

CITY OF FORSYTH, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2025

Prepared by:
City Finance Department

CITY OF FORSYTH, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2025

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INTRODUCTORY SECTION



CITY OF FORSYTH

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

June 25, 2026

Honorable Greg Goolsby
Members of the Forsyth City Council
Citizens of the City of Forsyth
Forsyth, Georgia 31029

Dear Mayor, Council Members, and Citizens of Forsyth:

The Annual Comprehensive Financial Report of the City of Forsyth, Georgia (the “City”), for the year ended December 31, 2025, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included.

The City is required to have an audit in conformity with *Governmental Auditing Standards*. The Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements and the Schedule of Prior Year Findings is included in this report.

This report includes all the funds of the City. The City provides a full range of services. These services include police protection, fire protection, the construction and maintenance of streets and drainage improvements, planning and zoning, engineering, building and code enforcement, electrical service, and water and sewer service. In the following section of this report, you will find the Management’s Discussion & Analysis (“MD&A”) which provides a more in-depth review of all funds and services.

A Mayor and six (6) City Council members serve the City of Forsyth. The Mayor and all City Council members are elected by post and serve at large. All serve four (4) year terms. The Mayor and City Council serve as the legislative body responsible for enacting City ordinances, resolutions, appropriating funds, and providing policy direction to City staff. The City Council appoints a City Manager, City Attorney, City Auditor, Municipal Court Judge, a Planning and Zoning Board, Convention & Visitor’s Bureau, Downtown Development Authority, and Housing Authority. The City Council annually adopts a balanced budget and establishes a tax rate for the support of the City programs. The City Manager and Department Directors have the responsibility of administering these programs in accordance with policies and the annual budget adopted by the City Council.

General Information and History.

The City of Forsyth is in central Monroe County, which is in the central part of the state, approximately 60 miles south of Atlanta. The town was incorporated and made the county seat by an act of the General Assembly, December 10, 1823. The city limits consisted of a circular area with a radius of ½ mile from the courthouse square. By 1827, Forsyth contained 70 houses and stores, an academy, a house of worship for Baptists, and an elegant courthouse and jail.

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

Today, Forsyth covers an area of approximately 5 square miles with a population from the 2020 census of 4,384.

Economic Condition and Outlook

The economic condition and outlook of the City remains strong as the area is predicted to have a sustained growth pattern through 2025. City leaders have recognized, and plans have been developed and/or implemented to maintain balanced, controlled, and planned developments in connection with an economic development plan that encourages appropriate growth. Economic growth has also placed increased demands on services, but the city has adopted a conservative approach and implemented programs to meet these demands. The City is still able to provide its services at a cost per capita that is comparable to other communities with similar demographic and economic characteristics.

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

Major Initiatives

Mayor and City Council:

Overall Goals and Objectives - (1) Achieve all goals while striving for the lowest total cost for public services with a minimal property tax millage rate. (2) Maintain a managed growth policy that requires quality development in concert with our economic development strategy. (3) Provide public safety and welfare by committing appropriate resources to police, fire, streets, recreation, electric, water, and sewer. (4) Continue cooperative efforts with other governments. (5) Preserve our historic and cultural heritage.

Since 2016, the Mayor and Council have held an annual retreat to review progress on prior goals and to establish new objectives for the upcoming year. The goals set for 2025 reflect the City's continued commitment to community improvement and quality of life. These include addressing blight throughout the community, strengthening relationships, and evaluating future infrastructure needs. Additional priorities for 2025 include expanding local activities by introducing a new Children's Day event hosted by the Police Department, various GA Cities events for the community, improving and adding sidewalks to enhance walkability, and updates at all the City's parks to provide refreshed and enhanced recreational spaces for residents of all ages.

Finance and Administration:

Overview - The Finance and Administrative Departments consists of the City Manager, Assistant City Manager, City Clerk and support personnel. The City Manager is appointed by the Mayor and City Council and is responsible for the execution of policies and legislative action of the City Council, direction, control, and coordination of operational agencies. The Assistant City Manager is responsible for assisting with the execution of policies and legislative action of the City council, direction, management of the city's finances, including the budget, and annual audit. The City Clerk is responsible for planning, developing, implementing, and maintaining the administrative operations of the city including customer service, and purchasing/inventory.

The new City Hall building became operational in November 2021. The city administration offices, municipal court clerk's office, and the Community Development department are housed in the new city hall building.

Municipal Court:

Overview - The Municipal Court of Forsyth is dedicated to the principle of equal and timely access to justice so that all individuals are treated with integrity, honesty, equality, respect for the rule of law, and the rights of all. The Court uses all staff members in a collaborative effort to operate the court efficiently and effectively while maintaining public trust and confidence. The Municipal Court prepares and processes records, citations, warrants and other legal papers for the Court. Court Personnel receive and deposit monies collected for fines and fees, set court dates, issue subpoenas and warrants, and prepare various reports, records, and other documents pertinent to the operation of the Court and those required by the State of Georgia.

The Municipal Court personnel consist of a Chief Judge, Assistant Judge, Solicitor, Public Defender, bailiffs, and Court Clerk. In 2025, over 4532 citations were closed.

Police:

Overview - The Forsyth Police Department is especially proud to provide police services in partnership with our community by collaborating with residents, businesses, community organizations, schools, and other stakeholders to maintain safety and order in the city. We believe that every member of the Forsyth Police Department is responsible for building and maintaining trust and cooperation between the department and the community. We are committed to enforcing the law in a fair and impartial manner, recognizing both the statutory and judicial limitations of police authority and the constitutional rights of all citizens.

Fire:

Overview - The City of Forsyth Fire Department responds to various types of emergency incidents including all types of fires, motor vehicle and other accidents, rescue calls, severe weather, and flooding emergencies. Fire department personnel perform numerous prevention and public relations functions, fire safety inspections, fire safety education, annual hydrant maintenance, emergency management functions, and other specialty programs. The City of Forsyth Fire Department was recertified as a State Certified Agency with an ISO Class 2 rating in 2023.

All employees of the fire department maintain their State Certifications and many within the department hold special certifications including arson investigator, fire safety educator, EMT, and paramedic certifications. The Fire Department regularly trains with the Monroe County Fire Department as we have an automatic response agreement with them for all calls within a one-mile radius of the city limits. The fire department responded to an estimate of 2,300 calls for service in 2025. The fire department completed all training and response to calls during 2024 without injury to personnel which is a huge accomplishment in the fire service of today.

Public Works:

Overview - The City of Forsyth Public Works Department is responsible for the maintenance of all streets, sidewalks and drainage facilities located on public property. The department is also responsible for cutting grass along city streets, state highways, three city cemeteries, five public parks, a closed city landfill, and all city buildings. The Public Works Department provides emergency services including road closing and sandbagging flood prone areas, debris removal and cleanup after storms, and storm drain maintenance. Public Works maintains all city sidewalks throughout the city limits, including replacing damaged sidewalks and installing new sidewalks as needed.

Recreation:

Overview - The City of Forsyth provides passive recreation. Forsyth City Council, through the bid process, worked with TSW to design an overall park plan for an upgrade and has pledged to use property taxes to fund these upgrades. The City of Forsyth was awarded a Land and Water Conservation Fund Grant in the amount of \$1.2 million with \$500,000 from the grant and the City pledging the remaining \$700,000 from the property taxes set aside for these projects. This grant provided funding for a portion of the overall park plan upgrade. The City borrowed over \$3 million to complete the remainder of the park plan upgrades. The Park Plan updates were finalized; construction and renovations were completed in 2024 for Country Club Park. Upgrades to Country Club Park included a new street through the park, sixteen pickleball courts, an extended walking trail, an amphitheater, and basketball court. A grand reopening was held in April 2025 for Country Club Park. Kynette Park's renovations began in 2025 and were completed in early 2026 which included a new splashpad, walking trail, updated baseball field, basketball court, two pavilions, and additional parking.

Community Development:

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

In 2025, the City saw the opening of over 50 small to moderate businesses. There were also successful meetings with larger businesses and developers concerning projects that would take place later within the city.

The Forsyth Main Street program, along with the Downtown Development Authority (a component of the City of Forsyth), falls under Community Development. In 2025, the Forsyth Main Street program conducted a successful Summer Concert series, to include a Fourth of July fireworks show, the farmers market running through the summer and fall, which included a monthly lunchtime live food truck and concert. Additionally, Main Street successfully hosted the Downtown Trick or Treat and the New Years Eve Block Party and Ball Drop. Keeping with the holiday spirit, the Main Street Director assisted with raising funds for the annual shop with a city hero event at Christmas for children in need.

Electric:

Overview - The Electric Department is responsible for supplying electricity to City of Forsyth residents for energy needs and minimizing power outages. The Electric Department maintains all streetlights throughout the city along with the lighting on I-75. The Electric Department maintains all rights-of-way for 59 miles of electric lines, maintains all city-owned utility poles, and builds new service lines as needed for new developments. This department is also responsible for monthly reading of all meters for utilities provided by the city, which in 2025 consisted of approximately 4,000 electric and 3,500 water meters.

Water and Sewer:

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

Convention and Visitors Bureau:

Overview - In January 2015, the City created the Convention and Visitors Bureau ("CVB"), which is a component unit of the City of Forsyth. The department is funded by 42.86% of the net revenues received through the hotel/motel tax. The CVB is responsible for promoting tourism, trade, and conventions in the City and operates the City of Forsyth Welcome Center.

The total hotel/motel tax revenue received in 2025 was \$726,238 with \$311,265 transferred to the CVB for promoting tourism, trade, and conventions in the City.

Financial Information

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that; (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

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

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

Budgetary control. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The level of budgetary control is on a departmental basis. A budget is legally adopted for the General Fund and all Special Revenue Fund types. Formal budgetary integration is employed as a management control device during the year. The budget is based on the same method of accounting as the fund it represents.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require the approval of the Chief Financial Officer. Increase in appropriations in a departmental budget or in a nondepartmental expense category requires approval of the governing body in the form of amendments to the budget ordinance.

General government functions. Municipal activities and services are accounted for in the General Fund, Capital Improvement Fund, Special Revenue Funds, Fiduciary Fund and Enterprise Funds.

Capital Improvement Fund. The capital improvement fund is used to account for capital projects that are being acquired or built. The City of Forsyth has one capital improvement fund: (1) SPLOST Fund

SPLOST Fund. The fund is used to account for Special Purpose Local Option Sales Tax Proceeds ("SPLOST") for approved capital improvements. Total revenues for 2025 equal \$1,288,334. Each SPLOST is passed by referendum and is collected for six years. The City of Forsyth entered into a Bond Agreement with Monroe County to borrow against the projected 2020 SPLOST proceeds and that allows us to expend funds before the proceeds are received. The City of Forsyth only bonds 75% of the estimate of the allowed projects.

Special Revenue Fund. The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specific purposes. The City has two Special Revenue Funds: (1) Hotel/Motel Tax Fund and (2) Special Police Revenue Fund.

Hotel/Motel Tax Fund. The fund is used to account for hotel/motel taxes collected for the use of tourism. Total revenues equal \$726,238 with Expenditures in the amount of \$311,265 for tourism.

Police Special Revenue Fund. The fund is used to account for police seizure monies from federal, state, and local agencies to be used on police expenditures. There was interest revenue of \$347.80 for the federal account, state interest revenue of \$3.20, and local revenues of \$11,592.12 and expenditures of \$34,873.97 in 2025 for this fund.

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

Combined Utilities Fund. The Combined Utilities Fund provides City residents billing statements for the consumption of electricity, water, and sewer. Total utility revenues for 2025 were \$18,180,726. Total operating expenditures for 2025 were \$18,515,717.

Relevant Financial Policies. Throughout the year, the city manager, and assistant city manager administer the governing council's approved financial policies. These policies address issuance of debt, purchasing and procurement, cash and investment management, and accounting practices. In total, these policies formulate the core criteria for which internal evaluations occur. On a continuous basis, these policies are reviewed to maintain relativity to the changing financial needs of the government.

Other Information

Independent Audit. State statutes require an annual audit by independent Certified Public Accountants. The accounting firm Mauldin & Jenkins was selected by the city council. The auditors' report on the general-purpose financial statements and combining individual fund statements and schedules is included in the financial section of this report.

Acknowledgments. The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the City's CPA, Charles Grinstead, my staff and the directors of each department. Each has my sincere appreciation for the contributions made in the preparation of this report.

Sincerely,

Regina L. Ivie

Regina L. Ivie
Assistant City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Forsyth
Georgia**

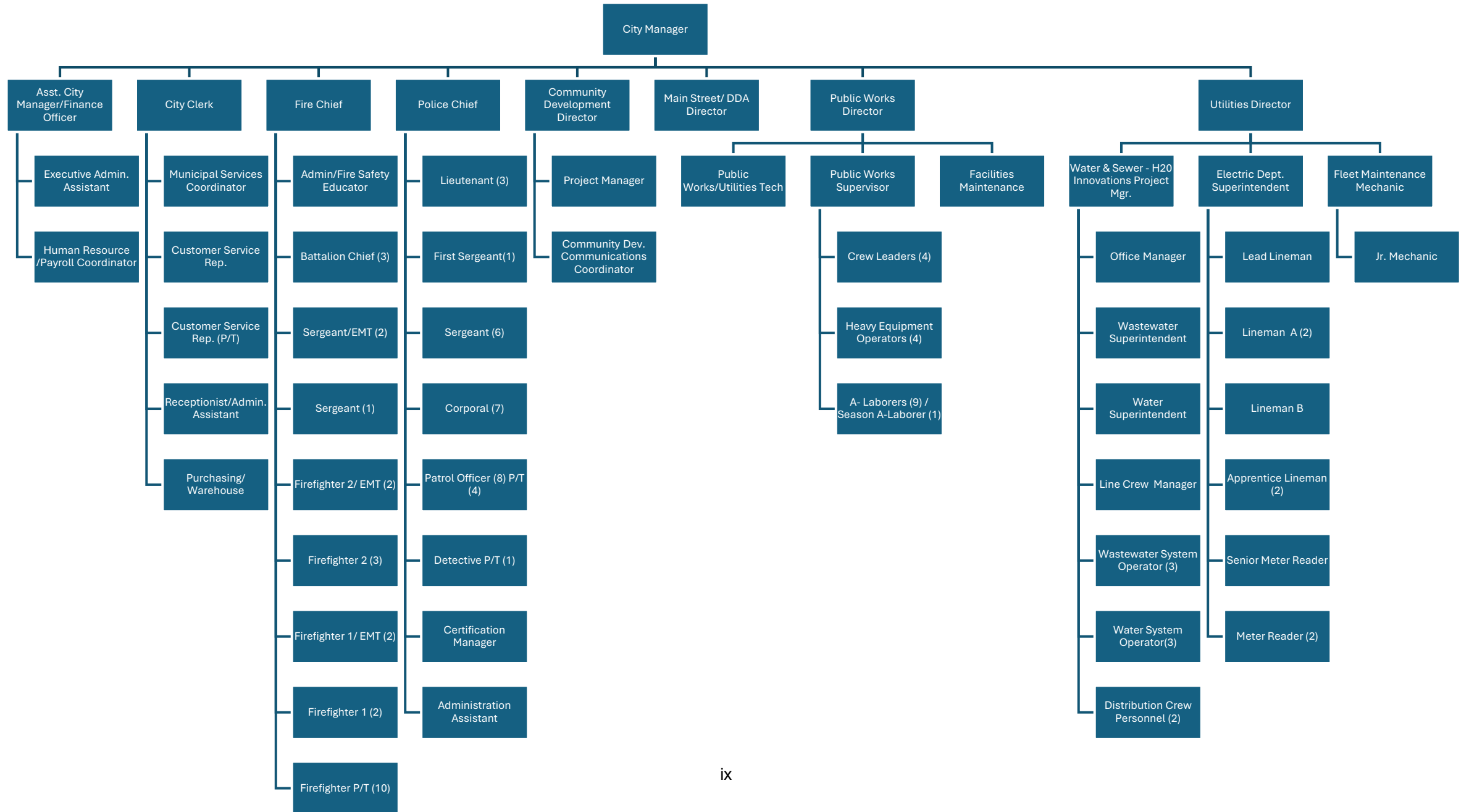
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

2025 City of Forsyth Organizational Chart



CITY OF FORSYTH, GEORGIA

LIST OF PRINCIPALS AS OF DECEMBER 31, 2025

Mayor

Eric S. Wilson

City Council Members

Josh Hill

Chris M. Hewett

Lois Allen

Mike E. Dodd

Gregory Goolsby

Charles Wilder

City Manager

Craig Mims

Assistant City Manager

Regina L. Ivie

City Clerk

Shayla Furlow

Police Chief

Woodrow Blue

Fire Chief

Kevin Bunn

Public Works Director

Vacant

Utilities Director

Michael Batchelor

Community Development

Dean Nelson

Downtown Development Authority/Main Street

Takemia Childs

Municipal Court Judge

Alyssa D. Peters

City Attorney

Brian Causey

City Auditors

Mauldin & Jenkins, LLC



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Forsyth, Georgia** (the "City") as of and for the year ended December 31, 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Hotel/Motel Tax Fund, and the Tourism Product Development Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the Balance Sheet and Statements of Revenues, Expenditures and Changes in Fund Balances for the discretely presented component units, the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds, as required by the O.C.G.A. §48-8-260 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds, the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds and the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the discretely presented component units are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is also responsible for the other information in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance 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 June 25, 2026, on our consideration of the City of Forsyth, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Forsyth, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
June 25, 2026

CITY OF FORSYTH, GEORGIA
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

As management of the City of Forsyth, Georgia (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City’s primary government activities exceeded its liabilities and deferred inflows as of December 31, 2025, by \$44,228,801.
- As of December 31, 2025, total net position consisted of \$32,168,143 net investment in capital assets, \$3,435,791 restricted for law enforcement and capital projects, and \$8,624,867 unrestricted.
- As of December 31, 2025, the City’s governmental funds reported ending fund balance of \$5,670,822, a decrease of \$3,419,991 from the prior year.
- As of December 31, 2025, the City’s General Fund reported ending fund balance of \$642,138, a decrease of \$1,452,411 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management’s Discussion and Analysis (“MD&A”) is intended to serve as an introduction to the City’s basic financial statements. The City’s financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The statements within the first component are government-wide financial statements that provide both long-term and short-term information about the City’s overall financial status in a manner similar to a private-sector business.

