	52,911	750,735	-	-	-	(81,500)	150,000
Total governmental activities	<u>12,268,764</u>	<u>17,130,856</u>	<u>16,975,668</u>	<u>16,336,228</u>	<u>18,423,414</u>	<u>19,625,833</u>	<u>21,590,073</u>	<u>21,882,549</u>	<u>22,884,508</u>	<u>23,536,789</u>
Business-type activities										
Unrestricted investment earnings	-	-	-	5,482	9,474	10,819	24,463	34,391	23,062	11
Miscellaneous	11,705	14	20	39,206	713	1,750	5,600	14,229	5,400	184,792
Transfers	3,897,637	(574,688)	(500,000)	(52,911)	(750,735)	-	-	-	81,500	(150,000)
Total business-type activities	<u>3,909,342</u>	<u>(574,674)</u>	<u>(499,980)</u>	<u>(8,223)</u>	<u>(740,548)</u>	<u>12,569</u>	<u>30,063</u>	<u>48,620</u>	<u>109,962</u>	<u>34,803</u>
Total primary government	<u>16,178,106</u>	<u>16,556,182</u>	<u>16,475,688</u>	<u>16,328,005</u>	<u>17,682,866</u>	<u>19,638,402</u>	<u>21,620,136</u>	<u>21,931,169</u>	<u>22,994,470</u>	<u>23,571,592</u>
Change in Net Position										
Governmental activities	(2,172,625)	2,251,951	1,463,625	226,132	1,680,220	3,763,603	8,484,290	6,167,666	3,841,821	3,468,535
Business-type activities	3,665,861	(384,182)	6,607,529 (1)	(3,275,565)	(1,899,193)	(1,562,890)	(1,916,949)	905,688	1,038,405	1,834,154
Total primary government	<u>\$ 1,493,236</u>	<u>\$ 1,867,769</u>	<u>\$ 8,071,154</u>	<u>\$ (3,049,433)</u>	<u>\$ (218,973)</u>	<u>\$ 2,200,713</u>	<u>\$ 6,567,341</u>	<u>\$ 7,073,354</u>	<u>\$ 4,880,226</u>	<u>\$ 5,302,689</u>

Notes:

- (1) Increase is due to the creation of the Urban Redevelopment Agency during fiscal year 2014 and its completion of phase one of acquiring certain property from Fort Gillem through the issuance of debt and then the sale of certain land that was held for resale to other parties during the month of June 2014.
- (2) From 2016 to 2017, the City increased its millage rate from 14.743 to 16.743 mills per \$1,000 of assessed value.
- (3) The 2017 column for business-type activities was restated due to errors in the prior year.
- (4) The 2019 column for governmental activities was restated for errors in the prior year.
- (5) The 2020 column for governmental activities was restated for errors in the prior year (see Note 16 for further discussion).

**SCHEDULE 3
CITY OF FOREST PARK, GEORGIA
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Accrual basis of accounting)**

Fiscal Year	Property Tax	Motor Vehicle Tax	Hotel/Motel Tax	Alcoholic Beverage Tax	Sales Tax	Franchise Tax	Insurance Premium Tax	Business Tax	Other Tax	Total
2012	\$ 7,156,546	\$ 546,084	\$ 27,143	\$ 372,190	\$ 4,767,454	\$ 1,468,944	\$ 866,227	\$ 814,871	\$ 102,415	\$ 16,121,874
2013	7,065,068	754,280 (1)	33,605	361,014	4,921,326	1,375,538	930,353	857,492	150,759	16,449,435
2014	6,833,432	1,216,563 (1)	54,297	350,268	4,770,385	1,323,377	957,003	810,737	103,843	16,419,905
2015	6,334,235	948,874	55,296	354,862	4,991,349	1,373,128	996,067	996,669	163,544	16,214,024
2016	6,866,918	851,830	60,495	369,360	5,674,290	1,443,810	1,068,784	1,017,690	204,132	17,557,309
2017	8,635,976 (2)	587,553	60,674	405,583	6,060,026	1,391,853	1,152,664	1,174,074	116,933	19,585,336
2018	9,837,830 (3)	671,929	51,387	418,616	6,595,788	1,281,337	1,227,401	1,206,781	145,148	21,436,217
2019	10,752,690	766,555	57,125	434,936	5,755,356	1,311,023	1,349,561	1,161,043	160,295	21,748,584
2020	11,339,846	475,535	38,111	481,882	5,730,333	1,348,907	1,424,876	1,147,779	94,888	22,082,157
2021	11,029,007	947,146	39,314	509,643	6,280,595	1,301,830	1,505,166	1,468,763	143,044	23,224,508

Notes:

(1) The increase from fiscal year 2012 to fiscal year 2013 and from fiscal year 2013 to fiscal year 2014 is due to a new law in the State of Georgia.

Motor vehicle taxes changed from an annual ad-valorem tax on the assessed value to a one-time title ad-valorem tax (TAVT).

(2) For fiscal year 2017, the City increased its millage rate from 14.743 to 16.743 mills per \$1,000 of assessed value.

(3) For fiscal year 2018, taxes increased from 2017 to 2018 because assessed values increased 15.5%.

