

# City of Forsyth, Missouri

Basic Financial Statements  
Year Ended August 31, 2024



## Table of Contents

<b>Independent Auditors' Report</b> .....	3
<b>Management's Discussion and Analysis</b> .....	6
<b>Basic Financial Statements</b>	
Statement of Net Position .....	13
Statement of Activities .....	15
Balance Sheet – Governmental Funds .....	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities .....	19
Statement of Net Position – Proprietary Fund .....	20
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund .....	22
Statement of Cash Flows – Proprietary Fund .....	23
Notes to the Financial Statements .....	25
<b>Required Supplementary Information</b>	
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios .....	46
Schedule of Contributions .....	47
Notes to the Schedule of Contributions .....	48
Budgetary Comparison Schedule – General Fund .....	49
Budgetary Comparison Schedule – Capital Improvement Fund .....	51
Notes to the Budgetary Comparison Schedules .....	52



Honorable Mayor and Board of Aldermen  
City of Forsyth  
Forsyth, Missouri

## **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Forsyth, Missouri, as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Forsyth, Missouri, as of August 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Forsyth, Missouri, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Responsibilities of Management for the Financial Statements**

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

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 any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

[www.kpmcpa.com](http://www.kpmcpa.com)

1445 E. Republic Road, Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343  
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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, budgetary comparison, and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
February 11, 2025

## **Management's Discussion and Analysis**

# City of Forsyth

## Management's Discussion and Analysis

August 31, 2024

---

The Management's Discussion and Analysis of the City of Forsyth, Missouri's financial performance provides an overview of the City's financial activities for the fiscal year ended August 31, 2024. Please read it in conjunction with the City's financial statements.

### Financial Highlights

The net position of the City's governmental activities increased by \$260,275 for the year as a result of current year activities. The net position of the City's business-type activities decreased by \$74,176 for the year.

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of August 31, 2024, by \$12.8 million (net position). Of this amount \$2,273,144 was unrestricted and may be used to meet future obligations of the City.

Total long-term liabilities of the City increased by \$7,390 during the year.

Total revenues decreased 3% compared to prior year revenues, while total expenses increased 27% compared to prior year expenses.

### Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

### Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, *Is the City as a whole better off or worse off as a result of the year's activities?* The Statement of Net Position and Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in them. The City's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

*Governmental Activities:* Most of the City's basic services are reported here. Taxes are the primary source of financing for these activities.

*Business-Type Activities:* The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer services are provided here.

# City of Forsyth

## Management's Discussion and Analysis

August 31, 2024

---

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds and not the City as a whole. The Board of Aldermen establishes funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes and grants.

*Governmental Funds:* Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in reconciliations following the fund financial statements.

*Proprietary Funds:* When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

### Notes to the Basic Financial Statements

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

# City of Forsyth

## Management's Discussion and Analysis

August 31, 2024

### Government-Wide Financial Analysis

#### Net Position

The following table presents the condensed Statement of Net Position for the City as of August 31, 2024 and 2023:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total August 31, 2024</b>	<b>Total August 31, 2023</b>
<b>Assets</b>				
Current and other assets	\$ 2,191,559	\$ 2,319,576	\$ 4,511,135	\$ 4,817,353
Capital assets	5,053,695	5,738,218	10,791,913	10,632,292
<b>Total Assets</b>	<b>7,245,254</b>	<b>8,057,794</b>	<b>15,303,048</b>	<b>15,449,645</b>
<b>Deferred Outflow of Resources</b>				
Deferred pension outflows	153,872	205,747	359,619	271,240
<b>Liabilities</b>				
Other liabilities	210,245	252,635	462,880	739,164
Long-term liabilities outstanding	912,338	1,061,462	1,973,800	1,966,410
<b>Total Liabilities</b>	<b>1,122,583</b>	<b>1,314,097</b>	<b>2,436,680</b>	<b>2,705,574</b>
<b>Deferred Inflow of Resources</b>				
Deferred pension inflows	22,427	49,238	71,665	157,237
Deferred lease inflows	-	319,021	319,021	208,872
<b>Total Deferred Inflow of Resources</b>	<b>22,427</b>	<b>368,259</b>	<b>390,686</b>	<b>366,109</b>
<b>Net Position</b>				
Net investment in capital assets	4,317,581	4,973,218	9,290,799	8,887,979
Restricted	1,271,358	-	1,271,358	1,314,339
Unrestricted	665,177	1,607,967	2,273,144	2,446,884
<b>Total Net Position</b>	<b>\$ 6,254,116</b>	<b>\$ 6,581,185</b>	<b>\$ 12,835,301</b>	<b>\$ 12,649,202</b>

Total net position of the City increased by \$186,099 for the year due to current year activity. Total liabilities for the City decreased \$268,894, primarily due to payment of principal on outstanding debt.



# City of Forsyth

## Management's Discussion and Analysis

August 31, 2024

### Changes in Net Position

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Year Ended August 31, 2024</b>	<b>Total Year Ended August 31, 2023</b>
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 50,866	\$ 964,138	\$ 1,015,004	\$ 1,021,571
Operating grants and contributions	23,935	-	23,935	51,669
Capital grants and contributions	203,803	-	203,803	287,632
General Revenues				
Property taxes	212,619	-	212,619	202,168
Sales taxes	896,807	-	896,807	959,166
Motor vehicle taxes	145,293	-	145,293	134,656
Other taxes	6	-	6	5
Franchise taxes	76,498	-	76,498	90,781
Interest	84,330	83,192	167,522	69,388
Other revenue	34,992	25,639	60,631	59,233
Transfers	19,636	(19,636)	-	-
<b>Total Revenues</b>	<b>1,748,785</b>	<b>1,053,333</b>	<b>2,802,118</b>	<b>2,876,269</b>
<b>Expenses</b>				
Administration	123,941	-	123,941	130,142
Police	646,183	-	646,183	414,465
Fire	304,964	-	304,964	264,897
Parks	153,266	-	153,266	128,977
Street	194,759	-	194,759	199,273
Building	45,481	-	45,481	37,524
Debt service	19,916	-	19,916	23,016
Water and sewer	-	1,127,509	1,127,509	867,271
<b>Total Expenses</b>	<b>1,488,510</b>	<b>1,127,509</b>	<b>2,616,019</b>	<b>2,065,565</b>
<i>Increase (Decrease) in Net Position</i>	<u><u>\$ 260,275</u></u>	<u><u>\$ (74,176)</u></u>	<u><u>\$ 186,099</u></u>	<u><u>\$ 810,704</u></u>

# City of Forsyth

## Management's Discussion and Analysis

August 31, 2024

### Governmental Activities

Governmental activities increased the net position of the City by \$260,275. Tax revenues for the City were \$1,331,223 which represents 76% of the financing of these activities. Program revenues for the functions totaled \$278,604. The following table shows the cost of the City's programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

#### Net Cost of the City of Forsyth's Governmental Activities

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Administration	\$ 123,941	\$ 119,301
Police	646,183	639,303
Fire	304,964	282,094
Parks	153,266	(80,251)
Street	194,759	194,759
Building	45,481	34,784
Debt service	19,916	19,916
	<u>\$ 1,488,510</u>	<u>\$ 1,209,906</u>

### Business-Type Activities

Business-type activities decreased the City's net position by \$74,176.

### Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of August 31, 2024, were \$2,123,177. The General Fund decreased by \$237,775. The Capital Improvement Fund increased by \$70,844.

### General Fund Budgetary Highlights

#### Revenues

The original revenue budget of \$1,302,421 was decreased to \$1,256,783 .

#### Expenditures

The original expenditure budget of \$1,716,119 was decreased to \$1,707,759 for anticipated expenditures.

# City of Forsyth

## Management's Discussion and Analysis

August 31, 2024

---

### Capital Assets and Long-Term Debt

#### Capital Assets

Capital assets of the governmental activities were \$5,053,695 (net of accumulated depreciation) as of August 31, 2024. This represents a \$395,685 increase from the prior year. Capital assets for business-type activities were \$5,738,218 as of August 31, 2024. This represents a \$236,064 decrease from the prior year.

#### Debt

Total debt of the governmental activities as of August 31, 2024, was \$736,114, which is down from \$874,313 in the prior year due to principal payments on debt.

Total debt of the business-type activities as of August 31, 2024, was \$765,000, which is down from \$870,000 in the prior year due to principal payments on debt.

### Economic Factors and Next Year's Budget

The economic outlook for this year's budget was not optimistic. The uncertainty in the national political climate appears to have consumers sitting on the sidelines waiting to find out the direction our national leaders will lean.

The new budget was created based on this outlook. The Board decided to hold projected revenues basically flat, understanding that, should there be growth in the revenues, resources could be allocated to special projects as the fiscal year progressed and collections were in hand.

As inflation grew, the need to increase the base wages of some of the staff was also addressed by giving a 2% cost of living wage for the entire staff. The legacy effect of these increased wages will need to be monitored to ensure that the actuarial obligations are still able to be met moving forward.

The budget also included some capital projects needed to bring the aging wastewater treatment plant(s) back into prime operating condition. There has been deferred maintenance that can no longer be postponed. Major repairs and capital improvements in the public works department have been made using in house labor, saving money on contractor profits. The Board has also noted that over the next few years various other equipment will need to be replaced. The City will need to replace the server and several desktop computers. The Fire Department will also have life safety equipment needing replacement in the following months and the police department will need camera upgrades and vests replaced. The staff will look for grants and financial assistance programs to help fund these items.

The Board is actively looking at improving the efficiency of the day-to-day operations. The administration has controlled the workforce costs by holding unfilled positions and reallocating duties.

Looking forward, Forsyth will be leaner and more efficient. We are making and implementing long range plans, maintaining our current assets and providing good value for our citizens.

## City of Forsyth

### Management's Discussion and Analysis

August 31, 2024

---

#### **Contacting the City's Financial Management**

For additional information or questions, please contact any of the following officers at:

Dennis Winzenried, President of the Board

Jim Viebrock, City Administrator

Ann Roberts, Financial Officer

Cheyenne Beasley, City Clerk

City of Forsyth

15405 U.S. Highway 160

P.O. Box 545

Forsyth, Missouri 65653

(417) 546-4763

# City of Forsyth

## Statement of Net Position

August 31, 2024

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents - unrestricted	\$ 238,444	\$ 679,179	\$ 917,623
Investments - unrestricted	422,540	1,045,343	1,467,883
Ad valorem taxes receivable	653	-	653
Sales taxes receivable	193,411	-	193,411
Utilities receivable, net	-	117,346	117,346
Court fines receivable	8,873	-	8,873
Leases receivable - current	-	8,780	8,780
Accrued interest receivable	-	3,656	3,656
Other accounts receivable	6,770	-	6,770
Prepaid expenses	82,775	28,213	110,988
Noncurrent			
Restricted cash and cash equivalents	451,898	105,312	557,210
Restricted investments	786,195	-	786,195
Leases receivable - noncurrent	-	331,747	331,747
Capital assets			
Non-depreciable	1,091,407	186,910	1,278,317
Depreciable, net	3,962,288	5,551,308	9,513,596
<b>Total Assets</b>	<b>7,245,254</b>	<b>8,057,794</b>	<b>15,303,048</b>
<b>Deferred Outflow of Resources</b>			
Deferred pension outflows	153,872	205,747	359,619

See accompanying Notes to the Financial Statements.

# City of Forsyth

## Statement of Net Position

August 31, 2024

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
Accounts payable	36,422	24,505	60,927
Accrued expenses	20,032	9,049	29,081
Police department evidence	2,880	-	2,880
Deposits payable	175	105,312	105,487
Accrued interest payable	7,537	3,769	11,306
Current maturities of long-term debt	143,199	110,000	253,199
	210,245	252,635	462,880
Noncurrent			
Revenue bonds payable	555,000	655,000	1,210,000
Financed purchase payable	37,915	-	37,915
Net pension liability	288,795	399,975	688,770
Compensated absences	30,628	6,487	37,115
	912,338	1,061,462	1,973,800
<b>Total Liabilities</b>	1,122,583	1,314,097	2,436,680
<b>Deferred Inflow of Resources</b>			
Deferred pension inflows	22,427	49,238	71,665
Deferred lease inflows	-	319,021	319,021
<b>Total Deferred Inflow of Resources</b>	22,427	368,259	390,686
<b>Net Position</b>			
Net investment in capital assets	4,317,581	4,973,218	9,290,799
Restricted	1,271,358	-	1,271,358
Unrestricted	665,177	1,607,967	2,273,144
<b>Total Net Position</b>	\$ 6,254,116	\$ 6,581,185	\$ 12,835,301

See accompanying Notes to the Financial Statements.

