

CITY OF FOREST PARK, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022



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, 2022

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i-ix
Principal Officials	x
Organizational Chart	xi
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	18
Statement of Net Position – Proprietary Funds	19
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	20
Statement of Cash Flows – Proprietary Funds	21
Notes to Financial Statements	22-52
Required Supplementary Information:	
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	53
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	55
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds 2008 SPLOST Series	56
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds 2015 SPLOST Series	57
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds 2021 SPLOST Series	58

CITY OF FOREST PARK, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

TABLE OF CONTENTS (Continued)

	<u>Page</u>
FINANCIAL SECTION (CONTINUED)	
Combining and Individual Fund Statements and Schedules (Continued):	
Statement of Net Position – Proprietary Component Unit – Downtown Development Authority	59
Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Component Unit – Downtown Development Authority	60
Statement of Cash Flows – Proprietary Component Unit – Downtown Development Authority	61
 STATISTICAL SECTION (Unaudited)	
Net Position by Component	62
Changes in Net Position	63 and 64
Governmental Activities Tax Revenues by Source	65
Fund Balances of Governmental Funds	66
Changes in Fund Balances of Governmental Funds	67
General Government Tax Revenues by Source	68
Assessed Value and Estimated Actual Value – All Taxable Property	69
Property Tax Rates – All Overlapping Governments	70
Principal Property Taxpayers	71
Property Tax Levies and Collections	72
Sanitation Revenues	73
Ratios of Outstanding Debt by Type	74
Ratios of General Bonded Debt Outstanding	75
Direct and Overlapping Governmental Activities Debt	76
Legal Debt Margin Information	77
Demographic and Economic Statistics Information	78
Principal Employers	79
Full-time Equivalent City Government Employees by Function	80
Operating Indicators by Function	81
Capital Asset Statistics by Function	82
 COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	
	83 and 84
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	
	85 and 87
Schedule of Expenditures of Federal Awards	88
Notes to Schedule of Expenditures of Federal Awards	89
Schedule of Findings and Questioned Costs	90-95
Status of Prior Audit Findings	96-98
Management's Corrective Action Plan	99 and 100

INTRODUCTORY SECTION



September 14, 2023

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, 2022.

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, 2022, 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, 2022, 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.



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The independent audit of the financial statements of the City of Forest Park was part of a broader, federally mandated “Single Audit” designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government’s internal controls over compliance with certain provisions of laws, regulations, contracts, and grant agreements. These reports are included within the annual comprehensive financial 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.

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.



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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.

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: Amazon, Kroger Regional Distribution Facility, Ozark Automotive Distributors (O’Reilly Auto Parts), The Clorox Company, Georgia Power, Cummins 2Distribution Facility, Keuhne & Nagel Inc., HD Supply Facilities Maintenance, Technique Construction, Ralcorp Treehouse Bakery (formerly Sara Lee Bakery Group), J.B. Hunt Transport Services, McLane Company, Mid-South Roof Systems and Ralcorp. 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.



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The City of Forest Park continued to experience growth and investment during fiscal year 2022, as indicated by the following areas now under construction or recently completed:

- ❖ Public Safety Building at Gillem - \$8,100,000.00 (Project Completed)
- ❖ Main Street Streetscape Project -\$2,000,000 (Under Construction)
- ❖ Welcome Signs Project - \$218,000 (Under Construction)
- ❖ Renovated Main Street Plaza - \$150,000 (Project Completed)
- ❖ Kroger at Gillem - \$150,000,000 (Project Completed)

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 4.30% for June 2022 compared with 7.6% in June 2021. The August 2022 unemployment rate for Metro Atlanta is 3.70%, the State of Georgia is 2.6%, and the U.S. rate is 3.61%.

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.



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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.

Community Development Block Grant Projects

The City of Forest Park has received the following in Community Block Grant Funds for fiscal years 2013-2022:

- 2013 – West Street Project - \$75,000.00 (Project Completed)
- 2014 – Neighborhood Stabilization Officer - \$46,490.00 (Project Completed)
- 2014 – West Street Project - \$100,000.00 (Project Completed)
- 2015 – West Street Project - \$150,000.00 (Project Completed)
- 2016 – West Street Project - \$61,748.00 (Project Completed)
- 2017 – 2018 Combined for Blight Demolition - \$100,000.00 (Project Completed)
- 2019 – Rockcut Road - \$64,213
- 2020 – COVID/CDBG - \$50,000
- 2021 - Ratterree Rd. Extension at Gillem for \$1,300,000 (Project Completed)

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 the City of Forest Park.



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Fort Gillem

Fort Gillem is a 1,427 acre military installation which was approved for closure on September 15, 2011. The Fort is home to 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.

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 ILRA 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.



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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 will complete the development of a 1.2 million square foot regional distribution center by late October 2015. In March 2015, the Forest Park Development Partners exercised their option to purchase approximately 50 acres that will be developed into an 850,000 square foot distribution center opening in mid-2016. The Army continued environmental remediation on the remaining 398 acres and planned 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).

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.



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Impact of Financial Policies on Financial Statements

The following policy has been 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, 2022, 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.

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.



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Awards

The City has historically submitted its Annual Comprehensive Financial Reports 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. 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 did not submit its most recent Annual Comprehensive Financial Report (ACFR) to the GFOA for the fiscal year ended June 30, 2021. Due to the timing of the completion of the City's ACFR for the fiscal year ended June 30, 2022, the City will not be submitting this report to GFOA.

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,

Jeremi K. Patterson
Interim Finance Director



CITY OF FOREST PARK, GEORGIA

PRINCIPAL OFFICIALS

JUNE 30, 2022

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

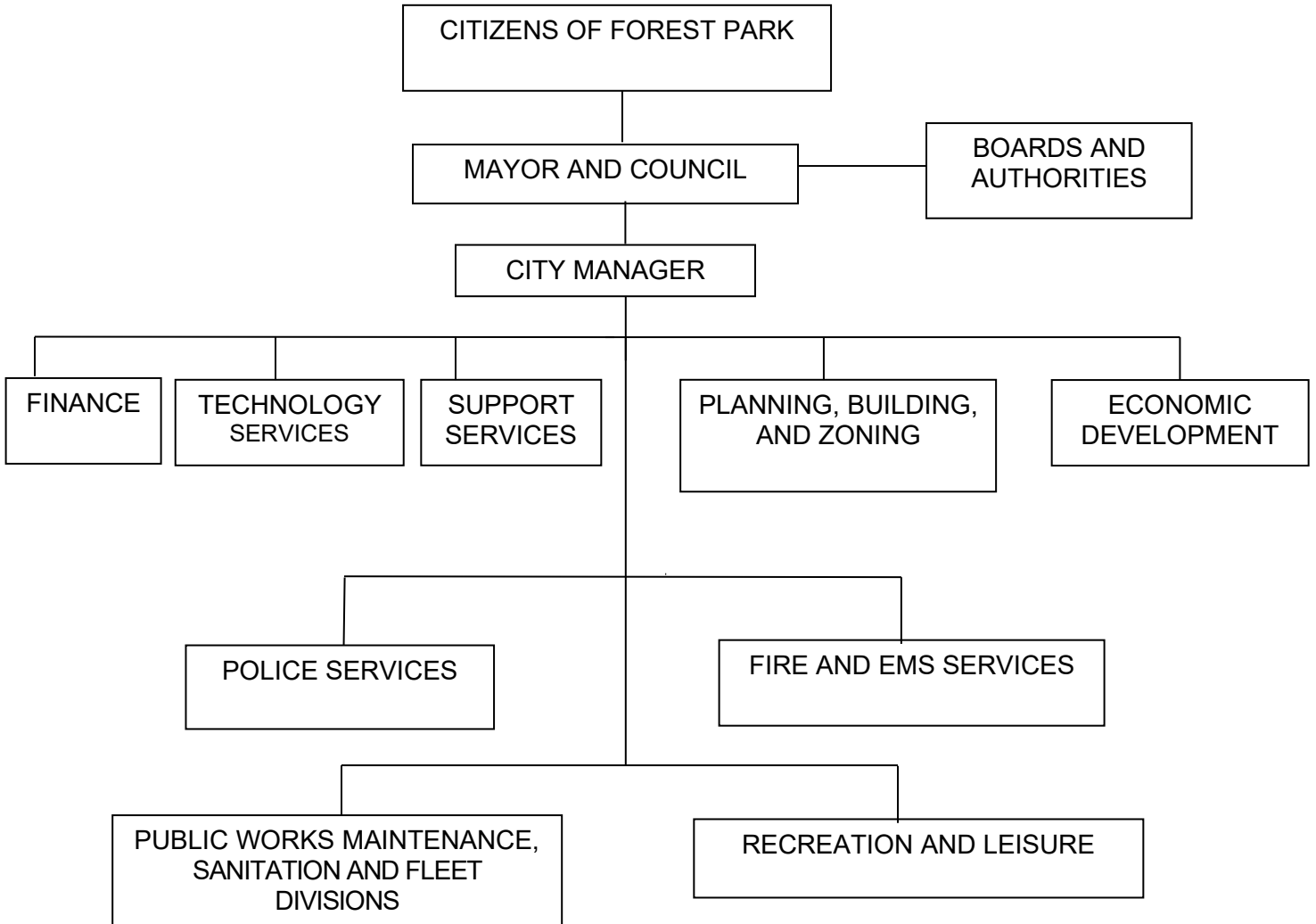
Department Directors/Senior Management Team

- | | |
|---|------------------|
| • 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, 2022



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter - Change in Accounting Principle

As described in Note 6 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, as of July 1, 2021. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedule of Changes in the City's Total OPEB Liability and Related Ratios on pages 4-12 and 53, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying 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 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the schedules of projects constructed with special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2023 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
September 14, 2023

City of Forest Park, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

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, 2022. 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 \$65,920,028 (net position).
- The City had an increase in net position of \$5,921,892 compared to an increase of \$5,302,689 in the prior fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$33,189,012. This represents a decrease from the prior fiscal year of \$1,217,488.
- As of the close of the current fiscal year, the City's General Fund reported an ending fund balance of \$14,987,135, an increase of \$85,378 from the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,754,484 or 41.67% 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 15, 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, SPLOST Fund and 2021 SPLOST Fund. Data from the other eight (8) 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 is required to adopt an annual appropriated budget for its General Fund and all special revenue and capital funds. A budgetary comparison statement has been provided only for the General Fund, as the City did not adopt budgets for its special revenue and capital projects fund for fiscal year 2022.

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 19. 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 22.

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 53 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 54-61 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 62-82 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 \$65,920,028 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 38,707,785	\$ 36,815,458	\$ 70,470,175	\$ 53,860,539	\$ 109,177,960	\$ 90,675,997
Capital assets	23,851,160	21,729,267	15,408,758	16,681,235	39,259,918	38,410,502
Total assets	<u>62,558,945</u>	<u>58,544,725</u>	<u>85,878,933</u>	<u>70,541,774</u>	<u>148,437,878</u>	<u>129,086,499</u>
Deferred outflows of resources	357,916	430,545	-	-	357,916	430,545
Current liabilities	7,051,634	3,218,152	5,358,023	6,998,911	12,409,657	10,217,063
Long term liabilities	3,415,407	4,634,114	50,010,000	53,610,039	53,425,407	58,244,153
Total liabilities	<u>10,467,041</u>	<u>7,852,266</u>	<u>55,368,023</u>	<u>60,608,950</u>	<u>65,835,064</u>	<u>68,461,216</u>
Deferred inflows of resources	1,514,983	1,057,692	15,525,719	-	17,040,702	1,057,692
Net position:						
Net investment in capital assets	22,776,057	20,609,680	5,343,833	2,856,061	28,119,890	23,465,741
Restricted	17,072,706	17,787,469	-	-	17,072,706	17,787,469
Unrestricted (deficit)	11,086,074	11,668,163	9,641,358	7,076,763	20,727,432	18,744,926
Total net position	<u>\$ 50,934,837</u>	<u>\$ 50,065,312</u>	<u>\$ 14,985,191</u>	<u>\$ 9,932,824</u>	<u>\$ 65,920,028</u>	<u>\$ 59,998,136</u>

By far, the largest portion of the City's net position (\$28,119,890 or 42.66%) reflects its investment in capital assets, net of related debt (e.g., land, buildings, machinery, and equipment, net of related debt-financed purchases). 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 \$869,525 compared to an increase of \$3,468,535 in the prior fiscal year (see Table 2 on next page). Overall, revenues increased \$3,262,154 or 9.69% from \$33,676,076 to \$36,938,230. Several factors contributed to this increase. Charges for services increased \$155,090 or 5.55% as recreational services have been reinstated as the pandemic has subsided. Capital grants has increased \$368,657 or 8.42% as SPLOST revenues have increased due to an improving economy. Property taxes have increased \$1,097,174 or 9.95% primarily from increases in assessed values of property. Sales taxes increased \$686,482 or 10.93% due to improving state and local economic conditions. Business taxes which are based on the underlying health of the businesses being taxed have increased \$467,566 as the local economy continues to improve after the pandemic. Miscellaneous revenues increased \$283,830 or 356% as a result of an insurance reimbursement of \$316,000.

Governmental expenses increased \$209,893 or .69%. General government expenses increased \$393,436 or 8.18% as a result of additional spending under the American Recovery Plan Act, as well as increases in salaries and benefits. Public safety expenses increased \$490,078 or 2.78% primarily from increases in operating expenses and increased depreciation allocations. Culture and recreation expenses increased \$154,764 or 10.04% as these services resumed after the pandemic. Public works expenses decreased \$1,058,221 or 22.86% as a result of decreased spending of SPLOST funds and decreases in workers' compensation claims. Tourism and economic development expenses increased \$449,223 primarily from additional funding from the American Recovery Act.

Governmental funds transferred \$5,501,271 to business-type funds primarily to eliminate deficits in business type funds.