**SCHEDULE 4
CITY OF FOREST PARK, GEORGIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nondisposable	\$ 7,812	\$ -	\$ 965	\$ -	\$ 6,228	\$ 108	\$ 288,956	\$ -	\$ 6,057	\$ 252,048
Assigned	-	-	-	-	-	-	-	-	-	3,030,604
Unassigned	5,267,019	3,919,818	2,104,703	1,174,628	1,474,424	3,957,989	10,424,541 (1)	13,488,406	12,904,155	11,619,105
Total General Fund	\$ 5,274,831	\$ 3,919,818	\$ 2,105,668	\$ 1,174,628	\$ 1,480,652	\$ 3,958,097	\$ 10,713,497	\$ 13,488,406	\$ 12,910,212	\$ 14,901,757
All Other Governmental Funds										
Nondisposable	\$ -	\$ 94,555	\$ 94,555	\$ 94,555	\$ 139,959	\$ 142,229	\$ 94,555	\$ 94,555	\$ 94,555	\$ 94,555
Restricted for:										
Capital construction	11,290	2,158,259	3,950,678	4,192,745	5,774,441	6,897,314	8,102,605	11,493,022	14,369,085	15,331,402
Law enforcement activities	979,739	1,113,377	1,204,521	1,295,746	1,330,669	1,312,828	1,485,329	1,606,224	1,742,131	1,794,467
E911 operations	368,604	276,945	-	-	-	-	91,489	202,830	349,928	306,675
Tourism and economic development	67,213	58,111	82,464	106,662	141,702	164,901	175,094	194,708	221,806	253,620
Public safety operations	-	16,689	5,204	20,730	51,837	-	-	-	-	-
Committed for:										
Housing, development, and planning	1,728	1,477	156,818	215,676	448,255	681,624	929,713	1,254,236	1,623,367	1,724,024
Unassigned (deficits)	(664,659)	-	(48,586)	(169,295)	-	(28,160)	-	-	-	-
Total all other governmental funds	\$ 763,915	\$ 3,719,413	\$ 5,445,654	\$ 5,756,819	\$ 7,886,863	\$ 9,170,736	\$ 10,878,785	\$ 14,845,575	\$ 18,400,872	\$ 19,504,743

Note: Fund balance is reported under categories using the definitions provided by GASB Statement No. 54.

(1) From 2017 to 2018, a significant portion of the increase was due to a one-time grant payment from the State (as pass-through to Clayton County Gov't) to the City of Forest Park in the amount of \$3,039,942 in reference to the local jet fuel taxation. The City has not committed or assigned this amount for any purposes as of June 30, 2021.

SCHEDULE 5
CITY OF FOREST PARK, GEORGIA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 16,069,979	\$ 16,353,022	\$ 16,254,647	\$ 16,403,442	\$ 17,741,240	\$ 19,579,664	\$ 21,347,740	\$ 21,601,538	\$ 21,879,031	\$ 23,574,562
Licenses and permits	199,891	223,944	208,726	616,160	467,915	461,201	429,774	627,865	627,047	731,552
Intergovernmental revenues	5,941,362	6,195,949	5,642,165	4,637,977	3,658,716	3,625,953	7,155,447 (1)	3,968,161	4,001,617	7,504,271
Fines and forfeitures	3,343,140	3,240,878	2,582,055	2,228,634	2,001,275	2,611,321	2,410,036	2,148,484	1,551,705	990,638
Charges for services	1,067,050	1,025,589	1,433,638	1,582,675	1,643,733	1,729,126	1,746,444	1,896,755	1,485,333	1,070,735
Investment earnings	13,033	11,160	8,197	7,278	12,698	34,296	91,571	169,229	124,820	14,644
Miscellaneous	32,137	96,060	48,988	55,259	30,421	5,906	79,416	25,329	775,329	79,622
Total revenues	26,666,592	27,146,602	26,178,416	25,531,425	25,555,998	28,047,467	33,260,428	30,437,361	30,444,882	33,966,024
Expenditures										
General government	2,722,016	2,899,138	2,620,594	2,650,559	2,501,960	2,349,713	2,492,839	2,565,288	3,685,123	4,575,641
Public safety	14,709,791	14,832,907	15,056,084	14,487,546	14,341,820	14,657,934	14,646,440	15,634,179	16,902,743	16,696,961
Public works	2,725,321	2,841,158	2,721,928	2,857,706	3,269,299	3,192,723	3,170,321	3,047,067	3,867,542	3,825,082
Culture and recreation	1,238,552	1,153,437	1,232,398	1,223,129	1,197,818	1,164,048	1,179,009	1,217,336	1,111,457	1,343,668
Housing and development	968,516	1,104,605	753,559	725,130	758,647	726,517	697,306	681,990	930,683	1,269,449
Judicial	139,854	128,701	139,163	132,884	125,187	131,449	133,055	146,058	114,190	194,793
Redevelopment and planning	406,220	529,312	1,090,659	771,673	441,437	2,701	93	-	-	-
Tourism and economic development	32,514	42,707	29,944	31,098	25,455	37,475	41,312	37,511	109,084	218,591
Capital outlay - general government	-	-	-	-	-	705,169	178,059	34,098	211,979	-
Capital outlay - redevelopment and planning	1,863,877	1,709,733	2,332,246	3,473,560	1,071,496	398,591	120,307	-	-	-
Capital outlay - public safety	705,559	696,256	369,024	53,381	26,095	409,924	585,905	24,456	13,812	636,974
Capital outlay - public works	730,831	737,034	291,738	26,363	48,896	362,435	1,441,647	15,027	75,360	77,190
Capital outlay - culture and recreation	-	-	-	-	-	59,511	19,980	293,299	315,441	2,473,418
Debt service										
Principal	15,479	31,609	110,536	112,475	113,109	93,637	86,155	88,869	76,709	197,231
Interest and fees	-	-	18,452	16,055	25,834	21,774	8,401	5,687	17,847	40,038
Total expenditures	26,258,530	26,706,597	26,766,325	26,561,559	23,947,053	24,313,601	24,800,829	23,790,865	27,431,970	31,549,036
Excess (deficiency) of revenues over (under) expenditures	408,062	440,005	(587,909)	(1,030,134)	1,608,945	3,733,866	8,459,599	6,646,496	3,012,912	2,416,988
Other Financing Sources (Uses)										
Issuance of debt	157,744	585,792	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	10,259	76,388	27,452	3,890	-	45,691	528,428
Transfers in	108,477	756,227	608,628	402,859	1,175,505	-	120,393	1,220,762	1,235,991	1,975,041
Transfers out	(4,006,114)	(181,539)	(108,628)	(2,859)	(424,770)	-	(120,393)	(1,220,762)	(1,317,491)	(1,825,041)
Total other financing sources (uses)	(3,739,893)	1,160,480	500,000	410,259	827,123	27,452	3,890	-	(35,809)	678,428
Net change in fund balances	\$ (3,331,831)	\$ 1,600,485	\$ (87,909)	\$ (619,875)	\$ 2,436,068	\$ 3,761,318	\$ 8,463,489	\$ 6,646,496	\$ 2,977,103	\$ 3,095,416
Debt service as a percentage of noncapital expenditures	0.07%	0.13%	0.55%	0.56%	0.61%	0.51%	0.42%	0.41%	0.38%	0.84%