# City of Forsyth

## Statement of Activities

Year Ended August 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses), Revenues, and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Administration	\$ (123,941)	\$ 4,640	\$ -	\$ -	\$ (119,301)	\$ -	\$ (119,301)
Police	(646,183)	4,915	1,965	-	(639,303)	-	(639,303)
Fire	(304,964)	900	21,970	-	(282,094)	-	(282,094)
Parks	(153,266)	29,714	-	203,803	80,251	-	80,251
Street	(194,759)	-	-	-	(194,759)	-	(194,759)
Building	(45,481)	10,697	-	-	(34,784)	-	(34,784)
Debt service	(19,916)	-	-	-	(19,916)	-	(19,916)
<b>Total Governmental Activities</b>	<b>(1,488,510)</b>	<b>50,866</b>	<b>23,935</b>	<b>203,803</b>	<b>(1,209,906)</b>	<b>-</b>	<b>(1,209,906)</b>
Business-Type Activities							
Water and sewer	(1,127,509)	964,138	-	-	-	(163,371)	(163,371)
<b>Total Business-Type Activities</b>	<b>(1,127,509)</b>	<b>964,138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(163,371)</b>	<b>(163,371)</b>
<b>Total Government</b>	<b>\$ (2,616,019)</b>	<b>\$ 1,015,004</b>	<b>\$ 23,935</b>	<b>\$ 203,803</b>	<b>(1,209,906)</b>	<b>(163,371)</b>	<b>(1,373,277)</b>
General Revenues							
Ad valorem taxes					212,619	-	212,619
Sales taxes					896,807	-	896,807
Motor vehicle taxes					145,293	-	145,293
Other taxes					6	-	6
Franchise taxes					76,498	-	76,498
Interest					84,330	83,192	167,522
Other revenue					34,992	25,639	60,631
Transfers					19,636	(19,636)	-
<b>Total General Revenues and Transfers</b>					<b>1,470,181</b>	<b>89,195</b>	<b>1,559,376</b>
<i>Changes in Net Position</i>					260,275	(74,176)	186,099
Net Position, Beginning of year					5,993,841	6,655,361	12,649,202
<b>Net Position, End of year</b>					<b>\$ 6,254,116</b>	<b>\$ 6,581,185</b>	<b>\$ 12,835,301</b>

See accompanying Notes to the Financial Statements.

# City of Forsyth

## Balance Sheet – Governmental Funds

August 31, 2024

		Special Revenue Fund	
	General Fund	Capital Improvement Fund	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents - unrestricted	\$ 238,444	\$ -	\$ 238,444
Investments - unrestricted	422,540	-	422,540
Ad valorem taxes receivable	653	-	653
Sales taxes receivable	157,091	36,320	193,411
Court fines receivable	8,873	-	8,873
Other accounts receivable	6,770	-	6,770
Prepaid expenses	82,775	-	82,775
Restricted cash and cash equivalents	339,604	112,294	451,898
Restricted investments	472,548	313,647	786,195
<b>Total Assets</b>	<b>\$ 1,729,298</b>	<b>\$ 462,261</b>	<b>\$ 2,191,559</b>
<b>Liabilities, Deferred Inflow of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 36,422	\$ -	\$ 36,422
Accrued expenses	20,032	-	20,032
Police department evidence	2,880	-	2,880
Deposits payable	175	-	175
<b>Total Liabilities</b>	<b>59,509</b>	<b>-</b>	<b>59,509</b>
<b>Deferred Inflow of Resources</b>			
Deferred court fines	8,873	-	8,873
<b>Fund Balances</b>			
<b>Nonspendable</b>			
Prepaid items	82,775	-	82,775
<b>Restricted for</b>			
Parks	531,053	-	531,053
Fire department	278,044	-	278,044
Capital improvements	-	462,261	462,261
Unassigned	769,044	-	769,044
<b>Total Fund Balances</b>	<b>1,660,916</b>	<b>462,261</b>	<b>2,123,177</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 1,729,298</b>	<b>\$ 462,261</b>	<b>\$ 2,191,559</b>

See accompanying Notes to the Financial Statements.



## City of Forsyth

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

August 31, 2024

---

Fund balance - total governmental funds	\$ 2,123,177
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	7,708,742
Less accumulated depreciation	<u>(2,655,047)</u>
	5,053,695
Adjustment of deferred court fines	8,873
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(7,537)
The net pension liability and related deferred costs are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension liability	(288,795)
Deferred outflows due to pensions	153,872
Deferred inflows due to pensions	<u>(22,427)</u>
	(157,350)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(766,742)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 6,254,116</u></u>

See accompanying Notes to the Financial Statements.

## City of Forsyth

### Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended August 31, 2024

	<b>General Fund</b>	<b>Special Revenue Fund Capital Improvement Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Taxes	\$ 1,136,581	\$ 194,642	\$ 1,331,223
Licenses and permits	15,337	-	15,337
Intergovernmental revenues	227,738	-	227,738
Charges for services	30,614	-	30,614
Fines and forfeitures	4,915	-	4,915
Miscellaneous	91,874	17,448	109,322
<b>Total Revenues</b>	<u>1,507,059</u>	<u>212,090</u>	<u>1,719,149</u>
<b>Expenditures</b>			
Current			
Administration	111,710	-	111,710
Police	475,220	-	475,220
Fire	255,762	-	255,762
Parks	119,177	-	119,177
Street	124,708	-	124,708
Building	51,585	-	51,585
Capital outlay	636,308	-	636,308
Debt service			
Principal, interest and fees	-	141,246	141,246
<b>Total Expenditures</b>	<u>1,774,470</u>	<u>141,246</u>	<u>1,915,716</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(267,411)	70,844	(196,567)
<b>Other Financing Sources</b>			
Operating transfers in	19,636	-	19,636
Sale of property	10,000	-	10,000
<b>Total Other Financing Sources</b>	<u>29,636</u>	<u>-</u>	<u>29,636</u>
<i>Net Change in Fund Balances</i>	(237,775)	70,844	(166,931)
Fund Balance, September 1	1,898,691	391,417	2,290,108
<b>Fund Balance, August 31</b>	<u><u>\$ 1,660,916</u></u>	<u><u>\$ 462,261</u></u>	<u><u>\$ 2,123,177</u></u>

See accompanying Notes to the Financial Statements.

## City of Forsyth

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities

Year Ended August 31, 2024

---

Net change in fund balances - total governmental funds	\$ (166,931)
--	--------------

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives on a straight line basis and reported as depreciation expense.