Business-type activities

Business-type activities reflected an increase in net position of \$5,052,367 primarily from net transfers from governmental funds of \$5,501,271 referred to previously, and net losses of \$448,904. Sanitation operations generated an increase in net position of \$1,427,553; The Development Authority decreased net position by \$1,666,424 which included a transfer to the General Fund of \$1,437,000; and the Urban Redevelopment Agency reflected an increase in net position of \$5,291,238 which included transfers of \$6,938,271 comprised of transfers from the General Fund (\$4,628,650); The TAD fund (\$650,000) and the SPLOST fund of (\$1,659,621). 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	
	2022	2021	2022	2021	2022	2021
Revenues:						
Charges for services	\$ 2,948,015	\$ 2,792,925	\$ 9,341,508	\$ 10,205,921	\$ 12,289,523	\$ 12,998,846
Operating grants and contributions	3,171,797	3,117,240	-	350,000	3,171,797	3,467,240
Capital grants and contributions	4,747,779	4,379,122	-	-	4,747,779	4,379,122
General revenues:						
Property taxes	12,126,181	11,029,007	-	-	12,126,181	11,029,007
Sales taxes	6,967,077	6,280,595	-	-	6,967,077	6,280,595
Hotel/motel taxes	49,317	39,314	-	-	49,317	39,314
Franchise taxes	1,394,312	1,301,830	-	-	1,394,312	1,301,830
Insurance premium taxes	1,561,429	1,505,166	-	-	1,561,429	1,505,166
Alcoholic beverage tax	566,746	509,643	-	-	566,746	509,643
Motor vehicle tax	872,431	947,146	-	-	872,431	947,146
Business taxes	1,936,329	1,468,763	-	-	1,936,329	1,468,763
Other taxes	212,366	143,044	-	-	212,366	143,044
Interest income	20,999	10,481	1,153	11	22,152	10,492
Gain on the sale of capital assets	-	72,178	-	-	-	72,178
Miscellaneous revenue	363,452	79,622	241	184,792	363,693	264,414
Total revenues	<u>36,938,230</u>	<u>33,676,076</u>	<u>9,342,902</u>	<u>10,740,724</u>	<u>46,281,132</u>	<u>44,416,800</u>
Expenses:						
General government	5,201,816	4,808,380	-	-	5,201,816	4,808,380
Public safety	18,118,784	17,628,706	-	-	18,118,784	17,628,706
Culture and recreation	1,696,945	1,542,181	-	-	1,696,945	1,542,181
Housing and development	1,104,061	1,280,386	-	-	1,104,061	1,280,386
Public works	3,570,340	4,628,561	-	-	3,570,340	4,628,561
Redevelopment and planning	-	-	5,939,080	4,982,725	5,939,080	4,982,725
Judicial	169,216	196,471	-	-	169,216	196,471
Tourism and economic development	667,814	218,591	-	-	667,814	218,591
Interest paid on long-term debt	38,458	54,265	-	-	38,458	54,265
Sanitation	-	-	3,852,726	3,773,845	3,852,726	3,773,845
Total expenses	<u>30,567,434</u>	<u>30,357,541</u>	<u>9,791,806</u>	<u>8,756,570</u>	<u>40,359,240</u>	<u>39,114,111</u>
Increase (decrease) in net position before transfers	6,370,796	3,318,535	(448,904)	1,984,154	5,921,892	5,302,689
Transfers	(5,501,271)	150,000	5,501,271	(150,000)	-	-
Change in net position	<u>869,525</u>	<u>3,468,535</u>	<u>5,052,367</u>	<u>1,834,154</u>	<u>5,921,892</u>	<u>5,302,689</u>
Net position beginning of fiscal year	50,065,312	46,596,777	9,932,824	8,098,670	59,998,136	54,695,447
Net position end of fiscal year	<u>\$ 50,934,837</u>	<u>\$ 50,065,312</u>	<u>\$ 14,985,191</u>	<u>\$ 9,932,824</u>	<u>\$ 65,920,028</u>	<u>\$ 59,998,136</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 2022 and 2021.

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

	<u>Governmental Funds</u>			
	<u>2022</u>	<u>2021</u>	<u>\$Change</u>	<u>%Change</u>
Revenues:				
Taxes	\$ 25,793,333	\$ 23,574,562	\$ 2,218,771	9.41 %
Licenses and permits	839,140	731,552	107,588	14.71
Intergovernmental revenues	7,923,792	7,504,271	419,521	5.59
Fines and forfeitures	903,244	990,638	(87,394)	(8.82)
Charges for services	1,205,631	1,070,735	134,896	12.60
Interest income	23,533	14,644	8,889	60.70
Other	363,452	79,622	283,830	356.47
Total revenues	<u>37,052,125</u>	<u>33,966,024</u>	<u>3,086,101</u>	<u>9.09</u>
Expenditures:				
General government	5,022,419	4,575,641	446,778	9.76
Public safety	17,145,985	16,696,961	449,024	2.69
Public works	3,322,040	3,825,082	(503,042)	(13.15)
Culture and recreation	1,601,194	1,343,668	257,526	19.17
Housing and development	1,099,323	1,269,449	(170,126)	(13.40)
Judicial	168,490	194,793	(26,303)	(13.50)
Tourism and economic development	667,814	218,591	449,223	205.51
Capital outlay	3,655,860	3,187,582	468,278	14.69
Debt service				
Principal	232,256	197,231	35,025	17.76
Interest	40,733	40,038	695	1.74
Total expenditures	<u>32,956,114</u>	<u>31,549,036</u>	<u>1,407,078</u>	<u>4.46</u>
Excess of revenues over expenditures	4,096,011	2,416,988	1,679,023	69.47
Other financing sources (uses)				
Proceeds from sale of capital assets	-	528,428	(528,428)	-
Issuance of financed purchase	187,772	-	187,772	-
Transfers in	1,582,779	1,975,041	(392,262)	(19.86)
Transfers out	(7,084,050)	(1,825,041)	(5,259,009)	288.16
Total other financing sources (uses)	<u>(5,313,499)</u>	<u>678,428</u>	<u>5,991,927</u>	<u>883.21</u>
Net change in fund balances	(1,217,488)	3,095,416	(4,312,904)	(139.33)
Fund balances, beginning of fiscal year	34,406,500	31,311,084	3,095,416	9.89
Fund balances, end of fiscal year	<u>\$ 33,189,012</u>	<u>\$ 34,406,500</u>	<u>\$ (1,217,488)</u>	<u>(3.54) %</u>

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 \$33,199,012 which is a decrease of \$1,217,488 or 3.54% from the prior fiscal year.

Governmental revenues were \$37,052,125 an increase of \$3,086,101 or 9.09% over the prior year. Taxes increased \$2,218,771 or 9.41% primarily from increases in assessed values of property in the City along with increases in sales tax and business tax as a result of an improving economy. Intergovernmental revenues increased \$419,521 or 5.59% primarily from increases in PILOT payments from the Forest Park Downtown Development Authority. Charges for services increased \$134,896 or 12.6% primarily from increases in inspection fees and recreation fees. Other revenues increased \$283,830 primarily as the result of insurance reimbursements.

Governmental expenditures increased \$1,407,078 or 4.46%. General government expenditures increased \$446,778 or 9.76% as a result of increases in salaries and benefits and contract services. Public safety expenditures were consistent with the prior year and increases slightly by 2.69%. Public works expenditures decreased \$503,042 or 13.15% as the City spent less of SPLOST funding for public works in fiscal 2022. Culture and recreation expenditures increased \$257,526 or 19.17% and these activities resumed as the pandemic receded. Housing and development decreased \$170,126 or 13.4% as the prior year benefitted from expenditure of federal grant funds and significant contracted professional planning expenditures. Tourism and economic development increased \$449,223 or 205.51% due to expenditure of American Recovery Plan Act grants. Capital outlay increased \$468,278 or 14.69% as a result of expenditure of SPLOST funds for streetscape improvements and upgrades to public safety facilities and equipment. Debt service expenditures increased \$35,720 as the City is paying down financed purchases for public safety equipment.

**Table 4
General Fund Revenues, Expenditures, and Changes in Fund Balances**

	<u>2022</u>	<u>2021</u>	<u>\$Change</u>	<u>%Change</u>
Revenues:				
Taxes	\$ 25,688,642	\$ 23,434,487	\$ 2,254,155	9.62 %
Licenses and permits	839,140	731,552	107,588	14.71
Intergovernmental revenues	2,816,202	2,189,239	626,963	28.64
Fines and forfeitures	903,244	926,203	(22,959)	(2.48)
Charges for services	852,350	721,366	130,984	18.16
Interest income	20,813	8,869	11,944	134.67
Other	363,452	79,622	283,830	356.47
Total revenues	<u>31,483,843</u>	<u>28,091,338</u>	<u>3,392,505</u>	<u>12.08</u>
Expenditures:				
General government	4,853,390	4,575,346	278,044	6.08
Public safety	17,018,475	16,190,330	828,145	5.12
Public works	3,321,769	3,322,611	(842)	(0.03)
Culture and recreation	1,601,194	1,343,668	257,526	19.17
Housing and development	1,099,323	1,269,449	(170,126)	(13.40)
Judicial	168,490	194,793	(26,303)	(13.50)
Tourism and economic development	296,201	211,091	85,110	40.32
Debt service				
Principal	28,898	-	28,898	-
Interest	6,847	-	6,847	-
Total expenditures	<u>28,394,587</u>	<u>27,107,288</u>	<u>1,287,299</u>	<u>4.75</u>
Excess of revenues over expenditures	3,089,256	984,050	2,105,206	213.93
Other financing sources (uses)				
Proceeds from sale of capital assets	-	528,428	(528,428)	(100.00)
Issuance of financed purchase	187,772	-	187,772	-
Transfers in	1,437,000	1,804,554	(367,554)	(20.37)
Transfers out	(4,628,650)	(1,325,487)	(3,303,163)	249.20
Total other financing sources (uses)	<u>(3,003,878)</u>	<u>1,007,495</u>	<u>4,011,373</u>	<u>398.15</u>
Net change in fund balances	85,378	1,991,545	(1,906,167)	(95.71)
Fund balances, beginning of fiscal year	14,901,757	12,910,212	1,991,545	15.43
Fund balances, end of fiscal year	<u>\$ 14,987,135</u>	<u>\$ 14,901,757</u>	<u>\$ 85,378</u>	<u>0.57 %</u>

An analysis of General Fund activities can be found in Table 4 on the previous page. The **General Fund** is the central operating fund of the City. For fiscal year 2022, total revenues for this fund increased \$3,392,505 or 12.08%. Tax revenues increased \$2,254,155 or 9.62% as a result of increases in assessed values property as well as increases in sales taxes and business taxes as the economy improves. Intergovernmental revenues increased \$626,963 as a result of increases in PILOT (Payments in lieu of taxes) payments from the Forest Park Downtown Development Authority. Charges for services increased \$130,984 or 18.16% primarily from increases in fire inspection fees and increases in recreation fees as the pandemic subsides.

General Fund expenditures increased \$1,287,299 or 4.75%. General government expenditures increased \$278,044 or 6.08% primarily from increases in contracted services. Public safety expenditures increased \$828,145 or 5.12% as a result of general inflationary trends. Public works expenditures were consistent with prior year. Culture and recreation expenditures increased \$257,526 or 19.17% as recreational activities recover from the pandemic. Housing and development expenditures decreased \$170,126 or 13.4% as the prior year expenditures included expenditures covered by state grants not available in the current year.

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. Revenues (excluding interest revenue) for this fund decreased from \$1,977,692 to \$0 as collections for this fund ended December 2020 per referendum. Expenditures for this fund increased from \$2,975,889 to \$3,485,245 as construction begins on the designated projects. As of fiscal year end, this fund had a fund balance of \$9,879,742 a decrease of \$3,482,711 as the City expends accumulated balances in this fund.

The **2021 SPLOST Fund** is used to account for the proceeds of a sales tax levied in Clayton County by referendums approved in 2020. Revenues for this fund increased from \$1,960,539 to \$4,394,364 as fiscal 2022 reflects a full year of collections for these fund which began in January 2021. The City has not expended any significant amount of these funds.

Proprietary funds. Financial statement for the proprietary funds can be found on pages 19 through 21 of the Annual Comprehensive Financial Report.

Sanitation Fund operations generated operating income and change in net position of \$1,427,553 compared to \$915,177 in the prior fiscal year. Sanitation revenues increased \$591,257 or 12.61% from \$4,689,022 in fiscal year 2021 to \$5,280,279 in fiscal year 2022. The increase is primarily attributable to increases in residential sanitation fees. Expenses for fiscal 2022 and 2021 were \$3,852,726 and \$3,773,845, respectively, a modest increase of 2.09% as a result of reductions in staffing expenses.

The Development Authority Fund generated a loss before transfers of (\$229,424) compared to income of \$945,021 in the prior fiscal year. Income for this fund is primarily from rent generated by intergovernmental agreements with the City and the Development Authority. The Development Authority uses excess proceeds to fund General Fund operations.

The Urban Redevelopment Agency Fund is primarily related to redevelopment and resale of property at Fort Gillem, a former United States Army base. This fund has a small operating loss of \$19,607, compared to operating income of \$1,363,814 in the prior fiscal year. Prior year income benefitted from sales of property on favorable terms. This fund benefitted from interfund transfers of \$6,938,271 primarily from the General Fund to cure accumulated deficits in this fund.

General Fund Budgetary Highlights

A comparison of General Fund actual expenditures compared to budget can be found on page 18 of the Annual Comprehensive Financial Report. Overall results were \$2,977,081 better than budgeted. General Fund revenues were \$2,730,697 better than budgeted combined with expenditures that were \$6,227,365 less than budgeted and combined other financing sources and uses that were \$5,984,481 worse than budgeted. Significant components of the net variance of actual compared to budget are discussed below:

Revenues:

Taxes were \$1,577,476 better than budgeted as the economy improved more than expected. Charges for services were \$501,370 better than budgeted due to resumption of services after the pandemic. Variances in Intergovernmental revenues are the result of reclassification of payments in lieu of taxes (PILOT) from the Downtown Development Authority.

Expenditures:

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

Public safety – expenditures were \$2,385,639 better than 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.

Debt service – expenditures were \$3,196,143 better than budget as debt service payments were made from other funds.