(1) From 2017 to 2018, the increase is due to a one-time grant payment from the State (as pass-through to Clayton County Gov't) to the City of Forest Park in the amount of \$3,039,942 in reference to the local jet fuel taxation.

SCHEDULE 6
CITY OF FOREST PARK, GEORGIA
General Government Tax Revenues by Source (1)
Last Ten Fiscal Years
(Modified accrual basis of accounting)

Fiscal Year	Property Taxes (2)	Insurance Premium Taxes	Alcoholic Beverage Taxes	Sales Taxes (4)	Franchise Taxes	Other Taxes	Total
2012	\$ 7,687,245	\$ 866,227	\$ 372,190	\$ 4,767,454	\$ 1,468,944	\$ 907,919	\$ 16,069,979
2013	7,811,228	930,353	361,014	4,921,326	1,375,538	953,563	16,353,022
2014	7,884,737	957,003	350,268	4,770,385	1,323,377	968,877	16,254,647
2015	7,471,925	996,669	354,862	4,991,349	1,373,128	1,215,509	16,403,442
2016	7,902,679	1,068,784	369,360	5,674,290	1,443,810	1,282,317	17,741,240
2017	9,804,378 (2)	1,152,664	405,583	6,060,026	1,391,853	765,160	19,579,664
2018	10,956,134 (3)	1,227,401	418,616	6,595,788	1,281,337	868,464	21,347,740
2019	11,372,199	1,349,561	434,936	5,755,356	1,311,023	1,378,463	21,601,538
2020	11,136,720	1,424,876	481,882	5,730,333	1,348,907	1,756,313	21,879,031
2021	11,379,061	1,505,166	509,643	6,280,595	1,301,830	2,598,267	23,574,562

Notes:

(1) Includes all governmental fund type tax revenues.

(2) For fiscal year 2017, the City increased its millage rate from 14.743 to 16.743 mills per \$1,000 of assessed value.

(3) For fiscal year 2018, taxes increased from 2017 to 2018 because assessed values increased 15.5%.

**SCHEDULE 7
CITY OF FOREST PARK, GEORGIA
Assessed Value and Estimated Actual Value - All Taxable Property
Last Ten Calendar Years**

Year of Levy	Real Property		Exemptions Real Property		Personal Property		Utilities		Total		Assessed Value as a Percentage of actual value (1)	City Direct Property Tax Rate
	Assessed actual value	Estimated actual value	Assessed value	Estimated actual value	Assessed value	Estimated actual value	Assessed value	Estimated actual value	Assessed value	Estimated actual value		
2011	\$ 357,210,127	\$ 893,025,318	\$ 61,895,455	\$ 154,738,638	\$ 107,592,299	\$ 268,980,748	\$ 51,143,833	\$127,859,583	\$ 577,841,714	\$ 1,444,604,285	40%	14.743
2012	324,741,454	811,853,635	47,808,851	119,522,128	112,546,709	281,366,773	58,036,374	145,090,935	543,133,388	1,357,833,470	40%	14.743
2013	310,759,693	776,899,233	37,750,632	94,376,580	112,769,657	281,924,143	62,099,094	155,247,735	523,379,076	1,308,447,690	40%	14.743
2014	313,989,974	784,974,935	30,431,401	76,078,503	110,497,521	276,243,803	62,099,285	155,248,213	517,018,181	1,292,545,453	40%	14.743
2015	310,655,038	776,637,595	30,792,549	76,981,373	125,984,681	314,961,703	67,609,090	169,022,725	535,041,358	1,337,603,395	40%	14.743
2016	314,784,389	786,960,973	32,409,980	81,024,950	113,890,171	284,725,428	82,898,015	207,245,038	543,982,555	1,359,956,388	40%	16.743
2017	346,899,480	867,248,700	32,844,686	82,111,715	154,718,021	386,795,053	93,937,800	234,844,500	628,399,987	1,570,999,968	40%	16.743
2018	375,657,298	939,143,245	41,993,224	104,983,060	160,109,169	400,272,923	89,282,358	223,205,895	667,042,049	1,667,605,123	40%	16.743
2019	400,891,800	1,002,229,500	44,621,507	111,553,768	155,744,960	389,362,400	95,870,649	239,676,623	697,128,916	1,742,822,290	40%	16.743
2020	538,253,413	1,345,633,533	49,143,435	122,858,588	161,286,018	403,215,045	108,898,094	272,245,235	857,580,960	2,143,952,400	40%	16.743

Source: Clayton County Tax Commissioner Office

Notes:

(1) Under Georgia law, property is assessed for taxes at 40% of fair market value.