The statements within the second component are fund financial statements that focus on individual parts of the City government, reporting the City’s operations in more detail than the government-wide statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances. These two statements include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all the City’s assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through administrative fees and charges (business-type activities). The governmental activities of the city include general government, judicial, public safety, public works, housing and development, culture and recreation and better hometown.

The government-wide financial statements include not only the City government itself (known as the "primary government"), but also the component units of the Downtown Development Authority and the Forsyth Convention & Visitors Bureau Authority. Financial information for these component units is reported separately from the financial information presented for the primary government itself. Data for the component units are presented in a separate column to emphasize that it is legally separate from the city.

Fund Financial Statements

The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eight (8) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund, Capital Projects Fund, Special Purpose Local Option Sales Tax ("SPLOST") 2019 Fund, Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund, Hotel/Motel Tax Fund, and the Tourism Product Development Fund, of which are considered to be major funds. Data from the other governmental fund is combined into a single, aggregated presentation. Individual fund data for this nonmajor governmental fund is provided in the form of both combining statements and individual fund statements and schedules section of this report.

MANAGEMENT'S DISCUSSION & ANALYSIS

The City adopts an annual appropriated budget for its General Fund, Hotel/Motel Tax Fund and the Tourism Product Development Fund. A budgetary comparison statement for each fund has been provided to demonstrate compliance with this budget.

Proprietary Fund

The City maintains one (1) proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund to account for the operation of the Combined Utilities Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for this fund and are provided in the form of individual fund statements elsewhere in this report.

Fiduciary Fund

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one (1) fiduciary fund. The Municipal Court Fund is a custodial fund that accounts for the activity of the City's municipal court.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligations to provide pension to its employees. Required supplementary information can be found elsewhere in this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$44,228,801 at the close of the most recent year.

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF FORSYTH'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	\$ 6,571,457	\$ 11,303,546	\$ 13,115,354	\$ 12,753,310	\$ 19,686,811	\$ 24,056,856
Capital assets, net of accumulated depreciation	<u>20,704,839</u>	<u>17,205,608</u>	<u>18,236,190</u>	<u>17,008,959</u>	<u>38,941,029</u>	<u>34,214,567</u>
Total assets	<u>\$ 27,276,296</u>	<u>\$ 28,509,154</u>	<u>\$ 31,351,544</u>	<u>\$ 29,762,269</u>	<u>\$ 58,627,840</u>	<u>\$ 58,271,423</u>
Deferred outflows of resources	\$ 926,069	\$ 789,524	\$ -	\$ -	\$ 926,069	\$ 789,524
Liabilities						
Current and other	829,432	2,071,502	1,791,907	1,920,577	2,621,339	3,992,079
Long-term liabilities	<u>11,689,540</u>	<u>\$ 11,742,667</u>	<u>1,014,229</u>	<u>933,307</u>	<u>12,703,769</u>	<u>12,675,974</u>
Total liabilities	<u>\$ 12,518,972</u>	<u>\$ 13,814,169</u>	<u>\$ 2,806,136</u>	<u>\$ 2,853,884</u>	<u>\$ 15,325,108</u>	<u>\$ 16,668,053</u>
Deferred inflows of resources	\$ -	\$ 208,629	\$ -	\$ -	\$ -	\$ 208,629
Net position						
Net investment in capital assets	14,893,880	12,446,545	17,274,263	16,122,478	32,168,143	28,569,023
Restricted for:						
Debt service	-	-	-	-	-	-
Law enforcement	42,997	8,445	-	-	42,997	8,445
Capital projects	3,392,794	2,869,223	-	-	3,392,794	2,869,223
Unrestricted	<u>(2,646,278)</u>	<u>(48,333)</u>	<u>11,271,145</u>	<u>10,785,907</u>	<u>8,624,867</u>	<u>10,737,574</u>
Total net position	<u>\$ 15,683,393</u>	<u>\$ 15,275,880</u>	<u>\$ 28,545,408</u>	<u>\$ 26,908,385</u>	<u>\$ 44,228,801</u>	<u>\$ 42,184,265</u>

Current and other assets decreased in governmental activities by \$1,232,858 from the prior year. The decrease was mainly attributable to the City's interfund activities. Current and other assets increased in business-type activities by \$1,589,275 from the prior year. The increase was, in part, due to the City's interfund activity during the current year and capital purchases.

Capital assets net of accumulated depreciation increased in governmental activities by \$3,499,231 from the prior year due mainly to capital asset acquisitions in the current year.

Deferred outflows of resources increased in the governmental activities by \$136,545 due to pension assumption changes.

Deferred inflows of resources decreased in the governmental activities by \$208,629 due to the net difference between projected and actual earnings on pension plan investments.

Current and other liabilities for governmental and business-type activities combined decreased by \$1,370,740, which was mainly due to the decrease in accounts payable.

Long-term liabilities, which consist of notes, financed purchases, landfill post-closure care costs, and net pension liability, decreased by \$27,795 from the previous year for governmental and business-type activities combined. This decrease is mainly attributable to debt payments during the current year.

MANAGEMENT'S DISCUSSION & ANALYSIS

A significant portion of the City's net position, \$32,168,143, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$3,435,791, represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City's unrestricted net position had a balance of \$8,624,867.

The City's overall net position increased \$2 million from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

CITY OF FORSYTH'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program services:						
Charges for services	\$ 1,800,648	\$ 1,493,282	\$ 18,180,726	\$ 17,000,817	\$ 19,981,374	\$ 18,494,099
Operating grants and contributions	114,356	146,639	-	-	114,356	146,639
Capital grants and contributions	3,092,929	4,926,287	-	-	3,092,929	4,926,287
General revenues:						
Taxes	3,936,452	3,603,230	-	-	3,936,452	3,603,230
Investment and interest revenues	739	1,391	-	-	739	1,391
Other	-	-	-	-	-	-
Total revenues	<u>8,945,124</u>	<u>10,170,829</u>	<u>18,180,726</u>	<u>17,000,817</u>	<u>27,125,850</u>	<u>27,171,646</u>
Expenditures/expenses						
General government	2,291,296	2,152,472	-	-	2,291,296	2,152,472
Judicial	-	-	-	-	-	-
Public safety	5,304,430	5,000,096	-	-	5,304,430	5,000,096
Public works	3,071,209	2,521,845	-	-	3,071,209	2,521,845
Housing and development	311,266	332,469	-	-	311,266	332,469
Culture and recreation	593,070	571,964	-	-	593,070	571,964
Better Hometown	601,993	206,823	-	-	601,993	206,823
Interest	293,880	326,621	-	-	293,880	326,621
Combined utilities	-	-	12,614,170	11,525,827	12,614,170	11,525,827
Total expenses	<u>12,467,144</u>	<u>11,112,290</u>	<u>12,614,170</u>	<u>11,525,827</u>	<u>25,081,314</u>	<u>22,638,117</u>
Change in net position before transfers	(3,522,020)	(941,461)	5,566,556	5,474,990	2,044,536	4,533,529
Transfers	3,929,533	4,251,836	(3,929,533)	(4,251,836)	-	-
Change in net position	<u>407,513</u>	<u>3,310,375</u>	<u>1,637,023</u>	<u>1,223,154</u>	<u>2,044,536</u>	<u>4,533,529</u>
Net position, beginning, as restated	<u>15,275,880</u>	<u>11,965,505</u>	<u>26,908,385</u>	<u>25,685,231</u>	<u>42,184,265</u>	<u>37,650,736</u>
Net position, ending	<u>\$ 15,683,393</u>	<u>\$ 15,275,880</u>	<u>\$ 28,545,408</u>	<u>\$ 26,908,385</u>	<u>\$ 44,228,801</u>	<u>\$ 42,184,265</u>

MANAGEMENT'S DISCUSSION & ANALYSIS

Governmental activities

During the current year, net position for governmental activities increased \$407,513 from the prior year for an ending balance of \$15,683,393. The increase in the overall net position of governmental activities is primarily due to increase in transfers from the enterprise fund.

Revenues decreased \$1,225,705 from the prior year due to a decrease in grants and contributions as compared to the prior year.

Total expenses were \$1,354,855 (12%) higher than the prior year. The biggest areas of change were in the functional areas of:

- Public safety increased by \$304,334 (or 6%), Public works increased by \$549,364 (or 38%) and Culture and Recreation increased by \$386,247 due to recruitment and hiring efforts to fully staff each department. Public Works added additional staff to accommodate the additional needs with the newly renovated Country Club Park and Kynette Park as well as the beautification efforts for the city.

Business-type activities

For the City's business-type activities, the results for the current year were that overall net position increased to reach an ending balance of \$28,545,408. The City has one enterprise fund, the Combined Utilities Fund, which maintains the water and sewer operations and electric operations within the City. The total increase in net position for business-type activities was \$1,637,023 from the prior year. The increase, in large part, is attributable to the increase in transfers in to the governmental funds for capital related projects.

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council. On December 31, 2025, the City's governmental funds reported combined fund balances of \$5,670,822, a decrease of \$3,419,991 in comparison with the prior year.

Of this amount, \$161,110 (or 3%) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is restricted for particular purposes, \$5,509,712.

MANAGEMENT'S DISCUSSION & ANALYSIS

The General Fund is the chief operating fund of the City. At the end of the year, net change in fund balance for the General Fund decreased by \$1,452,411, which was due to the capital expenditures of the departments within the general fund and transfers out to the enterprise funds. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 5% of total General Fund expenditures, while total fund balance represents 5% of the same amount.

The Capital Projects Fund is a capital projects fund that accounts for the acquisition and construction of major capital projects. These resources must be used for various capital projects throughout the city. At the end of 2025, the Capital Projects Fund had a total fund balance of \$1,789,870, a decrease of \$1,387,206 from the prior year.

The 2019 SPLOST Capital Projects Fund accounts for the financial resources provided from the 1% SPLOST referendum that took place in November of 2019. These resources must be used for various capital projects and road improvements throughout the City. At the end of 2025, the 2019 SPLOST had a total fund balance of \$394,406, a decrease of \$667,872 from the prior year.

The TSPLOST Fund accounts for the financial resources provided from the TSPLOST referendum that took place in April of 2022. These resources must be used for road improvements throughout the City. At the end of 2025, the TSPLOST fund had a total fund balance of \$3,282,439, an increase of \$538,787 from the prior year.

The Hotel/Motel Tax Fund is a special revenue fund that accounts the collection and disbursement of monies from the hotel and motel taxes. At the end of 2025, the Hotel/Motel Tax Fund had a total fund balance of \$0.

The Tourism Product Development Fund is a special revenue fund used to account for a portion of the hotel/motel taxes collected by the City to be used for promotion of tourism. At the end of 2025, the Tourism Product Development Fund had a total fund deficit of \$481,029, a decrease of \$485,842 from the prior year.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. At the end of the current year, net investment in capital assets and unrestricted net position were \$17,274,263 and \$11,271,145, respectively. As noted earlier, the increase in net position for the Combined Utilities Fund was due to the City's interfund activity for the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the City revised the budget on one occasion. Generally, budget amendments fall into one of three categories; 1) amendments made to adjust the estimates used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

The General Fund's total expenditures of \$12,037,149 included capital outlay expenditures of \$604,094 with additional debt service outlay with principal of \$439,500 and interest of \$286,231.

MANAGEMENT'S DISCUSSION & ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounts to \$38,941,029 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, distribution systems, equipment, and construction in progress.

The total net increase in the City's investment in capital assets for the current year was 13.8% (an increase of 20.3% and increase of 7.2% for governmental activities and business-type activities, respectively). Some of the major capital asset events for the current year include the purchase of vehicles and new construction in progress for distribution systems. Additional information on the City's capital assets can be found in Note 5.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land improvements	\$ 8,709,352	\$ 2,901,936	\$ -	\$ -	\$ 8,709,352	\$ 2,901,936
Distribution system	-	-	34,831,078	33,848,583	34,831,078	33,848,583
Buildings and improvements	7,600,366	7,557,360	5,196,155	5,196,155	12,796,521	12,753,515
Infrastructure	6,149,651	4,717,831	-	-	6,149,651	4,717,831
Machinery and equipment	2,614,263	2,426,009	1,926,723	1,666,966	4,540,986	4,092,975
Vehicles	5,561,293	5,261,512	1,753,943	1,542,536	7,315,236	6,804,048
Land	1,132,693	1,132,693	249,261	249,261	1,381,954	1,381,954
Construction in progress	-	3,035,822	3,143,019	2,252,451	3,143,019	5,288,273
Total capital assets	31,767,618	27,033,163	47,100,179	44,755,952	78,867,797	71,789,115
Accumulated depreciation	(11,062,779)	(9,827,555)	(28,863,989)	(27,746,993)	(39,926,768)	(37,574,548)
Total capital assets, net	\$ 20,704,839	\$ 17,205,608	\$ 18,236,190	\$ 17,008,959	\$ 38,941,029	\$ 34,214,567

Long-Term Debt

As of December 31, 2025, the City had approximately \$9.7 million in outstanding long-term debt, which does not include interest expense.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Financed purchases	\$ 402,910	\$ 532,513	\$ 325,562	\$ 202,990	\$ 728,472	\$ 735,503
Landfill post-closure costs	1,190,110	1,162,217	-	-	1,190,110	1,162,217
Notes payable	7,143,729	7,453,626	636,365	683,491	7,780,094	8,137,117
	\$ 8,736,749	\$ 9,148,356	\$ 961,927	\$ 886,481	\$ 9,698,676	\$ 10,034,837

MANAGEMENT'S DISCUSSION & ANALYSIS

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the city and were considered in developing the 2025 budget.