Other financing sources (uses) – These transfers and proceeds were \$5,984,481 greater than budgeted as additional transfers were made to the Urban Redevelopment Agency Fund to cure accumulated deficit balances in this fund and the City issued a new financed purchase.

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, 2022, amounts to \$39,259,918 (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 5 below summarizes capital assets of the City.

Table 4
Capital Assets net of depreciation

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,482,555	\$ 2,458,458	\$ 4,621,648	\$ 6,786,918	\$ 7,104,203	\$ 9,245,376
Construction in progress	3,215,552	562,966	99,170	506,440	3,314,722	1,069,406
Buildings and improvements	5,454,806	5,447,180	736,706	770,309	6,191,512	6,217,489
Autos and trucks and other equipment	6,862,575	7,093,130	-	-	6,862,575	7,093,130
Infrastructure	5,835,672	6,167,533	9,951,234	8,617,568	15,786,906	14,785,101
Total	\$ 23,851,160	\$ 21,729,267	\$ 15,408,758	\$ 16,681,235	\$ 39,259,918	\$ 38,410,502

The City’s total investment in capital assets increased from \$38,410,502 in 2021 to \$39,259,918 in 2022 due to increased construction activity in various infrastructure projects including Main Street streetscapes and a public safety building. Additional information on the City’s capital assets can be found at Note 7 on pages 37 through 39 of this report.

Long-term debt. The City’s total long-term debt decreased from \$64,907,563 in fiscal 2021 to \$58,803,262 in fiscal 2022. The City’s long-term debt can be found in Note 8 on pages 40 through 43 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 2021 revenue bonds for a total of \$42,215,000 for various urban redevelopment projects including a new city hall.

Table 5
Long-term debt

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Claims payable	\$ 353,965	\$ 469,511	\$ -	\$ -	\$ 353,965	\$ 469,511
Financed purchases	1,075,103	1,119,587	-	-	1,075,103	1,119,587
Compensated absences	982,762	1,021,700	-	22,641	982,762	1,044,341
Notes payable, net	-	-	-	1,745,000	-	1,745,000
Revenue bonds payable	-	-	53,595,000	57,325,000	53,595,000	57,325,000
Total OPEB liability	2,796,432	3,204,124	-	-	2,796,432	3,204,124
Total	\$ 5,208,262	\$ 5,814,922	\$ 53,595,000	\$ 59,092,641	\$ 58,803,262	\$ 64,907,563

As of June 30, 2022, 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 \$1,427,553 has been reported for 2022, and significant operating income is projected again for 2023.
- Tax revenues for fiscal year 2022 increased significantly from 2021 as assessed values have increased along with improvements in the local economy. The property tax millage rate of 16.743 was used for the 2022 and 2021 tax digest and is not expected to change significantly. Tax revenues are projected to be approximately the same for fiscal 2023 as for 2022. 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 2023 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 Jeremi Patterson, Deputy 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, 2022

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Current assets:				
Cash and cash equivalents	\$ 34,415,979	\$ 51,398,806	\$ 85,814,785	\$ 800,982
Investments	2,032,808	-	2,032,808	-
Taxes receivable, net of allowance	1,046,402	-	1,046,402	-
Accounts receivable, net of allowance	-	376,112	376,112	238,610
Lease receivable	-	15,888,789	15,888,789	-
Internal balances	(482,941)	482,941	-	-
Other receivables	56,852	-	56,852	-
Due from component unit	211,443	-	211,443	-
Due from other governments	973,952	-	973,952	-
Restricted cash and cash equivalents	106,687	21,229	127,916	-
Prepaid items	94,555	55,000	149,555	-
Assets held for resale:				
Buildings held for resale	-	669,509	669,509	-
Land held for resale	252,048	1,577,789	1,829,837	-
Total current assets	<u>38,707,785</u>	<u>70,470,175</u>	<u>109,177,960</u>	<u>1,039,592</u>
Capital assets:				
Non-depreciable	5,698,107	4,720,818	10,418,925	-
Depreciable, net of accumulated depreciation	18,153,053	10,687,940	28,840,993	48,545
Total noncurrent assets	<u>23,851,160</u>	<u>15,408,758</u>	<u>39,259,918</u>	<u>48,545</u>
Total assets	<u>62,558,945</u>	<u>85,878,933</u>	<u>148,437,878</u>	<u>1,088,137</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related items	357,916	-	357,916	-
LIABILITIES				
Current liabilities:				
Accounts payable	1,292,613	401,139	1,693,752	4,773
Accrued liabilities	593,597	392,589	986,186	-
Retainage payable	-	63,902	63,902	-
Unearned revenue	3,044,080	668,288	3,712,368	-
Deposits payable	173,493	-	173,493	-
Customer deposits	-	8,494	8,494	-
Due to others	154,996	-	154,996	-
Due to primary government	-	-	-	211,443
Due to component unit	-	238,611	238,611	-
Claims payable due within one year	353,965	-	353,965	-
Financed purchases due within one year	835,608	-	835,608	-
Revenue bonds payable due within one year	-	3,585,000	3,585,000	-
Compensated absences due within one year	603,282	-	603,282	-
Total current liabilities	<u>7,051,634</u>	<u>5,358,023</u>	<u>12,409,657</u>	<u>216,216</u>
Noncurrent liabilities:				
Financed purchases due in more than one year	239,495	-	239,495	-
Compensated absences due in more than one year	379,480	-	379,480	-
Revenue bonds payable due in more than one year	-	50,010,000	50,010,000	-
Total OPEB liability	2,796,432	-	2,796,432	-
Total noncurrent liabilities	<u>3,415,407</u>	<u>50,010,000</u>	<u>53,425,407</u>	<u>-</u>
Total liabilities	<u>10,467,041</u>	<u>55,368,023</u>	<u>65,835,064</u>	<u>216,216</u>
DEFERRED INFLOWS OF RESOURCES				
Leasing arrangements	-	15,525,719	15,525,719	-
OPEB related items	1,514,983	-	1,514,983	-
Total deferred inflows of resources	<u>1,514,983</u>	<u>15,525,719</u>	<u>17,040,702</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	22,776,057	5,343,833	28,119,890	43,772
Restricted for capital construction	14,583,163	-	14,583,163	-
Restricted for emergency telephone system operations	529,567	-	529,567	-
Restricted for law enforcement activities	1,659,539	-	1,659,539	-
Restricted for tourism and economic development	300,437	-	300,437	-
Unrestricted	11,086,074	9,641,358	20,727,432	828,149
Total net position	<u>\$ 50,934,837</u>	<u>\$ 14,985,191</u>	<u>\$ 65,920,028</u>	<u>\$ 871,921</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, 2022

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position							Component Unit Downtown Development Authority
	Program Revenues				Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 5,201,816	\$ 839,140	\$ 2,664,386	\$ (6,750)	\$ (1,705,040)	\$ -	\$ (1,705,040)	\$ -
Public safety	18,118,784	1,829,865	125,798	102,099	(16,061,022)	-	(16,061,022)	-
Public works	3,570,340	-	-	4,649,896	1,079,556	-	1,079,556	-
Culture and recreation	1,696,945	279,010	12,500	-	(1,405,435)	-	(1,405,435)	-
Housing, development, and planning	1,104,061	-	369,113	2,534	(732,414)	-	(732,414)	-
Judicial	169,216	-	-	-	(169,216)	-	(169,216)	-
Tourism and economic development	667,814	-	-	-	(667,814)	-	(667,814)	-
Interest paid on long-term debt	38,458	-	-	-	(38,458)	-	(38,458)	-
Total governmental activities	30,567,434	2,948,015	3,171,797	4,747,779	(19,699,843)	-	(19,699,843)	-
Business-type activities:								
Sanitation	3,852,726	5,280,279	-	-	-	1,427,553	1,427,553	-
Development Authority	1,823,173	1,593,508	-	-	-	(229,665)	(229,665)	-
Urban Redevelopment Agency	4,115,907	2,467,721	-	-	-	(1,648,186)	(1,648,186)	-
Total business-type activities	9,791,806	9,341,508	-	-	-	(450,298)	(450,298)	-
Total primary government	\$ 40,359,240	\$ 12,289,523	\$ 3,171,797	\$ 4,747,779	\$ (19,699,843)	\$ (450,298)	\$ (20,150,141)	\$ -
Component Unit:								
Downtown Development Authority	\$ 2,534,612	\$ 81,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,453,362)
General revenues:								
Property taxes					12,126,181	-	12,126,181	-
Sales taxes					6,967,077	-	6,967,077	-
Franchise taxes					1,394,312	-	1,394,312	-
Insurance premium taxes					1,561,429	-	1,561,429	-
Alcoholic beverage taxes					566,746	-	566,746	-
Motor vehicle taxes					872,431	-	872,431	-
Business taxes					1,936,329	-	1,936,329	-
Hotel/motel taxes					49,317	-	49,317	-
Other taxes					212,366	-	212,366	-
Payments in lieu of taxes					-	-	-	2,752,190
Unrestricted investment earnings					20,999	1,153	22,152	46
Miscellaneous revenue					363,452	241	363,693	-
Transfers					(5,501,271)	5,501,271	-	-
Total general revenues and transfers					20,569,368	5,502,665	26,072,033	2,752,236
Change in net position					869,525	5,052,367	5,921,892	298,874
Net position, beginning of fiscal year					50,065,312	9,932,824	59,998,136	573,047
Net position, end of fiscal year					\$ 50,934,837	\$ 14,985,191	\$ 65,920,028	\$ 871,921

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

**CITY OF FOREST PARK, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

ASSETS	General Fund	SPLOST Fund	2021 SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 13,623,212	\$ 9,970,053	\$ 3,948,552	\$ 6,874,162	\$ 34,415,979
Investments	2,032,808	-	-	-	2,032,808
Taxes receivable, net of allowance	1,038,669	-	-	7,733	1,046,402
Other receivables	3,274	-	-	53,578	56,852
Due from other governments	135,063	-	783,515	55,374	973,952
Restricted cash	-	-	-	106,687	106,687
Due from other funds	190,000	616,296	-	21,917	828,213
Due from component unit	211,443	-	-	-	211,443
Land held for redevelopment	252,048	-	-	-	252,048
Prepaid items	-	-	-	94,555	94,555
Total assets	\$ 17,486,517	\$ 10,586,349	\$ 4,732,067	\$ 7,214,006	\$ 40,018,939
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 585,380	\$ 706,607	\$ -	\$ 626	\$ 1,292,613
Accrued liabilities	566,552	-	-	-	566,552
Due to other funds	886,918	-	37,081	387,155	1,311,154
Deposits payable	173,493	-	-	-	173,493
Unearned revenue	-	-	-	3,044,080	3,044,080
Due to others	-	-	-	154,996	154,996
Total liabilities	2,212,343	706,607	37,081	3,586,857	6,542,888
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	287,039	-	-	-	287,039
Total deferred inflows of resources	287,039	-	-	-	287,039
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	-	-	-	435,012	435,012
Capital construction	-	9,879,742	4,694,986	8,435	14,583,163
Tourism and economic development	-	-	-	300,437	300,437
Law enforcement activities	-	-	-	1,659,539	1,659,539
Committed for:					
Housing, development, and planning	-	-	-	1,129,171	1,129,171
Assigned for:					
Fiscal year 2023 appropriations of fund balance	2,980,603	-	-	-	2,980,603
Unassigned	11,754,484	-	-	-	11,754,484
Total fund balances	14,987,135	9,879,742	4,694,986	3,627,149	33,189,012
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,486,517	\$ 10,586,349	\$ 4,732,067	\$ 7,214,006	

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.	23,851,160
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.	287,039
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(5,235,307)
The deferred inflows of resources pertain to future periods and, therefore, are not reported in the governmental funds.	(1,514,983)
The deferred outflows of resources pertain to future periods and, therefore, are not reported in the governmental funds.	357,916
Net position of governmental activities	\$ 50,934,837

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, 2022

	General Fund	SPLOST Fund	2021 SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 25,688,642	\$ -	\$ -	\$ 104,691	\$ 25,793,333
Fines and forfeitures	903,244	-	-	-	903,244
Charges for services	852,350	-	-	353,281	1,205,631
Licenses and permits	839,140	-	-	-	839,140
Intergovernmental	2,816,202	-	4,394,364	713,226	7,923,792
Interest income	20,813	2,534	-	186	23,533
Miscellaneous	363,452	-	-	-	363,452
Total revenues	<u>31,483,843</u>	<u>2,534</u>	<u>4,394,364</u>	<u>1,171,384</u>	<u>37,052,125</u>
Expenditures					
Current:					
General government	4,853,390	-	-	169,029	5,022,419
Public safety	17,018,475	-	-	127,510	17,145,985
Public works	3,321,769	-	271	-	3,322,040
Culture and recreation	1,601,194	-	-	-	1,601,194
Housing, development, and planning	1,099,323	-	-	-	1,099,323
Judicial	168,490	-	-	-	168,490
Tourism and economic development	296,201	-	-	371,613	667,814
Capital outlay:					
Public safety	-	-	-	112,749	112,749
Public works	-	-	-	57,866	57,866
Culture and recreation	-	3,485,245	-	-	3,485,245
Debt service:					
Principal	28,898	-	-	203,358	232,256
Interest and fiscal charges	6,847	-	-	33,886	40,733
Total expenditures	<u>28,394,587</u>	<u>3,485,245</u>	<u>271</u>	<u>1,076,011</u>	<u>32,956,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,089,256</u>	<u>(3,482,711)</u>	<u>4,394,093</u>	<u>95,373</u>	<u>4,096,011</u>
Other financing sources (uses):					
Transfers in	1,437,000	-	-	145,779	1,582,779
Transfers out	(4,628,650)	-	(1,659,621)	(795,779)	(7,084,050)
Issuance of financed purchase	187,772	-	-	-	187,772
Total other financing sources (uses)	<u>(3,003,878)</u>	<u>-</u>	<u>(1,659,621)</u>	<u>(650,000)</u>	<u>(5,313,499)</u>
Net change in fund balance	85,378	(3,482,711)	2,734,472	(554,627)	(1,217,488)
Fund balances, beginning of fiscal year	<u>14,901,757</u>	<u>13,362,453</u>	<u>1,960,514</u>	<u>4,181,776</u>	<u>34,406,500</u>
Fund balances, end of fiscal year	<u>\$ 14,987,135</u>	<u>\$ 9,879,742</u>	<u>\$ 4,694,986</u>	<u>\$ 3,627,149</u>	<u>\$ 33,189,012</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, 2022**