SCHEDULE 8
CITY OF FOREST PARK, GEORGIA
Property Tax Rates - All Overlapping Governments
Direct and Overlapping Governments
Last Ten Calendar Years

Per \$1,000 of net assessed value

<u>Calendar year</u>	<u>City of Forest Park Operating Millage (1)</u>	<u>Clayton County Schools Millage</u>	<u>Clayton County Operating Millage</u>	<u>State of Georgia Millage</u>	<u>Total</u>
2011	14.743	20.000	15.213	0.250	50.206
2012	14.743	20.000	14.312	0.200	49.255
2013	14.743	20.000	14.062	0.150	48.955
2014	14.743	20.000	14.869	0.100	49.712
2015	14.743	19.095	15.862	0.050	49.750
2016	16.743	19.095	15.596	0.000	51.434
2017	16.743	19.095	16.596	0.000	52.434
2018	16.743	19.095	15.596	0.000	51.434
2019	16.743	20.000	15.596	0.000	52.339
2020	16.743	20.000	15.089	0.000	51.832

Source: Clayton County Tax Commissioner Office

Notes: (1) There are no other components of the City's direct property tax rate. It only consists of the City's operating millage rate.

SCHEDULE 9
CITY OF FOREST PARK, GEORGIA
Principal Property Taxpayers
Current Tax Digest Year and Nine Years Ago

Taxpayer	2020			Taxpayer	2011		
	Assessed valuation	Rank	Percentage of total assessed valuation		Assessed valuation	Rank	Percentage of total assessed valuation
Georgia Power	\$ 113,414,018	1	13.22%	Georgia Power	\$ 43,161,254	1	6.42%
Clorox Manufacturing Company	41,123,194	2	4.80%	Clorox Manufacturing Company	42,468,463	2	6.32%
The Kroger Co	29,460,208	3	3.44%				
Southwest Airlines Co	19,958,794	4	2.33%				
Sanofi Pasteur Inc	14,045,728	5	1.64%				
United Rentals Inc	13,748,345	6	1.60%				
Bre Jupiter Southeast Ga LL	13,596,450	7	1.59%				
O'Reilly Auto Parts	11,570,976	8	1.35%				
McLane Food Service, Inc	8,788,898	9	1.02%				
Lit Industrial Limited	8,535,000	10	1.00%				
				Sara Lee Bakery Group	13,179,852	3	1.96%
				Ozark Automotive Dist Inc #12	12,392,497	4	1.84%
				James Campbell Company LLC	7,297,200	5	1.09%
				K Mart Forest Pk Reg Spec Ctr	7,195,510	6	1.07%
				Bellsouth Telecommunication	6,877,253	7	1.02%
				Medicis Aesthetics Inc	6,466,078	8	0.96%
				Atlanta Airlogistics	5,800,000	9	0.86%
				KN Forest Park	5,732,800	10	0.85%
Total	\$ 274,241,610		31.98%		\$ 150,570,907		22.39%

Source: Clayton County Tax Commissioner Office

SCHEDULE 10
CITY OF FOREST PARK, GEORGIA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
		Amount	Collected		Amount	Percentage of Levy		
2012	\$ 7,211,134	\$ 6,808,577	94%	\$ 350,181	\$ 7,158,758	99%	\$ 52,376	1%
2013	6,882,967	6,559,641	95%	278,917	6,838,558	99%	44,409	1%
2014	6,707,089	6,211,543	93%	444,826	6,656,369	99%	50,720	1%
2015	6,441,240	6,093,557	95%	272,069	6,365,626	99%	75,614	1%
2016	6,965,980	6,728,025	97%	174,034	6,902,059	99%	63,921	1%
2017	7,982,552	7,641,539	96%	221,226	7,862,765	98%	119,787	2%
2018	9,444,780	9,041,230	96%	278,838	9,320,067	99%	124,713	1%
2019	10,004,895	9,687,586	97%	177,684	9,865,270	99%	139,625	1%
2020	10,813,440	10,205,383	94%	349,581	10,554,964	98%	258,476	2%
2021	10,999,440	10,596,960	96%	-	10,596,960	96%	402,480	4%

Source: The City of Forest Park Finance Department

Note: (1) After write off of taxes and before allowance for doubtful accounts.

**SCHEDULE 11
CITY OF FOREST PARK, GEORGIA
Sanitation Revenues
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Sanitation Revenues</u>
2012	\$ 2,406,240
2013	2,691,874
2014	2,778,338
2015	2,300,605
2016	3,117,709
2017	3,418,305
2018	3,657,613
2019	3,857,193
2020	4,491,383
2021	4,689,022

Source: The City of Forest Park Finance Department

SCHEDULE 12
CITY OF FOREST PARK, GEORGIA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal year	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	Notes Payable, Financed Purchases, Capital Lease Payable	Notes Payable	Revenue Bonds Payable			
2012	\$ 142,265	\$ -	\$ -	\$ 142,265	0.06%	8
2013	696,448	-	-	696,448	0.27%	38
2014	585,912	10,633,050	16,130,000	27,348,962	10.75%	1,481
2015	473,437	10,838,941	16,130,000	27,442,378	10.78%	1,486
2016	360,328	11,044,832	16,130,000	27,535,160	10.82%	1,491
2017	266,691	10,250,723	16,130,000	26,647,414	10.47%	1,443
2018	180,536	8,445,487	15,790,000	24,416,023	9.60%	1,322
2019	497,120 (2)	5,605,951	15,440,000	21,543,071	8.47%	1,167
2020	1,316,818 (3)	5,712,463	15,070,000	22,099,281	8.69%	1,197
2021	1,119,587	1,745,000	57,325,000	60,189,587	17.34%	3,020

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

(1) See Schedule 16 for personal income and population data.

(2) Restated for prior year errors.

(3) Restated for prior year errors. See Note 16.

SCHEDULE 13
CITY OF FOREST PARK, GEORGIA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Estimated Taxable Value of Property	Per Capita
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-

Note 1: The City's governmental activities did not have any general obligation bonds outstanding in the last ten (10) years.