Capital outlay	603,543
Depreciation	(207,858)
	<u>395,685</u>

Some revenues reported in the governmental funds represent current financial resources and were recognized in the Statement of Activities when earned. (12,457)

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 the governmental funds.

Change in compensated absences	(7,300)
Change in pension related costs	(88,251)
	<u>(95,551)</u>

The issuance of long-term debt provides current financial resources to governmental funds. The repayment of the principal of long-term debt is a use of current financial resources of governmental funds. In the Statement of Activities, interest is accrued on outstanding debt whereas, in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences.

Repayment of principal on debt	138,199
Accrued interest payable	1,330
	<u>139,529</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 260,275</u></u>

See accompanying Notes to the Financial Statements.

## City of Forsyth

### Statement of Net Position – Proprietary Fund

August 31, 2024

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 679,179
Investments	1,045,343
Utilities receivable, net	117,346
Leases receivable - current	8,780
Accrued interest receivable	3,656
Prepaid expenses	28,213
<b>Total Current Assets</b>	<u>1,882,517</u>
Restricted Assets	
Cash and cash equivalents	105,312
Noncurrent Assets	
Leases receivable - noncurrent	331,747
Property, Plant and Equipment	
Land	186,910
Water and sewer system	14,924,988
Equipment	379,016
Vehicles	210,127
	<u>15,701,041</u>
Less accumulated depreciation	<u>(9,962,823)</u>
<b>Total Property, Plant and Equipment</b>	<u>5,738,218</u>
<b>Total Assets</b>	<u>8,057,794</u>
<b>Deferred Outflow of Resources</b>	
Deferred pension outflows	205,747

See accompanying Notes to the Financial Statements.

## City of Forsyth

### Statement of Net Position – Proprietary Fund

August 31, 2024

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
<b>Liabilities</b>	
Current Liabilities	
Accounts payable	24,505
Accrued expenses	9,049
Deposits payable	105,312
Accrued interest payable	3,769
Current maturities of long-term debt	110,000
<b>Total Current Liabilities</b>	<u>252,635</u>
Long-Term Liabilities	
Revenue bonds payable	655,000
Net pension liability	399,975
Compensated absences payable	6,487
<b>Total Long-Term Liabilities</b>	<u>1,061,462</u>
<b>Total Liabilities</b>	<u>1,314,097</u>
<b>Deferred Inflow of Resources</b>	
Deferred pension inflows	49,238
Deferred lease inflows	319,021
<b>Total Deferred Inflow of Resources</b>	<u>368,259</u>
<b>Net Position</b>	
Net investment in capital assets	4,973,218
Unrestricted	1,607,967
<b>Total Net Position</b>	<u><u>\$ 6,581,185</u></u>

See accompanying Notes to the Financial Statements.

## City of Forsyth

### Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund

Year Ended August 31, 2024

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
<b>Operating Revenues</b>	
Charges for services	
Water	\$ 461,691
Sewer	502,447
<b>Total Operating Revenues</b>	<u>964,138</u>
<b>Operating Expenses</b>	
Salaries and benefits	418,164
Legal and professional	6,000
Utilities	126,284
Gas and oil	14,656
Telephone	3,830
Maintenance	84,868
Supplies	68,047
Insurance	27,630
Depreciation	287,831
Travel, meetings, and dues	2,248
Support contracts	21,854
Bad debt expense	1,355
Engineering	48,352
<b>Total Operating Expenses</b>	<u>1,111,119</u>
<i>Operating (Loss)</i>	(146,981)
<b>Nonoperating Revenues (Expenses)</b>	
Interest income	83,192
Other income	25,639
Interest and fees expense	(16,390)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>92,441</u>
<i>(Loss) Before Operating Transfers</i>	(54,540)
<b>Operating Transfers (Out)</b>	<u>(19,636)</u>
<i>Net (Loss)</i>	(74,176)
Net Position, September 1	6,655,361
<b>Net Position, August 31</b>	<u><u>\$ 6,581,185</u></u>

See accompanying Notes to the Financial Statements.

## City of Forsyth

### Statement of Cash Flows – Proprietary Fund

Year Ended August 31, 2024

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 952,268
Cash paid to employees	(423,060)
Cash paid to suppliers	(406,528)
<b>Net Cash Provided by Operating Activities</b>	<u>122,680</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Operating transfers (out)	(19,636)
Proceeds from other non-operating activities	17,406
<b>Net Cash (Used) by Noncapital Financing Activities</b>	<u>(2,230)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(51,767)
Payment of revenue bond principal	(105,000)
Payment of interest expense	(16,928)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(173,695)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received on investments	81,146
Purchase of investments	(1,045,343)
<b>Net Cash (Used) by Investing Activities</b>	<u>(964,197)</u>
<i>Net (Decrease) in Cash and Cash Equivalents</i>	(1,017,442)
Cash and Cash Equivalents, Beginning of year	<u>1,801,933</u>
<b>Cash and Cash Equivalents, End of year</b>	784,491
Less Restricted Cash and Cash Equivalents	105,312
<b>Unrestricted Cash and Cash Equivalents</b>	<u><u>\$ 679,179</u></u>

See accompanying Notes to the Financial Statements.

## City of Forsyth

### Statement of Cash Flows – Proprietary Fund

Year Ended August 31, 2024

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
<b>Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities</b>	
Operating (loss)	\$ (146,981)
Adjustments to reconcile operating (loss) to net cash provided by operating activities	
Depreciation	287,831
(Increase) decrease in	
Utilities receivable	(13,451)
Prepaid expenses	(6,225)
Deferred pension outflow	(69,469)
Increase (decrease) in	
Accounts payable	4,821
Accrued expenses	4,017
Compensated absences payable	3,777
Deposits payable	1,581
Net pension liability	112,144
Deferred pension inflow	(55,365)
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 122,680</u></u>

See accompanying Notes to the Financial Statements.



# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

---

### 1. Summary of Significant Accounting Policies

The City of Forsyth, Missouri, (the City) operates under a Mayor – Board of Aldermen form of government and provides the following services: public safety, streets, parks, planning and general administrative services. Other services include water and sewer operations.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

#### Financial Reporting Entity

The City is organized under the laws of the State of Missouri and is a primary government, which is governed by an elected Board of Aldermen. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The City has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in the financial statements. In addition, the City is not aware of any entity for which the City would be considered as a component unit of that entity.

#### Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

#### Government-Wide Financial Statements

The government-wide statements display information about the government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### Fund Financial Statements

Separate fund financial statements report information on the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

---

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Conversely, the proprietary fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities, and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The City reports the following major governmental funds:

*General Fund:* The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds.