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

Net change in fund balances - total governmental funds.	\$	(1,217,488)
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.		2,121,893
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(113,895)
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 is the net impact of debt issuances and payments during the current period.		44,484
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>34,531</u>
Change in net position - governmental activities.	\$	<u><u>869,525</u></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, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 24,111,166	\$ 24,111,166	\$ 25,688,642	\$ 1,577,476
Fines and forfeitures	833,816	833,816	903,244	69,428
Charges for services	350,980	350,980	852,350	501,370
Licenses and permits	683,172	683,172	839,140	155,968
Intergovernmental	198,000	198,000	2,816,202	2,618,202
Interest	35,000	35,000	20,813	(14,187)
Miscellaneous	2,541,012	2,541,012	363,452	(2,177,560)
Total revenues	28,753,146	28,753,146	31,483,843	2,730,697
Expenditures				
Current:				
General government:				
General administration	3,493,053	3,444,240	3,294,150	150,090
Legislative	819,770	834,770	647,725	187,045
Executive	1,222,133	1,222,133	911,515	310,618
Total general government	5,534,956	5,501,143	4,853,390	647,753
Judicial:				
Municipal court	139,007	139,007	168,490	(29,483)
Total judicial	139,007	139,007	168,490	(29,483)
Public safety:				
Police	10,179,524	10,179,524	8,079,347	2,100,177
Fire	6,004,077	6,004,077	5,940,458	63,619
EMS	2,323,415	2,323,415	1,877,332	446,083
E911	764,387	764,387	1,008,055	(243,668)
Animal control	129,213	129,211	111,414	17,797
Emergency management	3,500	3,500	1,869	1,631
Total public safety	19,404,116	19,404,114	17,018,475	2,385,639
Public works	3,705,350	3,719,350	3,321,769	397,581
Culture and recreation	1,436,419	1,451,934	1,601,194	(149,260)
Tourism and economic development	291,638	207,038	296,201	(89,163)
Housing, development, and planning:				
Planning and zoning	967,478	967,478	1,099,323	(131,845)
Debt service:				
Principal	3,231,888	3,231,888	28,898	3,202,990
Interest and fiscal charges	-	-	6,847	(6,847)
Total debt service	3,231,888	3,231,888	35,745	3,196,143
Total expenditures	34,710,852	34,621,952	28,394,587	6,227,365
Excess (deficiency) of revenues over (under) expenditures	(5,957,706)	(5,868,806)	3,089,256	8,958,062
Other financing sources (uses)				
Transfers in	2,830,603	2,830,603	1,437,000	(1,393,603)
Transfers out	-	-	(4,628,650)	(4,628,650)
Proceeds from the sale of capital assets	150,000	150,000	-	(150,000)
Issuance of financed purchase	-	-	187,772	187,772
Total other financing sources (uses)	2,980,603	2,980,603	(3,003,878)	(5,984,481)
Other income				
Interest - tax	(3,500)	(3,500)	-	3,500
Total other income	(3,500)	(3,500)	-	3,500
Net change in fund balances	(2,980,603)	(2,891,703)	85,378	2,977,081
Fund balances, beginning of fiscal year	14,901,757	14,901,757	14,901,757	-
Fund balances, end of fiscal year	\$ 11,921,154	\$ 12,010,054	\$ 14,987,135	\$ 2,977,081

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, 2022

	Business-type Activities - Enterprise Funds			
	Sanitation Fund	Development Authority Fund	Urban Redevelopment Agency Fund	Total Enterprise Funds
ASSETS				
Current assets:				
Cash	\$ 7,511,326	\$ 1,377,797	\$ 42,509,683	\$ 51,398,806
Accounts receivable, net of allowance	376,112	-	-	376,112
Lease receivable	-	15,888,789	-	15,888,789
Due from other funds	-	253,083	769,858	1,022,941
Restricted cash	-	-	21,229	21,229
Prepaid items	-	-	55,000	55,000
Assets held for resale				
Buildings held for resale	-	-	669,509	669,509
Land held for resale	-	-	1,577,789	1,577,789
Total current assets	<u>7,887,438</u>	<u>17,519,669</u>	<u>45,603,068</u>	<u>71,010,175</u>
Noncurrent assets:				
Capital assets:				
Non-depreciable	34,853	4,440,522	245,443	4,720,818
Depreciable, net of accumulated depreciation	-	-	10,687,940	10,687,940
Total noncurrent assets	<u>34,853</u>	<u>4,440,522</u>	<u>10,933,383</u>	<u>15,408,758</u>
Total assets	<u>7,922,291</u>	<u>21,960,191</u>	<u>56,536,451</u>	<u>86,418,933</u>
LIABILITIES				
Current liabilities:				
Accounts payable	324,512	9,934	66,693	401,139
Accrued liabilities	1,824	-	390,765	392,589
Retainage payable	-	-	63,902	63,902
Customer deposits	-	8,494	-	8,494
Unearned revenue	668,288	-	-	668,288
Due to other funds	-	540,000	-	540,000
Due to component unit	-	238,611	-	238,611
Revenue bonds payable, due within one year	-	-	3,585,000	3,585,000
Total current liabilities	<u>994,624</u>	<u>797,039</u>	<u>4,106,360</u>	<u>5,898,023</u>
Noncurrent liabilities:				
Revenue bonds payable	-	-	50,010,000	50,010,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>50,010,000</u>	<u>50,010,000</u>
Total liabilities	<u>994,624</u>	<u>797,039</u>	<u>54,116,360</u>	<u>55,908,023</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - leasing arrangements	-	15,525,719	-	15,525,719
NET POSITION				
Net investment in capital assets	34,853	4,440,522	868,458	5,343,833
Unrestricted	6,892,814	1,196,911	1,551,633	9,641,358
Total net position	<u>\$ 6,927,667</u>	<u>\$ 5,637,433</u>	<u>\$ 2,420,091</u>	<u>\$ 14,985,191</u>

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, 2022**

	Business-type Activities - Enterprise Funds			
	Sanitation Fund	Development Authority Fund	Urban Redevelopment Agency Fund	Total Enterprise Funds
OPERATING REVENUE				
Charges for sales and services	\$ 5,280,279	\$ 1,593,508	\$ 2,467,721	\$ 9,341,508
Miscellaneous income	-	241	-	241
Total operating revenues	<u>5,280,279</u>	<u>1,593,749</u>	<u>2,467,721</u>	<u>9,341,749</u>
OPERATING EXPENSES				
Cost of sales and services	3,599,435	101,315	1,635,759	5,336,509
Personnel services	203,813	-	-	203,813
Depreciation	-	-	232,669	232,669
Other operating expenses	49,478	141,588	618,900	809,966
Total operating expenses	<u>3,852,726</u>	<u>242,903</u>	<u>2,487,328</u>	<u>6,582,957</u>
Operating income (loss)	1,427,553	1,350,846	(19,607)	2,758,792
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	-	-	1,153	1,153
Intergovernmental expense	-	-	(298,600)	(298,600)
Loss on sale of capital assets	-	(1,580,270)	-	(1,580,270)
Interest expense and fiscal charges	-	-	(1,329,979)	(1,329,979)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(1,580,270)</u>	<u>(1,627,426)</u>	<u>(3,207,696)</u>
Income (loss) before transfers	1,427,553	(229,424)	(1,647,033)	(448,904)
Transfers in	-	-	6,938,271	6,938,271
Transfers out	-	(1,437,000)	-	(1,437,000)
Change in net position	1,427,553	(1,666,424)	5,291,238	5,052,367
Total net position, beginning of fiscal year	<u>5,500,114</u>	<u>7,303,857</u>	<u>(2,871,147)</u>	<u>9,932,824</u>
Total net position, ending of fiscal year	<u>\$ 6,927,667</u>	<u>\$ 5,637,433</u>	<u>\$ 2,420,091</u>	<u>\$ 14,985,191</u>

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, 2022

	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	\$ 5,099,787	\$ 1,230,679	\$ 2,467,721	\$ 8,798,187
Payments to suppliers	(3,693,323)	(1,709)	(761,865)	(4,456,897)
Payments to employees	(228,287)	-	-	(228,287)
Net cash provided by operating activities	<u>1,178,177</u>	<u>1,228,970</u>	<u>1,705,856</u>	<u>4,113,003</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	-	(1,437,000)	6,896,619	5,459,619
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>(1,437,000)</u>	<u>6,896,619</u>	<u>5,459,619</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	-	(84,450)	(1,339,612)	(1,424,062)
Interest paid on long-term borrowings	-	-	(1,182,246)	(1,182,246)
Proceeds from sale of capital assets	-	585,000	-	585,000
Proceeds from borrowings on line of credit	-	-	1,000,000	1,000,000
Principal payments on line of credit	-	-	(1,000,000)	(1,000,000)
Principal payments on revenue bonds payable	-	-	(3,730,000)	(3,730,000)
Principal payments on note payable	-	-	(1,745,000)	(1,745,000)
Net cash provided by (used in) capital and relating financing activities	<u>-</u>	<u>500,550</u>	<u>(7,996,858)</u>	<u>(7,496,308)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	-	1,153	1,153
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>1,153</u>	<u>1,153</u>
Net increase in cash	1,178,177	292,520	606,770	2,077,467
Cash, beginning of fiscal year	6,333,149	1,085,277	41,924,142	49,342,568
Cash, end of fiscal year	<u>\$ 7,511,326</u>	<u>\$ 1,377,797</u>	<u>\$ 42,530,912</u>	<u>\$ 51,420,035</u>
Classified as:				
Unrestricted cash	\$ 7,511,326	\$ 1,377,797	\$ 42,509,683	\$ 51,398,806
Restricted cash	-	-	21,229	21,229
	<u>\$ 7,511,326</u>	<u>\$ 1,377,797</u>	<u>\$ 42,530,912</u>	<u>\$ 51,420,035</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 1,427,553	\$ 1,350,846	\$ (19,607)	\$ 2,758,792
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	-	232,669	232,669
Change in assets and liabilities:				
Increase in accounts receivable	(182,486)	-	-	(182,486)
Decrease in lease receivable	-	499,470	-	499,470
Increase in prepaid items	-	-	(55,000)	(55,000)
Decrease in assets acquired for resale	-	-	1,635,758	1,635,758
Increase (decrease) in accounts payable	(44,410)	9,934	(87,964)	(122,440)
Decrease in accrued liabilities	(1,833)	-	-	(1,833)
Increase in amounts due to component unit	-	238,611	-	238,611
Decrease in customer deposits	-	(7,351)	-	(7,351)
Decrease in compensated absences payable	(22,641)	-	-	(22,641)
Increase in unearned revenue	1,994	-	-	1,994
Decrease in deferred inflows of resources - leasing arrangements	-	(862,540)	-	(862,540)
Net cash provided by operating activities	<u>\$ 1,178,177</u>	<u>\$ 1,228,970</u>	<u>\$ 1,705,856</u>	<u>\$ 4,113,003</u>

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

The **2021 SPLOST Fund** is used to account for receipts of SPLOST revenues received from Clayton County and expenditures of those revenues in accordance with the SPLOST referendum.

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, 2022. 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. Leases

The City is a lessor for a noncancellable property lease. The City recognizes a lease receivable and deferred inflows of resources at both the fund level and government-wide level of reporting.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases receivable include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged as the discount rate. When the interest rate charged is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments due to the City over the term of the lease and residual value guarantee payments that are fixed in substance.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable and deferred inflows of resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, 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.

I. 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

J. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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.

The City also reports as deferred inflows of resources items that arise from leases, where the City is a lessor. Lease-related amounts are recognized at the inception of leases in which the City is a lessor and are recorded in an amount equal to the corresponding lease receivable, plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflow of resources is recognized as revenue in a systemic and rational manner over the term of the lease.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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.

M. 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity and Net Position (Continued)

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.

N. 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.

O. 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 \$5,235,307 difference are as follows:

Claims payable	\$ (353,965)
Financed purchases payable	(1,075,103)
Total OPEB liability	(2,796,432)
Compensated absences	(982,762)
Accrued interest payable	<u>(27,045)</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 <u>\$ (5,235,307)</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 \$2,121,893 difference are as follows:

Capital outlay	\$ 4,254,609
Depreciation expense	<u>(2,132,716)</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>\$ 2,121,893</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 “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.” The details of this \$44,484 difference are as follows:

Issuance of financed purchase	\$ (187,772)
Principal payments on financed purchases	232,256
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ 44,484

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 \$34,531 difference are as follows:

Claims and judgments	\$ 115,546
Compensated absences	38,938
Accrued interest	2,275
Other postemployment benefit (OPEB) liability	407,692
Deferred outflows of resources related to OPEB	(72,629)
Deferred inflows of resources related to OPEB	(457,291)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ 34,531

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).

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS AND FUND DEFICITS (CONTINUED)

The City did not adopt annual budgets for its special revenue funds or its capital projects funds for the fiscal year ended June 30, 2022. For the fiscal year ended June 30, 2022, the General Fund had excesses of actual expenditures over appropriations in the following departments:

Judicial - Municipal court	\$	29,483
Public Safety - E911		243,668
Culture and recreation		149,260
Tourism and economic development		89,163
Housing and development - Planning and zoning		131,845
Debt service - interest and fiscal charges		6,487
Other financing sources - transfers out		4,628,650

The expenditures in excess of appropriations were funded by greater than anticipated revenues.

NOTE 4. DEPOSITS AND INVESTMENTS

As of June 30, 2022, the City had \$2,032,808 of its funds invested as follows:

Investment	Maturities	Fair Value
Ginnie Mae II Pool Asset Backed Security	November 20, 2022	\$ 624
Georgia Fund 1	43 days	2,032,184
Total		\$ 2,032,808

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk (Continued): 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, 2022, 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.

