

**CITY OF FOREST PARK, GEORGIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2023**



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, 2023**

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## **INTRODUCTORY SECTION**

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CITY OF  
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April 3, 2024

*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, 2023.

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, 2023, 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, 2023, 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 19,932, 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 nonpartisan 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 2023, 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 4.40% for June 2023 compared with 4.30% in June 2022. The August 2023 unemployment rate for Metro Atlanta is 4.50%, the State of Georgia is 3.2%, and the U.S. rate is 3.7%.

### **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 (Project Completed)
- 2020 – COVID/CDBG - \$50,000 (Project Completed)
- 2021 - Ratterree Rd. Extension at Gillem by REBA (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, 2023, 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.



## 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, 2022. Due to the timing of the completion of the City's ACFR for the fiscal year ended June 30, 2023, 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,

John W. Wiggins III  
Finance Director

# CITY OF FOREST PARK, GEORGIA

## PRINCIPAL OFFICIALS

JUNE 30, 2023

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### 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

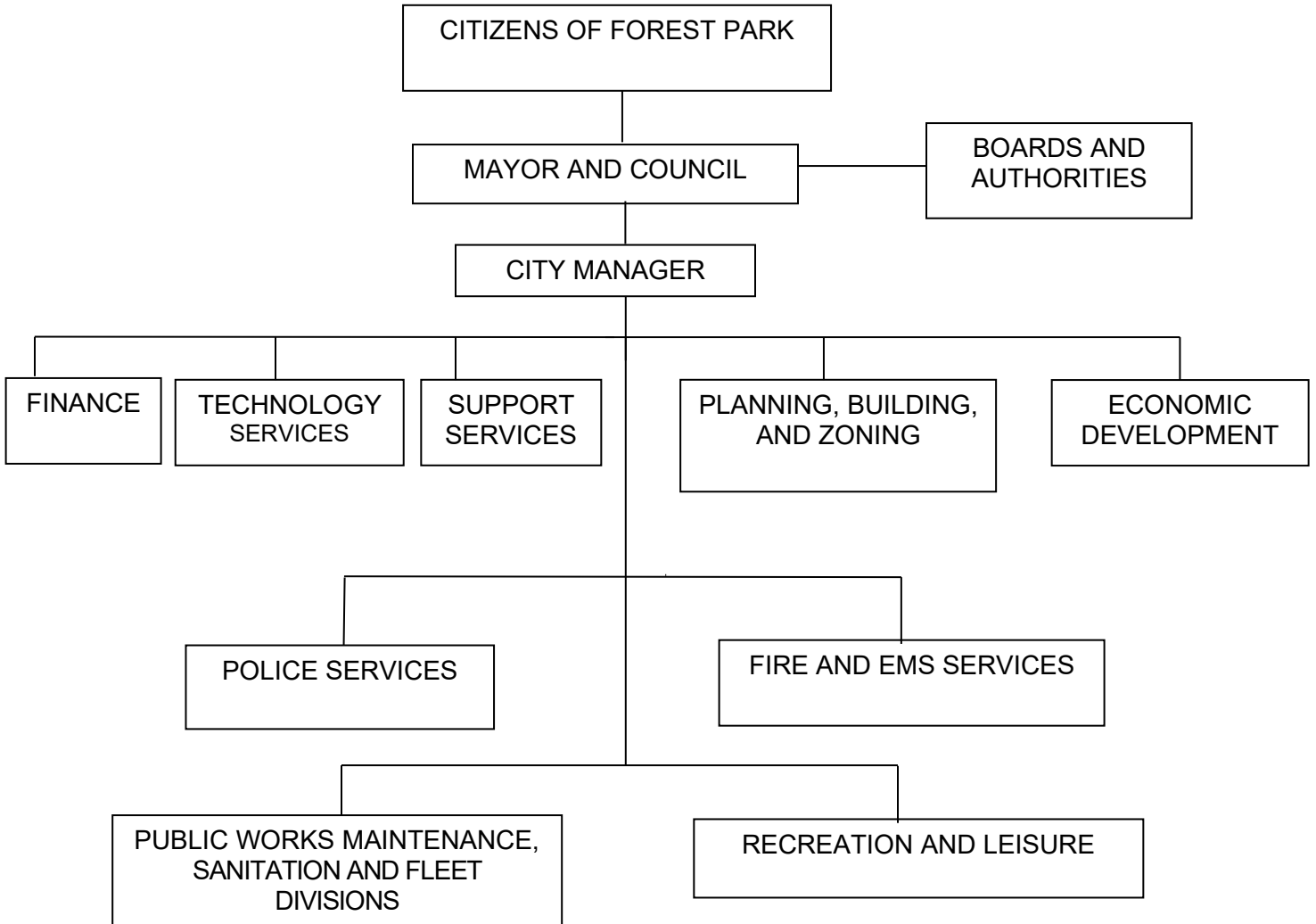
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|---|------------------|
| • Director of Finance                                 | Chiquita Barkley |
| • Director of Technology Services                     | Vacant           |
| • Director of Human Resources                         | Shalonda Brown   |
| • 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,<br>& Zoning | James Shelby     |
| • Interim Director of Fire and EMS                    | Latosha Clemons  |
| • City Attorney                                       | Michael Williams |

# CITY OF FOREST PARK, GEORGIA

## ORGANIZATIONAL CHART

June 30, 2023



## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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**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, 2023, 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, and the budgetary comparison statement for the General Fund 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.

### ***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.

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### ***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 55, 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.

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### **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 April 3, 2024 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  
April 3, 2024

**City of Forest Park, Georgia**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**

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, 2023. 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 \$74,297,144 (net position).
- The City had an increase in net position of \$8,377,116 compared to an increase of \$5,921,892 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 \$29,315,693. This represents a decrease from the prior fiscal year of \$3,873,319.
- As of the close of the current fiscal year, the City's General Fund reported an ending fund balance of \$10,962,201, a decrease of \$4,024,934 from the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,710,153 or 33.7% 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, 2021 SPLOST Fund, and the American Rescue Plan Fund. Data from the other seven (7) 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 funds for fiscal year 2023.

**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 55 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 56-63 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 64-84 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 \$74,297,144 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 39,631,422	\$ 38,707,785	\$ 65,935,799	\$ 70,470,175	\$ 105,567,221	\$ 109,177,960
Capital assets	27,846,358	23,851,160	24,220,867	15,408,758	52,067,225	39,259,918
Total assets	67,477,780	62,558,945	90,156,666	85,878,933	157,634,446	148,437,878
Deferred outflows of resources	285,287	357,916	-	-	285,287	357,916
Current liabilities	10,931,288	7,051,634	5,599,775	5,358,023	16,531,063	12,409,657
Long term liabilities	4,382,860	3,415,407	46,350,000	50,010,000	50,732,860	53,425,407
Total liabilities	15,314,148	10,467,041	51,949,775	55,368,023	67,263,923	65,835,064
Deferred inflows of resources	1,695,487	1,514,983	14,663,179	15,525,719	16,358,666	17,040,702
Net position:						
Net investment in capital assets	26,433,597	22,776,057	9,889,590	5,343,833	36,323,187	28,119,890
Restricted	17,487,165	17,072,706	-	-	17,487,165	17,072,706
Unrestricted	6,832,670	11,086,074	13,654,122	9,641,358	20,486,792	20,727,432
Total net position	\$ 50,753,432	\$ 50,934,837	\$ 23,543,712	\$ 14,985,191	\$ 74,297,144	\$ 65,920,028

By far, the largest portion of the City's net position (\$36,323,187 or 48.89%) 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 a decrease in net position of \$181,405 compared to an increase of \$869,525 in the prior fiscal year (see Table 2 on next page). Overall, revenues increased \$4,589,137 or 12.42% from \$36,938,230 to \$41,527,367. Several factors contributed to this increase. Charges for services increased \$271,937 or 9.22% as recreational services and the Courts have continued to improve. Capital grants have increased \$1,159,037 or 24.41% as SPLOST revenues have increased due to an improving economy. Property taxes have increased \$2,336,856 or 19.27% primarily from increases in assessed values of property. Sales taxes increased \$746,722 or 10.72% due to improving state and local economic conditions. Franchise taxes which are based on companies doing business in the City have increased \$159,643. Insurance Premium taxes increased \$89,573 or 5.74%.

Governmental expenses increased \$4,096,909 or 13.4%. General government expenses increased \$1,229,982 or 23.6% as a result of additional spending under the American Recovery Plan Act, as well as increases in salaries and benefits. Public safety expenses increased \$2,235,178 or 12.3% primarily from increases in operating expenses and increased in salaries and benefits. Culture and recreation expenses increased \$298,052 or 17.6% as these services continued to increase due to demand. Public works expenses increased \$240,221 or 6.7% as a result of increased spending of funds to increase services. Tourism and economic development expenses increased by \$77,502.

Governmental funds transferred \$7,044,429 to business-type funds primarily to eliminate deficits in business-type funds and also for the purpose of transferring assets constructed with sales tax revenue to business-type activities.

## Business-type activities

Business-type activities reflected an increase in net position of \$8,558,521 primarily from net transfers from governmental funds of \$7,044,429 referred to previously, and net increase in net position before transfers of \$1,514,092. Sanitation operations generated a decrease in net position of \$514,675; The Development Authority increased net position by \$148,095 which included a transfer to the General Fund of \$1,470,000; and the Urban Redevelopment Agency reflected an increase in net position of \$8,925,101 which included transfers of \$6,746,855 from the General Fund (\$4,783,275); The DA fund (\$315,000) and the 2021 SPLOST fund of (\$1,648,580). 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	
	2023	2022	2023	2022	2023	2021
<b>Revenues:</b>						
Charges for services	\$ 3,219,952	\$ 2,948,015	\$ 11,848,950	\$ 9,341,508	\$ 15,068,902	\$ 12,289,523
Operating grants and contributions	3,296,100	3,171,797	-	-	3,296,100	3,171,797
Capital grants and contributions	5,906,816	4,747,779	-	-	5,906,816	4,747,779
<b>General revenues:</b>						
Property taxes	14,463,037	12,126,181	-	-	14,463,037	12,126,181
Sales taxes	7,713,799	6,967,077	-	-	7,713,799	6,967,077
Hotel/motel taxes	65,491	49,317	-	-	65,491	49,317
Franchise taxes	1,553,955	1,394,312	-	-	1,553,955	1,394,312
Insurance premium taxes	1,651,002	1,561,429	-	-	1,651,002	1,561,429
Alcoholic beverage tax	543,518	566,746	-	-	543,518	566,746
Motor vehicle tax	913,958	872,431	-	-	913,958	872,431
Business taxes	1,723,938	1,936,329	-	-	1,723,938	1,936,329
Other taxes	225,079	212,366	-	-	225,079	212,366
Interest income	164,056	20,999	17	1,153	164,073	22,152
Gain on the sale of capital assets	21,910	-	-	-	21,910	-
Miscellaneous revenue	64,756	363,452	15,087	241	79,843	363,693
<b>Total revenues</b>	<b>41,527,367</b>	<b>36,938,230</b>	<b>11,864,054</b>	<b>9,342,902</b>	<b>53,391,421</b>	<b>46,281,132</b>
<b>Expenses:</b>						
General government	6,431,798	5,201,816	-	-	6,431,798	5,201,816
Public safety	20,353,962	18,118,784	-	-	20,353,962	18,118,784
Culture and recreation	1,994,997	1,696,945	-	-	1,994,997	1,696,945
Housing and development	1,212,029	1,104,061	-	-	1,212,029	1,104,061
Public works	3,810,561	3,570,340	-	-	3,810,561	3,570,340
Redevelopment and planning	-	-	4,685,199	5,939,080	4,685,199	5,939,080
Judicial	90,353	169,216	-	-	90,353	169,216
Tourism and economic development	745,316	667,814	-	-	745,316	667,814
Interest paid on long-term debt	25,327	38,458	-	-	25,327	38,458
Sanitation	-	-	5,664,763	3,852,726	5,664,763	3,852,726
<b>Total expenses</b>	<b>34,664,343</b>	<b>30,567,434</b>	<b>10,349,962</b>	<b>9,791,806</b>	<b>45,014,305</b>	<b>40,359,240</b>
<b>Increase (decrease) in net position before transfers</b>	<b>6,863,024</b>	<b>6,370,796</b>	<b>1,514,092</b>	<b>(448,904)</b>	<b>8,377,116</b>	<b>5,921,892</b>
<b>Transfers</b>	<b>(7,044,429)</b>	<b>(5,501,271)</b>	<b>7,044,429</b>	<b>5,501,271</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>(181,405)</b>	<b>869,525</b>	<b>8,558,521</b>	<b>5,052,367</b>	<b>8,377,116</b>	<b>5,921,892</b>
Net position beginning of fiscal year	50,934,837	50,065,312	14,985,191	9,932,824	65,920,028	59,998,136
Net position end of fiscal year	\$ 50,753,432	\$ 50,934,837	\$ 23,543,712	\$ 14,985,191	\$ 74,297,144	\$ 65,920,028

## 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 2023 and 2022.

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

	<u>Governmental Funds</u>			
	<u>2023</u>	<u>2022</u>	<u>\$Change</u>	<u>%Change</u>
Revenues:				
Taxes	\$ 28,645,693	\$ 25,793,333	\$ 2,852,360	11.06 %
Licenses and permits	818,267	839,140	(20,873)	(2.49)
Intergovernmental revenues	9,179,136	7,923,792	1,255,344	15.84
Fines and forfeitures	1,238,354	903,244	335,110	37.10
Charges for services	1,163,331	1,205,631	(42,300)	(3.51)
Interest income	187,836	23,533	164,303	698.18
Other	64,756	363,452	(298,696)	(82.18)
Total revenues	<u>41,297,373</u>	<u>37,052,125</u>	<u>4,245,248</u>	<u>11.46</u>
Expenditures:				
General government	6,066,701	5,022,419	1,044,282	20.79
Public safety	19,326,912	17,145,985	2,180,927	12.72
Public works	3,347,142	3,322,040	25,102	0.76
Culture and recreation	1,754,867	1,601,194	153,673	9.60
Housing and development	1,209,142	1,099,323	109,819	9.99
Judicial	90,138	168,490	(78,352)	(46.50)
Tourism and economic development	745,316	667,814	77,502	11.61
Capital outlay	7,681,444	3,655,860	4,025,584	110.11
Debt service				
Principal	398,495	232,256	166,239	71.58
Interest	31,743	40,733	(8,990)	(22.07)
Total expenditures	<u>40,651,900</u>	<u>32,956,114</u>	<u>7,695,786</u>	<u>23.35</u>
Excess of revenues over expenditures	645,473	4,096,011	(3,450,538)	(84.24)
Other financing sources (uses)				
Proceeds from sale of capital assets	21,910	-	21,910	-
Subscription liabilities	736,153	-	736,153	-
Financed purchases	-	187,772	(187,772)	-
Transfers in	4,776,538	1,582,779	3,193,759	201.78
Transfers out	(10,053,393)	(7,084,050)	(2,969,343)	41.92
Total other financing sources (uses)	<u>(4,518,792)</u>	<u>(5,313,499)</u>	<u>(794,707)</u>	<u>14.96</u>
Net change in fund balances	(3,873,319)	(1,217,488)	(2,655,831)	218.14
Fund balances, beginning of fiscal year	33,189,012	34,406,500	(1,217,488)	(3.54)
Fund balances, end of fiscal year	<u>\$ 29,315,693</u>	<u>\$ 33,189,012</u>	<u>\$ (3,873,319)</u>	<u>(11.67) %</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 \$29,315,693 which is a decrease of \$3,873,319 or 11.67% from the prior fiscal year.