*Capital Improvement Fund:* The Capital Improvement Fund is used to account for sales tax revenues that are restricted, committed or assigned to be used for the purpose of any capital improvement for the City and expires in 20 years from the date of approval.

The City reports the following major proprietary fund:

*Water and Sewer Fund:* The Water and Sewer Fund accounts for the activities and capital improvements of the City's water and sewer operations.

### Capital Assets

Capital assets include land, building and improvements, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$1,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Buildings, improvements and utility plants	40 years
Building improvements	15 years
Equipment	5-15 years
Infrastructure	20-40 years
Vehicles	5-10 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

---

### Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all accounts subject to withdrawal by check or on demand to be cash equivalents.

### Investments

Investments consist of liquid series held by the Missouri Securities Investment Program and are carried at fair market value.

### 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 and 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.

### Compensated Absences

Employees earn vacation time based on the number of years of service to the City. Outstanding vacation and compensatory time is payable on termination of employment. Compensated absences are recorded as a liability in the Statement of Net Position.

### Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year.

### Net Position

In the government-wide financial statements, net position is classified in three components as follows:

*Net Investment in Capital Assets:* Consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted:* Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

*Unrestricted:* This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City first applies restricted net position.

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

---

### Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

*Nonspendable fund balance:* This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

*Restricted fund balance:* This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance:* This consists of fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City's Board of Aldermen.

*Assigned fund balance:* This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance:* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

The Board of Aldermen has formally adopted a minimum fund balance policy to maintain at least a 25% cash balance of annual operating expenditures in the General Fund.

### Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. These include 1) charges for city court fines, licenses and permits, planning and zoning services, parks and recreation services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

### Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the City has one item that qualifies for reporting in this category, deferred amounts relating to the retirement plan.

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

---

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the City has three items that qualify for reporting in this category, deferred amounts relating to court fines on the Balance Sheet and deferred amounts relating to the retirement plan and lease inflows on the Statement of Net Position. These amounts are recognized as an inflow of resources in the period that the amounts become available.

### Pensions

For purposes of measuring the net pension liability (asset), deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. 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.

### Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. All other revenues and expenses are considered nonoperating.

### Leases

The City is a lessor for a lease of tower space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

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

### Fair Value

The fair value measurement and disclosure framework provides for a fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no significant changes from the prior year in the methodologies used to measure fair value. The levels of the fair value hierarchy are described below:

Level 1	Inputs using quoted prices in active markets for identical assets or liabilities
Level 2	inputs using significant other observable inputs including quoted prices for similar assets or liabilities
Level 3	Inputs are significant unobservable inputs

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

### 2. Cash & Cash Equivalents

State statutes require that the City's deposits be insured or collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of August 31, 2024, all bank balances on deposit are entirely insured or collateralized.

### 3. Investments

The City categorized its investments within the fair value hierarchy as discussed in Note 1. Investments as of August 31, 2024, are as follows:

Investment Type	Maturity	Fair Value Level 2
Missouri Securities Investment Program (MOSIP) - Liquid Series	N/A	\$ 2,254,078

#### *Missouri Securities Investment Program*

City funds in the Missouri Securities Investment Program are invested in MOSIP liquid series in which the City has a pro-rata share. The funds are invested in accordance with Section 165.051 RSMo. The liquid series has a current rating of AAAM by S&P.

### 4. Accounts Receivable

Accounts receivable is presented net of an allowance for doubtful accounts as follows:

	Gross Receivable	Allowance	Net Receivable
Utilities Receivable			
Water and Sewer Fund	\$ 121,346	\$ (4,000)	\$ 117,346

## City of Forsyth

### Notes to the Financial Statements

August 31, 2024

## 5. Restricted Assets

### Governmental Activities

Cash and cash equivalents, fund balance, and net position have been restricted as follows:

	Restricted Cash and Investments	Restricted Net Position/ Fund Balance
<b>General Fund</b>		
Tenant deposits	\$ 175	\$ -
Police department evidence	2,880	-
Park sales tax	531,053	531,053
Fire sales tax	278,044	278,044
	<u>\$ 812,152</u>	<u>\$ 809,097</u>
<b>Capital Improvement Fund</b>		
Capital improvement tax	<u>\$ 425,941</u>	<u>\$ 462,261</u>

### Business-Type Activities

Restricted cash includes cash restricted for utility deposits. This restriction is as follows:

	Restricted Cash and Cash Equivalents	Restricted Net Position
<b>Water and Sewer Fund</b>		
Utility deposits	<u>\$ 105,312</u>	<u>\$ -</u>

## 6. Long-Term Debt – Governmental Activities

Long-term debt for governmental activities at August 31, 2024, consists of the 2019 Capital Improvement Sales Tax Refunding Revenue Bonds, the financed purchase of an excavator, and compensated absences.

### Capital Improvement Bonds

On September 24, 2019, the City issued \$1,230,000 in Capital Improvement Sales Tax Refunding Revenue Bonds due in varying annual installments through April 1, 2029; interest at 2.66% due on April 1 and October 1 of each year.

\$ 680,000

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

Principal and interest payments are due as follows:

<u>Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 125,000	\$ 18,088	\$ 143,088
2026	130,000	14,763	144,763
2027	135,000	11,305	146,305
2028	140,000	7,714	147,714
2029	150,000	3,990	153,990
	<u>\$ 680,000</u>	<u>\$ 55,860</u>	<u>\$ 735,860</u>

In the event of default on the agreement, after 60 days, the registered owners of the Bonds then outstanding may declare the principal of all Bonds then outstanding to be due and payable immediately.

### Financed Purchase

On September 28, 2022, the City entered into a financed purchase agreement in the principal amount of \$90,995, for the purchase of an excavator. The agreement calls for monthly payments of \$1,517, plus a monthly service fee of 2.99% through September 2028. In the event of default, the Lender may declare all unpaid balances immediately due and payable, order the return of the equipment, or take any other remedy at law or in equity. The agreement provides for cancellation at the City's option on the renewal date each year; however, the City does not foresee exercising its option to cancel.