- The unemployment rate for the city is currently 2.9%, a slight decrease of 0.5% from the prior year.
- An 3% increase in the rates on the City's current fee schedule for water and sewer.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Forsyth, Georgia's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Mrs. Regina Ivie
P.O. Box 1447
Forsyth, Georgia 31029

BASIC FINANCIAL STATEMENTS

CITY OF FORSYTH, GEORGIA

**STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
ASSETS					
Cash and cash equivalents	\$ 5,941,730	\$ 114	\$ 5,941,844	\$ 235,977	\$ 71,465
Investments	-	11,238,118	11,238,118	-	-
Accounts receivable, net of allowances:					
Taxes	88,025	-	88,025	-	-
Accounts	30,162	925,774	955,936	-	-
Due from other governments	979,749	-	979,749	-	-
Internal balances	(506,492)	506,492	-	-	-
Due from primary government	-	-	-	39,822	-
Due from component unit	38,265	-	38,265	-	-
Inventories	-	433,584	433,584	-	-
Prepaid expenses	-	11,272	11,272	-	-
Capital assets, non-depreciable	1,132,693	3,392,280	4,524,973	-	-
Capital assets, depreciable, net of accumulated depreciation	19,572,146	14,843,910	34,416,056	-	155,542
Total assets	27,276,278	31,351,544	58,627,822	275,799	227,007
DEFERRED OUTFLOWS OF RESOURCES					
Pension	926,069	-	926,069	-	-
Total deferred outflows of resources	926,069	-	926,069	-	-
LIABILITIES					
Accounts payable	461,766	1,171,251	1,633,017	17,802	-
Retainage payable	58,996	-	58,996	-	-
Accrued liabilities	157,745	70,182	227,927	-	-
Due to component unit	39,822	-	39,822	-	-
Due to primary government from component units	-	-	-	38,265	-
Due to other governments	170,081	-	170,081	-	-
Customer deposits	-	550,474	550,474	-	-
Financed purchases due within one year	136,614	94,952	231,566	-	-
Financed purchases due in more than one year	266,296	230,610	496,906	-	-
Compensated absences due within one year	252,577	41,842	294,419	-	-
Compensated absences due in more than one year	63,144	10,460	73,604	-	-
Notes payable due within one year	321,039	48,265	369,304	-	-
Notes payable due in more than one year	6,822,690	588,100	7,410,790	-	-
Net pension liability due in more than one year	2,578,074	-	2,578,074	-	-
Landfill post-closure care costs due in more than one year	1,190,110	-	1,190,110	-	-
Total liabilities	12,518,954	2,806,136	15,325,090	56,067	-
NET POSITION					
Net investment in capital assets	14,893,880	17,274,263	32,168,143	-	155,542
Restricted for:					
Law enforcement	42,997	-	42,997	-	-
Capital projects	3,392,794	-	3,392,794	-	-
Unrestricted	(2,646,278)	11,271,145	8,624,867	219,732	71,465
Total net position	\$ 15,683,393	\$ 28,545,408	\$ 44,228,801	\$ 219,732	\$ 227,007

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 2,291,296	\$ 640,571	\$ -	\$ -
Judicial	-	605,083	-	-
Public safety	5,304,430	69,077	112,579	12,549
Public works	3,071,209	485,917	1,764	2,630,380
Housing and development	311,266	-	-	-
Culture and recreation	593,070	-	13	450,000
Better Hometown	601,993	-	-	-
Interest on long-term debt	293,880	-	-	-
Total governmental activities	<u>12,467,144</u>	<u>1,800,648</u>	<u>114,356</u>	<u>3,092,929</u>
Business-type activities:				
Water and sewer	4,344,977	4,764,318	-	-
Electric	8,269,193	13,416,408	-	-
Total business-type activities	<u>12,614,170</u>	<u>18,180,726</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 25,081,314</u>	<u>\$ 19,981,374</u>	<u>\$ 114,356</u>	<u>\$ 3,092,929</u>
Component units				
Forsyth Convention and Visitors Bureau Authority	\$ 391,865	\$ 311,485	\$ -	\$ -
Downtown Development Authority	9,068	37	-	-
Total component units	<u>\$ 400,933</u>	<u>\$ 311,522</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Sales taxes				
Property taxes				
Franchise taxes				
Alcoholic beverage excise taxes				
Insurance premium taxes				
Other taxes				
Unrestricted investment earnings				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			Component Units		
Primary Government					
Governmental Activities	Business-type Activities	Total	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority	
\$ (1,650,725)	\$ -	\$ (1,650,725)	\$ -	\$ -	
605,083	-	605,083	-	-	
(5,110,225)	-	(5,110,225)	-	-	
46,852	-	46,852	-	-	
(311,266)	-	(311,266)	-	-	
(143,057)	-	(143,057)	-	-	
(601,993)	-	(601,993)	-	-	
(293,880)	-	(293,880)	-	-	
<u>(7,459,211)</u>	<u>-</u>	<u>(7,459,211)</u>	<u>-</u>	<u>-</u>	
-	419,341	419,341	-	-	
-	5,147,215	5,147,215	-	-	
-	5,566,556	5,566,556	-	-	
<u>(7,459,211)</u>	<u>5,566,556</u>	<u>(1,892,655)</u>	<u>-</u>	<u>-</u>	
-	-	-	(80,380)	-	
-	-	-	-	(9,031)	
-	-	-	<u>(80,380)</u>	<u>(9,031)</u>	
1,800,252	-	1,800,252	-	-	
618,482	-	618,482	-	-	
98,291	-	98,291	-	-	
214,645	-	214,645	-	-	
478,545	-	478,545	-	-	
726,237	-	726,237	-	-	
739	-	739	133	-	
3,929,533	(3,929,533)	-	-	-	
7,866,724	(3,929,533)	3,937,191	133	-	
407,513	1,637,023	2,044,536	(80,247)	(9,031)	
15,275,880	26,908,385	42,184,265	299,979	236,038	
<u>\$ 15,683,393</u>	<u>\$ 28,545,408</u>	<u>\$ 44,228,801</u>	<u>\$ 219,732</u>	<u>\$ 227,007</u>	

CITY OF FORSYTH, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>SPLOST 2019 Fund</u>
ASSETS			
Cash and cash equivalents	\$ 217,520	\$ 2,073,921	\$ 377,204
Accounts receivable, net of allowances:			
Taxes	47,062	-	-
Accounts	30,162	-	-
Due from other governments	522,190	-	239,472
Due from other funds	139,412	-	-
Due from component unit	38,265	-	-
Total assets	<u>\$ 994,611</u>	<u>\$ 2,073,921</u>	<u>\$ 616,676</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts payable	\$ 182,521	\$ 225,055	\$ 54,190
Retainage payable	-	58,996	-
Accrued liabilities	133,298	-	-
Due to component unit	-	-	-
Due to other funds	-	-	-
Advance from other funds	-	-	-
Due to other governments	-	-	168,080
Total liabilities	<u>315,819</u>	<u>284,051</u>	<u>222,270</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>36,654</u>	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	<u>36,654</u>	-	-

			<i>(Previously Nonmajor)</i>		
TSPLOST Fund	Hotel/Motel Tax Fund	Tourism Product Development Fund	Nonmajor Governmental Funds	Total Governmental Funds	
\$ 3,064,352	\$ 149,665	\$ 16,071	\$ 42,997	\$ 5,941,730	
-	40,963	-	-	88,025	
-	-	-	-	30,162	
218,087	-	-	-	979,749	
-	-	9,393	-	148,805	
-	-	-	-	38,265	
<u>\$ 3,282,439</u>	<u>\$ 190,628</u>	<u>\$ 25,464</u>	<u>\$ 42,997</u>	<u>\$ 7,226,736</u>	

\$ -	\$ -	\$ -	\$ -	\$ 461,766	
-	-	-	-	58,996	
-	-	-	-	133,298	
-	39,822	-	-	39,822	
-	148,805	-	-	148,805	
-	-	506,492	-	506,492	
-	2,001	-	-	170,081	
<u>-</u>	<u>190,628</u>	<u>506,492</u>	<u>-</u>	<u>1,519,260</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,654</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,654</u>	

(Continued)

CITY OF FORSYTH, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>SPLOST 2019 Fund</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS) (CONTINUED)			
FUND BALANCES			
Fund balances:			
Restricted:			
Law enforcement	\$ -	\$ -	\$ -
Capital projects	-	1,789,870	394,406
Unassigned	<u>642,138</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>642,138</u>	<u>1,789,870</u>	<u>394,406</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 994,611</u>	<u>\$ 2,073,921</u>	<u>\$ 616,676</u>

Amounts reported for governmental activities in the Statement of Net Position are different because:

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.
- The net pension liability and related deferred outflows and inflows of resources are not financial resources and, therefore, are not reported in the governmental funds.
- Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net position of governmental activities

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

TSPLOST Fund	Hotel/Motel Tax Fund	<i>(Previously Nonmajor)</i> Tourism Product Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 42,997	\$ 42,997
3,282,439	-	-	-	5,466,715
-	-	(481,028)	-	161,110
<u>3,282,439</u>	<u>-</u>	<u>(481,028)</u>	<u>42,997</u>	<u>5,670,822</u>
<u>\$ 3,282,439</u>	<u>\$ 190,628</u>	<u>\$ 25,464</u>	<u>\$ 42,997</u>	

20,704,839

36,654

(1,652,005)

(9,076,917)

\$ 15,683,393

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>SPLOST 2019 Fund</u>
Revenues			
Taxes:			
Property taxes	\$ 600,553	\$ -	\$ -
Sales taxes	1,800,252	-	-
Insurance premium taxes	478,545	-	-
Beer, wine and alcohol taxes	214,645	-	-
Franchise taxes	98,291	-	-
Other taxes	-	-	-
Licenses and permits	128,979	-	-
Intergovernmental	634,895	-	1,288,334
Fines and forfeitures	605,083	-	-
Charges for services	485,917	-	-
Interest revenue	739	112,192	387
Other revenues	511,592	-	-
Total revenues	<u>5,559,491</u>	<u>112,192</u>	<u>1,288,721</u>
Expenditures			
Current:			
General government	2,077,355	158	-
Public safety	5,166,109	-	-
Public works	2,537,379	-	-
Housing and development	-	-	-
Better Hometown	601,993	-	-
Recreation	928,582	-	-
Capital outlay	-	1,549,240	1,940,593
Debt service:			
Principal	439,500	-	-
Interest	286,231	-	16,000
Total expenditures	<u>12,037,149</u>	<u>1,549,398</u>	<u>1,956,593</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,477,658)</u>	<u>(1,437,206)</u>	<u>(667,872)</u>

TSPLOST Fund	Hotel/Motel Tax Fund	<i>(Previously Major)</i> Local Fiscal Recovery Funds	<i>(Previously Nonmajor)</i> Tourism Product Development Fund	Nonmajor Governmental Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,553
-	-	-	-	-	1,800,252
-	-	-	-	-	478,545
-	-	-	-	-	214,645
-	-	-	-	-	98,291
-	726,237	-	-	-	726,237
-	-	-	-	-	128,979
1,169,700	-	-	-	-	3,092,929
-	-	-	-	69,077	674,160
-	-	-	-	-	485,917
1,413	-	-	13	351	115,095
-	-	-	-	-	511,592
<u>1,171,113</u>	<u>726,237</u>	<u>-</u>	<u>13</u>	<u>69,428</u>	<u>8,927,195</u>
-	-	-	-	-	2,077,513
-	-	-	-	34,874	5,200,983
-	-	-	-	-	2,537,379
-	311,266	-	-	-	311,266
-	-	-	-	-	601,993
-	-	-	703,968	-	1,632,550
632,326	-	-	-	-	4,122,159
-	-	-	-	-	439,500
-	-	-	-	-	302,231
<u>632,326</u>	<u>311,266</u>	<u>-</u>	<u>703,968</u>	<u>34,874</u>	<u>17,225,574</u>
<u>538,787</u>	<u>414,971</u>	<u>-</u>	<u>(703,955)</u>	<u>34,554</u>	<u>(8,298,379)</u>

(Continued)

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	General Fund	Capital Projects Fund	SPLOST 2019 Fund
Other financing sources (uses)			
Transfers in	\$ 6,998,011	\$ 50,000	\$ -
Transfers out	(1,972,764)	-	-
Total other financing sources (uses)	5,025,247	50,000	-
Net change in fund balances	(1,452,411)	(1,387,206)	(667,872)
Fund balances, beginning of year, as previously reported	2,094,549	3,177,076	1,062,278
Change within financial reporting entity (nonmajor to major fund)	-	-	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-
Fund balances, beginning of year, as adjusted	2,094,549	3,177,076	1,062,278
Fund balances (deficits), end of year	\$ 642,138	\$ 1,789,870	\$ 394,406

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

TSPLOST Fund	Hotel/Motel Tax Fund	<i>(Previously Major)</i> Local Fiscal Recovery Funds	<i>(Previously Nonmajor)</i> Tourism Product Development Fund	Nonmajor Governmental Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 218,114	\$ -	\$ 7,266,125
-	(414,971)	-	-	(2)	(2,387,737)
-	(414,971)	-	218,114	(2)	4,878,388
538,787	-	-	(485,841)	34,552	(3,419,991)
2,743,652	-	2	-	13,256	9,090,813
-	-	-	4,813	(4,813)	-
-	-	(2)	-	2	-
2,743,652	-	-	4,813	8,445	9,090,813
<u>\$ 3,282,439</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (481,028)</u>	<u>\$ 42,997</u>	<u>\$ 5,670,822</u>

CITY OF FORSYTH, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2025

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

Net change in fund balances - total governmental funds	\$ (3,419,991)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	4,448,086
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, transfers to proprietary funds and donations) is to decrease net position.	(948,855)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	17,929
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	439,500
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>(129,156)</u>
Change in net position - governmental activities	<u>\$ 407,513</u>

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 581,000	\$ 581,000	\$ 600,553	\$ 19,553
Sales taxes	1,750,000	1,750,000	1,800,252	50,252
Insurance premium taxes	460,000	460,000	478,545	18,545
Beer, wine and alcohol taxes	238,000	238,000	214,645	(23,355)
Franchise taxes	144,000	144,000	98,291	(45,709)
Licenses and permits	162,300	162,300	128,979	(33,321)
Intergovernmental	550,000	550,000	634,895	84,895
Fines and forfeitures	920,500	920,500	605,083	(315,417)
Charges for services	471,000	471,000	485,917	14,917
Interest revenue	1,200	1,200	739	(461)
Miscellaneous income	257,200	400,700	511,592	110,892
Total revenues	<u>5,535,200</u>	<u>5,678,700</u>	<u>5,559,491</u>	<u>(119,209)</u>
Expenditures				
Current:				
General government:				
Administration	1,281,100	1,420,713	1,420,713	-
Governing body	170,003	173,003	172,408	595
Mayor	430,600	448,600	447,080	1,520
Elections	31,000	38,000	37,154	846
Total general government	<u>1,912,703</u>	<u>2,080,316</u>	<u>2,077,355</u>	<u>2,961</u>
Public safety:				
Police	3,290,250	3,238,002	2,888,464	349,538
Fire	2,135,276	2,147,911	2,147,911	-
Municipal court	136,850	136,850	129,734	7,116
Total public safety	<u>5,562,376</u>	<u>5,522,763</u>	<u>5,166,109</u>	<u>356,654</u>
Public works:				
Streets/sanitation	2,035,368	1,840,368	1,798,650	41,718
Garage	331,508	398,508	376,499	22,009
Cemetery	289,700	415,700	362,230	53,470
Total public works	<u>2,656,576</u>	<u>2,654,576</u>	<u>2,537,379</u>	<u>117,197</u>
Better Hometown	<u>645,480</u>	<u>662,980</u>	<u>601,993</u>	<u>60,987</u>
Recreation	<u>1,014,200</u>	<u>1,014,200</u>	<u>928,582</u>	<u>85,618</u>
Debt service:				
Principal	452,898	452,898	439,500	13,398
Interest	286,231	286,231	286,231	-
Total debt service	<u>739,129</u>	<u>739,129</u>	<u>725,731</u>	<u>13,398</u>
Total expenditures	<u>12,530,464</u>	<u>12,673,964</u>	<u>12,037,149</u>	<u>636,815</u>
Deficiency of revenues under expenditures	(6,995,264)	(6,995,264)	(6,477,658)	517,606

(Continued)

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources				
Transfers in	\$ 6,995,264	\$ 6,995,264	\$ 6,998,011	\$ (2,747)
Transfers out	-	-	(1,972,764)	1,972,764
Total other financing sources	<u>6,995,264</u>	<u>6,995,264</u>	<u>5,025,247</u>	<u>1,970,017</u>
Net change in fund balances	-	-	(1,452,411)	(1,452,411)
Fund balances, beginning of year	<u>2,094,549</u>	<u>2,094,549</u>	<u>2,094,549</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,094,549</u>	<u>\$ 2,094,549</u>	<u>\$ 642,138</u>	<u>\$ (1,452,411)</u>