Governmental revenues were \$41,297,373, an increase of \$4,245,248 or 11.46% over the prior year. Taxes increased \$2,852,360 or 11.06% 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 \$1,255,344 or 15.84% primarily from increases in PILOT payments from the Forest Park Downtown Development Authority. Charges for services decreased \$42,300 or 3.51% and other revenues decreased \$298,696 or 82.18%.

Governmental expenditures increased \$7,695,786 or 23.35%. General government expenditures increased \$1,044,282 or 20.79% as a result of increases in salaries and benefits and contract services. Public safety expenditures were consistent with the prior year and increased slightly by 12.72%. Public works expenditures increased \$25,102 or .76% as the City spent less of SPLOST funding for public works in fiscal year 2023. Culture and recreation expenditures increased \$153,673 or 9.60%. Housing and development increased \$109,819 or 9.99% as the prior year benefitted from expenditure of federal grant funds and significant contracted professional planning expenditures. Tourism and economic development increased \$77,502 or 11.61% due to expenditure of American Recovery Plan Act grants. Capital outlay increased \$4,025,584 or 110.11% as a result of expenditure of SPLOST funds for streetscape improvements and upgrades to public safety facilities and equipment.

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

	<u>2023</u>	<u>2022</u>	<u>\$Change</u>	<u>%Change</u>
Revenues:				
Taxes	\$ 28,503,354	\$ 25,688,642	\$ 2,814,712	10.96 %
Licenses and permits	818,267	839,140	(20,873)	(2.49)
Intergovernmental revenues	3,004,432	2,816,202	188,230	6.68
Fines and forfeitures	1,238,354	903,244	335,110	37.10
Charges for services	683,078	852,350	(169,272)	(19.86)
Interest income	163,945	20,813	143,132	687.70
Other	64,756	363,452	(298,696)	(82.18)
Total revenues	<u>34,476,186</u>	<u>31,483,843</u>	<u>2,992,343</u>	<u>9.50</u>
Expenditures:				
General government	6,050,618	4,853,390	1,197,228	24.67
Public safety	18,963,040	17,018,475	1,944,565	11.43
Public works	3,347,142	3,321,769	25,373	0.76
Culture and recreation	1,754,867	1,601,194	153,673	9.60
Housing and development	1,209,142	1,099,323	109,819	9.99
Judicial	90,138	168,490	(78,352)	(46.50)
Tourism and economic development	330,829	296,201	34,628	11.69
Debt service:				
Principal	84,000	28,898	55,102	-
Interest	-	6,847	(6,847)	-
Total expenditures	<u>31,829,776</u>	<u>28,394,587</u>	<u>3,435,189</u>	<u>12.10</u>
Excess of revenues over expenditures	2,646,410	3,089,256	(442,846)	(14.34)
Other financing sources (uses)				
Proceeds from sale of capital assets	21,910	-	21,910	-
Subscription liabilities	388,911	-	388,911	-
Lease liabilities	-	187,772	(187,772)	-
Transfers in	1,167,480	1,437,000	(269,520)	(18.76)
Transfers out	(8,249,645)	(4,628,650)	(3,620,995)	78.23
Total other financing sources (uses)	<u>(6,671,344)</u>	<u>(3,003,878)</u>	<u>3,667,466</u>	<u>(122.09)</u>
Net change in fund balances	(4,024,934)	85,378	(4,110,312)	(4,814.25)
Fund balances, beginning of fiscal year	14,987,135	14,901,757	85,378	0.57
Fund balances, end of fiscal year	<u>\$ 10,962,201</u>	<u>\$ 14,987,135</u>	<u>\$ (4,024,934)</u>	<u>(26.86) %</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 2023, total revenues for this fund increased \$2,992,343 or 9.50%. Tax revenues increased \$2,814,712 or 10.96% 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 \$188,230 as a result of increases in PILOT (Payments in lieu of taxes) payments from the Forest Park Downtown Development Authority. Charges for services decreased \$169,272 or 19.86%.

**General Fund** expenditures increased \$3,435,189 or 12.10%. General government expenditures increased \$1,197,228 or 24.67% primarily from increases in personnel. Public safety expenditures increased \$1,944,565 or 11.43% as a result of general inflationary trends. Public Works expenditures were consistent with the previous year. Culture and recreation expenditures increased \$153,673 or 9.60% as recreational activities are still recovering from the pandemic. Housing and development expenditures increased \$39,628 or 13.38% 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 \$2,534 to \$- as collections for this fund ended December 2020 per referendum and there were no interest earnings during fiscal year 2023. Expenditures for this fund decreased from \$3,485,245 to \$2,943,813 as construction begins on the designated projects. As of fiscal year end, this fund had a fund balance of \$6,959,709 a decrease of \$2,920,033 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 referendum approved in 2020. Revenues for this fund increased from \$4,394,364 to \$4,843,334 as sales tax revenues continue to increase due to economic growth. The City has not expended any significant amount of these funds.

The **American Rescue Plan Fund** is used to account for the grant activity associated with the City's federal Coronavirus State and Local Fiscal Recovery Fund. Revenues for this fund increased from \$694,018 to \$1,259,040 as the City continues to expend grant monies for capital outlay and tourism and economic development.

**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 (loss) and change in net position of (\$514,675) compared to \$1,427,553 in the prior fiscal year. Sanitation revenues decreased \$130,191 or 2.5% from \$5,280,279 in fiscal year 2022 to \$5,150,088 in fiscal year 2023. Expenses for fiscal 2023 and 2022 were \$5,664,763 and \$3,852,726, respectively, an increase of 47.03% as a result of increases in costs of sales and staffing expenses.

**The Development Authority Fund** generated income before transfers of \$1,618,095 compared to a loss of (\$229,424) 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 fiscal year 2023 operating income of \$1,643,008, compared to an operating loss of (\$19,607) in the prior fiscal year. Current year income benefitted from sales of property on favorable terms. This fund benefitted from interfund transfers of \$6,746,855 primarily from the General Fund and capital contributions of \$1,767,574 to increase the net position overall from \$2,420,091 to \$11,345,192.

### **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 \$5,624,755 worse than budgeted. General Fund revenues were \$3,655,113 better than budgeted combined with expenditures that were \$422,079 less than budgeted and combined other financing sources and uses that were \$9,701,947 worse than budgeted. Significant components of the net variance of actual compared to budget are discussed below:

**Revenues:**

Taxes were \$3,183,183 better than budgeted as the economy improved more than expected. Charges for services were \$7,608 less than budgeted due to a reduction in services. 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 \$3,341,580 more than budget due to the increase in personnel. The Police Department worked to increase the number of officers to avoid operating with a shortage.

*Debt service* – expenditures were \$3,163,715 better than budget as debt service payments were made from other funds.

*Other financing sources (uses)* – These transfers and proceeds were \$9,701,947 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, 2023, amounts to \$52,067,225 (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 the capital assets of the City.

**Table 5**  
**Capital Assets net of depreciation and amortization**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 4,379,865	\$ 2,482,555	\$ 4,621,648	\$ 4,621,648	\$ 9,001,513	\$ 7,104,203
Construction in progress	4,407,226	3,215,552	84,450	99,170	4,491,676	3,314,722
Buildings and improvements	5,760,163	5,454,806	656,243	736,706	6,416,406	6,191,512
Autos and trucks and other equipment	7,256,511	6,862,575	-	-	7,256,511	6,862,575
Infrastructure	5,453,671	5,835,672	18,858,526	9,951,234	24,312,197	15,786,906
Subscription assets	588,922	-	-	-	588,922	-
Total	<u>\$ 27,846,358</u>	<u>\$ 23,851,160</u>	<u>\$ 24,220,867</u>	<u>\$ 15,408,758</u>	<u>\$ 52,067,225</u>	<u>\$ 39,259,918</u>

The City’s total investment in capital assets increased from \$39,259,918 in 2022 to \$52,067,225 in 2023 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 in Note 7 on pages 39 through 41 of this report.

**Long-Term debt.** The City’s total long-term debt decreased from \$58,803,262 in fiscal 2022 to \$55,482,913 in fiscal 2023. The City’s long-term debt can be found in Note 9 on pages 42 through 45 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 6**  
**Long-term debt**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Claims payable	\$ 150,100	\$ 353,965	\$ -	\$ -	\$ 150,100	\$ 353,965
Financed purchases	835,608	1,075,103	-	-	835,608	1,075,103
Compensated absences	1,290,839	982,762	-	-	1,290,839	982,762
Subscription liabilities	577,153	-	-	-	577,153	-
Revenue bonds payable	-	-	50,010,000	53,595,000	50,010,000	53,595,000
Total OPEB liability	2,619,213	2,796,432	-	-	2,619,213	2,796,432
Total	<u>\$ 5,472,913</u>	<u>\$ 5,208,262</u>	<u>\$ 50,010,000</u>	<u>\$ 53,595,000</u>	<u>\$ 55,482,913</u>	<u>\$ 58,803,262</u>

As of June 30, 2023, 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 with the exception for fiscal year 2023, where an operating loss of \$(514,675) has been reported. Significant operating income is projected for fiscal year 2024.
- Tax revenues for fiscal year 2023 increased significantly from 2022 as assessed values have increased along with improvements in the local economy. The property tax millage rate of 16.743 was used for the 2023 and 2022 tax digest and is not expected to change significantly. Tax revenues are projected to be approximately the same for fiscal 2024 as for 2023. 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 2024 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 John Wiggins, 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, 2023**

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Current assets:				
Cash and cash equivalents	\$ 33,172,165	\$ 49,673,301	\$ 82,845,466	\$ 4,683,739
Investments	2,109,432	-	2,109,432	-
Taxes receivable, net of allowance	1,331,920	-	1,331,920	-
Accounts receivable, net of allowance	-	109,047	109,047	-
Lease receivable	-	15,369,341	15,369,341	-
Internal balances	1,498,719	(1,498,719)	-	-
Other receivables	63,128	-	63,128	-
Due from component unit	211,443	916,390	1,127,833	-
Due from other governments	992,567	-	992,567	-
Restricted cash and cash equivalents	-	303,507	303,507	-
Prepaid items	-	155,000	155,000	-
Assets held for resale:				
Land held for resale	252,048	907,932	1,159,980	-
Total current assets	39,631,422	65,935,799	105,567,221	4,683,739
Capital assets:				
Nondepreciable	8,787,091	4,706,098	13,493,189	-
Depreciable, net of accumulated depreciation	19,059,267	19,514,769	38,574,036	3,428,928
Total noncurrent assets	27,846,358	24,220,867	52,067,225	3,428,928
Total assets	67,477,780	90,156,666	157,634,446	8,112,667
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB related items	285,287	-	285,287	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	3,547,738	488,602	4,036,340	-
Accrued liabilities	433,766	368,190	801,956	80,890
Retainage payable	-	406,800	406,800	-
Unearned revenue	5,523,138	669,189	6,192,327	31,250
Deposits payable	173,493	-	173,493	-
Customer deposits	-	6,994	6,994	-
Due to others	163,100	-	163,100	-
Due to primary government	-	-	-	1,127,833
Claims payable due within one year	150,100	-	150,100	-
Financed purchases due within one year	246,963	-	246,963	-
Subscription liabilities due within one year	135,914	-	135,914	-
Revenue bonds payable due within one year	-	3,660,000	3,660,000	-
Compensated absences due within one year	507,086	-	507,086	-
Total OPEB liability due within one year	49,990	-	49,990	-
Total current liabilities	10,931,288	5,599,775	16,531,063	1,239,973
Noncurrent liabilities:				
Financed purchases due in more than one year	588,645	-	588,645	-
Subscription liabilities due in more than one year	441,239	-	441,239	-
Compensated absences due in more than one year	783,753	-	783,753	-
Revenue bonds payable due in more than one year	-	46,350,000	46,350,000	6,180,000
Total OPEB liability	2,569,223	-	2,569,223	-
Total noncurrent liabilities	4,382,860	46,350,000	50,732,860	6,180,000
Total liabilities	15,314,148	51,949,775	67,263,923	7,419,973
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leasing arrangements	-	14,663,179	14,663,179	-
OPEB related items	1,695,487	-	1,695,487	-
Total deferred inflows of resources	1,695,487	14,663,179	16,358,666	-
<b>NET POSITION</b>				
Net investment in capital assets	26,433,597	9,889,590	36,323,187	676,252
Restricted for capital construction	14,868,117	-	14,868,117	-
Restricted for emergency telephone system operations	671,357	-	671,357	-
Restricted for law enforcement activities	1,581,763	-	1,581,763	-
Restricted for tourism and economic development	360,928	-	360,928	-
Unrestricted	6,837,670	13,654,122	20,491,792	16,442
Total net position	\$ 50,753,432	\$ 23,543,712	\$ 74,297,144	\$ 692,694