Note 2: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

SCHEDULE 14
CITY OF FOREST PARK, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct General Obligation Debt:			
City of Forest Park, Georgia	\$ 1,119,587	100%	\$ 1,119,587
Subtotal			<u>1,119,587</u>
Overlapping General Obligation Debt:			
Clayton County	72,000,000	8.56%	6,162,601
Landfill Authority	4,625,000	8.56%	395,861
Subtotal			<u>6,558,462</u>
Total direct and overlapping debt			<u>\$ 7,678,049</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Clayton County Finance Department website. Debt outstanding data provided by Clayton County Finance Department.

Note: 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 is borne by the residents and businesses of the City of Forest Park, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the resident and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

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

SCHEDULE 15
CITY OF FOREST PARK, GEORGIA
Legal Debt Margin Information
Last Ten Calendar Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 57,784,171	\$ 54,313,339	\$ 52,337,908	\$ 51,701,818	\$ 53,504,136	\$ 63,950,918	\$ 62,839,999	\$ 66,704,205	\$ 69,712,892	\$ 80,867,606
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 57,784,171	\$ 54,313,339	\$ 52,337,908	\$ 51,701,818	\$ 53,504,136	\$ 63,950,918	\$ 62,839,999	\$ 66,704,205	\$ 69,712,892	\$ 80,867,606
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

**Legal Debt Margin Calculation for Fiscal
Year 2021**

Assessed value	<u>\$ 808,676,055</u>
Debt limit (10% of total assessed value)	\$ 80,867,606
Debt applicable to limit	
General obligation bonds	-
Legal debt margin	<u>\$ 80,867,606</u>

Note - 1: The Constitution of the State of Georgia provides that the City may not incur long-term obligations payable out of general property taxes in excess of ten (10) percent of the assessed value of all taxable property within the City.

Note - 2: The City has no outstanding general obligation debt.

SCHEDULE 16
CITY OF FOREST PARK, GEORGIA
Demographic and Economic Statistics Information
Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>Level in Years of Formal Schooling(1)</u>	<u>High School Education</u>	<u>Bachelors Degree or Higher</u>	<u>School Enrollment(3)</u>	<u>Unemployment Rate(4)</u>
2012	18,468 (1)	254,452,104	13,778 (1)	30.6 (1)	14.7	NA	NA	5,691	11.1%
2013	18,468 (1)	254,452,104	13,778 (1)	30.6 (1)	14.7	NA	NA	6,430	10.3%
2014	18,468 (1)	254,452,104	13,778 (1)	30.6 (1)	14.7	NA	NA	6,430	9.8%
2015	18,468 (1)	254,452,104	13,778 (1)	30.6 (1)	14.7	NA	NA	6,224	7.5%
2016	18,468 (1)	254,452,104	13,778 (1)	30.6 (1)	14.7	NA	NA	6,945	6.4%
2017	18,468 (1)	254,452,104	13,778 (1)	30.6 (1)	14.7	NA	NA	6,945	5.9%
2018	18,468 (1)	254,452,104	13,778 (1)	30.6 (1)	14.7	NA	NA	6,517	5.0%
2019	18,468 (1)	254,452,104	13,778 (1)	30.6 (1)	14.7	NA	NA	6,403	4.7%
2020	18,468 (1)	254,452,104	13,778 (1)	30.6 (1)	14.7	NA	NA	6,403	9.7%
2021	19,932 (2)	347,075,916	17,413 (2)	32.0 (2)	NA	75.70%	8.30%	6,403	6.8%

Sources: 1 - United States Bureau of Census (2010)
2 - United States Bureau of Census (2020)
3 - Clayton County Board of Education
4 - Georgia Department of Labor

SCHEDULE 17
CITY OF FOREST PARK, GEORGIA
Principal Employers
Current and Nine Years Ago

<u>Employer</u>	<u>2020 (1)</u>			<u>2011 (1)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Atlas Logistics Group Retail	957	1	19.14%			
McLane Food Services, Inc	328	2	6.56%	159	7	2.71%
J.B. Hunt Transport, Inc.	283	3	5.66%	191	5	3.25%
Clorox Products	277	4	5.54%	269	3	4.58%
Wioss Atlanta LP	228	5	4.56%			
Ralcorp Frozen Bakery Products	197	6	3.94%			
Mid-South Roof Systems	170	7	3.40%	150	6	2.56%
Keuhne & Nagel, Inc	134	8	2.68%			
Bullock & Bullock, Inc.	126	9	2.52%	95	8	1.62%
XPO Logistics	88	10	1.76%	80	9	1.36%
Ozark Automotive Distributors				434	1	7.39%
Earthgrains Refrigerated Dough Products				306	2	5.21%
Kmart				262	4	4.46%
DHL Global Mall				79	10	1.35%
Total	<u>2,788</u>		<u>55.76%</u>	<u>2,025</u>		<u>34.49%</u>

Source: City of Forest Park's Business License Division

(1) - This information is not available as of June 30, 2021, and therefore the prior year's information is presented.

SCHEDULE 18
CITY OF FOREST PARK, GEORGIA
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2012 (1)</u>	<u>2013 (1)</u>	<u>2014 (1)</u>	<u>2015 (1)</u>	<u>2016 (1)</u>	<u>2017 (1)</u>	<u>2018 (1)</u>	<u>2019 (1)</u>	<u>2020 (2)</u>	<u>2021 (2)</u>
Administrative										
City Manager Office	3	3	3	3	3	3	3	3	7	8
Finance Department	11	11	11	11	8	8	8	9	6	13
Technology Services						1	1	2	1	2
Support Services	6	6	6	6	4	4	4	5	4	5
Police										
Officers	89	89	89	89	89	89	89	89	64	59
Communications	14	14	14	14	14	14	14	14	12	8
Administrative	12	12	12	12	12	13	13	13	9	12
Recreation & Leisure	28	28	28	28	28	28	28	28	21	12
Public Works										
Maintenance	39	39	40	41	39	38	38	38	33	37
Sanitation	6	6	6	3	3	3	3	3	3	4
Fleet	8	8	8	6	6	6	6	6	7	6
Planning, Building and Zoning	13	13	13	12	12	13	13	13	12	11
Fire and EMS										
Firefighters and Officers	69	69	69	69	69	69	68	68	63	68
Administrative	3	3	3	3	3	3	3	3	1	3