The City only has one (1) recurring fair value measurement as of June 30, 2022 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, 2022, 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, 2022 were insured and/or collateralized as defined by GASB and required by State Statutes.

NOTES TO FINANCIAL STATEMENTS

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.

Receivables at June 30, 2022, 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	2021 SPLOST Fund	Nonmajor Governmental Funds
Receivables:			
Taxes	\$ 1,768,669	\$ -	\$ 7,733
Less allowance for uncollectible accounts	(730,000)	-	-
Taxes receivable, net	1,038,669	-	7,733
Due from other governments	135,063	783,515	55,374
Other	3,274	-	53,578
Net total receivables	\$ 1,177,006	\$ 783,515	\$ 116,685

Receivables at June 30, 2022, for the City's major proprietary funds, including the applicable allowances for uncollectible accounts are as follows:

	Sanitation Fund
Receivables:	
Accounts	\$ 940,901
Less allowance for uncollectible	(564,789)
Net total receivables	\$ 376,112

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASE RECEIVABLE

The City, through its Local Redevelopment Authority (the "Authority"), has entered into an agreement whereby property that was deeded to the Authority is being leased to a private entity in exchange for tax abatements (Note 17). The City receives annual payments in the amount of \$1,155,000 through June 30, 2024; \$1,212,750 through June 30, 2029; \$1,337,057 through June 30, 2039; and \$1,403,910 through June 30, 2040. The total amount of lease revenue, including the amortization of deferred inflows and interest revenue, recognized during the fiscal year ended June 30, 2022 was \$1,518,070. At June 30, 2022, the City's receivable for lease payments was \$15,888,789. Also, the City has a deferred inflow of resources in the amount of \$15,525,719 associated with this lease that will be recognized over the lease term that ends on June 30, 2040.

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity of the City's governmental activities for the fiscal year ended June 30, 2022 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,458,458	\$ 24,097	\$ -	\$ -	\$ 2,482,555
Construction in progress	562,966	3,037,049	-	(384,463)	3,215,552
Total	<u>3,021,424</u>	<u>3,061,146</u>	<u>-</u>	<u>(384,463)</u>	<u>5,698,107</u>
Capital assets, being depreciated:					
Buildings and building improvements	15,597,593	-	-	384,463	15,982,056
Computer & office equipment	1,983,388	-	-	-	1,983,388
Machinery & equipment	9,150,073	590,639	-	-	9,740,712
Vehicles	11,212,423	549,378	-	-	11,761,801
Infrastructure	16,249,132	53,446	-	-	16,302,578
Total	<u>54,192,609</u>	<u>1,193,463</u>	<u>-</u>	<u>384,463</u>	<u>55,770,535</u>
Less accumulated depreciation for:					
Buildings and building improvements	(10,150,413)	(376,837)	-	-	(10,527,250)
Computer & office equipment	(1,600,869)	(127,952)	-	-	(1,728,821)
Machinery and equipment	(6,375,274)	(554,321)	-	-	(6,929,595)
Vehicles	(7,276,611)	(688,299)	-	-	(7,964,910)
Infrastructure	(10,081,599)	(385,307)	-	-	(10,466,906)
Total	<u>(35,484,766)</u>	<u>(2,132,716)</u>	<u>-</u>	<u>-</u>	<u>(37,617,482)</u>
Total capital assets, being depreciated, net	<u>18,707,843</u>	<u>(939,253)</u>	<u>-</u>	<u>384,463</u>	<u>18,153,053</u>
Governmental activities capital assets, net	<u>\$ 21,729,267</u>	<u>\$ 2,121,893</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,851,160</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Capital asset activity of the City's business-type activities for the fiscal year ended June 30, 2022 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 6,786,918	\$ -	\$ (2,165,270)	\$ -	\$ 4,621,648
Construction in progress	506,440	1,424,062	(298,600)	(1,532,732)	99,170
Total	<u>7,293,358</u>	<u>1,424,062</u>	<u>(2,463,870)</u>	<u>(1,532,732)</u>	<u>4,720,818</u>
Capital assets, being depreciated:					
Building and building improvements	1,228,765	-	-	-	1,228,765
Infrastructure	9,628,318	-	-	1,532,732	11,161,050
Equipment	11,000	-	-	-	11,000
Vehicles	565,578	-	-	-	565,578
Total	<u>11,433,661</u>	<u>-</u>	<u>-</u>	<u>1,532,732</u>	<u>12,966,393</u>
Less accumulated depreciation for:					
Building and building improvements	(458,456)	(33,603)	-	-	(492,059)
Infrastructure	(1,010,750)	(199,066)	-	-	(1,209,816)
Equipment	(11,000)	-	-	-	(11,000)
Vehicles	(565,578)	-	-	-	(565,578)
Total	<u>(2,045,784)</u>	<u>(232,669)</u>	<u>-</u>	<u>-</u>	<u>(2,278,453)</u>
Total capital assets, being depreciated, net	<u>9,387,877</u>	<u>(232,669)</u>	<u>-</u>	<u>1,532,732</u>	<u>10,687,940</u>
Business-type activities capital assets, net	<u>\$ 16,681,235</u>	<u>\$ 1,191,393</u>	<u>\$ (2,463,870)</u>	<u>\$ -</u>	<u>\$ 15,408,758</u>

A reclassification in the beginning balances between land and construction in progress was required to accurately report balances as of July 1, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental activities:	
General government	\$ 258,114
Public safety	1,129,172
Public works	519,564
Culture and recreation	<u>225,866</u>
Total depreciation expense - governmental activities	<u><u>\$ 2,132,716</u></u>
Business-type activities:	
Urban Redevelopment Agency Fund	<u>\$ 232,669</u>
Total depreciation expense - business-type activities	<u><u>\$ 232,669</u></u>

Downtown Development Authority

Capital asset activity of the Downtown Development Authority for the fiscal year ended June 30, 2022 is as follows:

	Beginning Balance	Increases	Transfers	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 49,536	\$ -	\$ (49,536)	\$ -
Total	<u>49,536</u>	<u>-</u>	<u>(49,536)</u>	<u>-</u>
Capital assets, being depreciated:				
Infrastructure	-	-	49,536	49,536
Total	<u>-</u>	<u>-</u>	<u>49,536</u>	<u>49,536</u>
Less accumulated depreciation for:				
Infrastructure	-	(991)	-	(991)
Total	<u>-</u>	<u>(991)</u>	<u>-</u>	<u>(991)</u>
Total capital assets being depreciated, net	<u>-</u>	<u>(991)</u>	<u>49,536</u>	<u>48,545</u>
Total Downtown Development Authority capital assets, net	<u><u>\$ 49,536</u></u>	<u><u>\$ (991)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 48,545</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT AND OBLIGATIONS

Primary Government

Long-term debt and obligation activity for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Governmental activities:					
Claims payable	\$ 469,511	\$ 364,053	\$ (479,599)	\$ 353,965	\$ 353,965
Financed purchases from direct borrowings	1,119,587	187,772	(232,256)	1,075,103	239,495
Compensated absences	1,021,700	799,381	(838,319)	982,762	603,282
Total OPEB liability	<u>3,204,124</u>	<u>379,012</u>	<u>(786,704)</u>	<u>2,796,432</u>	<u>-</u>
Governmental activities Long-term liabilities	<u>\$ 5,814,922</u>	<u>\$ 1,730,218</u>	<u>\$ (2,336,878)</u>	<u>\$ 5,208,262</u>	<u>\$ 1,196,742</u>
Business-type activities:					
Compensated absences	\$ 22,641	\$ -	\$ (22,641)	\$ -	\$ -
Note payable	1,745,000	-	(1,745,000)	-	-
Revenue bonds payable direct borrowing	<u>57,325,000</u>	<u>-</u>	<u>(3,730,000)</u>	<u>53,595,000</u>	<u>3,585,000</u>
Business-type activities Long-term liabilities	<u>\$ 59,092,641</u>	<u>\$ -</u>	<u>\$ (5,497,641)</u>	<u>\$ 53,595,000</u>	<u>\$ 3,585,000</u>

For governmental funds, compensated absences are liquidated by the General Fund and financed purchases are liquidated by the Emergency Telephone System 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.

As of June 30, 2022, the remaining employee in the Sanitation Fund has an insignificant balance for compensated absences and therefore the City has determined that a liability for business-type activities will not be reported.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Financed purchases from direct borrowings. 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.

In July of 2017, the City entered into a financed purchase agreement in the amount of \$571,170 to finance the acquisition of a communications tower. Annual principal and interest payments are required until maturity in July of 2024 at an interest rate of 3.59%. The outstanding principal balance at June 30, 2022 is \$258,632.

In September of 2019, the City entered into a financed purchase agreement in the amount of \$896,407 to finance the acquisition of a communications tower. Annual principal and interest payments are required until maturity in September of 2026 at an interest rate of 2.78%. The outstanding principal balance at June 30, 2022 is \$657,597.

In November of 2019, the City entered into a financed purchase agreement in the amount of \$215,779 to finance the acquisition of communication equipment. Annual principal and interest payments are required until maturity in November of 2026 at an interest rate of 3.18%. The outstanding principal balance at June 30, 2022 is \$158,874.

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

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 239,495	\$ 32,618	\$ 272,113
2024	246,963	25,150	272,113
2025	248,195	17,446	265,641
2026	167,827	9,731	177,558
2027	172,623	4,934	177,557
	\$ 1,075,103	\$ 89,879	\$ 1,164,982

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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 were 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 fiscal year 2021, the City refunded the Series 2014 revenue bonds through the issuance of the Series 2020 Taxable Revenue Refunding Revenue Bonds.

During fiscal year 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. The outstanding principal amount as of June 30, 2022 is \$14,340,000.

During fiscal year 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, 2022 are \$8,025,000 and \$31,230,000, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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
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	2,450,000	303,595	2,753,595
2028-2032	11,880,000	4,010,323	15,890,323
2033-2037	23,230,000	2,397,225	25,627,225
2038-2040	1,245,000	20,865	1,265,865
	<u>\$ 53,595,000</u>	<u>\$ 11,324,244</u>	<u>\$ 64,919,244</u>

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 was paid during the fiscal year ended June 30, 2022.

As a condition to the note payable, the URA obtained a declining revolving line of credit from Suntrust Bank which was used 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 during fiscal year 2022 was \$1,000,000. Outstanding balances bore interest at an annual rate equal to the sum of 1-month LIBOR plus 1.75%. During the fiscal year ended June 30, 2022, the URA borrowed \$1,000,000 against the line of credit in order to repay the note payable. At June 30, 2022, there was no outstanding balance on the line of credit (Note 9).

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, 2022, there was no remaining unamortized discount on the note payable.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. SHORT-TERM BORROWINGS

During the fiscal year ended June 30, 2022, the Urban Redevelopment Agency (URA) utilized a line of credit agreement to borrow \$1,000,000 for the purpose of making the final payment on amounts owed to the U.S. Department of the Army (Note 8). Per the terms of the line-of-credit agreement, interest accrued on outstanding amounts at 1.75% plus LIBOR. Interest incurred and expensed on short-term borrowings totaled \$20,785 during the fiscal year ended June 30, 2022. As of June 30, 2023, the line of credit is closed.

The following is a summary of the URA's short-term borrowings for the fiscal year ended June 30, 2022.

	Beginning Balance	Additions	Reductions	Ending Balance
Line of credit	\$ -	\$ 1,000,000	\$ (1,000,000)	\$ -

NOTE 10. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2022, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Development Authority Fund	\$ 190,000
Nonmajor governmental funds	General Fund	\$ 15,089
SPLOST Fund	General Fund	\$ 616,296
Urban Redevelopment Agency	2021 SPLOST Fund	\$ 37,081
Development Authority	General Fund	\$ 253,083
Urban Redevelopment Agency	General Fund	\$ 2,450
Urban Redevelopment Agency	Development Authority Fund	350,000
Urban Redevelopment Agency	Nonmajor governmental funds	380,327
		\$ 732,777
Nonmajor governmental funds	Nonmajor governmental funds	\$ 6,828
Primary Government: General Fund	Discretely Presented Component Unit: Downtown Development Authority	\$ 211,443

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, 2022, the Downtown Development Authority owed \$211,443 to the City's General Fund for collections of payments in lieu of taxes.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

At June 30, 2022, the 2021 SPLOST Fund owed the Urban Redevelopment Agency \$37,081 for interest payments on the Series 2021A SPLOST revenue bonds.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Development Authority Fund	\$ 1,437,000
Urban Redevelopment Authority	General Fund	\$ 4,628,650
Urban Redevelopment Authority	2021 SPLOST Fund	1,659,621
Urban Redevelopment Authority	Nonmajor governmental funds	650,000
		6,938,271
Nonmajor governmental funds	Nonmajor governmental funds	\$ 145,779

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. Transfers from the SPLOST 2021 Fund to the Urban Redevelopment Agency Fund are used to make principal and interest payments on the URA 2021A SPLOST Bonds. Transfers from the General Fund to the Urban Redevelopment Agency Fund are used to fund principal and interest payments on debt.

NOTE 11. 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 \$20,500 per year for employees less than 50 years old, \$27,000 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 11. DEFERRED COMPENSATION PLAN (CONTINUED)

The City contributed \$348,894 and Plan participants contributed \$950,493 to the Plan during the fiscal year ended June 30, 2022. At the beginning of the fiscal year, there were 433 participants with account balances and at the end of the year there were 436. Total value of the deferred compensation and thrift plans as of the current fiscal year-end is \$16,286,098 which results in an average participant balance of \$37,353.

NOTE 12. 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 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Plan Membership. At July 1, 2021, the date of the most recent actuarial valuation, there were 239 participants consisting of the following:

Retirees	7
Active employees	<u>232</u>
Total	<u><u>239</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, 2022, the City contributed \$97,897 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, 2022 and was determined by an actuarial valuation as of July 1, 2021 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, 2021 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 – 3.54%

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, 2022, the trend is 6.0%. 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 – 2021 Mortality Improvement Scale. The Plan has had an experience study as of July 1, 2020.