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, 2023**

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position						Component Unit Downtown Development Authority
	Program Revenues			Primary Government			
	Expenses	Operating Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 6,431,798	\$ 818,267	\$ 2,877,061	\$ -	\$ (2,736,470)	\$ -	\$ -
Public safety	20,353,962	2,291,947	9,552	470,665	(17,581,798)	(17,581,798)	-
Public works	3,810,561	-	-	5,412,371	1,601,810	1,601,810	-
Culture and recreation	1,994,997	109,738	-	-	(1,885,259)	(1,885,259)	-
Housing, development, and planning	1,212,029	-	409,487	23,780	(778,762)	(778,762)	-
Judicial	90,353	-	-	-	(90,353)	(90,353)	-
Tourism and economic development	745,316	-	-	-	(745,316)	(745,316)	-
Interest paid on long-term debt	25,327	-	-	-	(25,327)	(25,327)	-
Total governmental activities	34,664,343	3,219,952	3,296,100	5,906,816	(22,241,475)	(22,241,475)	-
Business-type activities:							
Sanitation	5,664,763	5,150,088	-	-	(514,675)	(514,675)	-
Development Authority	1,276,765	2,879,773	-	-	1,603,008	1,603,008	-
Urban Redevelopment Agency	3,408,434	3,819,089	-	-	410,655	410,655	-
Total business-type activities	10,349,962	11,848,950	-	-	1,498,988	1,498,988	-
Total primary government	\$ 45,014,305	\$ 15,068,902	\$ 3,296,100	\$ 5,906,816	\$ (22,241,475)	\$ (20,742,487)	\$ -
<b>Component Unit:</b>							
Downtown Development Authority	\$ 3,302,936	\$ 81,554	\$ -	\$ -	\$ -	\$ -	\$ (3,221,382)
General revenues:							
Property taxes				\$ 14,463,037	\$ -	\$ 14,463,037	\$ -
Sales taxes				7,713,799	-	7,713,799	-
Franchise taxes				1,553,955	-	1,553,955	-
Insurance premium taxes				1,651,002	-	1,651,002	-
Alcoholic beverage taxes				543,518	-	543,518	-
Motor vehicle taxes				913,958	-	913,958	-
Business taxes				1,723,938	-	1,723,938	-
Hotel/motel taxes				65,491	-	65,491	-
Other taxes				225,079	-	225,079	-
Payments in lieu of taxes				-	-	-	3,041,882
Unrestricted investment earnings				164,056	17	164,073	273
Miscellaneous revenue				64,756	15,087	79,843	-
Gain on sale of capital assets				21,910	-	21,910	-
Transfers				(7,044,429)	7,044,429	-	-
Total general revenues and transfers				22,060,070	7,059,533	29,119,603	3,042,155
Change in net position				(181,405)	8,558,521	8,377,116	(179,227)
Net position, beginning of fiscal year				50,934,837	14,985,191	65,920,028	871,921
Net position, end of fiscal year				\$ 50,753,432	\$ 23,543,712	\$ 74,297,144	\$ 692,694

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

**CITY OF FOREST PARK, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

ASSETS	General Fund	SPLOST Fund	2021 SPLOST Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 10,159,199	\$ 6,354,395	\$ 6,697,562	\$ 5,928,027	\$ 4,032,982	\$ 33,172,165
Investments	2,109,432	-	-	-	-	2,109,432
Taxes receivable, net of allowance	1,324,783	-	-	-	7,137	1,331,920
Other receivables	1,734	-	-	-	61,394	63,128
Due from other governments	161,491	-	831,076	-	-	992,567
Due from other funds	1,142,617	616,296	361,102	-	21,917	2,141,932
Due from component unit	211,443	-	-	-	-	211,443
Land held for redevelopment	252,048	-	-	-	-	252,048
<b>Total assets</b>	<b>\$ 15,362,747</b>	<b>\$ 6,970,691</b>	<b>\$ 7,889,740</b>	<b>\$ 5,928,027</b>	<b>\$ 4,123,430</b>	<b>\$ 40,274,635</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 2,687,408	\$ 10,982	\$ -	\$ 404,889	\$ 444,459	\$ 3,547,738
Accrued liabilities	413,137	-	-	-	-	413,137
Due to other funds	631,385	-	-	-	11,828	643,213
Deposits payable	173,493	-	-	-	-	173,493
Unearned revenue	-	-	-	5,523,138	-	5,523,138
Due to others	-	-	-	-	163,100	163,100
<b>Total liabilities</b>	<b>3,905,423</b>	<b>10,982</b>	<b>-</b>	<b>5,928,027</b>	<b>619,387</b>	<b>10,463,819</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - property taxes	495,123	-	-	-	-	495,123
<b>Total deferred inflows of resources</b>	<b>495,123</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>495,123</b>
<b>FUND BALANCES</b>						
Fund balances:						
Nonspendable:						
Land held for redevelopment	252,048	-	-	-	-	252,048
Restricted for:						
Emergency telephone system operations	-	-	-	-	671,357	671,357
Capital construction	-	6,959,709	7,889,740	-	18,668	14,868,117
Tourism and economic development	-	-	-	-	360,928	360,928
Law enforcement activities	-	-	-	-	1,581,763	1,581,763
Committed for:						
Housing, development, and planning	-	-	-	-	871,327	871,327
Unassigned	10,710,153	-	-	-	-	10,710,153
<b>Total fund balances</b>	<b>10,962,201</b>	<b>6,959,709</b>	<b>7,889,740</b>	<b>-</b>	<b>3,504,043</b>	<b>29,315,693</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 15,362,747</b>	<b>\$ 6,970,691</b>	<b>\$ 7,889,740</b>	<b>5,928,027</b>	<b>\$ 4,123,430</b>	

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.	27,846,358
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.	495,123
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(5,493,542)
The deferred inflows of resources pertain to future periods and, therefore, are not reported in the governmental funds.	(1,695,487)
The deferred outflows of resources pertain to future periods and, therefore, are not reported in the governmental funds.	285,287

Net position of governmental activities	<u>\$ 50,753,432</u>
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The accompanying notes are an integral part of these financial statements.

**CITY OF FOREST PARK, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund	SPLOST Fund	2021 SPLOST Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 28,503,354	\$ -	\$ -	\$ -	\$ 142,339	\$ 28,645,693
Fines and forfeitures	1,238,354	-	-	-	-	1,238,354
Charges for services	683,078	-	-	-	480,253	1,163,331
Licenses and permits	818,267	-	-	-	-	818,267
Intergovernmental	3,004,432	-	4,843,334	1,259,040	72,330	9,179,136
Interest income	163,945	23,780	-	-	111	187,836
Miscellaneous	64,756	-	-	-	-	64,756
Total revenues	<u>34,476,186</u>	<u>23,780</u>	<u>4,843,334</u>	<u>1,259,040</u>	<u>695,033</u>	<u>41,297,373</u>
<b>Expenditures</b>						
Current:						
General government	6,050,618	-	-	15,800	283	6,066,701
Public safety	18,963,040	-	-	-	363,872	19,326,912
Public works	3,347,142	-	-	-	-	3,347,142
Culture and recreation	1,754,867	-	-	-	-	1,754,867
Housing, development, and planning	1,209,142	-	-	-	-	1,209,142
Judicial	90,138	-	-	-	-	90,138
Tourism and economic development	330,829	-	-	409,487	5,000	745,316
Capital outlay:						
Public safety	-	-	-	742,907	11,973	754,880
Public works	-	-	-	363,088	3,619,663	3,982,751
Culture and recreation	-	2,943,813	-	-	-	2,943,813
Debt service:						
Principal	84,000	-	-	75,000	239,495	398,495
Interest and fiscal charges	-	-	-	-	31,743	31,743
Total expenditures	<u>31,829,776</u>	<u>2,943,813</u>	<u>-</u>	<u>1,606,282</u>	<u>4,272,029</u>	<u>40,651,900</u>
Excess (deficiency) of revenues over expenditures	<u>2,646,410</u>	<u>(2,920,033)</u>	<u>4,843,334</u>	<u>(347,242)</u>	<u>(3,576,996)</u>	<u>645,473</u>
<b>Other financing sources (uses):</b>						
Transfers in	1,167,480	-	-	-	3,609,058	4,776,538
Transfers out	(8,249,645)	-	(1,648,580)	-	(155,168)	(10,053,393)
Issuance of subscription liabilities	388,911	-	-	347,242	-	736,153
Proceeds from the sale of capital assets	21,910	-	-	-	-	21,910
Total other financing sources (uses)	<u>(6,671,344)</u>	<u>-</u>	<u>(1,648,580)</u>	<u>347,242</u>	<u>3,453,890</u>	<u>(4,518,792)</u>
Net change in fund balance	(4,024,934)	(2,920,033)	3,194,754	-	(123,106)	(3,873,319)
<b>Fund balances, beginning of fiscal year</b>	<u>14,987,135</u>	<u>9,879,742</u>	<u>4,694,986</u>	<u>-</u>	<u>3,627,149</u>	<u>33,189,012</u>
<b>Fund balances, end of fiscal year</b>	<u>\$ 10,962,201</u>	<u>\$ 6,959,709</u>	<u>\$ 7,889,740</u>	<u>\$ -</u>	<u>\$ 3,504,043</u>	<u>\$ 29,315,693</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, 2023**

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

Net change in fund balances - total governmental funds.	\$	(3,873,319)
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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period.		5,762,772
Governmental funds report proceeds from the sale of capital assets, whereas in the statement of activities, a gain or loss will be reported. Therefore, the change in fund balance will differ from the change in net position by the net book value of the capital assets transferred to business-type activities.		(1,767,574)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		208,084
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.		(337,658)
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>(173,710)</u>
Change in net position - governmental activities.	\$	<u><u>(181,405)</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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 25,320,171	\$ 25,320,171	\$ 28,503,354	\$ 3,183,183
Fines and forfeitures	806,298	806,298	1,238,354	432,056
Charges for services	690,686	690,686	683,078	(7,608)
Licenses and permits	971,469	971,469	818,267	(153,202)
Intergovernmental	268,502	268,502	3,004,432	2,735,930
Interest	3,199	3,199	163,945	160,746
Miscellaneous	2,760,748	2,760,748	64,756	(2,695,992)
<b>Total revenues</b>	<b>30,821,073</b>	<b>30,821,073</b>	<b>34,476,186</b>	<b>3,655,113</b>
<b>Expenditures</b>				
Current:				
General government:				
General administration	4,120,820	4,130,820	4,681,165	(550,345)
Legislative	946,542	946,542	552,523	394,019
Executive	947,151	947,151	816,930	130,221
Total general government	6,014,513	6,024,513	6,050,618	(26,105)
Judicial:				
Municipal court	160,200	160,200	90,138	70,062
Total judicial	160,200	160,200	90,138	70,062
Public safety:				
Police	7,725,397	7,725,397	8,884,126	(1,158,729)
Fire	5,269,401	5,269,401	7,123,862	(1,854,461)
EMS	1,786,107	1,786,107	2,147,113	(361,006)
E911	690,087	690,087	670,748	19,339
Animal control	121,773	121,773	117,996	3,777
Emergency management	28,695	28,695	19,195	9,500
Total public safety	15,621,460	15,621,460	18,963,040	(3,341,580)
Public works	3,625,489	3,725,489	3,347,142	378,347
Culture and recreation	1,908,706	1,908,706	1,754,867	153,839
Tourism and economic development	357,486	357,486	330,829	26,657
Housing, development, and planning:				
Planning and zoning	1,206,286	1,206,286	1,209,142	(2,856)
Debt service:				
Principal	3,244,215	3,244,215	84,000	3,160,215
Interest and fiscal charges	3,500	3,500	-	3,500
Total debt service	3,247,715	3,247,715	84,000	3,163,715
<b>Total expenditures</b>	<b>32,141,855</b>	<b>32,251,855</b>	<b>31,829,776</b>	<b>422,079</b>
Excess (deficiency) of revenues over expenditures	(1,320,782)	(1,430,782)	2,646,410	4,077,192
<b>Other financing sources (uses)</b>				
Transfers in	2,830,603	2,830,603	1,167,480	(1,663,123)
Transfers out	-	-	(8,249,645)	(8,249,645)
Proceeds from the sale of capital assets	200,000	200,000	21,910	(178,090)
Issuance of subscription liabilities	-	-	388,911	388,911
Total other financing sources (uses)	3,030,603	3,030,603	(6,671,344)	(9,701,947)
Net change in fund balances	1,709,821	1,599,821	(4,024,934)	(5,624,755)
<b>Fund balances, beginning of fiscal year</b>	<b>14,987,135</b>	<b>14,987,135</b>	<b>14,987,135</b>	<b>-</b>
<b>Fund balances, end of fiscal year</b>	<b>\$ 16,696,956</b>	<b>\$ 16,586,956</b>	<b>\$ 10,962,201</b>	<b>\$ (5,624,755)</b>