Source: City of Forest Park's Finance

(1) Based on budgeted positions

(2) Based on actual filled positions

SCHEDULE 19
CITY OF FOREST PARK, GEORGIA
Operating Indicators by Function
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police										
Physical arrests	3,616	3,557	3,548	2,901	2,786	3,161	2,548	1,863	1,261	1,060
Parking violations	115	79	124	63	73	330	131	77	41	10
Traffic violations	21,390	19,414	12,336	11,460	9,879	16,281	13,180	9,288	3,931	4,011
Fire and EMS										
Emergency responses	4,315	4,485	4,575	4,689	4,367	4,407	5,595	5,710	6,326	7,397
Fires extinguished	95	94	88	76	83	97	81	96	174	92
Inspections	939	955	879	1,167	964	899	1,136	889	417	455
Recreation & Leisure										
Athletic field permits issued	1,826	1,794	1,863	1,413	1,100	980	673	595	451	70
Community Center admissions	19,442	21,120	15,840	13,450	23,356	24,526	25,339	27,496	15,748	2,655

Sources: Various City Departments

SCHEDULE 20
CITY OF FOREST PARK, GEORGIA
Capital Asset Statistics by Function
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	46	45	48	48	46	41	41	41	56	58
Fire stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (miles)	80	80	80	80	80	80	80	80	80	80
Streetlights	1778	1778	1778	1778	1778	1778	1778	1778	1807	1807
Traffic signals	47	47	47	47	47	47	47	47	47	47
Recreation & Leisure										
Acreage	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9
Playgrounds	7	7	7	7	7	7	7	7	7	7
Baseball/Softball diamonds	6	6	6	6	6	6	6	6	5	5
Soccer/football fields	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Activity Buildings	2	2	2	2	2	2	2	2	2	2
Museum	1	1	1	1	1	1	1	1	1	1

Sources: Various City Departments



**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**

**The Honorable Mayor and Members
of the City Council of
Forest Park, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Forest Park, Georgia (the "City") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 5, 2022.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, as described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, 2021-003, 2021-004, and 2021-005 that we consider to be material weaknesses.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-006.

The City's Responses to the Findings

The City of Forest Park, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 5, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members
of the City Council
Forest Park, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Forest Park, Georgia's (the "City") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 5, 2022

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Office of Community Planning and Development			
Passed through Clayton County, Georgia			
Community Development Block Grant	14.218	B-17-UC-13-005	\$ 99,567
Community Development Block Grant	14.218	B-18-UC-13-005	172,921
Community Development Block Grant	14.218	B-19-UW-13-005	6,750
COVID-19 - Community Development Block Grant	14.218	B-20-UW-13-005	50,000
Total CDBG Entitlement Grants Cluster			<u>329,238</u>
Total U.S. Department of Housing and Urban Development			<u>329,238</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Atlanta Regional Commission			
Highway Planning and Construction - Livable Centers Initiative	20.205	None	120,000
Total Highway Planning and Construction Cluster			<u>120,000</u>
Total U.S. Department of Transportation			<u>120,000</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the State of Georgia			
COVID-19 - Coronavirus Relief Fund	21.019	COVID-19	1,048,001
Total U.S. Department of Treasury			<u>1,048,001</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through the State of Georgia			
Emergency Management Performance Grant - Partnership Performance Agreement	97.042	None	3,475
Emergency Management Performance Grant - GEMA HS Grant	97.042	None	7,000
Total U.S. Department of Homeland Security			<u>10,475</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,507,714</u>

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF FOREST PARK, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

(1) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

In instances where the grant agreement requires the City to match grant awards with local funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The City did not utilize the 10% de minimus indirect cost rate permitted by the Uniform Guidance.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION I
SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

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

Internal control over financial reporting:
Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
Material weaknesses identified: yes no

Significant deficiencies identified: yes none reported

Type of auditor's report issued on compliance of major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:	
<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 - Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION II
FINANCIAL STATEMENT AUDIT FINDINGS**

2021 – 001 Restatement of Beginning Net Position – Financed Purchases

Criteria: Financed purchases should be recorded in the fiscal year when agreements have been executed and possession of the financed equipment has occurred.

Condition: During the previous fiscal year ended June 30, 2020, the City entered into a financed purchase arrangement related to radio equipment for its E-911 activities. However, at June 30, 2020, the City had not recorded the resulting financed purchase liability and capital asset in the amount of \$896,407. Additionally, the City had not recorded depreciation expense of \$106,715 for the radio equipment in the prior year.

Context/Cause: The omission of the financed purchase, depreciation expense, and associated obligation was due to management oversight as no lease payments were due prior to the end of the previous fiscal year.

Effects: Failure to properly capitalize the asset and record the financed purchase obligation caused the beginning balances of capital assets to be understated by \$896,407, beginning accumulated depreciation to be understated by \$106,715, beginning financed purchase liabilities to be understated by \$896,407, and beginning net position to be overstated by \$106,715 in the City's governmental activities for the fiscal year ended June 30, 2020.

Recommendation: We recommend management of the City implement a process to review transactions for financed purchases during the fiscal year and at the end of its fiscal year to ensure that capitalizable purchases and associated obligations are properly recorded in its accounting records. Occasionally, for these types of obligations, no payments are due in the period between issuance of the financed purchase obligation and the City's fiscal year end, and therefore it is critical to track these liabilities in a subledger that is reconciled and reviewed on a periodic basis.