Medical Trend – 6.0% 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, 2022, 20–year tax-free municipal bond yield of 3.54% was used as the discount rate.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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, 2022, were as follows:

	Total OPEB Liability
Balances at June 30, 2021	\$ 3,204,124
Changes for the fiscal year:	
Service cost	311,479
Interest	67,533
Experience differences	(340,130)
Changes of assumptions	(348,677)
Benefit payments	(97,897)
Net changes	(407,692)
Balances at June 30, 2022	\$ 2,796,432

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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Current Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 3,044,978	\$ 2,796,432	\$ 2,570,023

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 (5.0% decreasing to 3.50%) or 1-percentage point higher (7.0% decreasing to 5.50%) than the current healthcare trend rates:

	1% Decrease (5.0% decreasing to 3.50%)	Current Rate (6.0% decreasing to 4.50%)	1% Increase (7.0% decreasing to 5.50%)
Total OPEB Liability	\$ 2,453,211	\$ 2,796,432	\$ 3,208,212

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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, 2022 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, 2022, the City recognized OPEB expense of \$220,125. At June 30, 2022, 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	\$ -	\$ 896,605
Changes in assumptions	357,916	618,378
Total	\$ 357,916	\$ 1,514,983

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
2023	\$ 72,629	\$ (231,516)	\$ (158,887)
2024	72,629	(231,516)	(158,887)
2025	72,629	(231,516)	(158,887)
2026	72,629	(231,516)	(158,887)
2027	50,037	(215,061)	(165,024)
2028 and after	17,363	(373,858)	(356,495)
Total	\$ 357,916	\$ (1,514,983)	\$ (1,157,067)

NOTE 13. 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 14. 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>
2022	\$ -	\$ 1,750	\$ 1,750	\$ -
2021	-	2,250	2,250	-

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>
2022	\$ 469,511	\$ 362,303	\$ (477,849)	\$ 353,965
2021	146,808	776,814	(454,111)	469,511

NOTES TO FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS AND CONTINGENCIES

Contracts:

As of June 30, 2022, the City has approximately \$7,230,000 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, 2022.

NOTE 16. 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 \$49,317 for the fiscal year ended June 30, 2022. Of this amount, 5% or \$2,500 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 17. 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, 2022, such abatement of these taxes amounted to \$1,301,821.

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 \$427,853 at June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 17. TAX ABATEMENTS (CONTINUED)

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 \$327,515 at June 30, 2022.

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 \$1,066,763 at June 30, 2022.

NOTE 18. SUBSEQUENT EVENT

On March 23, 2023, the City, through its Downtown Development Authority, issued \$6,180,000 in Taxable Economic Development Revenue Bonds, Series 2023A (the “Series 2023A Bonds”) for the purpose of financing the costs of acquiring, constructing, and installing mixed use facilities to be located in the central business district of the City. The Series 2023A Bonds carry interest at 4.85% and interest payments are due on March 1 and September 1 each year, through the maturity date of March 1, 2035. Principal payments are required to be made beginning on March 1, 2026, through maturity.

On August 22, 2023, the City, through its Downtown Development Authority, adopted a resolution for the issuance of \$4,245,000 in Taxable Economic Development Revenue Bonds (Forest Parkway Project), Series 2023B (the “Series 2023B Bonds”) for the purpose of financing the acquisition of real property, the installation of certain infrastructure improvements, and developing restaurant, retail, office space, and parking lots in the City’s central business district. The Series 2023B Bonds will carry interest at 5.90% and interest payments will be due beginning March 1, 2024, with additional interest payments due each September through the maturity date of March 1, 2038. Principal payments are required to be made beginning on March 1, 2024, through maturity. These bonds are expected to be issued on September 20, 2023.

**CITY OF FOREST PARK, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 311,479	\$ 293,914	\$ 183,845	\$ 173,435	\$ 204,631
Interest on total OPEB liability	67,533	69,586	90,619	102,235	109,240
Differences between expected and actual experience	(340,130)	(311,468)	(376,409)	(201,126)	-
Changes in assumptions or other inputs	(348,677)	16,336	517,008	43,298	(481,670)
Benefit payments	(97,897)	(58,371)	(5,208)	(6,022)	(13,073)
Net change in total OPEB liability	<u>(407,692)</u>	<u>9,997</u>	<u>409,855</u>	<u>111,820</u>	<u>(180,872)</u>
Total OPEB liability - beginning	<u>3,204,124</u>	<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>\$ 2,796,432</u>	<u>\$ 3,204,124</u>	<u>\$ 3,194,127</u>	<u>\$ 2,784,272</u>	<u>\$ 2,672,452</u>
Covered-employee payroll	\$ 14,935,920	\$ 14,380,329	\$ 13,392,384	\$ 11,791,794	\$ 11,537,877
Total OPEB liability as a percentage of covered-employee payroll	18.7%	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.

American Rescue Plan Act Fund - To account the City's expenditures of its Coronavirus State and Local Fiscal Recovery Fund award, as provided for under the American Rescue Plan Act.

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.

**CITY OF FOREST PARK, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

ASSETS	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		Capital Improvement Fund	
						District One Ft. Gillem & Main Street Fund	American Rescue Plan Act Fund		
Cash and cash equivalents	\$ 382,060	\$ 1,774,775	\$ 292,704	\$ 24,671	\$ 392,807	\$ 1,061,317	\$ 2,937,393	\$ 8,435	\$ 6,874,162
Taxes receivable	-	-	7,733	-	-	-	-	-	7,733
Accounts receivable	53,578	-	-	-	-	-	-	-	53,578
Due from other governments	-	-	-	-	-	55,374	-	-	55,374
Due from other funds	-	21,917	-	-	-	-	-	-	21,917
Restricted cash	-	-	-	-	-	-	106,687	-	106,687
Prepaid items	94,555	-	-	-	-	-	-	-	94,555
Total assets	\$ 530,193	\$ 1,796,692	\$ 300,437	\$ 24,671	\$ 392,807	\$ 1,116,691	\$ 3,044,080	\$ 8,435	\$ 7,214,006
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 626
Due to other funds	-	6,828	-	-	380,327	-	-	-	387,155
Unearned revenue	-	-	-	-	-	-	3,044,080	-	3,044,080
Due to others	-	154,996	-	-	-	-	-	-	154,996
Total liabilities	626	161,824	-	-	380,327	-	3,044,080	-	3,586,857
FUND BALANCES									
Nonspendable:									
Prepaid items	94,555	-	-	-	-	-	-	-	94,555
Restricted for:									
Capital construction	-	-	-	-	-	-	-	8,435	8,435
Emergency telephone system operations	435,012	-	-	-	-	-	-	-	435,012
Tourism and economic development	-	-	300,437	-	-	-	-	-	300,437
Law enforcement activities	-	1,634,868	-	24,671	-	-	-	-	1,659,539
Committed for:									
Housing, development, and planning	-	-	-	-	12,480	1,116,691	-	-	1,129,171
Total fund balances	529,567	1,634,868	300,437	24,671	12,480	1,116,691	-	8,435	3,627,149
Total liabilities, deferred inflows of resources, and fund balances	\$ 530,193	\$ 1,796,692	\$ 300,437	\$ 24,671	\$ 392,807	\$ 1,116,691	\$ 3,044,080	\$ 8,435	\$ 7,214,006

**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, 2022**

	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 District One Ft. Gillem & Main Street Fund	American Rescue Plan Act Fund		Capital Improvement Fund
REVENUES									
Taxes	\$ -	\$ -	\$ 49,317	\$ -	\$ -	\$ 55,374	\$ -	\$ -	\$ 104,691
Charges for services	353,281	-	-	-	-	-	-	-	353,281
Intergovernmental	-	-	-	19,208	-	-	694,018	-	713,226
Interest	-	34	-	-	-	152	-	-	186
Total revenues	353,281	34	49,317	19,208	-	55,526	694,018	-	1,171,384
EXPENDITURES									
Current:									
General administration	-	-	-	-	-	379	168,650	-	169,029
Public safety	122,829	4,681	-	-	-	-	-	-	127,510
Tourism and economic development	-	-	2,500	-	-	-	369,113	-	371,613
Capital outlay:									
Public safety	10,650	-	-	-	-	-	102,099	-	112,749
Public works	-	-	-	3,710	-	-	54,156	-	57,866
Debt service:									
Principal	203,358	-	-	-	-	-	-	-	203,358
Interest and fiscal charges	33,886	-	-	-	-	-	-	-	33,886
Total expenditures	370,723	4,681	2,500	3,710	-	379	694,018	-	1,076,011
Excess (deficiency) of revenues over (under) expenditures	(17,442)	(4,647)	46,817	15,498	-	55,147	-	-	95,373
OTHER FINANCING SOURCES (USES)									
Transfers in	145,779	-	-	-	-	-	-	-	145,779
Transfers out	-	(145,779)	-	-	-	(650,000)	-	-	(795,779)
Total other financing sources (uses)	145,779	(145,779)	-	-	-	(650,000)	-	-	(650,000)
Net change in fund balances	128,337	(150,426)	46,817	15,498	-	(594,853)	-	-	(554,627)
FUND BALANCES, beginning of fiscal year	401,230	1,785,294	253,620	9,173	12,480	1,711,544	-	8,435	4,181,776
FUND BALANCES, end of fiscal year	\$ 529,567	\$ 1,634,868	\$ 300,437	\$ 24,671	\$ 12,480	\$ 1,116,691	\$ -	\$ 8,435	\$ 3,627,149

**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, 2022**

Projects	Project	Expenditures				Total	Estimated Percentage of Completion (2)
		Original Estimated Cost (1)	Revised Estimated Cost (1)	Prior Fiscal Years	Current Fiscal Year		
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%
L.C.I. 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	11,029	12,520	-	12,520	113.52%
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	-	-	-	-	0.00%
Totals		\$ 59,500,000	\$ 25,320,800	\$ 22,347,733	\$ -	\$ 22,347,733	88.26%

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, 2022

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	\$ 150,000	\$ 224,161	\$ -	\$ 224,161	149.44%
Streetscape Improvements, sidewalks, curb & gutter and landscaping on misc. streets	1,500,000	1,500,000	34,958	1,173,318	1,208,276	80.55%
Landscaping (Median areas city wide)	500,000	500,000	-	-	-	0.00%
Multi Purpose Special Event Center	2,000,000	2,000,000	-	247,544	247,544	12.38%
City Hall Renovation, Parking & Equipment (Continuation)	1,500,000	1,500,000	1,133,840	129,494	1,263,334	84.22%
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	678,588	710,042	-	710,042	104.64%
Police Firearms Training Systems	235,000	235,000	151,220	733	151,953	64.66%
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	754,018	8,741	762,759	29.71%
Kiwanis Stadium Construction/Renovation	2,000,000	2,000,000	110,926	243,486	354,412	17.72%
Memorial Park	1,000,000	1,000,000	81,571	-	81,571	8.16%
Street Resurfacing	2,000,000	2,000,000	1,571,143	-	1,571,143	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	99,644	108,700	-	108,700	109.09%
Planning, Building & Zoning Vehicles	84,500	84,500	-	-	-	0.00%
Agnes Bateman Community Building	85,000	85,000	123,454	-	123,454	145.24%
Fire Vehicle/Equipment Replacement	1,000,000	1,000,000	2,451,377	440,006	2,891,383	289.14%
Fire Facility Improvements/Renovation	2,000,000	2,000,000	270,406	1,241,923	1,512,329	75.62%
Totals	\$ 19,384,548	\$ 19,867,610	\$ 10,003,863	\$ 3,485,245	\$ 13,489,108	67.89%

(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, 2022

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	\$ 10,190	\$ 10,215		0.51%
Street Resurfacing and Construction	3,000,000	3,000,000	-	14,617	14,617		0.49%
Building Construction - Facility Improvements	6,156,548	6,156,548	-	29,995	29,995		0.49%
Equipment - Various Departments	480,000	480,000	-	2,339	2,339		0.49%
Police, Fire, EMS - Equipment and Vehicles	4,268,000	4,268,000	-	20,795	20,795		0.49%
Recreation, Leisure, and Public Works - Park and Greenway Improvements	3,000,000	3,000,000	-	14,617	14,617		0.49%
Capital Outlay - Public Works Vehicles	480,000	480,000	-	2,339	2,339		0.49%
Totals	\$ 19,384,548	\$ 19,384,548	\$ 25	94,892	\$ 94,917		0.49%
Transfers to Urban Redevelopment Agency to fund principal payments on Series 2021A revenue bonds:				1,565,000			
Total expenditures and transfers - 2021 SPLOST				1,659,892			
Total Expenditures - 2015 SPLOST:				3,485,245			
Total SPLOST Expenditures - Fiscal Year Ended June 30, 2022:				\$ 5,145,137			
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			
				Capital outlay - Culture and recreation	\$ 3,485,245		
				2021 SPLOST Fund			
				Current expenditures - Public works	271		
				Transfers out	1,659,621		
					<u>\$ 5,145,137</u>		

(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, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 800,982
Intergovernmental receivable	238,610
Total current assets	<u>1,039,592</u>

Noncurrent assets:

Capital assets:

Depreciable, net of accumulated depreciation	<u>48,545</u>
Total noncurrent assets	<u>48,545</u>

Total assets	<u>1,088,137</u>
--------------	------------------

LIABILITIES

Accounts payable	4,773
Due to primary government	<u>211,443</u>
Total liabilities	<u>216,216</u>

NET POSITION

Net investment in capital assets	43,772
Unrestricted	<u>828,149</u>
Total net position	<u>\$ 871,921</u>