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, 2023**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sanitation Fund</b>	<b>Development Authority Fund</b>	<b>Urban Redevelopment Agency Fund</b>	<b>Total Enterprise Funds</b>
<b>ASSETS</b>				
Current assets:				
Cash	\$ 7,071,155	\$ 1,172,340	\$ 41,429,806	\$ 49,673,301
Accounts receivable, net of allowance	109,047	-	-	109,047
Lease receivable	-	15,369,341	-	15,369,341
Due from other funds	-	-	350,000	350,000
Due from component unit	-	916,390	-	916,390
Restricted cash	-	-	303,507	303,507
Prepaid items	-	-	155,000	155,000
Assets held for resale				
Land held for resale	-	-	907,932	907,932
Total current assets	<u>7,180,202</u>	<u>17,458,071</u>	<u>43,146,245</u>	<u>67,784,518</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	34,853	4,440,522	230,723	4,706,098
Depreciable, net of accumulated depreciation	-	-	19,514,769	19,514,769
Total noncurrent assets	<u>34,853</u>	<u>4,440,522</u>	<u>19,745,492</u>	<u>24,220,867</u>
Total assets	<u>7,215,055</u>	<u>21,898,593</u>	<u>62,891,737</u>	<u>92,005,385</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	127,009	975	360,618	488,602
Accrued liabilities	5,865	-	362,325	368,190
Retainage payable	-	-	406,800	406,800
Customer deposits	-	6,994	-	6,994
Unearned revenue	669,189	-	-	669,189
Due to other funds	-	1,441,917	406,802	1,848,719
Revenue bonds payable, due within one year	-	-	3,660,000	3,660,000
Total current liabilities	<u>802,063</u>	<u>1,449,886</u>	<u>5,196,545</u>	<u>7,448,494</u>
Noncurrent liabilities:				
Revenue bonds payable	-	-	46,350,000	46,350,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>46,350,000</u>	<u>46,350,000</u>
Total liabilities	<u>802,063</u>	<u>1,449,886</u>	<u>51,546,545</u>	<u>53,798,494</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - leasing arrangements	-	14,663,179	-	14,663,179
<b>NET POSITION</b>				
Net investment in capital assets	34,853	4,440,522	5,414,215	9,889,590
Unrestricted	6,378,139	1,345,006	5,930,977	13,654,122
Total net position	<u>\$ 6,412,992</u>	<u>\$ 5,785,528</u>	<u>\$ 11,345,192</u>	<u>\$ 23,543,712</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, 2023**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sanitation Fund</b>	<b>Development Authority Fund</b>	<b>Urban Redevelopment Agency Fund</b>	<b>Total Enterprise Funds</b>
<b>OPERATING REVENUE</b>				
Charges for sales and services	\$ 5,150,088	\$ 2,879,773	\$ 3,819,089	\$ 11,848,950
Miscellaneous income	-	15,087	-	15,087
Total operating revenues	<u>5,150,088</u>	<u>2,894,860</u>	<u>3,819,089</u>	<u>11,864,037</u>
<b>OPERATING EXPENSES</b>				
Cost of sales and services	5,518,708	1,104,421	1,339,367	7,962,496
Personnel services	146,055	-	-	146,055
Depreciation	-	-	306,401	306,401
Other operating expenses	-	172,344	530,313	702,657
Total operating expenses	<u>5,664,763</u>	<u>1,276,765</u>	<u>2,176,081</u>	<u>9,117,609</u>
Operating income (loss)	(514,675)	1,618,095	1,643,008	2,746,428
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest earnings	-	-	17	17
Interest expense and fiscal charges	-	-	(1,232,353)	(1,232,353)
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(1,232,336)</u>	<u>(1,232,336)</u>
Income (loss) before capital contributions and transfers	(514,675)	1,618,095	410,672	1,514,092
Capital contributions	-	-	1,767,574	1,767,574
Transfers in	-	-	6,746,855	6,746,855
Transfers out	-	(1,470,000)	-	(1,470,000)
Change in net position	(514,675)	148,095	8,925,101	8,558,521
<b>Total net position, beginning of fiscal year</b>	<u>6,927,667</u>	<u>5,637,433</u>	<u>2,420,091</u>	<u>14,985,191</u>
<b>Total net position, ending of fiscal year</b>	<u>\$ 6,412,992</u>	<u>\$ 5,785,528</u>	<u>\$ 11,345,192</u>	<u>\$ 23,543,712</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, 2023**

	Business-type Activities - Enterprise Funds			
	Sanitation Fund	Development Authority Fund	Urban Redevelopment Agency Fund	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 5,418,054	\$ 2,551,768	\$ 3,819,089	\$ 11,788,911
Payments to suppliers	(5,716,211)	(1,287,225)	6,509	(6,996,927)
Payments to employees	(142,014)	-	-	(142,014)
Net cash provided by (used in) operating activities	<u>(440,171)</u>	<u>1,264,543</u>	<u>3,825,598</u>	<u>4,649,970</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Transfers from (to) other funds	-	(1,470,000)	7,573,515	6,103,515
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(1,470,000)</u>	<u>7,573,515</u>	<u>6,103,515</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets	-	-	(7,350,936)	(7,350,936)
Interest paid on long-term borrowings	-	-	(1,260,793)	(1,260,793)
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	-	-	(3,585,000)	(3,585,000)
Net cash used in capital and relating financing activities	<u>-</u>	<u>-</u>	<u>(12,196,729)</u>	<u>(12,196,729)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	-	-	17	17
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>17</u>	<u>17</u>
Net decrease in cash	(440,171)	(205,457)	(797,599)	(1,443,227)
Cash, beginning of fiscal year	7,511,326	1,377,797	42,530,912	51,420,035
Cash, end of fiscal year	<u>\$ 7,071,155</u>	<u>\$ 1,172,340</u>	<u>\$ 41,733,313</u>	<u>\$ 49,976,808</u>
<b>Classified as:</b>				
Unrestricted cash	\$ 7,071,155	\$ 1,172,340	\$ 41,429,806	\$ 49,673,301
Restricted cash	-	-	303,507	303,507
	<u>\$ 7,071,155</u>	<u>\$ 1,172,340</u>	<u>\$ 41,733,313</u>	<u>\$ 49,976,808</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (514,675)	\$ 1,618,095	\$ 1,643,008	\$ 2,746,428
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	306,401	306,401
Change in assets and liabilities:				
Decrease in accounts receivable	267,065	-	-	267,065
Decrease in amounts due from other funds	-	253,083	-	253,083
Decrease in lease receivable	-	519,448	-	519,448
Increase in prepaid items	-	-	(100,000)	(100,000)
Decrease in assets acquired for resale	-	-	1,339,366	1,339,366
Increase (decrease) in accounts payable	(197,503)	(8,959)	636,823	430,361
Increase in amounts due to other funds	-	901,917	-	901,917
Increase in accrued liabilities	4,041	-	-	4,041
Decrease in amounts due to component unit	-	(1,155,001)	-	(1,155,001)
Decrease in customer deposits	-	(1,500)	-	(1,500)
Increase in unearned revenue	901	-	-	901
Decrease in deferred inflows of resources - leasing arrangements	-	(862,540)	-	(862,540)
Net cash provided by (used in) operating activities	<u>\$ (440,171)</u>	<u>\$ 1,264,543</u>	<u>\$ 3,825,598</u>	<u>\$ 4,649,970</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**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 Statement No. 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 30<sup>th</sup> 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

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### 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 Downtown Development Authority are not prepared.

## NOTES TO FINANCIAL STATEMENTS

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

#### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement 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 noncurrent assets and noncurrent 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

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### 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 Nonexchange Transactions," the corresponding assets (receivables) in nonexchange 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.

The **American Rescue Plan Fund** is used to account for the City's expenditures of its Coronavirus State and Local Fiscal Recovery Fund award, as provided for under the American Rescue Plan Act.

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.

## NOTES TO FINANCIAL STATEMENTS

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

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

The City reports the following major 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.

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 *nonoperating* 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 nonoperating 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, 2023. 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### E. Deposits and Investments (Continued)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8 is a stable asset value investment pool, which follows Standard & 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.

#### 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### G. Leases (Continued)

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.

#### H. Subscription-Based Information Technology Arrangements

The City has entered into noncancelable long-term subscription-based information technology arrangements (SBITAs) for its public safety department. The City recognizes right-to-use subscription assets and corresponding subscription liabilities in the government-wide financial statements.

At the commencement of the subscription term, the City measures the subscription liability at the present value of payments expected to be paid during the term. The right-to-use subscription asset is initially measured as the sum of the initial subscription liability amount plus payments made to the vendor before commencement of the subscription term and capitalizable implementation costs, less any incentives received from the vendor at or before commencement.

Activities associated with the City's SBITAs, other than making subscription payments, are accounted for as follows:

- Preliminary project stage activities including evaluating alternatives, determining the needed technology, and vendor selection are expensed as incurred.
- Initial implementation stage activities include all ancillary charges necessary to place the subscription asset into service are capitalized in addition to the subscription asset.
- Operation and additional implementation stage activities such as maintenance and support are expensed as incurred.

## NOTES TO FINANCIAL STATEMENTS

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

#### H. Subscription-Based Information Technology Arrangements (Continued)

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

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate.
- The subscription term includes the noncancellable period of the subscription term. Subscription payments included in the measurement of the subscription assets and liabilities are composed of fixed payments due to the vendor over the subscription term.

The City monitors changes in circumstances that would require a remeasurement of its subscription assets and liabilities and will remeasure them if changes occur that are expected to significantly affect the reported amount of subscription assets and liabilities.

#### I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, 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.

#### J. 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 \$5,000 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### J. Capital Assets (Continued)

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

#### K. 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.

#### L. 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 assets 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 assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category. This item, *unavailable revenues – property taxes*, arises only under a modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as this amount is deferred and will be recognized as an inflow of resources in the period in which the amount becomes available.

## NOTES TO FINANCIAL STATEMENTS

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

#### L. Deferred Outflows and Inflows of Resources

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.

#### M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### N. 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.

*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.



## NOTES TO FINANCIAL STATEMENTS

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

#### N. Fund Equity and Net Position (Continued)

**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.

#### O. 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.

#### P. 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 \$5,493,542 difference are as follows:

Claims payable	\$	(150,100)
Financed purchases payable		(835,608)
Subscription liabilities		(577,153)
Total OPEB liability		(2,619,213)
Compensated absences		(1,290,839)
Accrued interest payable		(20,629)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	(5,493,542)

**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 and amortization expense.” The details of this \$5,762,772 difference are as follows:

Capital outlay	\$	8,264,208
Depreciation and amortization expense		(2,501,436)
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>	\$	5,762,772

**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 \$337,658 difference are as follows:

Issuance of subscription liabilities	\$ (736,153)
Principal payments on subscription liabilities	159,000
Principal payments on financed purchases	239,495
	_____
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ (337,658)
	_____

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 \$173,710 difference are as follows:

Claims and judgments	\$ 203,865
Compensated absences	(308,077)
Accrued interest	6,416
Other postemployment benefit (OPEB) liability	177,219
Deferred outflows of resources related to OPEB	(72,629)
Deferred inflows of resources related to OPEB	(180,504)
	_____
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ (173,710)
	_____

**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, 2023. For the fiscal year ended June 30, 2023, the General Fund had excesses of actual expenditures over appropriations in the following departments:

General government - general administration	\$	550,345
Public Safety - police		1,158,729
Public Safety - fire		1,854,461
Public Safety - EMS		361,006
Housing and development - Planning and zoning		2,856
Other financing sources - transfers out		8,249,645

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

### NOTE 4. DEPOSITS AND INVESTMENTS

As of June 30, 2023, the City had \$2,109,432 of its funds invested as follows:

Investment	Maturities	Fair Value
Ginnie Mae II Pool Asset Backed Security	November 20, 2023	\$ 788
Georgia Fund 1	28 days	2,108,644
Total		\$ 2,109,432

**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

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### 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, 2023, 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, 2023 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, 2023, 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, 2023 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, 2023, 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:

	<b>General Fund</b>	<b>2021 SPLOST Fund</b>	<b>Nonmajor Governmental Funds</b>
Receivables:			
Taxes	\$ 2,044,783	\$ -	\$ 7,137
Less allowance for uncollectible accounts	(720,000)	-	-
Taxes receivable, net	1,324,783	-	7,137
Due from other governments	161,491	831,076	61,394
Other	1,734	-	-
Net total receivables	\$ 1,488,008	\$ 831,076	\$ 68,531

Receivables at June 30, 2023, for the City's major proprietary funds, including the applicable allowances for uncollectible accounts are as follows:

	<b>Sanitation Fund</b>
Receivables:	
Accounts	\$ 605,743
Less allowance for uncollectible	(496,696)
Net total receivables	\$ 109,047