Principal and fees are due as follows:

<u>Year Ending August 31,</u>	<u>Direct Borrowing</u>		
	<u>Principal</u>	<u>Service Fees</u>	<u>Total</u>
2025	\$ 18,199	\$ 1,437	\$ 19,636
2026	18,199	1,437	19,636
2027	18,199	1,437	19,636
2028	1,517	120	1,637
	<u>\$ 56,114</u>	<u>\$ 4,431</u>	<u>\$ 60,545</u>

The following table is a summary of the changes in the Long-Term Debt – Governmental Activities:

	<u>Balance August 31, 2023</u>	<u>New Obligations</u>	<u>Retirements</u>	<u>Balance August 31, 2024</u>	<u>Amounts Due Within One Year</u>
Capital Improvement Bonds					
Series 2019	\$ 800,000	\$ -	\$ 120,000	\$ 680,000	\$ 125,000
Direct Borrowing					
Financed Purchase Payable	74,313	-	18,199	56,114	18,199
Compensated Absences	23,328	7,300	-	30,628	-
	<u>\$ 897,641</u>	<u>\$ 7,300</u>	<u>\$ 138,199</u>	<u>\$ 766,742</u>	<u>\$ 143,199</u>



# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

### 7. Long-Term Debt – Business-Type Activities

Long-term debt for business-type activities at August 31, 2024, consists of the 2021 Combined Waterworks and Sewerage System Refunding Revenue Bonds and compensated absences.

#### 2021 Combined Waterworks and Sewerage System Refunding Revenue Bonds

On June 3, 2021, the city issued Combined Waterworks and Sewerage System Refunding Revenue Bonds in the amount of \$1,080,000 to advance refund the Series 2012 Combined Waterworks and Sewerage System Revenue Bonds that were issued to refund the Series 1994A and 2004B Combined Waterworks and Sewerage System Revenue Bonds. In the event of default on the agreement, after 60 days, the registered owners of the Bonds then outstanding may declare the principal of all Bonds then outstanding to be due and payable immediately. The bonds bear interest at 1.98% with principal payments due on June 1, and interest payments due December 1 and June 1, of each year.

The annual debt service requirements to amortize the principal on the 2021 refunding revenue bonds outstanding at August 31, 2024, are listed in the following table:

<u>Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 110,000	\$ 15,147	\$ 125,147
2026	115,000	12,969	127,969
2027	115,000	10,692	125,692
2028	115,000	8,415	123,415
2029	70,000	6,138	76,138
2030	65,000	4,752	69,752
2031	65,000	3,465	68,465
2032	65,000	2,178	67,178
2033	45,000	891	45,891
	<u>\$ 765,000</u>	<u>\$ 64,647</u>	<u>\$ 829,647</u>

The following table is a summary of the changes in the business-type activities long-term debt for the year ended August 31, 2024:

	<u>Balance August 31, 2023</u>	<u>New Obligations</u>	<u>Retirements</u>	<u>Balance August 31, 2024</u>	<u>Amounts Due Within One Year</u>
Revenue Bonds Payable					
Series 2021	\$ 870,000	\$ -	\$ 105,000	\$ 765,000	\$ 110,000
Compensated Absences	2,710	3,777	-	6,487	-
	<u>\$ 872,710</u>	<u>\$ 3,777</u>	<u>\$ 105,000</u>	<u>\$ 771,487</u>	<u>\$ 110,000</u>

## City of Forsyth

### Notes to the Financial Statements

August 31, 2024

## 8. Capital Assets

Capital asset activity for the year ended August 31, 2024, was as follows:

	Balance August 31, 2023	Additions	Deletions	Balance August 31, 2024
<b>Governmental Activities</b>				
Non-Depreciable Capital Assets				
Land	\$ 1,091,407	\$ -	\$ -	\$ 1,091,407
<b>Total Non-depreciable Capital Assets</b>	<u>1,091,407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,091,407</u>
Depreciable Capital Assets				
Building and improvements	982,611	\$ -	\$ -	982,611
Land improvements	189,396	394,547	-	583,943
Equipment	1,410,641	241,761	-	1,652,402
Vehicles	615,652	-	-	615,652
Infrastructure	2,815,492	-	32,765	2,782,727
<b>Total Depreciable Capital Assets</b>	<u>6,013,792</u>	<u>\$ 636,308</u>	<u>\$ 32,765</u>	<u>6,617,335</u>
Less Accumulated Depreciation				
Buildings and improvements	391,064	\$ 23,871	\$ -	414,935
Land improvements	-	20,517	-	20,517
Equipment	987,656	60,607	-	1,048,263
Vehicles	374,767	47,716	-	422,483
Infrastructure	693,702	87,912	32,765	748,849
<b>Total Accumulated Depreciation</b>	<u>2,447,189</u>	<u>\$ 240,623</u>	<u>\$ 32,765</u>	<u>2,655,047</u>
<b>Total Depreciable Capital Assets, net</b>	<u>3,566,603</u>			<u>3,962,288</u>
<b>Total Governmental Activities Capital Assets, net</b>	<u>\$ 4,658,010</u>			<u>\$ 5,053,695</u>

Depreciation expense for governmental activities was charged to functions as follows:

Administration	\$ 15,110
Police	37,964
Fire	45,901
Streets	98,538
Parks	43,110
	<u>\$ 240,623</u>

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

	Balance August 31, 2023	Additions	Deletions	Balance August 31, 2024
<b>Business-Type Activities</b>				
Non-Depreciable Capital Assets				
Land	\$ 186,910	\$ -	\$ -	\$ 186,910
<b>Total Non-depreciable Capital Assets</b>	<u>186,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>186,910</u>
Depreciable Capital Assets				
Water and sewer system	14,924,988	\$ -	\$ -	14,924,988
Equipment	327,249	51,767	-	379,016
Vehicles	210,127	-	-	210,127
<b>Total Depreciable Capital Assets</b>	<u>15,462,364</u>	<u>\$ 51,767</u>	<u>\$ -</u>	<u>15,514,131</u>
Less Accumulated Depreciation	<u>9,674,992</u>	<u>\$ 287,831</u>	<u>\$ -</u>	<u>9,962,823</u>
<b>Total Depreciable Capital Assets, net</b>	<u>5,787,372</u>			<u>5,551,308</u>
<b>Total Business-Type Activities</b>				
<b>Capital Assets, net</b>	<u>\$ 5,974,282</u>			<u>\$ 5,738,218</u>

## 9. Pension Plan

### General Information about the Pension Plan

*Plan Description.* The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

*Benefits Provided.* LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<b>2024 Valuation</b>
Benefit multiplier	2.00% for life
Final average salary	5 years
Member contributions	4%

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

Benefit terms provide for annual post-retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

*Employees Covered by Benefit Terms.* At June 30, 2024, which is LAGERS fiscal year end and the latest information available, the following employees were covered by the benefit terms:

	General	Police	Fire
Inactive employees or beneficiaries currently receiving benefits	9	9	0
Inactive employees entitled to but not yet receiving benefits	6	22	0
Active employees	10	4	2
	25	35	2

*Contributions.* The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% to the pension plan. Employer contribution rates are 19% (General), 13.2% (Police), and 17.3% (Fire) of annual covered payroll.