**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, 2022**

OPERATING REVENUES	
Charges for services	\$ 81,250
Total operating revenues	<u>81,250</u>
OPERATING EXPENSES	
General administration	17,923
Economic development	38,688
Depreciation	991
Other	482
Total operating expenses	<u>58,084</u>
Operating income	23,166
NONOPERATING REVENUES (EXPENSES)	
Payments in lieu of taxes	2,752,190
Interest revenue	46
Intergovernmental expense	<u>(2,476,528)</u>
Total nonoperating revenue (expenses)	<u>275,708</u>
Change in net position	298,874
Total net position, beginning of fiscal year	<u>573,047</u>
Total net position, end of fiscal year	<u><u>\$ 871,921</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, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Payments from customers and users	\$ 81,250
Payments of operating expenses	(82,522)
Net cash used in operating activities	<u>(1,272)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Receipts from payments in lieu of taxes	2,513,580
Net cash provided by non-capital financing activities	<u>2,513,580</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Payments to primary government	(4,166,283)
Net cash used in non-capital financing activities	<u>(4,166,283)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	46
Net cash provided by investing activities	<u>46</u>
Net decrease in cash and cash equivalents	(1,653,929)
Cash and cash equivalents, beginning of fiscal year	<u>2,454,911</u>
Cash and cash equivalents, end of fiscal year	<u><u>\$ 800,982</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating income	\$ 23,166
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	991
Change in assets and liabilities:	
Decrease in accounts payable	(25,429)
Net cash used in operating activities	<u><u>\$ (1,272)</u></u>

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	62
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	68
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	
Debt Capacity	74
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	78
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	80
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)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019 (restated)</u>	<u>2020 (restated)</u>	<u>2021</u>	<u>2022</u>
Governmental activities										
Net investment in capital assets	\$ 16,185,806	\$ 17,669,695	\$ 18,964,221	\$ 18,604,312	\$ 18,808,484	\$ 19,438,420	\$ 18,661,292 (1)	\$ 19,402,746 (4)	\$ 20,609,680	\$ 22,776,057
Restricted	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	17,072,706
Unrestricted (deficit)	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	11,086,074
Total governmental activities net position	<u>21,499,214</u>	<u>22,962,839</u>	<u>23,188,971</u>	<u>24,869,191</u>	<u>28,103,000</u>	<u>36,587,290</u>	<u>42,754,956 (1)</u>	<u>46,703,492 (4)</u>	<u>50,065,312</u>	<u>50,934,837</u>
Business-type activities										
Unrestricted (deficit)	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	9,641,358
Total business-type activities net position	<u>8,201,645</u>	<u>14,809,174</u>	<u>11,533,609</u>	<u>9,634,416</u>	<u>8,071,526</u>	<u>6,154,577</u>	<u>7,060,265</u>	<u>8,098,670</u>	<u>9,932,824</u>	<u>14,985,191</u>
Primary government										
Net investment in capital assets	24,187,020	25,670,909	33,649,999	35,922,734	36,532,055	36,168,014	35,165,824 (1)	35,788,337 (4)	23,465,741	28,119,890
Restricted	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	17,072,706
Unrestricted (deficit)	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	20,727,432
Total primary government net position	<u>\$ 29,700,859</u>	<u>\$ 37,772,013</u>	<u>\$ 34,722,580</u>	<u>\$ 34,503,607</u>	<u>\$ 36,174,526</u>	<u>\$ 42,741,867</u>	<u>\$ 49,815,221</u>	<u>\$ 54,802,162</u>	<u>\$ 59,998,136</u>	<u>\$ 65,920,028</u>

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.

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

Expenses	2013	2014	2015	2016	2017	2018	2019 (Restated)	2020 (Restated)	2021	2022
Governmental activities:										
General government	\$ 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	\$ 5,201,960
Public safety	15,857,835	15,756,330	15,451,710	15,230,605	15,648,967	16,178,020	15,812,932 (4)	16,712,525 (5)	17,628,706	18,110,506
Public works	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	3,570,435
Culture and recreation	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	1,696,991
Housing and development	1,126,218	769,672	730,914	765,987	755,235	705,677	688,602	939,298	1,280,386	1,104,093
Redevelopment and planning	725,506	1,260,977	1,241,205	445,708	65,611	62,974	-	595	-	-
Judicial	130,288	140,667	134,087	126,397	133,009	134,652	147,474	115,236	196,471	169,221
Tourism and economic development	42,707	29,944	31,098	25,455	37,475	41,312	37,511	109,084	218,591	667,814
Interest on long-term debt	18,452	16,055	13,582	23,284	19,143	5,687	2,888	30,052	54,265	38,458
Total governmental activities expenses	25,565,752	25,380,049	25,179,045	24,518,970	24,296,191	24,868,465	24,416,741 (4)	26,666,315 (5)	30,357,541	30,559,478
Business-type activities:										
Local Redevelopment Authority	62,249	82,945	344,520	230,797	75,689	183,233	68,071	64,817	476,450	1,823,173
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	3,817,307
Sanitation	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	3,852,726
Total business-type activities expenses	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	9,493,206
Program Revenues										
Governmental activities										
Charges for services:										
General government	226,944	208,726	616,160	467,915	461,201	429,774	627,865	627,047	731,552	839,140
Public safety	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	1,829,865
Public works	1,995	1,225	-	-	335	-	-	-	-	-
Culture and Recreation	202,393	667,820	225,541	230,209	233,736	261,136	243,160	84,060	137,444	279,010
Operating grants and contributions	751,815	1,136,655	820,913	519,298	319,886	3,460,594	348,240	304,356	3,117,240	3,171,797
Capital grants and contributions	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	4,747,779
Total governmental activities program revenues	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	10,867,591
Business-type activities										
Charges for services:										
Local Redevelopment Authority	71,960	85,916	103,558	97,653	924,877	1,239,287	1,229,951	1,145,328	1,236,679	1,593,508
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	2,467,721
Sanitation	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	5,280,279
Operating grants and contributions	-	-	-	-	105,576 (3)	74,310	-	-	350,000	-
Capital grants and contributions	-	-	450,000	-	-	-	-	-	-	-
Total business-type activities program revenues	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	9,341,508
Total primary government program revenues	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	20,209,099

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

	2013	2014	2015	2016	2017 (restated)	2018	2019 (Restated)	2020 (Restated)	2021	2022
Net (Expense) Revenue										
Governmental activities	\$ (14,878,905)	\$ (15,512,043)	\$ (16,110,096)	\$ (16,743,194)	\$ (15,862,230)	\$ (13,105,783)	\$ (15,714,883) (4)	\$ (18,935,972)	\$ (20,068,254)	\$ (19,691,887)
Business-type activities	190,492	7,107,509	(3,267,342)	(1,158,645)	(1,575,459)	(1,947,012)	857,068	928,443	1,799,351	(151,698)
Total primary government net expense	<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>(18,007,529)</u>	<u>(18,268,903)</u>	<u>(19,843,585)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Property and other taxes	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	25,686,188
Unrestricted investment earnings	10,673	6,775	3,775	8,561	27,936	70,550	108,636	79,001	10,481	20,999
Miscellaneous	96,060	48,988	55,259	30,421	5,906	3,890	25,329	775,329	79,622	363,452
Gains on sale of capital assets	-	-	10,259	76,388	6,655	79,416	-	29,521	72,178	-
Transfers	574,688	500,000	52,911	750,735	-	-	-	(81,500)	150,000	(5,501,271)
Total governmental activities	<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>	<u>20,569,368</u>
Business-type activities										
Unrestricted investment earnings	-	-	5,482	9,474	10,819	24,463	34,391	23,062	11	1,153
Miscellaneous	14	20	39,206	713	1,750	5,600	14,229	5,400	184,792	241
Transfers	(574,688)	(500,000)	(52,911)	(750,735)	-	-	-	81,500	(150,000)	5,501,271
Total business-type activities	<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>	<u>5,502,665</u>
Total primary government	<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>	<u>26,072,033</u>
Change in Net Position										
Governmental activities	2,251,951	1,463,625	226,132	1,680,220	3,763,603	8,484,290	6,167,666	3,948,536	3,468,535	877,481
Business-type activities	(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	5,350,967
Total primary government	<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>\$ 4,986,941</u>	<u>\$ 5,302,689</u>	<u>\$ 6,228,448</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.

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
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
2022	12,126,181	872,431	49,317	566,746	6,967,077	1,394,312	1,561,429	1,936,329	212,366	25,686,188

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)

	<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>	<u>2022</u>
General Fund										
Nonspendable	\$ -	\$ 965	\$ -	\$ 6,228	\$ 108	\$ 288,956	\$ -	\$ 6,057	\$ 252,048	\$ 252,048
Assigned	-	-	-	-	-	-	-	-	3,030,604	2,980,603
Unassigned	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	11,754,484
Total General Fund	<u>\$ 3,919,818</u>	<u>\$ 2,105,668</u>	<u>\$ 1,174,628</u>	<u>\$ 1,480,652</u>	<u>\$ 3,958,097</u>	<u>\$ 10,713,497</u>	<u>\$ 13,488,406</u>	<u>\$ 12,910,212</u>	<u>\$ 14,901,757</u>	<u>\$ 14,987,135</u>
All Other Governmental Funds										
Nonspendable	\$ 94,555	\$ 94,555	\$ 94,555	\$ 139,959	\$ 142,229	\$ 94,555	\$ 94,555	\$ 94,555	\$ 94,555	\$ 94,555
Restricted for:										
Capital construction	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	14,583,163
Law enforcement activities	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	1,659,539
E911 operations	276,945	-	-	-	-	91,489	202,830	349,928	306,675	435,012
Tourism and economic development	58,111	82,464	106,662	141,702	164,901	175,094	194,708	221,806	253,620	300,437
Public safety operations	16,689	5,204	20,730	51,837	-	-	-	-	-	-
Committed for:										
Redevelopment and planning	1,477	156,818	215,676	448,255	681,624	929,713	1,254,236	1,623,367	1,724,024	1,129,171
Unassigned (deficits)	-	(48,586)	(169,295)	-	(28,160)	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,719,413</u>	<u>\$ 5,445,654</u>	<u>\$ 5,756,819</u>	<u>\$ 7,886,863</u>	<u>\$ 9,170,736</u>	<u>\$ 10,878,785</u>	<u>\$ 14,845,575</u>	<u>\$ 18,400,872</u>	<u>\$ 19,504,743</u>	<u>\$ 18,201,877</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 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	\$ 25,793,333
Licenses and permits	223,944	208,726	616,160	467,915	461,201	429,774	627,865	627,047	731,552	839,140
Intergovernmental revenues	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	7,923,792
Fines and forfeitures	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	903,244
Charges for services	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	1,205,631
Investment earnings	11,160	8,197	7,278	12,698	34,296	91,571	169,229	124,820	14,644	23,533
Miscellaneous	96,060	48,988	55,259	30,421	5,906	79,416	25,329	775,329	79,622	363,452
Total revenues	<u>27,146,602</u>	<u>26,178,416</u>	<u>25,531,425</u>	<u>25,555,998</u>	<u>28,047,467</u>	<u>33,260,428</u>	<u>30,437,361</u>	<u>30,444,882</u>	<u>33,966,024</u>	<u>37,052,125</u>
Expenditures										
General government	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	5,022,419
Public safety	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	17,145,985
Public works	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	3,322,040
Culture and recreation	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	1,601,194
Housing and development	1,104,605	753,559	725,130	758,647	726,517	697,306	681,990	930,683	1,269,449	1,099,323
Judicial	128,701	139,163	132,884	125,187	131,449	133,055	146,058	114,190	194,793	168,490
Redevelopment and planning	529,312	1,090,659	771,673	441,437	2,701	93	-	-	-	-
Tourism and economic development	42,707	29,944	31,098	25,455	37,475	41,312	37,511	109,084	218,591	667,814
Capital outlay - general government	-	-	-	-	705,169	178,059	34,098	211,979	-	-
Capital outlay - redevelopment and planning	1,709,733	2,332,246	3,473,560	1,071,496	398,591	120,307	-	-	-	-
Capital outlay - public safety	696,256	369,024	53,381	26,095	409,924	585,905	24,456	13,812	636,974	112,749
Capital outlay - public works	737,034	291,738	26,363	48,896	362,435	1,441,647	15,027	75,360	77,190	57,866
Capital outlay - culture and recreation	-	-	-	-	59,511	19,980	293,299	315,441	2,473,418	3,485,245
Debt service										
Principal	31,609	110,536	112,475	113,109	93,637	86,155	88,869	76,709	197,231	232,256
Interest and fees	-	18,452	16,055	25,834	21,774	8,401	5,687	17,847	40,038	40,733
Total expenditures	<u>26,706,597</u>	<u>26,766,325</u>	<u>26,561,559</u>	<u>23,947,053</u>	<u>24,313,601</u>	<u>24,800,829</u>	<u>23,790,865</u>	<u>27,431,970</u>	<u>31,549,036</u>	<u>32,956,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>440,005</u>	<u>(587,909)</u>	<u>(1,030,134)</u>	<u>1,608,945</u>	<u>3,733,866</u>	<u>8,459,599</u>	<u>6,646,496</u>	<u>3,012,912</u>	<u>2,416,988</u>	<u>4,096,011</u>
Other Financing Sources (Uses)										
Issuance of debt	585,792	-	-	-	-	-	-	-	-	187,772
Proceeds from sale of capital assets	-	-	10,259	76,388	27,452	3,890	-	45,691	528,428	-
Transfers in	756,227	608,628	402,859	1,175,505	-	120,393	1,220,762	1,235,991	1,975,041	1,582,779
Transfers out	(181,539)	(108,628)	(2,859)	(424,770)	-	(120,393)	(1,220,762)	(1,317,491)	(1,825,041)	(7,084,050)
Total other financing sources (uses)	<u>1,160,480</u>	<u>500,000</u>	<u>410,259</u>	<u>827,123</u>	<u>27,452</u>	<u>3,890</u>	<u>-</u>	<u>(35,809)</u>	<u>678,428</u>	<u>(5,313,499)</u>
Net change in fund balances	<u>\$ 1,600,485</u>	<u>\$ (87,909)</u>	<u>\$ (619,875)</u>	<u>\$ 2,436,068</u>	<u>\$ 3,761,318</u>	<u>\$ 8,463,489</u>	<u>\$ 6,646,496</u>	<u>\$ 2,977,103</u>	<u>\$ 3,095,416</u>	<u>\$ (1,217,488)</u>
Debt service as a percentage of noncapital expenditures	0.13%	0.55%	0.56%	0.61%	0.51%	0.42%	0.41%	0.38%	0.84%	0.95%