## 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, 2023 was \$1,498,092. At June 30, 2023, the City’s receivable for lease payments was \$15,369,341. Also, the City has a deferred inflow of resources in the amount of \$14,663,179 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, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Transfers to Proprietary</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 2,482,555	\$ 1,897,310	\$ -	\$ -	\$ -	\$ 4,379,865
Construction in progress	3,215,552	3,326,128	-	(366,880)	(1,767,574)	4,407,226
Total	<u>5,698,107</u>	<u>5,223,438</u>	<u>-</u>	<u>(366,880)</u>	<u>(1,767,574)</u>	<u>8,787,091</u>
Capital assets, being depreciated:						
Buildings and building improvements	15,982,056	320,109	-	366,880	-	16,669,045
Computer & office equipment	1,983,388	341,588	-	-	-	2,324,976
Machinery & equipment	9,740,712	478,594	(24,756)	-	-	10,194,550
Vehicles	11,761,801	1,156,919	(420,862)	-	-	12,497,858
Infrastructure	16,302,578	7,407	-	-	-	16,309,985
Total	<u>55,770,535</u>	<u>2,304,617</u>	<u>(445,618)</u>	<u>366,880</u>	<u>-</u>	<u>57,996,414</u>
Less accumulated depreciation for:						
Buildings and building improvements	(10,527,250)	(381,632)	-	-	-	(10,908,882)
Computer & office equipment	(1,728,821)	(146,196)	-	-	-	(1,875,017)
Machinery and equipment	(6,929,595)	(672,011)	24,756	-	-	(7,576,850)
Vehicles	(7,964,910)	(764,958)	420,862	-	-	(8,309,006)
Infrastructure	(10,466,906)	(389,408)	-	-	-	(10,856,314)
Total	<u>(37,617,482)</u>	<u>(2,354,205)</u>	<u>445,618</u>	<u>-</u>	<u>-</u>	<u>(39,526,069)</u>
Total capital assets, being depreciated, net	<u>18,153,053</u>	<u>(49,588)</u>	<u>-</u>	<u>366,880</u>	<u>-</u>	<u>18,470,345</u>
Governmental activities capital assets, net excluding subscription assets	<u>\$ 23,851,160</u>	<u>\$ 5,173,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,767,574)</u>	27,257,436
Subscription assets, net (Note 8)						<u>588,922</u>
Total capital assets, net, as reported in the statement of net position						<u>\$ 27,846,358</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, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers from Governmental</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 4,621,648	\$ -	\$ -	\$ -	\$ -	\$ 4,621,648
Construction in progress	99,170	7,350,936	-	1,767,574	(9,133,230)	84,450
Total	<u>4,720,818</u>	<u>7,350,936</u>	<u>-</u>	<u>1,767,574</u>	<u>(9,133,230)</u>	<u>4,706,098</u>
Capital assets, being depreciated:						
Building and building improvements	1,228,765	-	-	-	-	1,228,765
Infrastructure	11,161,050	-	-	-	9,133,230	20,294,280
Equipment	11,000	-	-	-	-	11,000
Vehicles	565,578	-	(81,089)	-	-	484,489
Total	<u>12,966,393</u>	<u>-</u>	<u>(81,089)</u>	<u>-</u>	<u>9,133,230</u>	<u>22,018,534</u>
Less accumulated depreciation for:						
Building and building improvements	(492,059)	(80,463)	-	-	-	(572,522)
Infrastructure	(1,209,816)	(225,938)	-	-	-	(1,435,754)
Equipment	(11,000)	-	-	-	-	(11,000)
Vehicles	(565,578)	-	81,089	-	-	(484,489)
Total	<u>(2,278,453)</u>	<u>(306,401)</u>	<u>81,089</u>	<u>-</u>	<u>-</u>	<u>(2,503,765)</u>
Total capital assets, being depreciated, net	<u>10,687,940</u>	<u>(306,401)</u>	<u>-</u>	<u>-</u>	<u>9,133,230</u>	<u>19,514,769</u>
Business-type activities capital assets, net	<u>\$ 15,408,758</u>	<u>\$ 7,044,535</u>	<u>\$ -</u>	<u>\$ 1,767,574</u>	<u>\$ -</u>	<u>\$ 24,220,867</u>

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

<b>Governmental activities:</b>	
General government	\$ 296,709
Public safety	1,392,486
Public works	443,144
Culture and recreation	221,866
Total depreciation expense - governmental activities	<u>\$ 2,354,205</u>
<b>Business-type activities:</b>	
Urban Redevelopment Agency Fund	\$ 306,401
Total depreciation expense - business-type activities	<u>\$ 306,401</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. CAPITAL ASSETS (CONTINUED)

#### Downtown Development Authority

Capital asset activity of the Downtown Development Authority for the fiscal year ended June 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ -	\$ 3,381,374	\$ -	\$ 3,381,374
Total	<u>-</u>	<u>3,381,374</u>	<u>-</u>	<u>3,381,374</u>
Capital assets, being depreciated:				
Infrastructure	49,536	-	-	49,536
Total	<u>49,536</u>	<u>-</u>	<u>-</u>	<u>49,536</u>
Less accumulated depreciation for:				
Infrastructure	(991)	(991)	-	(1,982)
Total	<u>(991)</u>	<u>(991)</u>	<u>-</u>	<u>(1,982)</u>
Total capital assets being depreciated, net	<u>48,545</u>	<u>(991)</u>	<u>-</u>	<u>47,554</u>
Total Downtown Development Authority capital assets, net	<u>\$ 48,545</u>	<u>\$ 3,380,383</u>	<u>\$ -</u>	<u>\$ 3,428,928</u>

### NOTE 8. SUBSCRIPTION ASSETS

A summary of the City's subscription asset activity for governmental activities for the year ended June 30, 2023, is as follows:

#### **Governmental Activities**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Subscription assets:				
Software and licenses	\$ -	\$ 736,153	\$ -	\$ 736,153
Total	<u>-</u>	<u>736,153</u>	<u>-</u>	<u>736,153</u>
Less accumulated amortization for:				
Software and licenses	-	(147,231)	-	(147,231)
Total	<u>-</u>	<u>(147,231)</u>	<u>-</u>	<u>(147,231)</u>
Total subscription assets, net	<u>\$ -</u>	<u>\$ 588,922</u>	<u>\$ -</u>	<u>\$ 588,922</u>

Amortization expense of \$147,231 was charged to the public safety function of the City's governmental activities.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. LONG-TERM DEBT AND OBLIGATIONS

#### Primary Government

Long-term debt and obligation activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Fiscal Year</u>
<b>Governmental activities:</b>					
Claims payable	\$ 353,965	\$ 6,863	\$ (210,728)	\$ 150,100	\$ 150,100
Financed purchases from direct borrowings	1,075,103	-	(239,495)	835,608	246,963
Subscription liabilities	-	736,153	(159,000)	577,153	135,914
Compensated absences	982,762	1,017,912	(709,835)	1,290,839	507,086
Total OPEB liability	<u>2,796,432</u>	<u>341,312</u>	<u>(518,531)</u>	<u>2,619,213</u>	<u>49,990</u>
Governmental activities Long-term liabilities	<u>\$ 5,208,262</u>	<u>\$ 2,102,240</u>	<u>\$ (1,837,589)</u>	<u>\$ 5,472,913</u>	<u>\$ 1,090,053</u>
<b>Business-type activities:</b>					
Revenue bonds payable direct borrowing	\$ 53,595,000	-	\$ (3,585,000)	\$ 50,010,000	\$ 3,660,000
Business-type activities Long-term liabilities	<u>\$ 53,595,000</u>	<u>\$ -</u>	<u>\$ (3,585,000)</u>	<u>\$ 50,010,000</u>	<u>\$ 3,660,000</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.

**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, 2023 is \$173,361.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

#### Primary Government (Continued)

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, 2023 is \$533,190.

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, 2023 is \$129,057.

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

<b>Fiscal Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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
	<b>\$ 835,608</b>	<b>\$ 57,261</b>	<b>\$ 892,869</b>

**Subscription Liabilities.** The City has entered into subscription-based information technology arrangements (SBITAs) for public safety cameras and software requiring annual minimum payments of \$84,000 through January 1, 2027. The City also has entered into a SBITA for a cloud-based real-time crime center map interface, requiring annual minimum payments of \$75,000 through June 30, 2027. As the agreements do not contain a stated interest rate, the City used its incremental borrowing rate of 4.0% to discount the future payments.

Debt service requirements as of June 30, 2023 for the City's subscription liabilities for governmental activities are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 135,914	\$ 23,086	\$ 159,000
2025	141,350	17,650	159,000
2026	147,004	11,996	159,000
2027	152,885	6,115	159,000
Total	<b>\$ 577,153</b>	<b>\$ 58,847</b>	<b>\$ 636,000</b>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. 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 semiannually 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 semiannually 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 \$13,680,000. The outstanding principal amount as of June 30, 2023 is \$13,615,000.

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, 2023 are \$6,460,000 and \$29,935,000, respectively.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)**

**Urban Redevelopment Agency (Continued)**

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

<b>Fiscal Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	3,885,000	962,515	4,847,515
2028	2,295,000	884,993	3,179,993
2029-2033	12,375,000	3,506,668	15,881,668
2034-2038	20,070,000	1,375,493	21,445,493
2039-2040	180,000	2,340	182,340
	<u>\$ 50,010,000</u>	<u>\$ 10,068,165</u>	<u>\$ 60,078,165</u>

**Downtown Development Authority**

**Direct Borrowings—Revenue Bonds.** On March 23, 2023, the 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 March 1, 2026, through maturity. The outstanding principal amount as of June 30, 2023 is \$6,180,000.

Future debt service requirements to maturity on the Downtown Development Authority’s revenue bonds are as follows:

<b>Fiscal Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ -	\$ 281,413	\$ 281,413
2025	-	299,730	299,730
2026	495,000	299,730	794,730
2027	520,000	275,723	795,723
2028	545,000	250,503	795,503
2029-2033	3,140,000	830,078	3,970,078
2034-2035	1,480,000	108,398	1,588,398
	<u>\$ 6,180,000</u>	<u>\$ 2,345,575</u>	<u>\$ 8,525,575</u>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2023, is as follows:

**Due to/from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Development Authority Fund	\$ 1,091,917
General Fund	Urban Redevelopment Agency Fund	45,700
General Fund	Nonmajor governmental funds	5,000
		<u>\$ 1,142,617</u>
SPLOST Fund	General Fund	<u>\$ 616,296</u>
2021 SPLOST Fund	Urban Redevelopment Agency Fund	<u>\$ 361,102</u>
Nonmajor governmental funds	General Fund	\$ 15,089
Nonmajor governmental funds	Nonmajor governmental funds	6,828
		<u>\$ 21,917</u>
Urban Redevelopment Agency	Development Authority Fund	<u>\$ 350,000</u>
Primary Government:	Discretely Presented Component Unit:	
General Fund	Downtown Development Authority	\$ 211,443
Development Authority Fund	Downtown Development Authority	916,390
		<u>\$ 1,127,833</u>

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, 2023, the Downtown Development Authority owed \$211,443 to the City's General Fund and Development Authority Fund for collections of payments in lieu of taxes.

**Interfund transfers:**

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Development Authority Fund	\$ 1,155,000
General Fund	Nonmajor governmental funds	12,480
		<u>\$ 1,167,480</u>
Urban Redevelopment Authority	General Fund	\$ 4,783,275
Urban Redevelopment Authority	2021 SPLOST Fund	1,648,580
Urban Redevelopment Authority	Development Authority Fund	315,000
		<u>\$ 6,746,855</u>
Nonmajor governmental funds	General Fund	\$ 3,466,370
Nonmajor governmental funds	Nonmajor governmental funds	142,688
		<u>\$ 3,609,058</u>

## NOTES TO FINANCIAL STATEMENTS

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

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.

The City contributed \$333,802 and Plan participants contributed \$770,925 to the Plan during the fiscal year ended June 30, 2023. 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 \$15,780,298 which results in an average participant balance of approximately \$36,000.

## NOTES TO FINANCIAL STATEMENTS

### 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.

**Plan Membership.** At July 1, 2022, the date of the most recent actuarial valuation, there were 227 participants consisting of the following:

Retirees	6
Active employees	221
Total	<u>227</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, 2023, the City contributed \$43,692 for the pay-as-you-go benefits for the OPEB Plan.



## NOTES TO FINANCIAL STATEMENTS

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

**Total OPEB Liability of the City.** The City's total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022 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, 2022 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 – 3.65%

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. The trend is 5.9%, decreasing 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 – 5.9% 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, 2023, 20-year tax-free municipal bond yield of 3.65% was used as the discount rate.

**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, 2023, were as follows:

	<b>Total OPEB Liability</b>
<b>Balances at June 30, 2022</b>	\$ 2,796,432
<b>Changes for the fiscal year:</b>	
Service cost	250,161
Interest	91,151
Experience differences	(449,890)
Changes of assumptions	(24,949)
Benefit payments	(43,692)
<b>Net changes</b>	(177,219)
<b>Balances at June 30, 2023</b>	\$ 2,619,213

## NOTES TO FINANCIAL STATEMENTS

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

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 (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Current Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 2,856,088	\$ 2,619,213	\$ 2,404,600

**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 (4.9% decreasing to 3.50%) or 1-percentage point higher (6.9% decreasing to 5.50%) than the current healthcare trend rates:

	1% Decrease (4.9% decreasing to 3.50%)	Current Rate (5.9% decreasing to 4.50%)	1% Increase (6.9% decreasing to 5.50%)
Total OPEB Liability	\$ 2,293,926	\$ 2,619,213	\$ 3,012,087

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, 2023 and the current sharing pattern of costs between employer and inactive employees.

## NOTES TO FINANCIAL STATEMENTS

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

***OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB.*** For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$119,606. At June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Experience differences	\$ -	\$ 1,135,998
Changes in assumptions	285,287	559,489
Total	\$ 285,287	\$ 1,695,487

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
2024	\$ 72,629	\$ (294,334)	\$ (221,705)
2025	72,629	(294,334)	(221,705)
2026	72,629	(294,334)	(221,705)
2027	50,037	(277,879)	(227,842)
2028	4,155	(225,694)	(221,539)
2029 and after	13,208	(308,912)	(295,704)
Total	\$ 285,287	\$ (1,695,487)	\$ (1,410,200)

### 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>
2023	\$ -	\$ 2,835	\$ 2,835	\$ -
2022	-	1,750	1,750	-

#### 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>
2023	\$ 353,965	\$ 6,863	\$ (210,728)	\$ 150,100
2022	469,511	362,303	(477,849)	353,965

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 15. COMMITMENTS AND CONTINGENCIES

#### **Contracts:**

As of June 30, 2023, the City has approximately \$573,000 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, 2023.

### NOTE 16. HOTEL/MOTEL LODGING TAX

The City has levied the basic 3% lodging tax authorized by the Official Code of Georgia Annotated (O.C.G.A.) 48-13-51(a)(2). Local governments imposing a tax under this code section are required to expend in each fiscal year at least the same percentage of hotel/motel tax revenues expended in the previous fiscal year for promotion of tourism, conventions, and trade shows. Revenues were \$65,491 for the fiscal year ended June 30, 2023 and expenditures to promote tourism, conventions, and trade shows were \$5,000 for the fiscal year ended June 30, 2023.

### 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, 2023, such abatement of these taxes amounted to \$1,285,617.

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 \$181,802 at June 30, 2023.

## NOTES TO FINANCIAL STATEMENTS

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### **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 \$356,153 at June 30, 2023.

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, 2023.