*Net Pension Liability (Asset).* The employer's net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 29, 2024.

*Actuarial Assumptions.* The total pension liability in the February 29, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation, 2.25% price inflation
Salary increase	2.75% to 6.75% including wage inflation (General); 2.75% to 6.55% including wage inflation (Police); 2.75% to 7.15% including wage inflation (Fire)
Investment rate of return	7.00% net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2024, valuation were based on the results of an actuarial experience study for the period March 1, 2015, through February 29, 2020.

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses 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. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	5.00%	2.37%
Equity	39.00%	5.37%
Fixed Income	23.00%	1.47%
Real Assets	33.00%	3.45%
Strategic Assets	7.00%	3.46%
Cash/Leverage	-7.00%	-0.26%

*Discount Rate.* The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (Asset) (a) - (b)
<b>General Division</b>			
Balance at beginning of year	\$ 2,238,255	\$ 1,817,449	\$ 420,806
Changes for the year			
Service cost	45,296	-	45,296
Interest on total pension liability	154,837	-	154,837
Difference between expected and actual experiences	125,200	-	125,200
Contributions - employer	-	83,937	(83,937)
Contributions - employee	-	15,693	(15,693)
Net investment income	-	92,547	(92,547)
Benefits paid, including refunds	(98,788)	(98,788)	-
Administrative expenses	-	(2,809)	2,809
Other (net transfer)	-	6,599	(6,599)
<i>Net Changes</i>	226,545	97,179	129,366
<b>Balance at end of year</b>	2,464,800	1,914,628	550,172

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
<b>Police Division</b>			
Balance at beginning of year	1,300,416	1,315,148	(14,732)
Changes for the year			
Service cost	16,989	-	16,989
Interest on total pension liability	88,775	-	88,775
Difference between expected and actual experiences	78,100	-	78,100
Contributions - employer	-	26,658	(26,658)
Contributions - employee	-	8,153	(8,153)
Net investment income	-	66,785	(66,785)
Benefits paid, including refunds	(82,492)	(82,492)	-
Administrative expenses	-	(1,739)	1,739
Other (net transfer)	-	(13,997)	13,997
<i>Net Changes</i>	101,372	3,368	98,004
<b>Balance at end of year</b>	1,401,788	1,318,516	83,272
<b>Fire Division</b>			
Balance at beginning of year	142,005	108,821	33,184
Changes for the year			
Service cost	9,089	-	9,089
Interest on total pension liability	10,253	-	10,253
Difference between expected and actual experiences	21,155	-	21,155
Changes of assumptions	338	-	338
Contributions - employer	-	11,006	(11,006)
Contributions - employee	-	2,543	(2,543)
Net investment income	-	5,978	(5,978)
Benefits paid, including refunds	-	-	-
Administrative expenses	-	(268)	268
Other (net transfer)	-	(566)	566
<i>Net Changes</i>	40,835	18,693	22,142
<b>Balance at end of year</b>	182,840	127,514	55,326
<b>Total Plan Balances at End of Year</b>	<u>\$ 4,049,428</u>	<u>\$ 3,360,658</u>	<u>\$ 688,770</u>

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

The net pension liability (asset) is allocated as follows:

	<b>Net Pension Liability (Asset)</b>
Governmental Activities	\$ 288,795
Business-Type Activities	399,975
	<u>\$ 688,770</u>

### Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.

The following presents the net pension liability (asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's net pension liability (asset) would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	<b>1% Decrease 6.00%</b>	<b>Current Single Discount Rate Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
<b>General Division</b>			
Total Pension Liability	\$ 2,804,878	\$ 2,464,800	\$ 2,181,538
Plan Fiduciary Net Position	1,914,628	1,914,628	1,914,628
<b>Net Pension Liability (Asset)</b>	<u>890,250</u>	<u>550,172</u>	<u>266,910</u>
<b>Police Division</b>			
Total Pension Liability	1,601,728	1,401,788	1,240,185
Plan Fiduciary Net Position	1,318,516	1,318,516	1,318,516
<b>Net Pension Liability (Asset)</b>	<u>283,212</u>	<u>83,272</u>	<u>(78,331)</u>
<b>Fire Division</b>			
Total Pension Liability	219,426	182,840	153,054
Plan Fiduciary Net Position	127,514	127,514	127,514
<b>Net Pension Liability (Asset)</b>	<u>91,912</u>	<u>55,326</u>	<u>25,540</u>
<b>Total Net Pension Liability (Asset)</b>	<u>\$ 1,265,374</u>	<u>\$ 688,770</u>	<u>\$ 214,119</u>

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended August 31, 2024, the employer recognized pension expense of \$45,028 in the general division, pension expense of \$141,115 in the police division, and pension expense of \$12,273 in the fire division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
<b>General Division</b>			
Difference between expected and actual experience	\$ 220,262	\$ (67,727)	\$ 152,535
Net difference between projected and actual earnings on pension plan investments	50,218	-	50,218
Contributions subsequent to the measurement date*	12,528	-	12,528
	<u>283,008</u>	<u>(67,727)</u>	<u>215,281</u>
<b>Police Division</b>			
Difference between expected and actual experience	4,303	-	4,303
Net difference between projected and actual earnings on pension plan investments	37,437	-	37,437
Contributions subsequent to the measurement date*	3,994	-	3,994
	<u>45,734</u>	<u>-</u>	<u>45,734</u>
<b>Fire Division</b>			
Difference between expected and actual experience	24,738	(3,938)	20,800
Assumption changes	868	-	868
Net difference between projected and actual earnings on pension plan investments	3,637	-	3,637
Contributions subsequent to the measurement date*	1,634	-	1,634
	<u>30,877</u>	<u>(3,938)</u>	<u>26,939</u>
	<u>\$ 359,619</u>	<u>\$ (71,665)</u>	<u>\$ 287,954</u>

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability (asset) for the year ending August 31, 2025.