(1) From 2017 to 2018, the increase is due to an 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	Franchise Taxes	Other Taxes	Total
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
2022	12,233,326	1,561,429	566,746	6,967,077	1,394,312	3,070,443	25,793,333

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		
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
2021	369,432,860	923,582,150	44,695,519	111,738,798	263,286,290	658,215,725	108,910,556	272,276,390	786,325,225	1,965,813,063	40%	14.743

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>
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
2021	16.743	20.000	14.746	0.000	51.489

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	2022			2013		
	Assessed valuation	Rank	Percentage of total assessed valuation	Assessed valuation	Rank	Percentage of total assessed valuation
Georgia Power	\$ 136,332,849	1	17.34%	\$ 53,693,180	1	8.78%
Clorox Manufacturing Company	32,135,679	2	4.09%	41,437,602	2	6.78%
Kroger	31,801,058	3	4.04%			
Southwest Airlines	22,733,444	4	2.89%			
Sanofi Pasteur Inc	16,863,553	5	2.14%	5,877,772	10	0.96%
O'Reilly Auto Parts	12,776,433	6	1.62%			
United Rentals North America	10,320,028	7	1.31%			
LIT Industrial Limited	8,929,200	8	1.14%			
McLane Food Srvice, Inc	7,459,014	9	0.95%			
Parallon	5,887,942	10	0.75%			
Ozark Automotive Distribution				12,829,289	3	2.10%
Ralcorp Frozen Bakery Products				9,958,143	4	1.63%
K Mart Apparel of Atlanta Corp				9,511,204	5	1.56%
Bayer Cropscience LP				7,136,558	6	1.17%
AirTran Airways Inc				7,051,527	7	1.15%
Bellsouth Telecommunications				6,247,061	8	1.02%
KN Forest Park LLC				5,985,600	9	0.98%
Total	\$ 285,239,200		36.27%	\$ 159,727,936		26.13%

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	Percentage Collected		Amount	Percentage of Levy		
2013	\$ 6,882,967	\$ 6,559,641	95%	\$ 283,087	\$ 6,842,728	99%	\$ 40,239	1%
2014	6,707,089	6,211,543	93%	448,416	6,659,959	99%	47,130	1%
2015	6,441,240	6,093,557	95%	279,528	6,373,085	99%	68,155	1%
2016	6,965,980	6,728,025	97%	180,367	6,908,392	99%	57,588	1%
2017	7,982,552	7,641,539	96%	232,549	7,874,088	99%	108,464	1%
2018	9,444,780	9,041,230	96%	321,556	9,362,786	99%	81,995	1%
2019	10,004,895	9,687,586	97%	209,208	9,896,794	99%	108,101	1%
2020	10,813,440	10,205,383	94%	457,680	10,663,063	99%	150,377	1%
2021	10,999,440	10,596,960	96%	356,345	10,953,305	100%	46,135	0%
2022	12,073,157	11,719,515	97%	-	11,719,515	97%	353,642	3%

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>
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
2022	5,280,279

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 and Financed Purchases	Notes Payable	Revenue Bonds Payable			
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 (2)	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
2022	1,075,103	-	53,595,000	54,670,103	15.75%	2,743

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.

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
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-

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, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct General Obligation Debt:			
City of Forest Park, Georgia	\$ 1,075,103	100%	\$ 1,075,103
Subtotal			<u>1,075,103</u>
Overlapping General Obligation Debt:			
Clayton County	60,325,000	7.68%	4,630,284
Landfill Authority	4,625,000	7.68%	354,995
Subtotal			<u>4,985,278</u>
Total direct and overlapping debt			<u>\$ 6,060,381</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 Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 54,313,339	\$ 52,337,908	\$ 51,701,818	\$ 53,704,136	\$ 63,950,918	\$ 62,839,999	\$ 66,704,205	\$ 69,712,892	\$ 80,867,606	\$ 85,758,096
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 54,313,339	\$ 52,337,908	\$ 51,701,818	\$ 53,704,136	\$ 63,950,918	\$ 63,950,918	\$ 66,704,205	\$ 69,712,892	\$ 80,867,606	\$ 85,758,096
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	<u>\$ 857,580,960</u>
Debt limit (10% of total assessed value)	\$ 85,758,096
Debt applicable to limit	
General obligation bonds	-
Legal debt margin	<u>\$ 85,758,096</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>
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%
2022	19,932 (2)	347,075,916	17,413 (2)	32.0 (2)	NA	75.70%	8.30%	6,400	4.9%

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</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%
Earthgrains Refrigerated Dough Products				306	2	5.21%
Kmart				262	4	4.46%
DHL Global Mall				79	10	1.35%
Ozark Automotive Distributors				434	1	7.39%
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, 2022, and therefore the latest available information (from fiscal year 2020) 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>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>	<u>2022 (2)</u>
Administrative										
City Manager Office	3	3	3	3	3	3	3	7	8	7
Finance Department	11	11	11	8	8	8	9	6	13	11
Technology Services					1	1	2	1	2	2
Support Services	6	6	6	4	4	4	5	4	5	5
Police										
Officers	89	89	89	89	89	89	89	64	59	57
Communications	14	14	14	14	14	14	14	12	8	10
Administrative	12	12	12	12	13	13	13	9	12	12
Recreation & Leisure	28	28	28	28	28	28	28	21	12	33
Public Works										
Maintenance	39	40	41	39	38	38	38	33	37	24
Sanitation	6	6	3	3	3	3	3	3	4	1
Fleet	8	8	6	6	6	6	6	7	6	5
Planning, Building and Zoning	13	13	12	12	13	13	13	12	11	14
Fire and EMS										
Firefighters and Officers	69	69	69	69	69	68	68	63	68	53
Administrative	3	3	3	3	3	3	3	1	3	3

Source: City of Forest Park's Finance Department

(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>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>	<u>2022</u>
Police										
Physical arrests	3,557	3,548	2,901	2,786	3,161	2,548	1,863	1,261	1,060	872
Parking violations	79	124	63	73	330	131	77	41	10	53
Traffic violations	19,414	12,336	11,460	9,879	16,281	13,180	9,288	3,931	4,011	2,329
Fire and EMS										
Emergency responses	4,485	4,575	4,689	4,367	4,407	5,595	5,710	6,326	7,397	5,789
Fires extinguished	94	88	76	83	97	81	96	174	92	184
Inspections	955	879	1,167	964	899	1,136	889	417	455	765
Recreation & Leisure										
Athletic field permits issued	1,794	1,863	1,413	1,100	980	673	595	451	70	127
Community Center admissions	21,120	15,840	13,450	23,356	24,526	25,339	27,496	15,748	2,655	11,747

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>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>	<u>2022</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	45	48	48	46	41	41	41	56	58	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	1807	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	5	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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 14, 2023. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2022-004.

The City's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
September 14, 2023



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

Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds Program – Assistance Listing #21.027

We have audited the City of Forest Park, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus State and Local Fiscal Recovery Funds Program for the fiscal year ended June 30, 2022.

Basis for Qualified Opinion

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Coronavirus State and Local Fiscal Recovery Fund Program (Assistance Listing #21.027)

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the Coronavirus State and Local Fiscal Recovery Funds Program (Assistance Listing #21.027) as described in finding number 2022-005 for Subrecipient Monitoring.

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-005 to be a material weakness.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

CITY OF FOREST PARK, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Total Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	\$ 694,018
Passed through the State of Georgia Governor's Office of Planning and Budget COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	<u>125,798</u>
Total U.S. Department of Treasury			<u>819,816</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 819,816</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, 2022

(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, 2022**

**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: Qualified

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>
21.027	COVID-19: Coronavirus State and Local Fiscal Recovery Fund Program

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, 2022**

**SECTION II
FINANCIAL STATEMENT AUDIT FINDINGS**

2022 – 001 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, 2022, 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 reviewer 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.

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.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

2022 – 002 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, 2022. The reconciliation for July 2021 was not prepared until April 2022, and the remaining reconciliations were completed in the months of June through August of 2022.

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.

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.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

2022 – 003 Payroll Tax Reporting and Payments

Criteria: Internal controls should be in place to ensure that quarterly payroll tax reports are filed timely with the Georgia Department of Revenue and that amounts due are properly calculated and remitted within by the statutory deadline.

Condition/Context/Cause: The City failed to timely file and remit the appropriate amount of taxes to the Georgia Department of Revenue for seven (7) out of the eight (8) quarters beginning with the quarter ended September 30, 2020 through June 30, 2022. Unpaid taxes and interest totaling \$6,838 and penalties of \$98,930 were determined to be owed to the Georgia Department of Labor at June 30, 2022.

Effects: The City's failure to properly report and remit payroll taxes has resulted in a liability of \$105,768 owed to the Georgia Department of Labor at June 30, 2022.

Recommendation: We recommend that City work with its current payroll processor to ensure that future quarterly payroll tax reports are filed timely, and the appropriate amount of taxes is remitted by the statutory deadline.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that payroll tax reports are filed timely and that the appropriate amount is paid to the Georgia Department of Labor.

2022 – 004 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, 2022.

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, 2022**

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

U.S. Department of Treasury

Program Name: Coronavirus State and Local Fiscal Recovery Fund Program

Assistance Listing Number: 21.027

2022 – 005 Subrecipient Monitoring

Criteria: Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires that pass-through entities clearly identify to each subrecipient significant Federal subaward information, including identifying award numbers, subaward period dates and budget dates, Federal Assistance Listings number and Title, and appropriate terms and conditions concerning closeout of the subaward. Typically this requirement is satisfied by utilizing a subrecipient contract, reflecting all necessary information, and requiring execution showing acknowledgement of the terms by both parties.

2 CFR section 200.332(b) requires that pass-through entities evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward. The evaluation of this risk should include the subrecipient's prior experience with the same or similar subawards, the results of previous subrecipient audits, whether the subrecipient has new personnel or substantially changed systems, and the extent and results of federal awarding agency monitoring if the subrecipient also receives federal awards directly.

2 CFR section 200.331(f) requires that pass-through entities verify that subrecipients expected to be audited are taking timely and appropriate action on deficiencies detected through audits.

Condition: Internal controls should be in place to ensure the City is in compliance with all requirements of the federal award program. For the fiscal year ended June 30, 2022, the following conditions existed:

- A risk assessment, required by 2 CFR section 200.332(b), was not performed on the City's subrecipient of grant funds.
- The City did not verify whether the subrecipient of the grant funds was required to be audited, as required by 2 CFR section 200.331(f).
- The agreement between the City and its subrecipient did not include a description of the program's compliance requirements, as required by 2 CFR section 200.331(a), including the specific requirements for the subrecipient's periodic reporting to the City.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)**

U.S. Department of Treasury

Program Name: Coronavirus State and Local Fiscal Recovery Fund Program

Assistance Listing Number: 21.027

2022 – 005 Subrecipient Monitoring, Continued

Context/Cause: The City did not have adequate internal controls to ensure compliance with subrecipient monitoring requirements. Testing was performed over each requirement for the City, who had a single subrecipient for the fiscal year ended June 30, 2022.

Effect: Noncompliance at the subrecipient level may occur due to the subrecipient not being aware of all of the grant's requirements. Without a risk assessment being performed on the City's subrecipient for its grant funds, the City will not be aware of problems with staffing or information systems of the subrecipient. Additionally, the City will be unable to effectively monitor the subrecipient if the City is unaware of whether the subrecipient is required to be audited.

Recommendation: We recommend the City enhances internal controls to ensure compliance with subrecipient monitoring requirements.

Auditee's Response: We concur with the finding. We will take the necessary steps to ensure that subrecipient agreements include a communication of the federal requirements and that the City performs a risk assessment on subrecipients of federal funding.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**SECTION IV
SCHEDULE OF PRIOR YEAR 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/Context: 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. 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.

Auditee Response/Status: Resolved.

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/Context: 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. 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.

Auditee Response/Status: Resolved.

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

Auditee Response/Status: Resolved.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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/Context: 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. 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.

Auditee Response/Status: Unresolved. See current year finding 2022-001.

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

Auditee Response/Status: Unresolved. See current year finding 2022-002.

**CITY OF FOREST PARK, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

Auditee Response/Status: Unresolved. See current year finding 2022-004.



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MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2022

2022-001 Segregation of Duties

Name of the Contact Person Responsible for the Corrective Action Plan: Jeremi Patterson, Deputy Finance Director.

Corrective Action Plan: The City of Forest Park will review our operations and determine the most effective and efficient solution to segregate duties and implement internal 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. Additional staff will be considered to accomplish the segregation of duties noted above.

Anticipated Completion Date: December 31, 2023

2022-002 Reconciliation of Bank Accounts

Name of the Contact Person Responsible for the Corrective Action Plan: Jeremi Patterson, Deputy Finance Director.

Corrective Action Plan: The City of Forest Park will take the necessary steps in the future to ensure that all bank reconciliations are performed in a timely manner and reviewed by a member of management. This is in addition to additional staff being considered.

Anticipated Completion Date: December 31, 2023



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MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2022 (CONTINUED)

2022-003 Property Tax Reporting and Payments

Name of the Contact Person Responsible for the Corrective Action Plan: Jeremi Patterson, Deputy Finance Director.

Corrective Action Plan: The City of Forest Park will work with our current payroll processor to ensure that future quarterly payroll tax reports are filed timely and that appropriate payments are remitted.

Anticipated Completion Date: December 31, 2023

2022-004 State Compliance – Governmental Budgets

Name of the Contact Person Responsible for the Corrective Action Plan: Jeremi Patterson, Deputy Finance Director.

Corrective Action Plan: The City of Forest Park will take necessary steps in the future to ensure that special revenue funds are budgeted on an annual basis.

Anticipated Completion Date: December 31, 2023

2022-005 Subrecipient Monitoring – Coronavirus State and Local Fiscal Recovery Fund Program (Assistance Listing #21.027)

Name of the Contact Person Responsible for the Corrective Action Plan: Jeremi Patterson, Deputy Finance Director.

Corrective Action Plan: The City of Forest Park will take necessary steps in the future to ensure that our subrecipient agreements include all of the required federal compliance language and we will ensure that risk assessments are performed for future subrecipients.

Anticipated Completion Date: December 31, 2023

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