### **NOTE 18. SUBSEQUENT EVENT**

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 were issued on September 20, 2023 and 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.

# CITY OF FOREST PARK, GEORGIA

## NONMAJOR GOVERNMENTAL FUNDS

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### 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.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability			
Service cost	\$ 250,161	\$ 311,479	\$ 293,914
Interest on total OPEB liability	91,151	67,533	69,586
Differences between expected and actual experience	(449,890)	(340,130)	(311,468)
Changes in assumptions or other inputs	(24,949)	(348,677)	16,336
Benefit payments	(43,692)	(97,897)	(58,371)
<b>Net change in total OPEB liability</b>	<u>(177,219)</u>	<u>(407,692)</u>	<u>9,997</u>
<b>Total OPEB liability - beginning</b>	<u>2,796,432</u>	<u>3,204,124</u>	<u>3,194,127</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 2,619,213</u></u>	<u><u>\$ 2,796,432</u></u>	<u><u>\$ 3,204,124</u></u>

<b>Covered-employee payroll</b>	\$ 16,043,364	\$ 14,935,920	\$ 14,380,329
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	16.3%	18.7%	22.3%

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 183,845	\$ 173,435	\$ 204,631
Interest on total OPEB liability	90,619	102,235	109,240
Differences between expected and actual experience	(376,409)	(201,126)	-
Changes in assumptions or other inputs	517,008	43,298	(481,670)
Benefit payments	(5,208)	(6,022)	(13,073)
<b>Net change in total OPEB liability</b>	<u>409,855</u>	<u>111,820</u>	<u>(180,872)</u>
<b>Total OPEB liability - beginning</b>	<u>2,784,272</u>	<u>2,672,452</u>	<u>2,853,324</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 3,194,127</u></u>	<u><u>\$ 2,784,272</u></u>	<u><u>\$ 2,672,452</u></u>

<b>Covered-employee payroll</b>	\$ 13,392,384	\$ 11,791,794	\$ 11,537,877
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	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  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	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	Capital Improvement Fund	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 609,963	\$ 1,738,919	\$ 358,791	\$ 50,009	\$ -	\$ 1,193,367	\$ 81,933	\$ 4,032,982
Taxes receivable	-	-	7,137	-	-	-	-	7,137
Accounts receivable	61,394	-	-	-	-	-	-	61,394
Due from other funds	-	21,917	-	-	-	-	-	21,917
<b>Total assets</b>	<b>\$ 671,357</b>	<b>\$ 1,760,836</b>	<b>\$ 365,928</b>	<b>\$ 50,009</b>	<b>\$ -</b>	<b>\$ 1,193,367</b>	<b>\$ 81,933</b>	<b>\$ 4,123,430</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 59,154	\$ -	\$ -	\$ -	\$ 322,040	\$ 63,265	\$ 444,459
Due to other funds	-	6,828	5,000	-	-	-	-	11,828
Due to others	-	163,100	-	-	-	-	-	163,100
<b>Total liabilities</b>	<b>-</b>	<b>229,082</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>322,040</b>	<b>63,265</b>	<b>619,387</b>
<b>FUND BALANCES</b>								
Restricted for:								
Capital construction	-	-	-	-	-	-	18,668	18,668
Emergency telephone system operations	671,357	-	-	-	-	-	-	671,357
Tourism and economic development	-	-	360,928	-	-	-	-	360,928
Law enforcement activities	-	1,531,754	-	50,009	-	-	-	1,581,763
Committed for:								
Housing, development, and planning	-	-	-	-	-	871,327	-	871,327
<b>Total fund balances</b>	<b>671,357</b>	<b>1,531,754</b>	<b>360,928</b>	<b>50,009</b>	<b>-</b>	<b>871,327</b>	<b>18,668</b>	<b>3,504,043</b>
<b>Total liabilities and fund balances</b>	<b>\$ 671,357</b>	<b>\$ 1,760,836</b>	<b>\$ 365,928</b>	<b>\$ 50,009</b>	<b>\$ -</b>	<b>\$ 1,193,367</b>	<b>\$ 81,933</b>	<b>\$ 4,123,430</b>

**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, 2023**

	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		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ 65,491	\$ -	\$ -	\$ 76,848	\$ -	\$ 142,339
Charges for services	376,845	103,408	-	-	-	-	-	480,253
Intergovernmental	-	-	-	72,330	-	-	-	72,330
Interest	-	-	-	-	-	111	-	111
Total revenues	376,845	103,408	65,491	72,330	-	76,959	-	695,033
<b>EXPENDITURES</b>								
Current:								
General administration	-	-	-	-	-	283	-	283
Public safety	294,896	63,834	-	5,142	-	-	-	363,872
Tourism and economic development	-	-	5,000	-	-	-	-	5,000
Capital outlay:								
Public safety	11,973	-	-	-	-	-	-	11,973
Public works	-	-	-	41,850	-	322,040	3,255,773	3,619,663
Debt service:								
Principal	209,678	-	-	-	-	-	29,817	239,495
Interest and fiscal charges	27,566	-	-	-	-	-	4,177	31,743
Total expenditures	544,113	63,834	5,000	46,992	-	322,323	3,289,767	4,272,029
Excess (deficiency) of revenues over expenditures	(167,268)	39,574	60,491	25,338	-	(245,364)	(3,289,767)	(3,576,996)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	309,058	-	-	-	-	-	3,300,000	3,609,058
Transfers out	-	(142,688)	-	-	(12,480)	-	-	(155,168)
Total other financing sources (uses)	309,058	(142,688)	-	-	(12,480)	-	3,300,000	3,453,890
Net change in fund balances	141,790	(103,114)	60,491	25,338	(12,480)	(245,364)	10,233	(123,106)
<b>FUND BALANCES, beginning of fiscal year</b>	529,567	1,634,868	300,437	24,671	12,480	1,116,691	8,435	3,627,149
<b>FUND BALANCES, end of fiscal year</b>	\$ 671,357	\$ 1,531,754	\$ 360,928	\$ 50,009	\$ -	\$ 871,327	\$ 18,668	\$ 3,504,043

**CITY OF FOREST PARK, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**2008 SPLOST SERIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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%
LCI Main Street Project - Phase II	J	2,700,000	2,032,066	589,685	1,442,381	2,032,066	100.00%
Paving of remaining streets not completed in current SPLOST	K	3,400,000	680,355	680,355	-	680,355	100.00%
Annex Expansion - design & construction	L	1,900,000	205,845	205,845	-	205,845	100.00%
Sidewalks to Schools - Phase I & II - design, construction, & right of way acquisition	M	2,800,000	46,741	46,741	-	46,741	100.00%
Recreational Miscellaneous Projects - athletic field development, senior building addition, Starr Park & athletic field lighting, outdoor pool & water park, skate park, walking trail, & mini golf new construction.	N	6,500,000	436,866	436,866	-	436,866	100.00%
Sidewalks, curbs, & gutters - right of way acquisition & additional streets.	O	1,500,000	531,668	531,668	-	531,668	100.00%
Capital equipment for parks & streets	P	750,000	805,797	765,701	-	765,701	95.02%
Fire equipment - quint ladder truck, 1 engine, & 3 ambulances	Q	1,500,000	1,639,021	1,639,021	-	1,639,021	100.00%
Police vehicle purchases	R	700,000	1,529,115	1,529,115	-	1,529,115	100.00%
Program administration	S	800,000	12,520	12,520	-	12,520	100.00%
Transportation projects - miscellaneous	T	1,300,000	358,375	358,375	-	358,375	100.00%
Construction & Design Community - buildings phase I, III, IV	U	2,600,000	952,827	952,827	-	952,827	100.00%
New Fire Station - Station 3 - design, construction, & property acquisition.	V	3,500,000	-	-	-	-	-
<b>Totals</b>		<b>\$ 59,500,000</b>	<b>\$ 25,788,401</b>	<b>\$ 22,347,733</b>	<b>\$ 1,442,381</b>	<b>\$ 23,790,114</b>	<b>88.26%</b>

**CITY OF FOREST PARK, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**2015 SPLOST SERIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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	\$ 286,253	\$ 224,161	\$ 62,092	\$ 286,253	100.00%
Streetscape Improvements, sidewalks, curb & gutter and landscaping on misc. streets	1,500,000	1,546,846	1,208,276	338,570	1,546,846	100.00%
Landscaping (Median areas city wide)	500,000	500,000	-	108	108	0.02%
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	1,263,334	125,230	1,388,564	92.57%
Support Services Computer & Other Equipment	22,000	22,000	21,205	-	21,205	96.39%
City Hall Annex Improvements	6,000	6,000	1,525	-	1,525	25.42%
Police Vehicles	800,000	800,000	740,800	-	740,800	92.60%
Police Computer Equipment	215,000	710,042	710,042	-	710,042	100.00%
Police Firearms Training Systems	235,000	235,000	151,953	-	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	762,759	527,709	1,290,468	50.27%
Kiwanis Stadium Construction/Renovation	2,000,000	2,000,000	354,412	-	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	108,700	108,700	-	108,700	100.00%
Planning, Building & Zoning Vehicles	84,500	84,500	-	-	-	0.00%
Agnes Bateman Community Building	85,000	123,454	123,454	-	123,454	100.00%
Fire Vehicle/Equipment Replacement	1,000,000	2,891,383	2,891,383	-	2,891,383	100.00%
Fire Facility Improvements/Renovation	2,000,000	2,000,000	1,512,329	447,723	1,960,052	98.00%
<b>Totals</b>	<b>\$ 19,384,548</b>	<b>\$ 22,021,056</b>	<b>\$ 13,489,108</b>	<b>\$ 1,501,432</b>	<b>\$ 14,990,540</b>	<b>68.07%</b>

(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  
2021 SPLOST SERIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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	\$ 10,215	\$ 8,623	\$ 18,838		0.94%
Street Resurfacing and Construction	3,000,000	3,000,000	14,617	12,935	27,552		0.92%
Building Construction - Facility Improvements	6,156,548	6,156,548	29,995	26,545	56,540		0.92%
Equipment - Various Departments	480,000	480,000	2,339	2,070	4,409		0.92%
Police, Fire, EMS - Equipment and Vehicles	4,268,000	4,268,000	20,795	18,402	39,197		0.92%
Recreation, Leisure, and Public Works - Park and Greenway Improvements	3,000,000	3,000,000	14,617	12,935	27,552		0.92%
Capital Outlay - Public Works Vehicles	480,000	480,000	2,339	2,070	4,409		0.92%
<b>Totals</b>	<b>\$ 19,384,548</b>	<b>\$ 19,384,548</b>	<b>\$ 94,917</b>	<b>83,580</b>	<b>\$ 178,497</b>		<b>0.92%</b>
Transfers to Urban Redevelopment Agency to fund principal payments on Series 2021A revenue bonds:				1,565,000			
Total expenditures and transfers - 2021 SPLOST				1,648,580			
Total Expenditures - 2015 SPLOST:				1,501,432			
Total Expenditures - 2008 SPLOST:				1,442,381			
Total SPLOST Expenditures - Fiscal Year Ended June 30, 2023:				<u>\$ 4,592,393</u>			
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:							
				<b>SPLOST Fund</b>			
Capital outlay - Culture and recreation				\$	2,943,813		
				<b>2021 SPLOST Fund</b>			
Transfers out					1,648,580		
				\$	<u>4,592,393</u>		

(1) Unaudited

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

**DOWNTOWN DEVELOPMENT AUTHORITY  
DISCRETELY PRESENTED COMPONENT UNIT**

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**CITY OF FOREST PARK, GEORGIA  
STATEMENT OF NET POSITION  
PROPRIETARY COMPONENT UNIT  
DOWNTOWN DEVELOPMENT AUTHORITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 4,683,739
Total current assets	<u>4,683,739</u>
Noncurrent assets:	
Capital assets:	
Depreciable, net of accumulated depreciation	3,428,928
Total noncurrent assets	<u>3,428,928</u>
Total assets	<u>8,112,667</u>

**LIABILITIES**

Current liabilities:	
Accrued interest	80,890
Due to primary government	1,127,833
Deferred revenue	31,250
Total current liabilities	<u>1,239,973</u>
Noncurrent liabilities:	
Bonds payable	6,180,000
Total noncurrent liabilities	<u>6,180,000</u>
Total liabilities	<u>7,419,973</u>

**NET POSITION**

Net investment in capital assets	676,252
Unrestricted	16,442
Total net position	<u>\$ 692,694</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, 2023**

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<b>OPERATING REVENUES</b>	
Charges for services	\$ 81,554
Total operating revenues	<u>81,554</u>
<b>OPERATING EXPENSES</b>	
General administration	4,366
Economic development	263,856
Depreciation	991
Other	1,887
Total operating expenses	<u>271,100</u>
Operating loss	(189,546)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Payments in lieu of taxes	3,041,882
Interest revenue	273
Interest expense and fiscal charges	(242,905)
Intergovernmental expense	(2,788,931)
Total nonoperating revenues (expenses)	<u>10,319</u>
Change in net position	(179,227)
<b>Total net position, beginning of fiscal year</b>	<u>871,921</u>
<b>Total net position, end of fiscal year</b>	<u><u>\$ 692,694</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, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Payments from customers and users	\$ 112,804
Payments of operating expenses	(274,882)
Net cash used in operating activities	<u>(162,078)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Receipts from payments in lieu of taxes	3,280,492
Net cash provided by noncapital financing activities	<u>3,280,492</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Payments to primary government	(1,872,541)
Purchase of capital assets	(3,381,374)
Payments of interest and fiscal charges	(162,015)
Proceeds from issuance of bonds	6,180,000
Net cash provided by noncapital financing activities	<u>764,070</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	273
Net cash provided by investing activities	<u>273</u>
Net increase in cash and cash equivalents	3,882,757
<b>Cash and cash equivalents, beginning of fiscal year</b>	<u>800,982</u>
<b>Cash and cash equivalents, end of fiscal year</b>	<u>\$ 4,683,739</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>	
Operating loss	\$ (189,546)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	991
Change in assets and liabilities:	
Decrease in accounts payable	(4,773)
Increase in deferred revenue	31,250
Net cash used in operating activities	<u>\$ (162,078)</u>