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
HOTEL/MOTEL TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 720,000	\$ 720,000	\$ 726,237	\$ 6,237
Total revenues	720,000	720,000	726,237	6,237
Expenditures				
Current:				
Housing and development	308,520	308,520	311,266	(2,746)
Total expenditures	308,520	308,520	311,266	(2,746)
Excess of revenues over expenditures	411,480	411,480	414,971	3,491
Other financing uses				
Transfers out	(411,480)	(411,480)	(414,971)	(3,491)
Total other financing uses	(411,480)	(411,480)	(414,971)	(3,491)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
TOURISM PRODUCT DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues			
Interest revenue	\$ -	\$ 13	\$ 13
Total revenues	<u>-</u>	<u>13</u>	<u>13</u>
Expenditures			
Current:			
Recreation	<u>703,968</u>	<u>703,968</u>	<u>-</u>
Total expenditures	<u>703,968</u>	<u>703,968</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(703,968)</u>	<u>(703,955)</u>	<u>13</u>
Other financing sources			
Transfers in	<u>217,368</u>	<u>218,114</u>	<u>746</u>
Total other financing sources	<u>217,368</u>	<u>218,114</u>	<u>746</u>
Net change in fund balances	(486,600)	(485,841)	759
Fund balances, beginning of year	<u>4,813</u>	<u>4,813</u>	<u>-</u>
Fund balances (deficit), end of year	<u><u>\$ (481,787)</u></u>	<u><u>\$ (481,028)</u></u>	<u><u>\$ 759</u></u>

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF NET POSITION
 PROPRIETARY FUND
 DECEMBER 31, 2025**

		Major Enterprise Fund Combined Utilities Fund
<hr/>		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		\$ 114
Investments		11,238,118
Accounts receivable, net of allowances		925,774
Inventories		433,584
Prepaid expenses		11,272
		<hr/>
Total current assets		12,608,862
NON-CURRENT ASSETS		
Advance to other funds		506,492
Capital assets:		
Capital assets, non-depreciable		3,392,280
Capital assets, depreciable, net of accumulated depreciation		14,843,910
		<hr/>
Total capital assets		18,236,190
		<hr/>
Total non-current assets		18,742,682
		<hr/>
Total assets		31,351,544
<hr/>		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		1,171,251
Accrued liabilities		70,182
Customer deposits payable		550,474
Notes payable, current portion		48,265
Financed purchases, current portion		94,952
Compensated absences current portion		41,842
		<hr/>
Total current liabilities		1,976,966
NON-CURRENT LIABILITIES		
Notes payable, net of current portion		588,100
Financed purchases, net of current portion		230,610
Compensated absences, net of current portion		10,460
		<hr/>
Total non-current liabilities		829,170
		<hr/>
Total liabilities		2,806,136
<hr/>		
NET POSITION		
Net investment in capital assets		17,274,263
Unrestricted		11,271,145
		<hr/>
Total net position		\$ 28,545,408
<hr/>		

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Major Enterprise Fund Combined Utilities Fund
OPERATING REVENUES	
Charges for services:	
Water and sewer sales	\$ 4,764,318
Electric sales	13,386,679
Intergovernmental	29,729
Total operating revenues	18,180,726
OPERATING EXPENSES	
Personnel services	1,167,328
Purchase of utilities	7,665,440
Material and supplies	1,309,797
Repairs and maintenance	388,298
Depreciation	1,116,996
Management fees	1,452,170
Miscellaneous	326,012
Total operating expenses	13,426,041
Operating income	4,754,685
NON-OPERATING INCOME (EXPENSES)	
Investment earnings	854,235
Interest expense	(42,364)
Total non-operating income, net	811,871
Income before transfers and capital contributions	5,566,556
TRANSFERS	
Transfers in	1,922,764
Transfers out	(6,801,152)
Total transfers	(4,878,388)
CAPITAL CONTRIBUTIONS	
Change in net position	948,855
Change in net position	1,637,023
NET POSITION, beginning of year	26,908,385
NET POSITION, end of year	\$ 28,545,408

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Major Enterprise Fund Combined Utilities Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 18,097,140
Intergovernmental	29,729
Payments to suppliers and service providers	(11,931,520)
Payments to employees	(1,149,346)
	5,046,003
Net cash provided by operating activities	5,046,003
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	1,922,764
Transfers out	(6,801,152)
	(4,878,388)
Net cash used in non-capital financing activities	(4,878,388)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of property and equipment	(1,395,372)
Proceeds from financed purchases	211,407
Principal paid on notes payable	(47,126)
Principal paid on financed purchases	(88,835)
	(1,319,926)
Net cash used in capital and related financing activities	(1,319,926)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	340,390
Interest earned	811,871
	1,152,261
Net cash provided by investing activities	1,152,261
Decrease in cash and cash equivalents	(50)
Cash and cash equivalents:	
Beginning of year	164
End of year	\$ 114

(Continued)

CITY OF FORSYTH, GEORGIA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2025**

	Major Enterprise Fund
	Combined Utilities Fund
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 4,754,685
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,116,996
(Increase) decrease in assets:	
Accounts receivable	(53,857)
Inventories	(49,250)
Due from other governments	22,500
Advance to other funds	(506,492)
Prepaid expenses	(334)
Increase (decrease) in liabilities:	
Accrued liabilities	4,593
Accounts payable	(141,176)
Customer deposits payable	7,913
Due to other funds	(115,051)
Compensated absences	5,476
	5,476
Net cash provided by operating activities	\$ 5,046,003
Noncash capital and related financing activities:	
Contributions of capital assets from governmental funds	\$ 948,855

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2025**

	<u>Custodial Fund Municipal Court</u>
ASSETS	
Cash and cash equivalents	\$ 119,228
Total assets	<u>119,228</u>
LIABILITIES	
Due to others	<u>50,883</u>
Total liabilities	<u>50,883</u>
NET POSITION	
Restricted:	
Individuals, organizations, and other governments	<u>68,345</u>
Total net position	<u>\$ 68,345</u>

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

CITY OF FORSYTH, GEORGIA

**STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Custodial Fund Municipal Court</u>
ADDITIONS	
Fines and fees	\$ 847,404
Total additions	<u>847,404</u>
DEDUCTIONS	
Taxes and fees paid to other governments	790,477
Other custodial disbursements	<u>27,247</u>
Total deductions	<u>817,724</u>
Change in fiduciary net position	29,680
NET POSITION, beginning of year	<u>38,665</u>
NET POSITION, end of year	<u><u>\$ 68,345</u></u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF FORSYTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City is a municipal corporation governed by an elected Mayor and six-member Council. The legislative authority of the government of this City shall be vested in a City Council to be composed of a Mayor and six (6) Council members. The City Council established shall, in all respects, be a successor to and continuation of the governing authority under prior law. The Mayor and Council members shall be elected in the manner provided by general law and by the City’s charter. The City Manager is the Chief Executive Officer of the City. As such, he/she is responsible to the City Council for the administration of all City affairs placed in the manager’s charge by or under the City’s charter. The City provides the following services and operations as authorized by its charter: public safety (police and fire); public works; parks and recreation; housing and development; and public utilities (water and sewer and electric). As required by accounting principles generally accepted in the United States of America, these financial statements include the accounts of all City operations and all activities of the City.

The accompanying financial statements present the government and its component units, an entity for which the government is considered to be financial accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely presented component units

The **Downtown Development Authority of Forsyth (the “DDA”)** – The DDA was utilized to issue bonds related to the purchase and establishment of the cable system for the City. The governing board is appointed by the City Council. The City possesses the authority to review, approve and revise the budget and governs collection and disbursement of funds. The DDA is audited and included along with the primary government financial statements in accordance with GASB Statement No. 14, as amended by Statements No. 34 and 61. The DDA does not issue separate component unit financial statements.

The City of Forsyth Convention and Visitors Bureau Authority (the “Authority”) – The City Council appoints all of the members of the Authority’s board. The City possesses the authority to review, approve, and revise the budget and governs collection and disbursement of funds. The Authority is audited and included along with the primary government financial statements in accordance with GASB Statement No. 14, as amended by Statements No. 34 and 61. The Authority does not issue separate component unit financial statements.

NOTES TO FINANCIAL STATEMENTS

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 non-fiduciary activities of the primary government and of its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes or other items not properly included among program revenues are reported instead as general revenues.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

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

The **Capital Projects Fund** accounts for the acquisition and construction or improvement of major capital projects.

The **Special Purpose Local Option Sales Tax 2019 (the "SPLOST 2019") Fund** is a Capital Projects Fund that accounts for the receipts and disbursements of the 2019 1% SPLOST collected for various capital related projects.

The **Transportation Special Purpose Local Option Sales Tax (the "TSPLOST") Fund** is a Capital Projects Fund that accounts for capital projects activity funded by TSPLOST funds specifically for public service.

The **Hotel/Motel Tax Fund** is a Special Revenue Fund that is used to account for hotel/motel taxes collected at the City.

The **Tourism Product Development Fund** is a Special Revenue Fund that is used to account for a portion of the hotel/motel taxes collected by the City to be used for promotion of tourism.

The City reports the following major proprietary fund:

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

The City reports the following custodial fund:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the City reports the following fund types:

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the combined utility system fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the special revenue funds. The capital projects are appropriated on a project length basis. All annual appropriations lapse at year-end.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

The appropriated budget is prepared by fund, function, and department. The government's department head may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The Council made several supplemental budgetary appropriations throughout the year.

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

F. Deposits and Investments

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

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments.

The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values. Increases or decreases in the fair value during the year are recognized as a component of interest income.

G. Inventory and Prepaid Items

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Receivables and Payables

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

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

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

I. Short-Term Interfund Receivables/Payables

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

J. Restricted Assets

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

K. Capital Assets

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

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

<u>Asset</u>	<u>Years</u>
Buildings	40
Land improvements	10
Infrastructure	40
Distribution system	30
Vehicles	5
Furniture, fixtures and equipment	5
Machinery and equipment	3 - 40

L. Compensated Absences

In accordance with the City's policy, employees are entitled to annual vacation and sick leave. Sick pay is accumulated and in accordance with GASB Statement No. 101, an estimate for the time to be used during employment has been accrued. A liability for the estimated sick leave earned has been accrued in the government-wide and proprietary fund financial statements. All vacation pay is accrued when incurred in the government-wide, and proprietary fund financial statements. A maximum of three weeks of unused vacation hours are eligible for rollover for all City employees. Upon termination of employment, employees will be paid for unused annual vacation leave that has been earned through the last day of work. The annual sick leave benefits can accumulate up to three years equivalent but the accumulated sick leave will not be paid when employees leave the City's employment.

M. Long-Term Obligations

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity

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

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

- **Non-spendable** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager or the City Clerk to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

- Committed
- Assigned
- Unassigned

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

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

O. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. All items relate to the City's Retirement Plan, which are reported in the government-wide Statement of Net Position. Experience differences result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience differences are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. The net difference between projected and actual earnings on pension plan investments is deferred and amortized against pension expense over a specified period, resulting in recognition as deferred inflows of resources. Additionally, any contributions made by the City to the pension plan, before year-end but subsequent to the measurement date of the City's net pension liability, are reported as deferred outflows of resources.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. *Unavailable revenue*, was reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from property taxes and this amount was deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

Q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the City of Forsyth Retirement Plan (the "Retirement Plan") and additions to/deductions from the Retirement Plan's fiduciary net position have been determined on the same basis as they are reported by the respective plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

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

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

The Governmental Funds Balance Sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Accrued interest payable	\$ (24,447)
Compensated absences payable	(315,721)
Notes payable	(7,143,729)
Financed purchases	(402,910)
Landfill post-closure care costs	<u>(1,190,110)</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 <u><u>\$ (9,076,917)</u></u>

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 5,683,310
Depreciation expense	<u>(1,235,224)</u>
 Net adjustment to increase <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	 <u><u>\$ 4,448,086</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect of net position.” The details of this difference are as follows:

Principal repayments:

Notes payable	\$ 309,897
Financed purchases	<u>129,603</u>

Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 439,500</u>
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Another element of that reconciliation explains that “Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences	\$ (66,814)
Landfill post-closure care costs	(27,893)
Accrued interest	8,351
Net pension liability and related deferred outflows and inflows of resources	<u>(42,800)</u>

Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (129,156)</u>
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NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2025 are summarized as follows:

Amount as presented on the entity-wide Statements of Net Position:	
Cash and cash equivalents	\$ 5,941,844
Investments	11,238,118
Amounts as presented on the fiduciary Statement of Net Position:	
Cash and cash equivalents - Custodial Fund	119,228
Component Units - cash and cash equivalents	307,442
Total	\$ 17,606,632
Cash deposited with financial institutions	\$ 6,368,514
Investments in the Municipal Competitive Trust	11,238,118
Total	\$ 17,606,632

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the City's policy to limit its investments to those allowed and authorized by state law. As of December 31, 2025, the City's investment in the Municipal Competitive Trust was not rated.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of December 31, 2025, the City had the following investments:

Investment	Weighted Average Maturities	Fair Value
Municipal Competitive Trust (Interm. Ext. Mat.)	4.34 years	\$ 7,967,188
Municipal Competitive Trust (Intermediate)	3.36 years	1,615,431
Municipal Competitive Trust (Short-Term)	207 days	1,655,499
		\$ 11,238,118

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City's only investments that are required to be disclosed in the fair value hierarchy are its holdings in the Municipal Competitive Trust, which are considered to be Level 2 investments. These investments are valued using comparative observable input market data, including, but not limited to: benchmark yields or yield curves; historic sector, security, or issuer relative pricing; observed or reported trades of like assets broker dealer quotes; or quantitative pricing models using any or all of this market data.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2025, the City did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

NOTE 4. RECEIVABLES

Receivables as of December 31, 2025, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Combined Utility Fund</u>	<u>SPLOST 2019 Fund</u>	<u>TSPLOST Fund</u>	<u>Total</u>
Receivables:						
Taxes	\$ 71,991	\$ 40,963	\$ -	\$ -	\$ -	\$ 112,954
Due from other governments	522,190	-	-	239,472	218,087	979,749
Accounts	40,484	-	974,774	-	-	1,015,258
Gross receivables	634,665	40,963	974,774	239,472	218,087	2,107,961
Less allowance for uncollectibles	35,251	-	49,000	-	-	84,251
Net total receivables	<u>\$ 599,414</u>	<u>\$ 40,963</u>	<u>\$ 925,774</u>	<u>\$ 239,472</u>	<u>\$ 218,087</u>	<u>\$ 2,023,710</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

Property Taxes

Property taxes were levied on behalf of the City by Monroe County on October 29, 2025, (levy date) based upon property values assessed as of January 1, 2025. Property taxes levied by 2025 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2025, and collected by February 28, 2026, are recognized as revenues in the year ended December 31, 2025. Net receivables estimated to be collected subsequent to February 28, 2026 are deferred as of December 31, 2025, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are re-evaluated annually.