Auditee's Response: We agree with the finding and will implement a process to review transactions for financed purchases during the fiscal year and at the end of our fiscal year to ensure that capitalizable purchases and associated obligations are properly recorded.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION II
FINANCIAL STATEMENT AUDIT FINDINGS (CONTINUED)**

2021 – 002 Accounts Payable

Criteria: Internal controls should be designed to ensure that expenditures incurred in one fiscal year and paid in a subsequent fiscal year are recorded as expenditures of the fiscal year in which the goods were received or services were rendered.

Condition: The City failed to accrue \$95,003 of legal services provided to the City during the fiscal year ended June 30, 2021 but unpaid at June 30, 2021.

Context/Cause: While performing our audit procedures, it was noted that amounts recognized as payable for certain legal services at June 30, 2021 did not include amounts due of \$95,003 for legal services performed for the City during the fiscal year.

Effects: An audit adjustment was required to recognize an additional \$95,003 in legal costs due at June 30, 2021.

Recommendation: We recommend that the City more closely review invoices for services that are billed in arrears subsequent to the fiscal year end to ensure that all necessary expenditures and payables have been recognized.

Auditee's Response: We agree with the finding and will implement a more rigorous process to ensure that all necessary expenditures and payables have been recognized in the fiscal year invoiced for services.

2021 – 003 Accounting for Federal Awards

Criteria: Internal controls should be designed to ensure that federal grant reimbursements of expenditures incurred in a prior year are properly recorded.

Condition: During the fiscal year ended June 30, 2021, reimbursements from the federal Coronavirus Relief Fund grants were not transferred to the fund in which the expenditures were recognized in the previous fiscal year. The CARES Fund recognized the entirety of the \$1,048,001 in revenue received in the current fiscal year, but did not record a reimbursement to the General Fund for expenditures of \$247,506 incurred in the prior fiscal year.

Context/Cause: Internal controls failed to detect the misstatements in the CARES Fund and the General Fund.

Effects: An audit adjustment was required to recognize the reimbursement and amount due to the General Fund from the CARES Fund in the amount of \$247,506 as of June 30, 2021.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION II
FINANCIAL STATEMENT AUDIT FINDINGS (CONTINUED)**

2021 – 003 Accounting for Federal Awards, Continued

Recommendation: We recommend that management develop a review process whereby grant funds, such as the CARES Fund, are reviewed at year end to ensure that expenditures and transfers out are properly applied to revenues received.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that grant funds are properly recorded and reviewed quarterly and at fiscal year-end.

2021 – 004 Segregation of Duties

Criteria: Internal controls should be in place that provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: In order to prevent fraudulent misappropriation of assets and the recording of fraudulent financial information, duties regarding the transfer of assets, authorization of transactions, the recording of financial information, and the review of financial information should be segregated. During the fiscal year ended June 30, 2021, appropriate segregation of duties was not noted in the areas of bank reconciliations and journal entries. For the bank reconciliations, we noted that there was no documentation of who prepared them and who reviewed them, or whether they had been reviewed. Finally, during our testing of journal entries, we noted that all sixty (60) journal entries that we tested did not show signs of review and approval by someone other than the preparer.

Context/Cause: Although there has been staff turnover and the size of the City's staff is relatively small, it is nevertheless important to ensure that duties are properly segregated to prevent potential fraud. No one employee should handle any combination of the duties involving the authorization and recording of financial information into the general ledger. Bank reconciliations should be subjected to internal controls whereby the preparer and reviewed are separately evidenced on the reconciliation itself.

Effects: Failure to properly segregate duties or implement compensating controls can lead to misappropriation of funds or abuse of the system that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION II
FINANCIAL STATEMENT AUDIT FINDINGS (CONTINUED)**

2021 – 004 Segregation of Duties, Continued

Recommendation: We recommend management of the City segregate the duties surrounding authorization and recording and reconciliation of financial information. The City should consider the need for additional staffing or staff cross-training in order to segregate these duties. Additionally, journal entries should be properly approved by an individual who is independent of the journal entry preparation process.

Auditee's Response: We agree with the finding and will review our operations to determine the most efficient and effective solution to properly segregate duties and implement controls to prevent a single individual from sending a wire without secondary approval and to ensure journal entries are properly approved by an individual who is independent of the journal entry preparation process. We will consider the need for additional staffing in order to segregate the duties noted above.

2021 – 005 Reconciliation of Bank Accounts

Criteria: Internal controls should be in place to ensure bank accounts are reconciled in a timely manner throughout the fiscal year.

Condition: The City's cash accounts were not reconciled timely during the fiscal year ended June 30, 2021. The reconciliation for July 2020 was not prepared until April 2021, and the remaining reconciliations were completed in the months of June through August of 2021.

Context/Cause: The City has not dedicated sufficient resources and identified a member of the finance staff to perform the monthly cash reconciliations.

Effects/Possible Effects: The potential effects of untimely bank reconciliations are as follows:

- Transactions that occur in the bank accounts are not recorded in the general ledger timely. This can lead to inaccurate budget information when the general ledger is relied upon to create the subsequent fiscal year's operating budgets.
- When reconciled cash balances are not available, there is an increased likelihood that disbursements are made with insufficient funds, resulting in additional bank costs and delayed payments to vendors.
- The risks of errors and misappropriation of assets not being detected are significantly higher.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION II
FINANCIAL STATEMENT AUDIT FINDINGS (CONTINUED)**

2021 – 005 Reconciliation of Bank Accounts, Continued

Recommendation: We recommend that City management designate a knowledgeable and experienced individual or individuals within the City to be responsible for preparing the monthly bank reconciliations. We also recommend that these reconciliations be performed in a timely manner, no later than the end of the subsequent month, and be reviewed by an appropriate member of management.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that all bank reconciliations are performed in a timely manner and reviewed by a member of management.