# STATISTICAL SECTION

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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>
<b>Financial Trends</b> .....	<b>64</b>
<b>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</b>	
<b>Revenue Capacity</b> .....	<b>70</b>
<b>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</b>	
<b>Debt Capacity</b> .....	<b>76</b>
<b>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.</b>	
<b>Demographic and Economic Information</b> .....	<b>80</b>
<b>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</b>	
<b>Operating Information</b> .....	<b>82</b>
<b>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.</b>	

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 Statement No. 63; *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in Fiscal Year 2013. The City implemented GASB Statement No. 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>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>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 17,669,695	\$ 18,964,221	\$ 18,604,312	\$ 18,808,484	\$ 19,438,420	\$ 18,661,292 (1)	\$ 19,402,746 (3)	\$ 20,609,680	\$ 22,776,057	\$ 26,433,597
Restricted	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	17,482,165
Unrestricted (deficit)	50,277	(1,391,133)	(1,033,770)	777,244 (2)	7,294,353	10,596,880	10,617,796	11,668,163	11,086,074	6,837,670
Total governmental activities net position	<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 (3)</u>	<u>50,065,312</u>	<u>50,934,837</u>	<u>50,753,432</u>
Business-type activities										
Net investment in capital assets	8,001,214	14,685,778	17,318,422	17,723,571	16,729,594	16,504,532	16,385,591	2,856,061	5,343,833	9,889,590
Unrestricted (deficit)	6,807,960	(3,152,169)	(7,684,006)	(9,652,045) (2)	(10,575,017)	(9,444,267)	(8,286,921)	7,076,763	9,641,358	13,654,122
Total business-type activities net position	<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>	<u>23,543,712</u>
Primary government										
Net investment in capital assets	25,670,909	33,649,999	35,922,734	36,532,055	36,168,014	35,165,824 (1)	35,788,337 (3)	23,465,741	28,119,890	36,323,187
Restricted	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	17,482,165
Unrestricted (deficit)	6,858,237	(4,543,302)	(8,717,776)	(8,874,801) (2)	(3,280,664)	1,152,613	2,330,875	18,744,926	20,727,432	20,491,792
Total primary government net position	<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>	<u>\$ 74,297,144</u>

**Notes:**

- (1) The 2019 column for governmental activities was restated for errors in the prior year.
- (2) 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.
- (3) 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)**

<b>Expenses</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 (Restated)</b>	<b>2020 (Restated)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Governmental activities:</b>										
General government	\$ 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	\$ 6,431,798
Public safety	15,756,330	15,451,710	15,230,605	15,648,967	16,178,020	15,812,932 (3)	16,712,525 (4)	17,628,706	18,110,506	20,353,962
Public works	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	3,810,561
Culture and recreation	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	1,994,997
Housing and development	769,672	730,914	765,987	755,235	705,677	688,602	939,208	1,280,386	1,104,093	1,212,029
Redevelopment and planning	1,260,977	1,241,205	445,708	65,611	62,974	-	595	-	-	-
Judicial	140,667	134,087	126,397	133,009	134,652	147,474	115,236	196,471	169,221	90,353
Tourism and economic development	29,944	31,098	25,455	37,475	41,312	37,511	109,084	218,591	667,814	745,316
Interest on long-term debt	16,055	13,582	23,284	19,143	5,687	2,888	30,052	54,265	38,458	25,327
<b>Total governmental activities expenses</b>	<b>25,380,049</b>	<b>25,179,045</b>	<b>24,518,970</b>	<b>24,296,191</b>	<b>24,868,465</b>	<b>24,416,741 (3)</b>	<b>26,666,315 (4)</b>	<b>30,357,541</b>	<b>30,559,478</b>	<b>34,664,343</b>
<b>Business-type activities:</b>										
Local Redevelopment Authority	82,945	344,520	230,797	75,689	183,233	68,071	64,817	476,450	1,823,173	1,276,765
Urban Redevelopment Agency	15,388,137	4,743,090	2,134,449	5,348,665 (2)	7,813,785	1,774,119	2,047,829	4,506,275	3,817,307	3,408,434
Sanitation	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	5,664,763
<b>Total business-type activities expenses</b>	<b>17,850,678</b>	<b>7,193,066</b>	<b>4,637,920</b>	<b>7,940,444</b>	<b>10,721,062</b>	<b>4,668,403</b>	<b>5,578,946</b>	<b>8,756,570</b>	<b>9,493,206</b>	<b>10,349,962</b>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Charges for services:										
General government	208,726	616,160	467,915	461,201	429,774	627,865	627,047	731,552	839,140	818,267
Public safety	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	2,291,947
Public works	1,225	-	-	335	-	-	-	-	-	-
Culture and Recreation	667,820	225,541	230,209	233,736	261,136	243,160	84,060	137,444	279,010	109,738
Operating grants and contributions	1,136,655	820,913	519,298	319,886	3,460,594	348,240	304,356	3,117,240	3,171,797	3,296,100
Capital grants and contributions	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	5,906,816
<b>Total governmental activities program revenues</b>	<b>9,868,006</b>	<b>9,068,949</b>	<b>7,775,776</b>	<b>8,433,961</b>	<b>11,762,682</b>	<b>8,701,858</b>	<b>7,730,343</b>	<b>10,289,287</b>	<b>10,867,591</b>	<b>12,422,868</b>
<b>Business-type activities</b>										
Charges for services:										
Local Redevelopment Authority	85,916	103,558	97,653	924,877	1,239,287	1,229,951	1,145,328	1,236,679	1,593,508	2,879,773
Urban Redevelopment Agency	22,093,933	1,071,561	263,913	1,916,227	3,808,440	438,327	870,678	4,280,220	2,467,721	3,819,089
Sanitation	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	5,150,088
Operating grants and contributions	-	-	-	105,576 (2)	74,310	-	-	350,000	-	-
Capital grants and contributions	-	450,000	-	-	-	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>24,958,187</b>	<b>3,925,724</b>	<b>3,479,275</b>	<b>6,364,985</b>	<b>8,774,050</b>	<b>5,525,471</b>	<b>6,507,389</b>	<b>10,555,921</b>	<b>9,341,508</b>	<b>11,848,950</b>
<b>Total primary government program revenues</b>	<b>\$ 34,826,193</b>	<b>\$ 12,994,673</b>	<b>\$ 11,255,051</b>	<b>\$ 14,798,946</b>	<b>\$ 20,536,732</b>	<b>\$ 14,227,329</b>	<b>\$ 14,237,732</b>	<b>\$ 20,845,208</b>	<b>\$ 20,209,099</b>	<b>\$ 24,271,818</b>

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

	2014	2015	2016	2017 (Restated)	2018	2019 (Restated)	2020 (Restated)	2021	2022	2023
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (15,512,043)	\$ (16,110,096)	\$ (16,743,194)	\$ (15,862,230)	\$ (13,105,783)	\$ (15,714,883) (3)	\$ (18,935,972)	\$ (20,068,254)	\$ (19,691,887)	\$ (22,241,475)
Business-type activities	7,107,509	(3,267,342)	(1,158,645)	(1,575,459)	(1,947,012)	857,068	928,443	1,799,351	(151,698)	1,498,988
Total primary government net expense	<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) (3)</u>	<u>(18,007,529)</u>	<u>(18,268,903)</u>	<u>(19,843,585)</u>	<u>(20,742,487)</u>
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental activities:										
Property and other taxes	16,419,905	16,214,024	17,557,309 (1)	19,585,336 (1)	21,436,217	21,748,584	22,082,157	23,224,508	25,686,188	28,853,777
Unrestricted investment earnings	6,775	3,775	8,561	27,936	70,550	108,636	79,001	10,481	20,999	164,056
Miscellaneous	48,988	55,259	30,421	5,906	3,890	25,329	775,329	79,622	363,452	64,756
Gains on sale of capital assets	-	10,259	76,388	6,655	79,416	-	29,521	72,178	-	21,910
Transfers	500,000	52,911	750,735	-	-	-	(81,500)	150,000	(5,501,271)	(7,044,429)
Total governmental activities	<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>	<u>22,060,070</u>
Business-type activities										
Unrestricted investment earnings	-	5,482	9,474	10,819	24,463	34,391	23,062	11	1,153	17
Miscellaneous	20	39,206	713	1,750	5,600	14,229	5,400	184,792	241	15,087
Transfers	(500,000)	(52,911)	(750,735)	-	-	-	81,500	(150,000)	5,501,271	7,044,429
Total business-type activities	<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>	<u>7,059,533</u>
Total primary government	<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>	<u>29,119,603</u>
<b>Change in Net Position</b>										
Governmental activities	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	(181,405)
Business-type activities	6,607,529	(3,275,565)	(1,899,193)	(1,562,890)	(1,916,949)	905,688	1,038,405	1,834,154	5,350,967	8,558,521
Total primary government	<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>	<u>\$ 8,377,116</u>

**Notes:**

- (1) From 2016 to 2017, the City increased its millage rate from 14.743 to 16.743 mills per \$1,000 of assessed value.
- (2) The 2017 column for business-type activities was restated due to errors in the prior year.
- (3) The 2019 column for governmental activities was restated for errors in the prior year.
- (4) 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)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Motor Vehicle Tax</u>	<u>Hotel/Motel Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Insurance Premium Tax</u>	<u>Business Tax</u>	<u>Other Tax</u>	<u>Total</u>
2014	\$ 6,833,432	\$ 1,216,563	\$ 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 (1)	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 (2)	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
2023	14,463,037	913,958	65,491	543,518	7,713,799	1,553,955	1,651,002	1,723,938	225,079	28,853,777

Notes:

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

(2) 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>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>	<u>2023</u>
General Fund										
Nonspendable	\$ 965	\$ -	\$ 6,228	\$ 108	\$ 288,956	\$ -	\$ 6,057	\$ 252,048	\$ 252,048	\$ 252,048
Assigned	-	-	-	-	-	-	-	3,030,604	2,980,603	-
Unassigned	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	10,710,153
Total General Fund	<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>	<u>\$ 10,962,201</u>
All Other Governmental Funds										
Nonspendable	\$ 94,555	\$ 94,555	\$ 139,959	\$ 142,229	\$ 94,555	\$ 94,555	\$ 94,555	\$ 94,555	\$ 94,555	\$ -
Restricted for:										
Capital construction	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	14,868,117
Law enforcement activities	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	1,581,763
E911 operations	-	-	-	-	91,489	202,830	349,928	306,675	435,012	671,357
Tourism and economic development	82,464	106,662	141,702	164,901	175,094	194,708	221,806	253,620	300,437	360,928
Public safety operations	5,204	20,730	51,837	-	-	-	-	-	-	-
Committed for:										
Redevelopment and planning	156,818	215,676	448,255	681,624	929,713	1,254,236	1,623,367	1,724,024	1,129,171	871,327
Unassigned (deficits)	(48,586)	(169,295)	-	(28,160)	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 18,353,492</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)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 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	\$ 28,645,693
Licenses and permits	208,726	616,160	467,915	461,201	429,774	627,865	627,047	731,552	839,140	818,267
Intergovernmental revenues	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	9,179,136
Fines and forfeitures	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	1,238,354
Charges for services	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	1,163,331
Interest earnings	8,197	7,278	12,698	34,296	91,571	169,229	124,820	14,644	23,533	187,836
Miscellaneous	48,988	55,259	30,421	5,906	79,416	25,329	775,329	79,622	363,452	64,756
Total revenues	<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>	<u>41,297,373</u>
<b>Expenditures</b>										
General government	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	6,066,701
Public safety	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	19,326,912
Public works	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	3,347,142
Culture and recreation	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	1,754,867
Housing and development	753,559	725,130	758,647	726,517	697,306	681,990	930,683	1,269,449	1,099,323	1,209,142
Judicial	139,163	132,884	125,187	131,449	133,055	146,058	114,190	194,793	168,490	90,138
Redevelopment and planning	1,090,659	771,673	441,437	2,701	93	-	-	-	-	-
Tourism and economic development	29,944	31,098	25,455	37,475	41,312	37,511	109,084	218,591	667,814	745,316
Capital outlay - general government	-	-	-	705,169	178,059	34,098	211,979	-	-	-
Capital outlay - redevelopment and planning	2,332,246	3,473,560	1,071,496	398,591	120,307	-	-	-	-	-
Capital outlay - public safety	369,024	53,381	26,095	409,924	585,905	24,456	13,812	636,974	112,749	754,880
Capital outlay - public works	291,738	26,363	48,896	362,435	1,441,647	15,027	75,360	77,190	57,866	3,982,751
Capital outlay - culture and recreation	-	-	-	59,511	19,980	293,299	315,441	2,473,418	3,485,245	2,943,813
Debt service										
Principal	110,536	112,475	113,109	93,637	86,155	88,869	76,709	197,231	232,256	398,495
Interest and fees	18,452	16,055	25,834	21,774	8,401	5,687	17,847	40,038	40,733	31,743
Total expenditures	<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>	<u>40,651,900</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>645,473</u>
<b>Other Financing Sources (uses)</b>										
Issuance of debt	-	-	-	-	-	-	-	-	187,772	736,153
Proceeds from sale of capital assets	-	10,259	76,388	27,452	3,890	-	45,691	528,428	-	21,910
Transfers in	608,628	402,859	1,175,505	-	120,393	1,220,762	1,235,991	1,975,041	1,582,779	4,776,538
Transfers out	(108,628)	(2,859)	(424,770)	-	(120,393)	(1,220,762)	(1,317,491)	(1,825,041)	(7,084,050)	(10,053,393)
Total other financing sources (uses)	<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>	<u>(4,518,792)</u>
Net change in fund balances	<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>	<u>\$ (3,873,319)</u>
Debt service as a percentage of noncapital expenditures	0.55%	0.56%	0.61%	0.51%	0.42%	0.42%	0.35%	0.81%	0.92%	1.33%