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 1,132,693	\$ -	\$ -	\$ -	\$ 1,132,693
Construction in progress	3,035,822	3,720,449	-	(6,756,271)	-
Total	<u>4,168,515</u>	<u>3,720,449</u>	<u>-</u>	<u>(6,756,271)</u>	<u>1,132,693</u>
Capital assets, being depreciated:					
Buildings	7,557,360	43,006	-	-	7,600,366
Infrastructure	4,717,831	1,431,820	-	-	6,149,651
Land improvements	2,901,936	-	-	5,807,416	8,709,352
Furniture, fixtures and equipment	2,426,009	188,254	-	-	2,614,263
Vehicles	5,261,512	299,781	-	-	5,561,293
Total	<u>22,864,648</u>	<u>1,962,861</u>	<u>-</u>	<u>5,807,416</u>	<u>30,634,925</u>
Less accumulated depreciation for:					
Buildings	1,570,158	289,486	-	-	1,859,644
Infrastructure	1,365,230	231,474	-	-	1,596,704
Land improvements	1,803,231	206,470	-	-	2,009,701
Furniture, fixtures and equipment	1,898,611	119,223	-	-	2,017,834
Vehicles	3,190,325	388,571	-	-	3,578,896
Total	<u>9,827,555</u>	<u>1,235,224</u>	<u>-</u>	<u>-</u>	<u>11,062,779</u>
Total assets, being depreciated, net	<u>13,037,093</u>	<u>727,637</u>	<u>-</u>	<u>5,807,416</u>	<u>19,572,146</u>
Governmental activities capital assets, net	<u>\$ 17,205,608</u>	<u>\$ 4,448,086</u>	<u>\$ -</u>	<u>\$ (948,855)</u>	<u>\$ 20,704,839</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 249,261	\$ -	\$ -	\$ -	\$ 249,261
Construction in progress	2,252,451	924,208	-	(33,640)	3,143,019
Total	2,501,712	924,208	-	(33,640)	3,392,280
Capital assets, being depreciated:					
Buildings	5,196,155	-	-	-	5,196,155
Distribution system	33,848,583	-	-	982,495	34,831,078
Machinery and equipment	1,666,966	259,757	-	-	1,926,723
Vehicles	1,542,536	211,407	-	-	1,753,943
Total	42,254,240	471,164	-	982,495	43,707,899
Less accumulated depreciation for:					
Buildings	5,059,544	5,863	-	-	5,065,407
Distribution system	20,420,518	1,005,736	-	-	21,426,254
Machinery and equipment	1,080,039	43,421	-	-	1,123,460
Vehicles	1,186,892	61,976	-	-	1,248,868
Total	27,746,993	1,116,996	-	-	28,863,989
Total assets, being depreciated, net	14,507,247	(645,832)	-	982,495	14,843,910
Business-type activities capital assets, net	\$ 17,008,959	\$ 278,376	\$ -	\$ 948,855	\$ 18,236,190

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

Governmental activities

General government	\$ 249,175
Public safety	424,618
Public works	377,990
Culture and recreation	183,441
	1,235,224

Total depreciation expense - governmental activities \$ 1,235,224

Business-type activities

Electric	\$ 138,667
Water and sewer	978,329
	1,116,996

Total depreciation expense - business-type activities \$ 1,116,996

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit

Capital asset activity for the DDA for the year ended December 31, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, being depreciated:					
Buildings	\$ 179,999	\$ -	\$ -	\$ -	\$ 179,999
Total	<u>179,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,999</u>
Less accumulated depreciation for:					
Buildings	19,957	4,500	-	-	24,457
Total	<u>19,957</u>	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>24,457</u>
Total assets, being depreciated, net	<u>160,042</u>	<u>(4,500)</u>	<u>-</u>	<u>-</u>	<u>155,542</u>
Discretely presented component unit, capital assets, net	<u>\$ 160,042</u>	<u>\$ (4,500)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,542</u>

NOTE 6. LONG-TERM DEBT

A. Notes Payable

Governmental activities

In 2005, the City obtained a note payable totaling \$862,080 from the United States Department of Agriculture ("USDA") for cost reimbursements associated with the construction of the Public Safety Building. The note consists of 478 monthly payments in the amount of \$3,742 and a final payment in the amount of \$2,646. The annual interest rate is 4.25%.

In 2022, the City entered into an installment sales agreement debt in the amount of \$7,555,000 from a financial institution to refund the outstanding amount of the 2020 note payable and for financing the acquisition, construction, and installation of improvements to parks and recreation facilities for the City. The note consists of 240 monthly payments in the amount of \$43,731. The annual interest rate is 3.49%. The refunding reduced its total debt service payments by \$2,931,878. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,231,614.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Notes Payable (Continued)

Governmental activities (Continued)

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

Year	Principal	Interest
2026	\$ 321,039	\$ 248,632
2027	332,583	237,088
2028	344,542	225,129
2029	356,934	212,737
2030	369,772	199,899
2031 – 2035	2,058,238	790,118
2036 – 2040	2,456,252	392,104
2041 – 2044	904,369	36,711
Total	\$ 7,143,729	\$ 2,342,418

Business-type activities

In 2016, the City entered into a note from direct borrowing agreement with the Georgia Environmental Facilities Authority (“GEFA”) for environmental facilities construction. The note is as follows at December 31, 2025:

Purpose	Original Amount	Interest Rate	Due Date	Amount
GEFA Loan – 2016L05WS	\$ 1,000,000	2.39%	July 1, 2037	\$ 636,365
				636,365
			Less current maturities:	(48,265)
				\$ 588,100

The City’s outstanding note from direct borrowings related to business-type activities of \$636,365 is secured by the City’s revenue raising power. The City covenants and agrees that it shall, to the extent necessary, it will exercise its power of taxation and its power to set rates, fees and charges to the extent necessary to fulfill the City’s obligations of this note. The outstanding note from direct borrowings contains a provision that in an event of default, the lender may declare the outstanding principal and accrued interest immediately due and may terminate its remaining commitment (if any) to make further advances of the loan.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Notes Payable (Continued)

Business-type activities (Continued)

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

Year	Principal	Interest
2026	\$ 48,265	\$ 14,683
2027	49,431	13,516
2028	50,625	12,322
2029	51,848	11,099
2030	53,101	9,846
2031 – 2035	285,385	29,351
2036 and 2037	97,710	1,958
Total	\$ 636,365	\$ 92,775

B. Financed Purchases

Governmental activities

In 2015, the City entered into a financed purchase agreement with PNC Financial to purchase a vehicle. The amount financed was \$715,265, due in annual installments of \$64,521, including interest at 3.92%, for 15 years ending in 2030. The balance was \$286,896 as of December 31, 2025.

In 2022, the City entered into a financed purchase agreement with Mason Tractor & Equipment Co., Inc. to purchase various equipment. The amount financed was \$100,282 due in monthly installments of \$2,087 for 48 months ending in 2027. The balance was \$31,408 as of December 31, 2025.

In 2024, the City entered into a financed purchase agreement with FMCC to purchase a vehicle. The amount financed was \$62,495, due in annual installments of \$14,837, including interest at 9%. The balance was \$37,296 as of December 31, 2025.

In 2024, the City entered into a financed purchase agreement with FMCC to purchase three vehicles. The amount financed was \$142,295, due in annual installments of \$51,658, including interest at 9%. The balance was \$47,310 as of December 31, 2025.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Financed Purchases

Governmental activities (Continued)

Annual debt service requirements to maturity for the financed purchases are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 136,614	\$ 19,446
2027	73,724	11,895
2028	70,852	8,505
2029	59,605	4,916
2030	62,115	2,507
Total	<u>\$ 402,910</u>	<u>\$ 47,269</u>

Business-type activities

In 2021, the City entered into a financed purchase agreement with ALTEC Capital Services to purchase a vehicle. The amount financed was \$152,832, due in annual installments of \$28,027, including interest at 3%. The balance was \$28,027 as of December 31, 2025.

In 2024, the City entered into a financed purchase agreement with FMCC to purchase three vehicles. The amount financed was \$93,145, due in annual installments of \$22,113, including interest at 9%. The balance was \$55,588 as of December 31, 2025.

In 2024, the City entered into a financed purchase agreement with FMCC to purchase two vehicles. The amount financed was \$100,946, due in annual installments of \$36,399, including interest at 9%. The balance was \$60,243 as of December 31, 2025.

In 2025, the City entered into a financed purchase agreement with ALTEC Capital Services to purchase a vehicle. The amount financed was \$211,407, due in annual installments of \$41,272, including interest at 7%. The balance was \$181,704 as of December 31, 2025.

Annual debt service requirements to maturity for the financed purchases are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 94,952	\$ 20,425
2027	72,387	14,963
2028	78,307	9,043
2029	38,644	2,628
2030	41,272	-
Total	<u>\$ 325,562</u>	<u>\$ 47,059</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

C. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2025 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Notes payable from direct borrowing	\$ 7,453,626	\$ -	\$ (309,897)	\$ 7,143,729	\$ 321,039
Financed purchases	532,513	-	(129,603)	402,910	136,614
Landfill post-closure costs	1,162,217	27,893	-	1,190,110	-
Compensated absences	248,907	66,814	-	315,721	252,577
Net pension liability	2,190,100	1,257,414	(869,440)	2,578,074	-
Governmental activities Long-term liabilities	<u>\$ 11,587,363</u>	<u>\$ 1,352,121</u>	<u>\$ (1,308,940)</u>	<u>\$ 11,630,544</u>	<u>\$ 710,230</u>
Business-type activities					
Notes payable from direct borrowing	\$ 683,491	\$ -	\$ (47,126)	\$ 636,365	\$ 48,265
Financed purchases	202,990	211,407	(88,835)	325,562	94,952
Compensated absences	46,826	5,476	-	52,302	41,842
Business-type activities Long-term liabilities	<u>\$ 933,307</u>	<u>\$ 216,883</u>	<u>\$ (135,961)</u>	<u>\$ 1,014,229</u>	<u>\$ 185,059</u>

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

D. Closure/Post-closure Care Costs

Effective December 2000, the City of Forsyth Old Brent Road Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the City must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate post-closure costs of \$1,190,110 over the remaining 15-year period at December 31, 2025. These costs are based on what it would cost to perform all post-closure care in 1993, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN

A. Plan Description

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

Georgia Municipal Association
Employee Benefit Section
201 Pryor Street, SW
Atlanta, Georgia 30303

Plan Membership. As of July 1, 2025, pension plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	75
Terminated plan members entitled to, but not receiving benefits	43
Active plan members	<u>91</u>
Total beneficiaries	<u><u>209</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Plan Description (Continued)

Contributions. The Retirement Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Retirement Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Retirement Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. City contributions to the Retirement Plan were \$481,329, which is 11.7% of covered payroll for the year ended December 31, 2025.

B. Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2025.

Actuarial Assumptions. The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Return	7.375%
Salary increases	2.25% plus service based merit increases
Inflation	2.25%
Cost of living adjustments	0.00%

Mortality rates were based on the gender-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the July 1, 2025 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Actuarial Assumptions (Continued). The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
Domestic equity	45%	6.60%
International equity	20%	7.03%
Domestic fixed income	20%	2.70%
Real estate	10%	3.40%
Global fixed income	5%	3.70%
Cash	0%	
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended December 31, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	\$ 9,978,915	\$ 7,788,815	\$ 2,190,100
<i>Changes for the year:</i>			
Service cost	187,410	-	187,410
Interest	724,417	-	724,417
Differences between expected and actual experience	320,271	-	320,271
Contributions - employer	-	466,349	(466,349)
Net investment income	-	403,091	(403,091)
Benefit payments, including refunds of employee contributions	(687,444)	(687,444)	-
Administrative expense	-	(25,316)	25,316
<i>Net changes</i>	<u>544,654</u>	<u>156,680</u>	<u>387,974</u>
Ending Balance	<u>\$ 10,523,569</u>	<u>\$ 7,945,495</u>	<u>\$ 2,578,074</u>

The required Schedule of Changes in the City's Net Pension Liability and Related Ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	<u>\$ 3,761,578</u>	<u>\$ 2,578,074</u>	<u>\$ 1,581,448</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2025, and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2025, the City recognized pension expense of \$404,605. At December 31, 2025, the City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 386,995
Net difference between projected and actual earnings on pension plan investments	189,017
City contributions subsequent to the measurement date	350,057
Total	<u>\$ 926,069</u>

City contributions subsequent to the measurement date of \$350,057, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending December 31,</u>		<u></u>
2026	\$	361,821
2027		196,374
2028		(14,633)
2029		32,450
Total	\$	<u>576,012</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED CONTRIBUTION PLAN

The City offers its employees a deferred compensation plan (the “City of Forsyth 457(b) Deferred Compensation Plan”) created in accordance with Internal Revenue Code (“IRC”) Section 457(b). The plan, which qualifies as a defined contribution plan, is available to all City employees immediately upon employment. Participants may elect to make pre-tax contributions subject to the deferral limitations of the IRC. As plan administrator, the City has elected to obtain the services of the Georgia Municipal Association as a third-party service provider and plan trustee.

As required by Section 457(b) of the IRC, plan assets are held in a trust for the exclusive benefit of participants and their beneficiaries. Investments are managed by the trustee under one of the available investment options, or a combination thereof. Accordingly, the asset and liabilities of the plan are not included in the accompanying financial statements. During the year ended December 31, 2025, employees contributed \$63,205 to the plan. The City does not contribute to the plan.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The City had the following interfund balances as of December 31, 2025.

Receivable Fund	Payable Fund Hotel/Motel Tax Fund
General Fund	\$ 139,412
Tourism Product Development Fund	9,393
Total	\$ 148,805

Interfund receivables and payables result from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures, occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The composition of interfund transfers for the year ended December 31, 2025 is as follows:

Transfers In	Transfers Out				Total
	General Fund	Hotel/Motel Tax Fund	Combined Utilities Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 311,265	\$ 6,686,744	\$ 2	\$ 6,998,011
Capital Projects Fund	50,000	-	-	-	50,000
Combined Utilities Fund	1,922,764	-	-	-	1,922,764
Tourism Product Development Fund	-	103,706	114,408	-	218,114
Total	\$ 1,972,764	\$ 414,971	\$ 6,801,152	\$ 2	\$ 9,188,889

NOTES TO FINANCIAL STATEMENTS

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

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

During the year 2025, \$948,855 of capital assets were transferred from governmental activities to business-type activities.

NOTE 10. BUDGET COMPLIANCE

A. Expenditures in Excess of Appropriations

The following funds and departments had actual expenditures in excess of appropriations for the year ended December 31, 2025:

<u>Department</u>	<u>Excess</u>
Hotel/Motel Fund:	
Housing and development	\$ 2,746
Police Special Purpose Revenue Fund:	
Public safety	23,282

These over expenditures were funded by greater than anticipated revenues.

B. Deficit Fund Balance

For the year ended December 31, 2025, the Tourism Product Development Fund reported a deficit fund balance of \$481,029. These deficits will be eliminated through anticipated collections and transfers from other funds.

NOTE 11. HOTEL/MOTEL LODGING TAX

The City has levied a lodging tax. For the year ended December 31, 2025, \$726,237 of hotel/motel tax was collected. Of the total collected, 43% was used for the promotion of tourism in the General Fund for \$311,265, 43% was used for the promotion of tourism in the Convention and Visitors Board for \$311,266, and 14% was used for the promotion of tourism in the Tourism Product Development Fund for \$103,706.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the Middle Georgia area, is a member of the Middle Georgia Regional Commission (“RC”) and is required to pay annual dues thereto. During its year ended December 31, 2025, the City paid \$6,367 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (“O.C.G.A.”) §50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.0 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Middle Georgia Regional Commission
175 Emery Highway
Macon, Georgia 31217

NOTE 13. RELATED ORGANIZATIONS

The Housing Authority of the City is considered a related organization based upon the criteria of GASB Statement 14. The Housing Authority of the City is a legally separate entity having a board composed of members appointed originally by the City. The City is not able to impose its will upon the Housing Authority of the City, and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Forsyth, Georgia is a related organization.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

During the course of normal operations of the City, various claims and lawsuits arise. The City attorney has advised that there are no potential liabilities that impair the City’s financial position as of the date of this audit report.

Grants from Governments

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia

The Municipal Electric Authority of Georgia (“MEAG”) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by state law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

As of December 31, 2025, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating city has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on kWh usage. The total payments under these contracts amounted to \$6,885,088 in 2025.

At December 31, 2025, the outstanding debt of MEAG was approximately \$8.18 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$88.05 million at December 31, 2025.

NOTE 15. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has coverage with Travelers' Insurance Company, which the City is fully insured on automobile insurance, general liability employment practices liability, property coverage, and cybersecurity. These plans have various deductibles the City is responsible for meeting. In addition, the City has joined together with other municipalities in the state as part of the Georgia Firefighters' Cancer Benefit Program and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds and to report as promptly as possible and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. RISK MANAGEMENT (CONTINUED)

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense. Settled claims in the past three years have not exceeded the coverages.