2021 – 006 State Compliance – Governmental Budgets

Criteria: State of Georgia law (O.C.G.A. 36-81-3) states: a) each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article; and b) a budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations.

Condition/Context/Cause: The City did not adopt budgets for its special revenue funds for the fiscal year ended June 30, 2021.

Effects: The City is not in compliance with State code.

Recommendation: We recommend that City management work with the City Council to ensure that each special revenue fund is budgeted on an annual basis.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that special revenue funds are budgeted on an annual basis.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS**

2020 – 001 Restatement of Beginning Net Position – Financed Purchases

Criteria: Financed purchases should be recorded in the fiscal year when agreements have been executed and possession of the financed equipment has occurred.

Condition/Context: During the fiscal year ended June 30, 2018, the City refinanced its existing lease agreement as lessee in order to upgrade its existing leased cell tower and failed to record the new lease arrangement and related equipment. The refinanced amount was \$571,170 on July 1, 2017. Lease payments on the lease were fully expensed during the fiscal years ended June 30, 2018, June 30, 2019 and June 30, 2020. The omission of the financed purchase and associated obligation was due to management oversight as the lease payments were the same dollar amounts as under the old lease arrangement.

Auditee Response/Status: Unresolved. See current year finding 2021-001.

2020 – 002 Capitalization of Computer Equipment

Criteria: Capitalizable expenses should be capitalized in the year they are incurred.

Condition/Context: The City failed to capitalize \$494,272 of computer equipment purchased during the fiscal year ended June 30, 2020. The City assesses capital outlay accounts for capitalizable items. However, the purchases noted above were not initially recorded in a capital outlay account and therefore the City failed to assess these items for capitalization.

Auditee Response/Status: Resolved.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

2020 – 003 Segregation of Duties

Criteria: Internal controls should be in place that provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition/Context: The City failed to capitalize \$494,272 of computer equipment purchased during the fiscal year ended June 30, 2020. The City assesses capital outlay accounts for capitalizable items. However, the purchases noted above were not initially recorded in a capital outlay account and therefore the City failed to assess these items for capitalization. In order to prevent fraudulent misappropriation of assets and the recording of fraudulent financial information, duties regarding the transfer of assets, authorization of transactions, the recording of financial information, and the review of financial information should be segregated. During the fiscal year ended June 30, 2020, appropriate segregation of duties was not noted in the areas of wire transfers, bank reconciliations, and journal entries. During our testing of disbursements, we noted that there are no internal controls to prevent a single individual from manually submitting a wire from the City's cash accounts. We also noted that the same person who initiated the wire was the individual who prepared the bank statement reconciliation and there was no secondary approval noted for the bank reconciliation. Additionally, we could not obtain evidence of who prepared the bank reconciliations or what dates they were prepared. Finally, during our testing of journal entries, we noted that all sixty (60) journal entries that we tested did not show signs of review and approval by someone other than the preparer.

Auditee Response/Status: Unresolved. See current year finding 2021-004.

2020 – 004 Revenue Recognition

Criteria: Internal controls should be in place to ensure that revenues are appropriately recognized. Unavailable revenues should be recorded for receivables that were not collected within the City's availability policy.

Condition/Context: Internal controls were not sufficient to detect material misstatements in the reporting of the City's revenues and unavailable revenues. During our testing of grant revenues, we noted that the City had recorded approximately \$19,000 of grant revenues that it had earned but for which it had not yet submitted payment requests and therefore had not received these revenues within one hundred and eighty (180) days per its revenue availability policy. The City's nonmajor governmental fund revenues were overstated by approximately \$19,000 and unavailable revenues were understated by the same amount.

Auditee Response/Status: Resolved.



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MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2021-001 Restatement of Beginning Net Position – Financed Purchases

Name of the Contact Person Responsible for the Corrective Action Plan: Chiquita Barkley, Finance Director.

Corrective Action Plan: The City will monitor expenditures more closely to ensure they are accurately identified and recorded at the close of the fiscal year.

Anticipated Completion Date: June 30, 2023

2021-002 Accounts Payables

Name of the Contact Person Responsible for the Corrective Action Plan: Chiquita Barkley, Finance Director.

Corrective Action Plan: The City has hired additional staff members and has realigned duties to ensure separation.

Anticipated Completion Date: August 31, 2022

2021-003 Accounting for Federal Awards

Name of the Contact Person Responsible for the Corrective Action Plan: Chiquita Barkley, Finance Director.

Corrective Action Plan: The City will implement a review process whereby the expenditures and transfers out are properly recorded during the monthly bank reconciliations to ensure that expenditures and transfers out are properly applied to revenues received.

Anticipated Completion Date: October 31, 2022

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MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2021-004 Segregation of Duties

Name of the Contact Person Responsible for the Corrective Action Plan: Chiquita Barkley, Finance Director.

Corrective Action Plan: The City has hired additional staff members and realigned duties to ensure separation. The City has started the process of the implementation of controls that prevent a single individual from sending a wire without secondary authorization.

Anticipated Completion Date: September 30, 2022

2021-005 Reconciliation of Bank Accounts

Name of the Contact Person Responsible for the Corrective Action Plan: Chiquita Barkley, Finance Director.

Corrective Action Plan: The City has contracted with a consultant dedicated exclusively to bank reconciliations.

Anticipated Completion Date: September 30, 2022

2021-006 State Compliance – Governmental Budgets

Name of the Contact Person Responsible for the Corrective Action Plan: Chiquita Barkley, Finance Director.

Corrective Action Plan: The City will implement budgets for each special revenue fund on an annual basis beginning in the fiscal year ending June 30, 2024 to bring the City into compliance with State code.

Anticipated Completion Date: July 31, 2023