(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)**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Insurance Premium Taxes</b>	<b>Alcoholic Beverage Taxes</b>	<b>Sales Taxes</b>	<b>Franchise Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
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	11,649,692	1,349,561	434,936	5,755,356	1,311,023	1,378,463	21,879,031
2020	12,832,251	1,424,876	481,882	5,730,333	1,348,907	1,756,313	23,574,562
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
2023	14,254,953	1,651,002	543,518	7,713,799	1,553,955	2,928,466	28,645,693

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**

Tax Digest Year	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		
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	238,530	596,325	161,286,018	403,215,045	108,898,094	272,245,235	808,676,055	2,021,690,138	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%	16.743
2022	400,582,796	1,001,456,990	44,717,195	111,792,988	339,982,300	849,955,750	109,042,858	272,607,145	894,325,149	2,235,812,873	40%	16.743

Source: Clayton County Tax Commissioner Office

Notes:

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

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

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Per \$1,000 of net assessed value

<b>Tax Digest Year</b>	<b>City of Forest Park Operating Millage (1)</b>	<b>Clayton County Schools Millage</b>	<b>Clayton County Operating Millage</b>	<b>State of Georgia Millage</b>	<b>Total</b>
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
2022	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	2023			2014		
	Assessed valuation	Rank	Percentage of total assessed valuation	Assessed valuation	Rank	Percentage of total assessed valuation
Georgia Power	\$ 138,518,787	1	15.49%	\$ 61,242,996	1	10.51%
Clorox Manufacturing Company	71,390,714	2	7.98%	44,875,801	2	7.70%
Kroger	34,023,109	3	3.80%			
Sanofi Pasteur Inc	33,735,790	4	3.77%			
Southwest Airlines	21,565,142	5	2.41%			
United Rentals North America	14,866,045	6	1.66%	5,771,062	8	0.99%
O'Reilly Auto Parts	12,646,342	7	1.41%			
Ocado Solutions	14,888,635	8	1.66%			
LIT Industrial Limited	8,804,120	9	0.98%			
McLane Food Service, Inc	7,459,014	10	0.83%	5,826,816	7	1.00%
Ozark Automotive Distributors				13,560,722	3	2.33%
Kmart Apparel of Atlanta Corp				12,032,470	4	2.06%
Ralcorp Frozen Bakery Products				8,505,324	5	1.46%
IIT Atlanta Portfolio I, LLC				6,000,000	6	1.03%
BellSouth Telecommunication				5,639,637	9	0.97%
Medicis Aesthetics, Inc.				5,562,246	10	0.95%
<b>Total</b>	<b>\$ 357,897,698</b>		<b>40.02%</b>	<b>\$ 169,017,074</b>		<b>29.00%</b>

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		
2014	\$ 6,707,089	\$ 6,211,543	93%	\$ 453,591	\$ 6,665,134	99%	\$ 41,955	1%
2015	6,441,240	6,093,557	95%	292,237	6,385,794	99%	55,447	1%
2016	6,965,980	6,728,025	97%	191,629	6,919,654	99%	46,326	1%
2017	7,982,552	7,641,539	96%	288,017	7,929,556	99%	52,996	1%
2018	9,444,780	9,041,230	96%	328,335	9,369,565	99%	75,216	1%
2019	10,004,895	9,687,586	97%	228,392	9,915,978	99%	88,917	1%
2020	10,813,440	10,205,383	94%	490,078	10,695,461	99%	117,979	1%
2021	11,053,885	10,596,960	96%	314,648	10,911,608	99%	142,277	1%
2022	12,073,157	11,719,515	97%	183,661	11,903,176	99%	169,981	1%
2023	13,772,781	13,307,901	97%	-	13,307,901	97%	464,880	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**

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<u>Fiscal Year</u>	<u>Sanitation Revenues</u>
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
2023	5,150,088

**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, Subscription Liabilities, and Financed Purchases	Notes Payable	Revenue Bonds Payable				
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	5,605,951	15,440,000	21,543,071	8.47%	1,167	
2020	1,316,818	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	
2023	1,412,761	-	50,010,000	51,422,761	14.82%	2,580	

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.

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Taxable Value of Property</b>	<b>Per Capita</b>
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-

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, 2023**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (1)</b>	<b>Estimated Share of Overlapping Debt</b>
Direct General Obligation Debt:			
City of Forest Park, Georgia	\$ 1,412,761	100%	\$ 1,412,761
Subtotal			<u>1,412,761</u>
Overlapping General Obligation Debt:			
Clayton County	60,325,000	8.73%	5,266,242
Landfill Authority	3,740,000	8.73%	326,494
Subtotal			<u>5,592,736</u>
Total direct and overlapping debt			<u>\$ 7,005,497</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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 52,337,908	\$ 51,701,818	\$ 53,504,136	\$ 63,950,918	\$ 62,839,999	\$ 66,704,205	\$ 69,712,892	\$ 80,867,606	\$ 78,632,523	\$ 89,432,515
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 52,337,908	\$ 51,701,818	\$ 53,504,136	\$ 63,950,918	\$ 62,839,999	\$ 66,704,205	\$ 69,712,892	\$ 80,867,606	\$ 78,632,523	\$ 89,432,515
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

**Legal Debt Margin Calculation for Fiscal Year 2023**

Assessed value	\$ 697,128,916	\$ 808,676,055	\$ 786,325,225	\$ 894,325,149
Debt limit (10% of total assessed value)	\$ 69,712,892	\$ 80,867,606	\$ 78,632,523	\$ 89,432,515
Debt applicable to limit				
General obligation bonds	-	-	-	-
Legal debt margin	\$ 69,712,892	\$ 80,867,606	\$ 78,632,523	\$ 89,432,515

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**

Fiscal year	Population	Personal Income	Per Capita Income	Median Age	Level in Years of Formal Schooling(1)	High School Education	Bachelors Degree or Higher	School Enrollment(3)	Unemployment Rate(4)
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%
2023	19,932 (2)	347,075,916	17,413 (2)	32.0 (2)	NA	75.70%	8.30%	6,400	4.4%

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, 2023, and therefore the latest 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>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>	<u>2023 (2)</u>
Administrative										
City Manager Office	3	3	3	3	3	3	7	8	7	9
Finance Department	11	11	8	8	8	9	6	13	11	8
Technology Services	-	-	-	1	1	2	1	2	2	4
Support Services	6	6	4	4	4	5	4	5	5	5
Court Services	-	-	-	-	-	-	-	-	-	2
Police										
Officers	89	89	89	89	89	89	64	59	57	88
Communications	14	14	14	14	14	14	12	8	10	13
Administrative	12	12	12	13	13	13	9	12	12	8
Recreation & Leisure	28	28	28	28	28	28	21	12	33	14
Public Works										
Maintenance	40	41	39	38	38	38	33	37	24	25
Sanitation	6	3	3	3	3	3	3	4	1	2
Fleet	8	6	6	6	6	6	7	6	5	4
Planning, Building and Zoning	13	12	12	13	13	13	12	11	14	4
Fire and EMS										
Firefighters and Officers	69	69	69	69	68	68	63	68	53	53
Administrative	3	3	3	3	3	3	1	3	3	3
Economic Development	-	-	-	-	-	-	-	-	-	3
Fire and EMS										
Firefighters and Officers	69	69	69	69	68	68	63	68	53	73
Administrative	3	3	3	3	3	3	1	3	3	2
Code Enforcement										
Code Enforcement Officers	-	-	-	-	-	-	-	-	-	5
Administrative	-	-	-	-	-	-	-	-	-	1
Animal Control	-	-	-	-	-	-	-	-	-	2

**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>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>	<u>2023</u>
Police										
Physical arrests	3,548	2,901	2,786	3,161	2,548	1,863	1,261	1,060	872	1,066
Parking violations	124	63	73	330	131	77	41	10	53	13
Traffic violations	12,336	11,460	9,879	16,281	13,180	9,288	3,931	4,011	2,329	3,974
Fire and EMS										
Emergency responses	4,575	4,689	4,367	4,407	5,595	5,710	6,326	7,397	5,789	2,824
Fires extinguished	88	76	83	97	81	96	174	92	184	90
Inspections	879	1,167	964	899	1,136	889	417	455	765	591
Recreation & Leisure										
Athletic field permits issued	1,863	1,413	1,100	980	673	595	451	70	127	103
Community Center admissions	15,840	13,450	23,356	24,526	25,339	27,496	15,748	2,655	11,747	1,432

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>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>	<u>2023</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	2
Patrol units	48	48	46	41	41	41	56	58	58	75
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	1807	1807	1807	2000
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	9
Baseball/Softball diamonds	6	6	6	6	6	6	5	5	5	6
Soccer/football fields	3	3	3	3	3	3	3	3	3	2
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*

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**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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 3, 2024.

### **Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002 that we consider to be material weaknesses



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### **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 2023-003.

### **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  
April 3, 2024

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

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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, 2023. 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, 2023.

#### ***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.

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***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 2023-004 for Subrecipient Monitoring and finding number 2023-005 for Reporting.

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.

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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 deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-004 and 2023-005 to be material weaknesses.

*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*

Atlanta, Georgia  
April 3, 2024

**CITY OF FOREST PARK, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Grant Identification Number</b>	<b>Total Expenditures</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	\$ 1,606,282
<b>Total U.S. Department of Treasury</b>			<b><u>1,606,282</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 1,606,282</u></b>

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, 2023**

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**(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, 2023**

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**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, 2023**

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**SECTION II  
FINANCIAL STATEMENT AUDIT FINDINGS**

**2023 – 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 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, 2023, 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, 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 ensure journal entries and bank reconciliations are properly approved by an individual who is independent of the journal entry and bank reconciliation 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, 2023**

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

**2023 – 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, 2023. The reconciliations for the City's cash accounts during fiscal year 2023 were not completed and finalized until November of 2023.

**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, 2023**

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

**2023 – 003 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, 2023.

**Effects:** The City is not in compliance with State law.

**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, 2023**

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**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**

**2023 – 004 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, 2023, 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, 2023**

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**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**

**2023 – 004 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, 2023.

**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.

**U.S. Department of Treasury**

**Program Name: Coronavirus State and Local Fiscal Recovery Fund Program**

**Assistance Listing Number: 21.027**

**2023 – 005 Reporting**

**Criteria:** 2 CFR Part 200 requires that nonfederal entities establish and maintain effective internal control over federal awards to provide reasonable assurance that the nonfederal entity is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the specific award. The financial management system of each nonfederal entity must provide accurate, current, and complete disclosure of the financial results of each federal award in accordance with grant requirements.

**Condition:** During our testing of the City's compliance with the reporting requirements of the Coronavirus State and Local Fiscal Recovery Fund Program (CSLFRF), we noted that the required annual Project and Expenditure Report, due on April 30, 2023, was not submitted by the City until September 1, 2023.

**CITY OF FOREST PARK, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**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**

**2023 – 005 Reporting, Continued**

***Cause:*** The City's internal controls over compliance were not sufficiently designed to prevent noncompliance with the terms of the CSLFRF grant.

***Effect:*** The City did not meet the reporting requirement of the CSLFRF grant because the required annual report was not filed timely.

***Recommendation:*** We recommend the City design controls to ensure an adequate process is in place to submit the required reports for federal grants by the deadlines set forth by the federal government.

***Auditee's Response:*** We concur with the finding. We will take the necessary steps to ensure that the reporting requirement of the CSLFRF grant will be submitted on time to prevent noncompliance with the terms of the CSLFRF grant.

**CITY OF FOREST PARK, GEORGIA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**SECTION IV  
SCHEDULE OF PRIOR YEAR 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/Context:** During the fiscal year ended June 30, 2023, 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. Bank reconciliations should be subjected to internal controls whereby the preparer and reviewer are separately evidenced on the reconciliation itself.

**Auditee Response/Status:** Unresolved. See current year finding 2023-001.

**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/Context:** The City's cash accounts were not reconciled timely during the fiscal year ended June 30, 2023. The reconciliations for July 2021 were not prepared until April 2022, and the remaining reconciliations were completed in the months of June through August of 2022. 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 2023-002.

**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 the statutory deadline.

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

**Auditee Response/Status:** Resolved.

**CITY OF FOREST PARK, GEORGIA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**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:** The City did not adopt budgets for its special revenue funds for the fiscal year ended June 30, 2022.

**Auditee Response/Status:** Unresolved. See current year finding 2023-003.

**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.

**Condition/Context:** 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, 2023, 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.

The City did not have adequate internal controls to ensure compliance with subrecipient monitoring requirements.

**Auditee Response/Status:** Unresolved. See current year finding 2023-004.



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## MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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### 2023-001 Segregation of Duties

**Name of the Contact Person Responsible for the Corrective Action Plan:** John Wiggins, 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 ensure journal entries and bank reconciliations are properly approved by an individual who is independent of the journal entry and bank reconciliation preparation process. Additional staff will be considered to accomplish the segregation of duties noted above.

**Anticipated Completion Date:** April 30, 2024

### 2023-002 Reconciliation of Bank Accounts

**Name of the Contact Person Responsible for the Corrective Action Plan:** John Wiggins, 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:** April 30, 2024





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## MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2023 (CONTINUED)

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### 2023-003 State Compliance – Governmental Budgets

**Name of the Contact Person Responsible for the Corrective Action Plan:** John Wiggins, 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:** June 30, 2024

### 2023-004 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:** John Wiggins, 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:** April 30, 2024

### 2023-005 Reporting – Coronavirus State and Local Fiscal Recovery Fund Program (Assistance Listing #21.027)

**Name of the Contact Person Responsible for the Corrective Action Plan:** John Wiggins, Finance Director.

**Corrective Action Plan:** The City of Forest Park will take necessary steps to ensure that the reporting requirement of the CSLFRF grant will be submitted on time to prevent noncompliance with the terms of the CSLFRF grant.

**Anticipated Completion Date:** April 30, 2024

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