NOTE 16. NET INVESTMENT IN CAPITAL ASSETS

The following schedule provides the details of the net investment in capital assets classification of net position:

	Government-Wide Level		Total
	Governmental Activities	Business-Type Activities	
Capital assets, non-depreciable assets	\$ 1,132,693	\$ 3,392,280	\$ 4,524,973
Capital assets, depreciable assets	30,634,925	43,707,899	74,342,824
Accumulated depreciation	(11,062,779)	(28,863,989)	(39,926,768)
Current notes payable	(321,039)	(48,265)	(369,304)
Non-current notes payable	(6,822,690)	(588,100)	(7,410,790)
Current financed purchases	(136,614)	(94,952)	(231,566)
Non-current financed purchases	(266,296)	(230,610)	(496,906)
Accounts payable - capital	(279,245)	-	(279,245)
Retainage payable	(58,996)	-	(58,996)
Unspent proceeds - notes payable	2,073,921	-	2,073,921
	\$ 14,893,880	\$ 17,274,263	\$ 32,168,143

NOTES TO FINANCIAL STATEMENTS

NOTE 17. ACCOUNTING CHANGES

Changes to or within the Financial Reporting Entity

Change in Major Funds

In the current year, the City's Tourism Product Development Fund met the definition of a major fund and the Local Fiscal Recovery Fund no longer met the definition of a major fund. The effect of this change to or within the financial reporting entity is shown in the table below.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances		
	Funds		
	Tourism Product Development Fund	Local Fiscal Recovery Fund	Nonmajor Governmental Funds
Beginning fund balance, as previously reported	\$ -	\$ 2	\$ 13,256
Change from nonmajor fund to major fund	4,813	-	(4,813)
Change from major fund to nonmajor fund	-	(2)	2
Beginning fund balance, as adjusted	\$ 4,813	\$ (2)	\$ 8,445

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FORSYTH, GEORGIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31,**

	Year		
	2025	2024	2023
Total pension liability			
Service cost	\$ 187,410	\$ 144,568	\$ 144,976
Interest on total pension liability	724,417	680,418	658,522
Differences between expected and actual experience	320,271	440,374	124,023
Changes of assumptions	-	-	-
Changes in benefit terms	-	-	-
Benefit payments, including refunds of employee contributions	<u>(687,444)</u>	<u>(735,763)</u>	<u>(524,684)</u>
Net change in total pension liability	544,654	529,597	402,837
Total pension liability - beginning	9,978,915	9,449,318	9,046,481
Total pension liability - ending (a)	10,523,569	9,978,915	9,449,318
Plan fiduciary net position			
Contributions - employer	466,349	422,922	496,941
Net investment income	403,091	1,138,527	(501,027)
Benefit payments, including refunds of employee contributions	<u>(687,444)</u>	<u>(735,763)</u>	<u>(524,684)</u>
Administrative expenses	<u>(25,316)</u>	<u>(21,140)</u>	<u>(25,584)</u>
Net change in plan fiduciary net position	156,680	804,546	(554,354)
Plan fiduciary net position - beginning	7,788,815	6,984,269	7,538,623
Plan fiduciary net position - ending (b)	7,945,495	7,788,815	6,984,269
City's net pension liability (a) - (b)	\$ 2,578,074	\$ 2,190,100	\$ 2,465,049
Plan fiduciary net position as a percentage of the total pension liability	75.5%	78.1%	73.9%
Covered payroll	\$ 5,112,988	\$ 4,122,675	\$ 3,061,796
City's net pension liability as a percentage of covered payroll	50.4%	53.1%	80.5%

		Year											
		2022	2021	2020	2019	2018	2017	2016					
\$	145,224	\$	117,299	\$	95,423	\$	102,510	\$	81,022	\$	96,516	\$	103,491
	659,284		607,919		519,742		489,784		450,989		438,598		417,009
	(360,181)		342,184		292,806		216,432		358,922		(20,384)		83,950
	-		-		35,016		-		98,880		-		-
	-		-		763,073		-		-		-		-
	<u>(384,138)</u>		<u>(413,555)</u>		<u>(416,164)</u>		<u>(388,234)</u>		<u>(373,945)</u>		<u>(335,735)</u>		<u>(316,031)</u>
	60,189		653,847		1,289,896		420,492		615,868		178,995		288,419
	<u>8,986,292</u>		<u>8,332,445</u>		<u>7,042,549</u>		<u>6,622,057</u>		<u>6,006,189</u>		<u>5,827,194</u>		<u>5,538,775</u>
	<u>9,046,481</u>		<u>8,986,292</u>		<u>8,332,445</u>		<u>7,042,549</u>		<u>6,622,057</u>		<u>6,006,189</u>		<u>5,827,194</u>
	464,293		341,245		306,150		216,253		211,201		211,981		199,284
	428,998		2,212,381		(367,012)		193,577		617,028		570,789		12,908
	(384,138)		(413,555)		(416,164)		(388,234)		(373,945)		(335,735)		(316,031)
	(24,380)		(23,470)		(25,973)		(25,250)		(22,844)		(24,458)		(11,798)
	<u>484,773</u>		<u>2,116,601</u>		<u>(502,999)</u>		<u>(3,654)</u>		<u>431,440</u>		<u>422,577</u>		<u>(115,637)</u>
	<u>7,053,850</u>		<u>4,937,249</u>		<u>5,440,248</u>		<u>5,443,902</u>		<u>5,012,462</u>		<u>4,589,885</u>		<u>4,705,522</u>
	<u>7,538,623</u>		<u>7,053,850</u>		<u>4,937,249</u>		<u>5,440,248</u>		<u>5,443,902</u>		<u>5,012,462</u>		<u>4,589,885</u>
\$	<u>1,507,858</u>	\$	<u>1,932,442</u>	\$	<u>3,395,196</u>	\$	<u>1,602,301</u>	\$	<u>1,178,155</u>	\$	<u>993,727</u>	\$	<u>1,237,309</u>
	83.3%		78.5%		59.3%		77.2%		82.2%		83.5%		78.8%
\$	3,278,773	\$	3,225,142	\$	2,733,560	\$	2,367,499	\$	2,593,409	\$	1,961,386	\$	2,216,376
	46.0%		59.9%		124.2%		67.7%		45.4%		50.7%		55.8%

CITY OF FORSYTH, GEORGIA

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

	Year		
	2025	2024	2023
Actuarially determined contribution	\$ 481,329	\$ 454,601	\$ 462,874
Contributions in relation to the actuarially determined contribution	<u>481,329</u>	<u>454,601</u>	<u>462,874</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,122,675	\$ 3,592,236	\$ 3,170,285
Contributions as a percentage of covered payroll	11.7%	12.7%	14.6%

Notes to the Schedule:

Valuation date	July 1, 2025
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	N/A
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

								Year	
2022	2021	2020	2019	2018	2017	2016			
\$ 508,297	\$ 449,625	\$ 305,118	\$ 273,474	\$ 204,809	\$ 212,479	\$ 210,591			
508,297	449,625	305,118	273,474	204,809	194,772	228,085			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,707	\$ (17,494)			
\$ 3,251,958	\$ 3,292,145	\$ 2,942,496	\$ 2,701,615	\$ 2,480,454	\$ 2,277,398	\$ 2,088,881			
15.6%	13.7%	10.4%	10.1%	8.3%	8.6%	10.9%			

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

Police Special Purpose Revenue Fund – This fund is used to account for cash received either as a result of a cash confiscation or from the sale of capital assets acquired from law enforcement activity.

Local Fiscal Recovery Fund – This fund is used to account for federal funds collected at the City from the American Rescue Plan Act (“ARPA”) Coronavirus State and Local Fiscal Recovery Funds (“CSLFRF”) grant.

CITY OF FORSYTH, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue		
	Police Special Purpose Revenue Fund	Local Fiscal Recovery Funds	Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 42,997	\$ -	\$ 42,997
Total assets	\$ 42,997	\$ -	\$ 42,997
FUND BALANCES			
FUND BALANCES			
Restricted:			
Law enforcement	\$ 42,997	\$ -	\$ 42,997
Total fund balances	\$ 42,997	\$ -	\$ 42,997

CITY OF FORSYTH, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Special Revenue			
	Police Special Purpose Revenue Fund	Local Fiscal Recovery Funds	<i>(Previously Nonmajor)</i> Tourism Product Development Fund	Nonmajor Governmental Funds
Revenues				
Fines and forfeitures	\$ 69,077	\$ -	\$ -	\$ 69,077
Interest revenue	351	-	-	351
Total revenues	<u>69,428</u>	<u>-</u>	<u>-</u>	<u>69,428</u>
Expenditures				
Current:				
Public safety	34,874	-	-	34,874
Total expenditures	<u>34,874</u>	<u>-</u>	<u>-</u>	<u>34,874</u>
Excess of revenues over expenditures	34,554	-	-	34,554
Other financing uses:				
Transfers out	-	(2)	-	(2)
Total other financing uses	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>(2)</u>
Net change in fund balances	34,554	(2)	-	34,552
Fund balances, beginning of year, as previously presented	8,443	-	4,813	13,256
Change within financial reporting entity (nonmajor to major fund)	-	-	(4,813)	(4,813)
Change within financial reporting entity (major to nonmajor fund)	-	2	-	2
Fund balances, beginning of year, as restated	<u>8,443</u>	<u>2</u>	<u>-</u>	<u>8,445</u>
Fund balances, end of year	<u>\$ 42,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,997</u>

CITY OF FORSYTH, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Police Special Purpose Revenue Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	\$ 11,592	\$ 69,077	\$ 57,485
Interest revenue	4	351	347
Total revenues	<u>11,596</u>	<u>69,428</u>	<u>57,832</u>
Expenditures			
Current:			
Public safety	<u>11,592</u>	<u>34,874</u>	<u>(23,282)</u>
Total expenditures	<u>11,592</u>	<u>34,874</u>	<u>(23,282)</u>
Net change in fund balance	4	34,554	34,550
Fund balance, beginning of year	<u>8,443</u>	<u>8,443</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,447</u>	<u>\$ 42,997</u>	<u>\$ 34,550</u>

CITY OF FORSYTH, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Local Fiscal Recovery Fund		
	Final Budget	Actual	Variance With Final Budget
Other financing uses:			
Transfers out	\$ -	\$ (2)	\$ (2)
Total other financing uses	-	(2)	(2)
Net change in fund balances	-	(2)	(2)
Fund balances, beginning of year, as restated	2	2	-
Fund balances, end of year	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ (2)</u>

CITY OF FORSYTH, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2019 ISSUE
FOR THE YEAR ENDED DECEMBER 31, 2025**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>SPLOST 2019 Fund</u>					
Water and Sewer Upgrades	\$ 2,502,091	\$ 2,502,091	\$ 1,659,441	\$ 948,855	\$ 2,608,296
Road Improvements	500,000	500,000	1,291,226	991,738	2,282,964
Public Safety	<u>825,000</u>	<u>825,000</u>	<u>792,691</u>	<u>-</u>	<u>792,691</u>
Totals	<u>\$ 3,827,091</u>	<u>\$ 3,827,091</u>	<u>\$ 3,743,358</u>	1,940,593	<u>\$ 5,683,951</u>
Reconciliation to the Statement of Revenues, Expenditures and Changes in Fund Balances:					
Debt service interest payments				<u>16,000</u>	
Total SPLOST 2019 Fund expenditures for the current year				<u>\$ 1,956,593</u>	

CITY OF FORSYTH, GEORGIA

SCHEDULE OF EXPENDITURES OF
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, streets and bridges	<u>\$ 2,551,394</u>	<u>\$ 2,551,394</u>	<u>\$ -</u>	<u>\$ 632,326</u>	<u>\$ 632,326</u>
Totals	<u><u>\$ 2,551,394</u></u>	<u><u>\$ 2,551,394</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 632,326</u></u>	<u><u>\$ 632,326</u></u>

CITY OF FORSYTH, GEORGIA
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2025

	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
ASSETS		
Cash and cash equivalents	\$ 235,977	\$ 71,465
Due from other governments	<u>39,822</u>	<u>-</u>
Total assets	<u>275,799</u>	<u>71,465</u>
LIABILITIES		
Accounts payable	17,802	-
Due to primary government	<u>38,265</u>	<u>-</u>
Total liabilities	<u>56,067</u>	<u>-</u>
FUND BALANCES		
Unassigned	<u>219,732</u>	<u>71,465</u>
Total fund balances	<u>\$ 219,732</u>	<u>\$ 71,465</u>
Amounts reported for discretely presented component units in the Statement of Net Position are different because:		
Fund balances of governmental funds	\$ 219,732	\$ 71,465
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>-</u>	<u>155,542</u>
Net position of discretely presented component units	<u>\$ 219,732</u>	<u>\$ 227,007</u>

CITY OF FORSYTH, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Forsyth Convention & Visitors Bureau Authority	Downtown Development Authority
Revenues		
Intergovernmental	\$ 311,286	\$ -
Miscellaneous	332	37
Total revenues	<u>311,618</u>	<u>37</u>
Expenditures		
Current:		
Housing and economic development	<u>391,865</u>	<u>4,568</u>
Total expenditures	<u>391,865</u>	<u>4,568</u>
Net change in fund balances	(80,247)	(4,531)
Fund balances, beginning of year	<u>299,979</u>	<u>75,996</u>
Fund balances, end of year	<u>\$ 219,732</u>	<u>\$ 71,465</u>
Activities are different because:		
Net change in fund balances	\$ (80,247)	\$ (4,531)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	<u>-</u>	<u>(4,500)</u>
Change in net position of discretely presented component units	<u>\$ (80,247)</u>	<u>\$ (9,031)</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Contents

	<u>Page</u>
Financial Trends	80 – 95
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	96 – 100
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity.....	101 – 105
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	106 and 107
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	108 – 111
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

CITY OF FORSYTH, GEORGIA

**NET POSITION BY ACTIVITY
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Year			
	2016	2017	2018	2019
Governmental Activities:				
Net investment in capital assets	\$ 2,961,183	\$ 5,187,220	\$ 6,217,039	\$ 6,217,039
Restricted	1,399,872	1,363,713	477,567	477,567
Unrestricted	244,984	(1,275,332)	484,706	484,706
Total governmental activities net position	<u>\$ 4,606,039</u>	<u>\$ 5,275,601</u>	<u>\$ 7,179,312</u>	<u>\$ 7,179,312</u>
Business-Type Activities:				
Net investment in capital assets	\$ 11,940,235	\$ 11,940,235	\$ 11,099,033	\$ 10,416,961
Unrestricted	2,267,208	2,267,208	3,121,451	12,864,579
Total business-type activities net position	<u>\$ 14,207,443</u>	<u>\$ 14,207,443</u>	<u>\$ 14,220,484</u>	<u>\$ 23,281,540</u>
Primary Government:				
Net investment in capital assets	\$ 17,127,455	\$ 17,127,455	\$ 17,316,072	\$ 17,334,744
Restricted	1,363,713	1,363,713	477,567	4,393,052
Unrestricted	(4,283,725)	991,876	3,606,157	8,442,158
Total primary government net position	<u>\$ 14,207,443</u>	<u>\$ 19,483,044</u>	<u>\$ 21,399,796</u>	<u>\$ 30,169,954</u>

Year					
2020	2021	2022	2023	2024	2025
\$ 6,917,783	\$ 6,688,058	\$ 8,111,544	\$ 8,911,938	\$ 12,446,545	\$ 14,893,880
4,393,052	8,467	1,918,657	2,990,258	2,877,668	3,435,791
(4,422,421)	170,953	137,572	162,076	(48,333)	(2,646,278)
<u>\$ 6,888,414</u>	<u>\$ 6,867,478</u>	<u>\$ 10,167,773</u>	<u>\$ 12,064,272</u>	<u>\$ 15,275,880</u>	<u>\$ 15,683,393</u>
\$ 11,890,370	\$ 11,890,370	\$ 12,901,798	\$ 13,915,836	\$ 16,122,478	\$ 17,274,263
13,457,175	13,457,175	12,116,714	11,796,191	10,785,907	11,271,145
<u>\$ 25,347,545</u>	<u>\$ 25,347,545</u>	<u>\$ 25,018,512</u>	<u>\$ 25,712,027</u>	<u>\$ 26,908,385</u>	<u>\$ 28,545,408</u>
\$ 18,578,428	\$ 18,578,428	\$ 21,013,342	\$ 22,827,774	\$ 28,569,023	\$ 32,168,143
8,467	8,467	1,918,657	2,990,258	2,877,668	3,435,791
13,628,128	13,628,128	12,254,286	11,958,267	10,737,574	8,624,867
<u>\$ 32,215,023</u>	<u>\$ 32,215,023</u>	<u>\$ 35,186,285</u>	<u>\$ 37,776,299</u>	<u>\$ 42,184,265</u>	<u>\$ 44,228,801</u>

CITY OF FORSYTH, GEORGIA

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

	Year			
	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	\$ 1,502,667	\$ 1,570,103	\$ 1,805,038	\$ 1,356,347
Judicial	-	-	-	2,000
Public safety	2,216,538	2,326,825	2,533,783	2,649,908
Public works	1,285,931	1,710,250	1,136,693	2,119,935
Housing and development	-	-	-	207,670
Culture and recreation	44,433	63,729	130,844	269,819
Better Hometown	203,398	258,470	233,403	9,361
Interest on long-term debt	52,676	76,050	81,087	88,805
Total governmental activities expenses	<u>5,305,643</u>	<u>6,005,427</u>	<u>5,920,848</u>	<u>6,703,845</u>
Business-type activities:				
Water and sewer	3,111,237	3,161,040	3,488,235	3,542,041
Electric	8,064,027	7,961,400	7,910,144	8,053,731
Cable	750,000	-	-	-
Total business-type activities expenses	<u>11,925,264</u>	<u>11,122,440</u>	<u>11,398,379</u>	<u>11,595,772</u>
Total primary government expenses	<u>\$ 17,230,907</u>	<u>\$ 17,127,867</u>	<u>\$ 17,319,227</u>	<u>\$ 18,299,617</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 122,405	\$ 116,628	\$ 132,590	\$ 672,239
Judicial	-	-	300,435	364,979
Public safety	372,797	358,043	308,863	-
Public works	314,791	305,751	7,660	321,042
Operating grants and contributions	-	-	345,678	-
Capital grants and contributions	614,730	1,233,674	316,296	822,283
Total governmental activities program revenues	<u>1,424,723</u>	<u>2,014,096</u>	<u>1,411,522</u>	<u>2,180,543</u>
Business-type activities:				
Charges for services:				
Water and sewer	3,284,601	3,375,343	3,350,810	3,619,420
Electric	9,683,451	8,995,614	10,703,701	10,837,890
Capital grants and contributions	266,576	186,321	-	-
Total business-type activities program revenues	<u>13,234,628</u>	<u>12,557,278</u>	<u>14,054,511</u>	<u>14,457,310</u>
Total primary government program revenues	<u>\$ 14,659,351</u>	<u>\$ 14,571,374</u>	<u>\$ 15,466,033</u>	<u>\$ 16,637,853</u>

		Year									
		2020	2021	2022	2023	2024	2025				
\$	1,493,680	\$	1,510,745	\$	1,619,967	\$	1,813,106	\$	2,152,472	\$	2,291,296
	1,999		1,000		-		-		-		-
	4,045,207		3,311,187		3,025,930		4,084,867		5,000,096		5,304,430
	2,706,548		2,825,459		1,814,757		1,831,942		2,521,845		3,071,209
	138,160		220,493		259,808		247,060		332,469		311,266
	254,438		217,067		326,033		376,408		571,964		593,070
	171,992		159,708		169,755		250,932		206,823		601,993
	392,418		416,912		509,680		341,949		326,621		293,880
	<u>9,204,442</u>		<u>8,662,571</u>		<u>7,725,930</u>		<u>8,946,264</u>		<u>11,112,290</u>		<u>12,467,144</u>
	3,144,862		3,318,033		3,690,075		3,661,043		3,914,900		4,344,977
	7,793,713		8,722,234		10,636,074		7,137,626		7,610,927		8,269,193
	-		-		-		-		-		-
	<u>10,938,575</u>		<u>12,040,267</u>		<u>14,326,149</u>		<u>10,798,669</u>		<u>11,525,827</u>		<u>12,614,170</u>
\$	<u>20,143,017</u>	\$	<u>20,702,838</u>	\$	<u>22,052,079</u>	\$	<u>19,744,933</u>	\$	<u>22,638,117</u>	\$	<u>25,081,314</u>
\$	649,045	\$	353,990	\$	349,235	\$	367,052	\$	395,036	\$	640,571
	436,002		476,025		352,805		286,348		635,766		605,083
	3,083		-		-		-		56,271		69,077
	317,855		341,296		343,703		349,527		406,209		485,917
	731		11,327		565		12,232		146,639		114,356
	844,319		978,785		1,953,419		2,308,808		4,926,287		3,092,929
	<u>2,251,035</u>		<u>2,161,423</u>		<u>2,999,727</u>		<u>3,323,967</u>		<u>6,566,208</u>		<u>5,007,933</u>
	3,855,254		4,103,895		4,488,846		4,706,116		4,676,875		4,764,318
	10,442,301		12,054,675		13,095,486		10,807,277		12,323,942		13,416,408
	537,377		1,264,016		-		-		-		-
	<u>14,834,932</u>		<u>17,422,586</u>		<u>17,584,332</u>		<u>15,513,393</u>		<u>17,000,817</u>		<u>18,180,726</u>
\$	<u>17,085,967</u>	\$	<u>19,584,009</u>	\$	<u>20,584,059</u>	\$	<u>18,837,360</u>	\$	<u>23,567,025</u>	\$	<u>23,188,659</u>

(Continued)

CITY OF FORSYTH, GEORGIA

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

	Year			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net (expense)/revenue				
Governmental activities	\$ (3,880,920)	\$ (3,991,331)	\$ (4,509,326)	\$ (4,523,302)
Business-type activities	1,309,364	1,434,838	2,656,132	2,861,538
Total primary government net expense	<u>\$ (2,571,556)</u>	<u>\$ (2,556,493)</u>	<u>\$ (1,853,194)</u>	<u>\$ (1,661,764)</u>
General Revenues and Other Changes				
in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 483,398	\$ 470,156	\$ 718,502	\$ 462,412
Sales taxes	910,954	952,728	1,100,764	1,124,883
Other taxes	931,994	1,012,868	1,095,346	1,120,184
Unrestricted investment earnings	1,281	1,374	4,084	6,724
Miscellaneous	182,118	194,372	124,636	-
Transfers	<u>1,430,697</u>	<u>-</u>	<u>2,869,330</u>	<u>2,869,379</u>
Total governmental activities	<u>3,940,442</u>	<u>2,631,498</u>	<u>5,912,662</u>	<u>5,583,582</u>
Business-type activities:				
Unrestricted investment earnings	353,048	26,100	47,746	411,277
Miscellaneous	78,863	134,237	178,583	-
Transfers	<u>(1,430,697)</u>	<u>-</u>	<u>(2,869,330)</u>	<u>(2,869,379)</u>
Total business-type activities	<u>(998,786)</u>	<u>160,337</u>	<u>(2,643,001)</u>	<u>(2,458,102)</u>
Total primary government	<u>\$ 2,941,656</u>	<u>\$ 2,791,835</u>	<u>\$ 3,269,661</u>	<u>\$ 3,125,480</u>
Change in Net Position				
Governmental activities	\$ 59,522	\$ (1,359,833)	\$ 1,403,336	\$ 1,060,280
Business-type activities	310,578	1,595,175	13,131	403,436
Total primary government	<u>\$ 370,100</u>	<u>\$ 235,342</u>	<u>\$ 1,416,467</u>	<u>\$ 1,463,716</u>

Year					
2020	2021	2022	2023	2024	2025
\$ (6,953,407)	\$ (6,501,148)	\$ (4,726,203)	\$ (5,622,297)	\$ (4,546,082)	\$ (7,459,211)
3,896,357	5,382,319	3,258,183	4,714,724	5,474,990	5,566,556
<u>\$ (3,057,050)</u>	<u>\$ (1,118,829)</u>	<u>\$ (1,468,020)</u>	<u>\$ (907,573)</u>	<u>\$ 928,908</u>	<u>\$ (1,892,655)</u>
\$ 218,414	\$ 470,561	\$ 534,117	\$ 499,501	\$ 523,683	\$ 618,482
1,174,860	1,372,687	1,672,154	1,616,053	1,558,129	1,800,252
971,203	1,211,232	1,355,089	1,379,646	1,521,418	1,517,718
1,859	578	675	2,387	1,391	739
-	-	-	-	-	-
3,247,794	3,425,154	4,464,463	4,021,209	4,251,836	3,929,533
<u>5,614,130</u>	<u>6,480,212</u>	<u>8,026,498</u>	<u>7,518,796</u>	<u>7,856,457</u>	<u>7,866,724</u>
414,401	108,840	-	-	-	-
-	-	877,247	-	-	-
<u>(3,247,794)</u>	<u>(3,425,154)</u>	<u>(4,464,463)</u>	<u>(4,021,209)</u>	<u>(4,251,836)</u>	<u>(3,929,533)</u>
<u>(2,833,393)</u>	<u>(3,316,314)</u>	<u>(3,587,216)</u>	<u>(4,021,209)</u>	<u>(4,251,836)</u>	<u>(3,929,533)</u>
<u>\$ 2,780,737</u>	<u>\$ 3,163,898</u>	<u>\$ 4,439,282</u>	<u>\$ 3,497,587</u>	<u>\$ 3,604,621</u>	<u>\$ 3,937,191</u>
\$ (1,339,277)	\$ (20,936)	\$ 3,300,295	\$ 1,896,499	\$ 3,310,375	\$ 407,513
1,062,964	2,066,005	(329,033)	693,515	1,223,154	1,637,023
<u>\$ (276,313)</u>	<u>\$ 2,045,069</u>	<u>\$ 2,971,262</u>	<u>\$ 2,590,014</u>	<u>\$ 4,533,529</u>	<u>\$ 2,044,536</u>

CITY OF FORSYTH, GEORGIA

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

	Year			
	2016	2017	2018	2019
General Fund:				
Non-spendable	\$ 18,995	\$ 3,037	\$ 3,444	\$ 4,801
Restricted	63,959	769,237	769,237	61,288
Unassigned	1,478,775	894,042	959,436	2,419,210
Total General Fund	<u>\$ 1,561,729</u>	<u>\$ 1,666,316</u>	<u>\$ 1,732,117</u>	<u>\$ 2,485,299</u>
All Other Governmental Funds:				
Non-spendable	\$ -	\$ 76,150	\$ 119,781	\$ -
Restricted	753,583	594,476	751,706	904,123
Assigned	-	-	-	-
Total all other governmental funds	<u>\$ 753,583</u>	<u>\$ 670,626</u>	<u>\$ 871,487</u>	<u>\$ 904,123</u>

Year					
2020	2021	2022	2023	2024	2025
\$ 4,801	\$ 60	\$ 68,481	\$ -	\$ -	\$ -
61,288	-	-	-	-	-
2,419,210	3,133,869	3,030,101	3,116,410	2,094,549	642,138
<u>\$ 2,485,299</u>	<u>\$ 3,133,929</u>	<u>\$ 3,098,582</u>	<u>\$ 3,116,410</u>	<u>\$ 2,094,549</u>	<u>\$ 642,138</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
904,123	344,240	5,888,701	6,970,307	6,996,264	5,509,712
-	-	-	-	-	-
<u>\$ 904,123</u>	<u>\$ 344,240</u>	<u>\$ 5,888,701</u>	<u>\$ 6,970,307</u>	<u>\$ 6,996,264</u>	<u>\$ 5,509,712</u>

CITY OF FORSYTH, GEORGIA

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

	Year			
	2016	2017	2018	2019
Revenues				
Taxes	\$ 2,326,346	\$ 2,435,752	\$ 2,852,384	\$ 2,783,989
Licenses and permits	122,405	116,628	92,497	120,581
Intergovernmental	614,730	1,233,402	712,336	822,283
Fines and forfeitures	372,797	358,043	297,182	364,979
Charges for services	314,791	305,751	308,863	321,042
Interest income	1,281	1,646	4,728	6,724
Other revenues	182,119	194,372	255,078	551,658
Total revenues	<u>3,934,469</u>	<u>4,645,594</u>	<u>4,523,068</u>	<u>4,971,256</u>
Expenditures				
General government	1,427,457	1,493,221	1,547,123	1,563,852
Public safety	2,068,830	2,222,127	2,302,215	2,472,131
Public works	1,206,140	1,726,703	999,293	1,935,814
Parks and recreation	20,567	34,017	37,156	207,670
Better Hometown	203,398	203,398	233,403	268,578
Capital outlay	170,378	137,757	1,380,341	70,621
Debt service:				
Principal	428,157	443,727	541,796	523,126
Interest	102,146	129,850	81,087	73,781
Issuance costs	-	-	-	-
Total expenditures	<u>5,627,073</u>	<u>6,390,800</u>	<u>7,122,414</u>	<u>7,115,573</u>
Deficiency of revenues over expenditures	<u>(1,692,604)</u>	<u>(1,745,206)</u>	<u>(2,599,346)</u>	<u>(2,144,317)</u>
Other financing sources (uses)				
Issuance of debt	1,892,054	-	-	-
Issuance of refunding debt	-	-	-	-
Payment to refunded escrow agent	-	-	-	-
Transfers in	-	3,221,429	2,900,000	2,384,350
Transfers out	(461,357)	(282,738)	(30,670)	(2,349,389)
Total other financing sources (uses), net	<u>1,430,697</u>	<u>2,938,691</u>	<u>2,869,330</u>	<u>34,961</u>
Net change in fund balances	<u>\$ (261,907)</u>	<u>\$ 1,193,485</u>	<u>\$ 269,984</u>	<u>\$ (2,109,356)</u>
Debt service as a percentage of non-capital expenditures	9.4%	9.0%	8.7%	8.4%

		Year									
		2020	2021	2022	2023	2024	2025				
\$	2,597,286	\$	3,072,085	\$	3,581,638	\$	3,465,573	\$	3,617,740	\$	3,918,523
	115,913		132,571		119,568		135,507		134,275		128,979
	844,319		978,785		1,953,419		2,308,808		4,926,287		3,092,929
	439,085		476,025		352,805		286,348		692,037		674,160
	317,855		341,296		343,703		349,527		406,209		485,917
	2,590		11,905		1,240		14,619		148,030		115,095
	533,132		221,419		229,667		231,545		260,761		511,592
	<u>4,850,180</u>		<u>5,234,086</u>		<u>6,582,040</u>		<u>6,791,927</u>		<u>10,185,339</u>		<u>8,927,195</u>
	1,406,171		1,559,306		1,579,239		1,692,249		1,903,932		2,077,513
	3,108,674		3,106,691		3,236,913		4,202,363		5,223,154		5,200,983
	1,699,842		1,512,645		1,610,505		2,066,481		2,686,314		2,537,379
	230,318		474,469		503,737		506,142		1,744,866		1,943,816
	254,438		217,067		326,033		376,408		571,964		601,993
	2,428,580		4,698,868		101,892		1,070,770		3,763,293		4,122,159
	123,253		165,855		269,626		356,627		437,488		439,500
	325,959		420,081		379,268		344,666		317,556		302,231
	36,250		-		146,026		-		-		-
	<u>9,613,485</u>		<u>12,154,982</u>		<u>8,153,239</u>		<u>10,615,706</u>		<u>16,648,567</u>		<u>17,225,574</u>
	<u>(4,763,305)</u>		<u>(6,920,896)</u>		<u>(1,571,199)</u>		<u>(430,367)</u>		<u>(6,463,228)</u>		<u>(8,298,379)</u>
	5,100,000		-		-		100,282		-		-
	-		-		7,555,000		-		-		-
	-		-		(4,939,150)		-		-		-
	3,455,034		3,753,880		9,369,847		5,202,050		6,686,423		7,266,125
	(207,240)		(328,726)		(4,905,384)		(379,119)		(1,423,889)		(2,387,737)
	<u>8,347,794</u>		<u>3,425,154</u>		<u>7,080,313</u>		<u>4,923,213</u>		<u>5,262,534</u>		<u>4,878,388</u>
\$	<u>3,584,489</u>	\$	<u>(3,495,742)</u>	\$	<u>5,509,114</u>	\$	<u>4,492,846</u>	\$	<u>(1,200,694)</u>	\$	<u>(3,419,991)</u>
	4.7%		4.8%		8.6%		8.1%		7.1%		6.4%

CITY OF FORSYTH, GEORGIA

**GOVERNMENTAL ACTIVITIES EXPENDITURES BY FUNCTION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

<u>Calendar Year</u>	<u>General Government</u>	<u>Police</u>	<u>Fire Department</u>	<u>Municipal Court</u>	<u>Public Works</u>
2016	\$ 1,276,187	\$ 1,180,371	\$ 846,334	\$ 87,028	\$ 1,206,140
2017	1,311,764	1,270,660	864,295	84,524	1,726,703
2018	1,342,983	1,330,749	888,326	83,140	999,293
2019	1,563,852	1,375,907	987,337	108,887	1,935,814
2020	1,406,171	1,879,348	1,117,917	111,409	1,699,842
2021	1,559,306	1,628,716	1,352,653	125,322	1,512,645
2022	1,579,239	1,790,710	1,322,647	123,556	1,610,505
2023	1,813,106	2,232,544	1,739,550	112,773	1,831,942
2024	2,152,472	3,101,367	2,049,984	124,753	2,426,718
2025	2,291,296	2,939,812	2,234,884	129,734	3,071,209

Housing and Development	Better Hometown	Parks and Recreation	Total
\$ -	\$ 203,398	\$ 20,567	\$ 4,820,025
-	203,398	34,017	5,495,361
-	233,403	37,156	4,915,050
207,670	268,578	70,621	6,518,666
138,160	254,438	92,158	6,699,443
220,493	217,067	253,976	6,870,178
259,808	326,033	243,929	7,256,427
247,060	250,932	623,468	8,851,375
332,469	334,431	338,130	10,860,324
311,266	601,993	593,070	12,173,264

CITY OF FORSYTH, GEORGIA

GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN YEARS

<u>Calendar Year</u>	<u>Ad Valorem Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Beer and Liquor Taxes</u>
2016	\$ 483,398	\$ 1,525,684	\$ 113,537	\$ 200,477
2017	470,156	952,728	98,205	205,545
2018	656,274	1,100,764	106,579	202,898
2019	538,922	1,124,883	105,572	202,852
2020	451,223	1,174,860	98,361	218,243
2021	494,087	1,372,687	100,831	230,804
2022	554,395	1,672,154	118,548	228,874
2023	469,874	1,616,053	137,364	224,468
2024	369,036	1,558,129	101,548	214,064
2025	403,181	1,800,252	98,291	214,645

<u>Insurance Premium Tax</u>	<u>Other Taxes</u>	<u>Total</u>
\$ 239,920	\$ 561,460	\$ 3,934,469
255,476	194,569	3,641,584
275,519	253,379	3,690,639
292,586	551,658	3,685,570
309,199	533,132	3,723,453
328,944	183,286	3,751,281
369,726	637,941	3,581,638
400,135	617,679	3,465,573
430,098	944,865	3,617,740
478,545	923,610	3,918,524

CITY OF FORSYTH, GEORGIA

SALES TAX COLLECTIONS AND RATES LAST TEN YEARS

<u>Year</u>	<u>Sales Tax Received by Forsyth</u>				<u>State</u>
	<u>Local Option Sales Tax</u>	<u>Special Purpose Local Option Sales Tax</u>	<u>Transportation Special Purpose Local Option Sales Tax</u>	<u>Total Collected Sales Tax</u>	<u>Basic Rate</u>
2016	\$ 910,954	\$ 614,730	\$ -	\$ 1,525,684	4%
2017	952,728	548,919	-	1,501,647	4%
2018	1,100,764	512,059	-	1,612,823	4%
2019	1,124,883	759,788	-	1,884,671	4%
2020	1,174,860	775,654	-	1,950,514	4%
2021	1,372,687	881,169	-	2,253,856	4%
2022	1,672,154	1,130,672	742,288	3,545,114	4%
2023	1,616,053	1,177,755	1,008,569	3,802,377	4%
2024	1,558,129	1,144,770	991,193	3,694,092	4%
2025	1,800,252	1,288,334	1,169,700	4,258,286	4%

SOURCE:

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

County			City	
County Education Rate	Special Purpose Local Option Sales Tax	Transportation Special Purpose Local Option Sales Tax	Local Option Sales Tax	Total Sales Tax Rate
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	0%	1%	7%
1%	1%	1%	1%	8%
1%	1%	1%	1%	8%
1%	1%	1%	1%	8%
1%	1%	1%	1%	8%

CITY OF FORSYTH, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

Calendar Year	Assessed Value of Taxable Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value ⁽¹⁾
2016	\$ 119,688,305	\$ 10,146,648	\$ 109,541,657	3.000	\$ 273,854,143	40%
2017	116,881,114	781,027	116,100,087	3.000	290,250,218	40%
2018	116,532,639	2,774,083	113,758,556	3.000	284,396,390	40%
2019	116,881,114	2,784,982	114,096,132	3.000	285,240,330	40%
2020	123,347,883	2,853,377	120,494,506	3.000	301,236,265	40%
2021	140,561,619	3,216,229	137,345,390	2.500	343,363,475	40%
2022	153,004,240	3,407,954	149,596,286	2.500	379,102,462	40%
2023	188,312,338	4,630,736	183,681,602	2.250	459,204,005	40%
2024	187,806,349	5,264,376	182,541,973	2.000	456,354,932	40%
2025	214,759,633	6,916,815	207,842,818	2.000	519,607,045	40%

SOURCE:

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

⁽¹⁾ State of Georgia requires 40% assessment of actual value.

CITY OF FORSYTH, GEORGIA

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS**

<u>Calendar Year</u>	<u>Direct</u>	<u>Overlapping</u>		<u>Total</u>
	<u>City Basic Rate</u>	<u>State and County</u>	<u>County School System</u>	
2016	3.000	13.331	15.734	32.065
2017	3.000	13.331	15.716	32.047
2018	3.000	13.291	15.669	31.960
2019	3.000	13.187	15.546	31.733
2020	3.000	13.187	15.546	31.733
2021	2.500	12.800	15.227	30.527
2022	2.500	12.050	15.024	29.574
2023	2.250	12.004	16.212	30.466
2024	2.000	10.803	16.212	29.015
2025	2.000	11.976	16.171	30.147

SOURCE:

Georgia Department of Revenue

CITY OF FORSYTH, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Calendar Year 2025			Calendar Year 2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Eric S Zorn Trustee (Walmart)	\$ 3,121,220	1	1.45%	\$ 4,202,260	1	3.73%
Atlanta Gas Light Co	1,791,842	10	0.83%	2,572,972	3	2.28%
Encore Plastics Southeast LLC	1,950,708	9	0.91%	3,031,476	2	2.69%
Edgar Hughston Builder Inc	2,058,760	8	0.96%	1,275,424	4	1.13%
Walmart Inc	2,219,729	7	1.03%	1,155,616	6	1.01%
Central Georgia Medical Properties LLC	2,288,356	6	1.07%	1,046,960	7	0.00%
Forsyth Cabinet, LLC	2,932,127	4	1.37%	1,017,056	8	0.90%
Connell I75Forsyth LLC	2,964,898	2	1.38%	828,800	10	0.74%
Encore Industries	2,950,708	3	1.37%	1,163,500	5	1.03%
QuiktripCorporation	2,305,107	5	1.07%	872,756	9	0.77%
Total	\$ 24,583,455		11.44%	\$ 17,166,820		14.28%

SOURCE:

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

CITY OF FORSYTH, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Year	Taxes Levied for the Year	Collected within the Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 312,046	\$ 273,554	87.7%	\$ 79,518
2017	326,837	296,715	90.8%	17,871
2018	334,919	289,164	86.3%	27,224
2019	348,599	342,288	98.2%	20,383
2020	357,005	322,148	90.2%	39,220
2021	329,683	292,815	88.8%	28,490
2022	412,753	375,304	90.9%	31,746
2023	340,368	295,129	86.7%	41,194
2024	362,535	326,682	90.1%	35,853
2025	396,553	286,812	72.3%	46,363

SOURCE:

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

Total Collections to Date		Outstanding Delinquent Taxes	Outstanding Delinquent Taxes Percentage of Current Levy
Amount	Percentage of Levy		
\$ 312,046	100.0%	-	0.00%
314,586	96.3%	12,251	3.75%
316,388	94.5%	18,531	5.53%
348,599	100.0%	-	0.00%
357,005	100.0%	-	0.00%
321,305	97.5%	8,378	2.54%
407,050	98.6%	5,703	1.38%
336,323	98.8%	4,045	1.19%
362,535	100.0%	-	0.00%
333,175	84.0%	63,378	15.98%

CITY OF FORSYTH, GEORGIA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Governmental Activities</u>		
		<u>Notes Payable</u>	<u>Revenue Bonds</u>	<u>Financed Purchases</u>
2016	\$ -	\$ 739,839	\$ 1,439,043	\$ -
2017	-	726,112	915,000	753,042
2018	-	711,795	465,000	622,181
2019	-	696,852	-	621,214
2020	-	5,734,692	-	560,121
2021	-	5,633,245	-	495,713
2022	-	8,041,532	-	433,650
2023	-	7,752,769	-	466,068
2024	-	7,453,626	-	532,513
2025	-	7,143,729	-	402,910

SOURCE:

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

Notes Payable	Business-type Activities		Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
	Revenue Bonds	Financed Purchases			
\$ 1,000,000	\$ -	\$ 144,795	\$ 3,323,677	1.44%	832
983,665	-	114,901	3,492,720	1.99%	858
943,793	-	943,793	3,686,562	2.10%	895
902,957	-	211,439	2,432,462	1.20%	589
861,134	-	126,780	7,282,727	5.08%	1,689
636,365	-	325,562	7,090,885	5.06%	1,617
774,433	-	172,835	9,422,450	6.43%	2,002
729,504	-	115,332	9,063,673	5.82%	1,835
683,491	-	202,990	8,872,620	4.47%	1,765
636,365	-	325,562	8,508,566	4.30%	1,697

CITY OF FORSYTH, GEORGIA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2025**

<u>Jurisdiction</u>	<u>New Debt Outstanding</u>	<u>Percentage Applicable to City of Forsyth ⁽¹⁾</u>	<u>Amount Applicable to City of Forsyth</u>
Monroe County, Georgia - Overlapping Debt	\$ 22,340,000	10.65%	<u>\$ 2,378,830</u>
Subtotal Overlapping Debt			2,378,830
City of Forsyth, Georgia - Direct Debt			<u>7,546,639</u>
Total Direct and Overlapping Debt			<u><u>\$ 9,925,469</u></u>

SOURCE:

Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding provided by the County and City Finance Departments.

NOTES:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that could place burden on the residents and businesses of the City of Forsyth. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

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

CITY OF FORSYTH, GEORGIA

**LONG-TERM DEBT BURDEN
COMBINED UTILITIES FUND
LAST TEN YEARS**

<u>Year</u>	<u>Gross Revenue</u>	<u>Direct Operating Expenses</u>	<u>Available for Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 13,305,452	\$ 11,923,971	\$ 1,381,481	\$ 1,144,795	\$ 40,518	\$ 1,185,313
2017	12,691,515	11,095,746	1,595,769	46,229	26,694	72,923
2018	14,233,094	11,370,911	2,862,183	71,006	27,468	98,474
2019	14,457,310	11,570,561	2,886,749	104,148	25,211	129,359
2020	14,297,555	10,938,575	3,358,980	126,480	39,277	165,757
2021	16,158,570	12,040,267	4,118,303	94,822	26,166	120,988
2022	17,584,332	14,060,464	3,523,868	98,656	28,716	127,372
2023	15,513,393	11,512,510	4,000,883	102,430	28,583	131,013
2024	17,000,817	12,091,696	4,909,121	152,446	24,646	177,092
2025	18,180,726	13,426,041	4,754,685	135,961	42,364	178,325

SOURCE:

City of Forsyth, Georgia ordinances.

CITY OF FORSYTH, GEORGIA

**PLEGGED-REVENUE COVERAGE
LAST TEN YEARS**

<u>Year</u>	<u>Utility Service Charges</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2016	\$ 5,917,164	\$ 3,802,058	\$ 2,115,106	\$ 645,000	673,645	1.60
2017	12,691,515	11,095,746	1,595,769	-	-	-
2018	14,233,094	11,370,911	2,862,183	-	-	-
2019	14,186,735	4,175,132	10,011,603	-	-	-
2020	14,297,555	8,723,401	5,574,154	-	-	-
2021	16,158,570	11,253,328	4,905,242	-	-	-
2022	17,584,332	13,220,552	4,363,780	-	-	-
2023	15,513,393	10,641,064	4,872,329	-	-	-
2024	17,000,817	11,139,321	5,861,496	-	-	-
2025	18,180,726	13,484,314	4,696,412	-	-	-

NOTES:

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

Utility service charges include tap fees, but exclude interest.

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

CITY OF FORSYTH, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

<u>Year</u>	<u>Population ⁽¹⁾</u>	<u>Personal Income ⁽²⁾</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate ⁽³⁾</u>
2016	3,993	\$ 160,941,858	\$ 40,306	5.2
2017	4,071	125,964,882	30,942	4.8
2018	4,121	130,749,992	31,728	4.0
2019	4,130	127,298,990	30,823	3.5
2020	4,312	126,436,464	29,322	3.5
2021	4,384	140,055,648	31,947	3.2
2022	4,706	146,488,368	31,128	2.8
2023	4,940	155,610,000	31,500	4.0
2024	5,027	198,692,175	39,525	4.0
2025	5,015	197,656,195	35,413	4.0

SOURCES:

⁽¹⁾ Source - <https://www.homefacts.com/unemployment/Georgia/Monrow-County/Forsyth.html>

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

⁽³⁾ All population data are estimates based on the U.S. Census results.

CITY OF FORSYTH, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Monroe County Board of Education	535	2	11.15%	620	1	15.64%
GA Department of Corrections	688	1	14.33%	427	2	10.77%
Georgia Power Company - Plant Scherer	400	4	8.33%	410	3	10.34%
Monroe County Board of Commissioners	398	5	8.29%	250	4	6.31%
Al Burris Correctional Institute	229	7	4.77%	249	5	6.28%
GA Public Safety Training Center	445	3	9.27%	132	6	3.33%
Monroe County Hospital	125	9	2.60%	85	8	2.14%
Wal-Mart	230	6	4.79%	91	7	2.30%
Bolingreen Nursing Home			0.00%	80	9	
City of Forsyth	105	10	2.19%	68	10	1.72%
Ingles Markets	150	8	3.13%			
Total	3,680		66.04%	2,412		58.83%

SOURCE:

City of Forsyth, Georgia records.

CITY OF FORSYTH, GEORGIA

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

Function	Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administrative	8	19	21	21	19	18	19	15	18	17
Public safety:										
Fire	11	24	27	27	26	21	25	27	29	29
Police	17	20	25	30	23	13	16	27	25	24
Municipal Court	1	3	3	2	2	1	1	1	1	1
Public Works	14	15	17	21	18	10	16	19	22	22
Better Hometown	4	4	5	3	5	2	1	2	1	1
Electric	8	10	10	10	9	8	8	9	11	10
Total	63	95	108	114	102	73	86	100	107	104

SOURCE:

City of Forsyth, Georgia records.

CITY OF FORSYTH, GEORGIA

**OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS**

Function	Year			
	2016	2017	2018	2019
Administrative				
Business licenses issued	753	631	618	614
Permits issued	110	25	21	16
Police				
Citations processed	2,561	2,010	1,808	2,863
Public Works				
Garbage customers	1,516	1,385	1,351	1,376
Culture and Recreation				
Annual City-sponsored events	16	17	14	13
Annual non City-sponsored events	1	1	1	1
Electric				
Annual Kilowatt hours sold (millions)	132	81	88	85
Water				
Average daily consumption in gallons (millions)	1.6	0.0	-	-

SOURCE:

City of Forsyth, Georgia records.

Year					
2020	2021	2022	2023	2024	2025
613 13	617 52	649 128	622 67	621 69	654 82
3,772	3,275	1,540	2,968	4831	4693
1,407	1,647	1,690	1,771	1830	1820
3 1	6 1	7 2	13 1	17 1	13 1
81	93	118	86	86	94
-	1	2	1.6	1.4	1.6

CITY OF FORSYTH, GEORGIA

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS**

Function/Program	Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administrative										
Buildings	2	2	2	2	2	3	3	3	3	4
								1	1	1
Police										
Patrol units	22	22	22	24	24	24	25	28	28	36
Fire										
Fire trucks	7	8	8	8	8	8	8	8	9	9
Public Works										
Vehicles	10	10	10	10	10	10	14	14	14	14
Highways/streets	50	50	50	50	50	50	50	50	50	50
Streetlights	795	795	795	795	795	800	850	860	860	860
Garage										
Vehicles	2	2	2	2	2	2	1	1	1	1
Culture and Recreation										
Acreage	16	16	16	16	16	16	16	16	16	16
Park sites	5	5	5	5	5	5	5	5	5	5
Electric										
Electric lines (miles)	58	58	58	58	58	58	58	59	59	59
Vehicles	5	9	9	9	9	10	10	11	11	11
Water										
Water mains (miles)	40	40	40	40	40	40	50	52	54	55
Sewer										
Sanitary sewers (miles)	40	40	40	40	40	40	40	52	54	55

SOURCE:

City of Forsyth, Georgia records.

COMPLIANCE SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Forsyth, Georgia (the “City”), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 25, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
June 25, 2026

CITY OF FORSYTH, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I
SUMMARY OF AUDIT 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 weaknesses identified?

Yes No

Significant deficiencies identified not considered to be material weaknesses?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

There was not an audit of major federal programs as of December 31, 2025 due to the total amount being expended being less than \$1,000,000.

CITY OF FORSYTH, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS

None reported.

CITY OF FORSYTH, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2025

STATUS OF PRIOR YEAR AUDIT FINDINGS

2024-001 – Budgetary Requirements

Criteria: Georgia Statutes (O.C.G.A §36-81) establish budgetary requirements for governmental entities that there be a legal level of control at a minimum at the department level. In addition, 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.

Condition: Careful monitoring of expenditures compared to budget would alert management and the public to budget violations, and possible misuse of City resources.

Auditee Response/Status: Resolved.