Deferred outflows and inflows have been allocated as follows:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
Governmental Activities	\$ 153,872	\$ (22,427)	\$ 131,445
Business-Type Activities	205,747	(49,238)	156,509
	<u>\$ 359,619</u>	<u>\$ (71,665)</u>	<u>\$ 287,954</u>



# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

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

Year Ending August 31,	Net Deferred Outflows (Inflows) of Resources			
	General	Police	Fire	Total
2025	\$ (14,569)	\$ (5,283)	\$ 2,027	\$ (17,825)
2026	119,850	30,010	4,533	154,393
2027	77,438	12,396	3,317	93,151
2028	20,034	4,617	2,636	27,287
2029	-	-	2,219	2,219
Thereafter	-	-	10,573	10,573
	<u>\$ 202,753</u>	<u>\$ 41,740</u>	<u>\$ 25,305</u>	<u>\$ 269,798</u>

### Payable to the Pension Plan

The City had \$14,919 payable to the pension plan for the year ended August 31, 2024.

## 10. Assessed Valuation, Tax Levy & Legal Debt Margin

The assessed valuation of the tangible property and the tax levies per \$100 assessed valuation of that property were as follows:

	2023
Assessed Valuation	
Real estate	\$ 27,570,231
Personal property	8,108,139
	<u>\$ 35,678,370</u>
Tax Rates Per \$100 of Assessed Valuation	
General Fund	<u>\$ .5200</u>

The legal debt margin at August 31, 2024, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional Debt Limit	\$ 3,567,837	\$ 3,567,837	\$ 7,135,674
General Obligation Bonds Payable	-	-	-
<b>Legal Debt Margin</b>	<u>\$ 3,567,837</u>	<u>\$ 3,567,837</u>	<u>\$ 7,135,674</u>

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

---

(1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may incur an indebtedness for any purposes authorized in the charter of the City or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the City.

(2) Under Article VI, Section 26(d) and (e), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights of way, constructing, extending, and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the value of the taxable tangible property in the City.

### 11. 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 transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

### 12. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of August 31, 2024, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

### 13. Pledged Revenues

The City has pledged future water and sewer customer revenues to repay the 2021 Combined Waterworks and Sewerage System Refunding Revenue Bonds issued to improve and expand the water and sewer system. The bonds are payable solely from water and sewer customer net revenues and are payable through 2033. Net revenues are revenues of the system less expenses of the system with the exception of depreciation. The total principal and interest remaining to be paid on the bonds is \$829,647. Principal and interest paid for the current year and total customer net revenues were \$121,927 and \$140,850, respectively.

The City has pledged future capital improvement sales tax revenue to repay the 2019 Capital Improvement Sales Tax Refunding Revenue Bonds issued for capital improvements to the City. The bonds are payable solely from the revenue received from the  $\frac{1}{2}$  of 1% capital improvement sales tax and are payable through 2029. The total principal and interest remaining to be paid on the bonds is \$735,860. Principal and interest paid for the current year and total capital improvement sales tax revenue were \$141,246 and \$194,642, respectively.

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

### 14. Deferred Court Fines

Revenues from receivables not expected to be collected in time to pay current operating expenses are deferred until received in the governmental funds. These revenues include court fines to be collected over several years. All of the deferred court fines at August 31, 2024, are accounted for as follows:

#### General Fund

Deferred court fines	<u>\$ 8,873</u>
----------------------	-----------------

### 15. Leases Receivable

The City, as a lessor, has entered into lease agreements for tower usage, the terms of which continue through 2054. Lease and interest revenue recognized under the lease agreements during the year ended August 31, 2024, was \$15,543 and \$17,459, respectively.

Below is a schedule of future payments that are included in the measurement of the lease receivable:

<u>Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 8,780	\$ 17,114	\$ 25,894
2026	9,502	16,659	26,161
2027	10,267	16,166	26,433
2028	11,076	15,634	26,710
2029	9,370	15,061	24,431
2030-2034	60,418	67,184	127,602
2035-2039	92,195	48,481	140,676
2040-2044	40,097	30,496	70,593
2045-2049	47,046	20,835	67,881
2050-2054	51,776	6,787	58,563
	<u>\$ 340,527</u>	<u>\$ 254,417</u>	<u>\$ 594,944</u>

### 16. Commitments

At August 31, 2024, the City had the following commitments:

- Automated Control Solutions in the amount of \$179,871 for hardware, software, and labor associated with upgrades to the lift station monitoring system.
- RCS Communications in the amount of \$107,791 for portable radios to be used by the fire department.

# City of Forsyth

## Notes to the Financial Statements

August 31, 2024

---

### 17. Transfers

Transfers between funds of the City for the year ended August 31, 2024, were as follows:

	Transfers In	Transfers Out
General Fund	\$ 19,636	\$ -
Water and Sewer Fund	-	19,636
	<u>\$ 19,636</u>	<u>\$ 19,636</u>

The City transfers from the Utility Fund to finance general government operations that relate to administration of the water and sewer system. Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them.

## Required Supplementary Information

# City of Forsyth

## Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Year Ended August 31, 2024

### Missouri Local Government Employees Retirement System (LAGERS)

Fiscal year ending August 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 71,374	\$ 71,531	\$ 69,216	\$ 62,917	\$ 66,604	\$ 48,047	\$ 47,904	\$ 46,654	\$ 45,879	\$ 47,146
Interest on total pension liability	253,865	225,326	232,535	233,557	225,954	181,820	172,119	162,282	151,120	147,444
Changes of benefit terms	-	-	-	-	-	350,637	54,236	-	-	-
Difference between expected and actual experience	224,455	297,630	(242,706)	(1,873)	(21,165)	165,515	(43,413)	-	(67,478)	(81,339)
Changes of assumptions	338	-	-	(57,139)	-	-	-	(168)	86,554	-
Benefit payments, including refunds	(181,280)	(191,921)	(135,379)	(144,671)	(184,035)	(110,020)	(84,664)	(63,120)	(61,904)	(61,951)
<b>Net Change in Total Pension Liability</b>	<b>368,752</b>	<b>402,566</b>	<b>(76,334)</b>	<b>92,791</b>	<b>87,358</b>	<b>635,999</b>	<b>146,182</b>	<b>145,648</b>	<b>154,171</b>	<b>51,300</b>
Total Pension Liability beginning	3,680,676	3,278,110	3,354,444	3,261,653	3,174,295	2,538,296	2,392,114	2,246,466	2,092,295	2,040,995
<b>Total Pension Liability ending</b>	<b>4,049,428</b>	<b>3,680,676</b>	<b>3,278,110</b>	<b>3,354,444</b>	<b>3,261,653</b>	<b>3,174,295</b>	<b>2,538,296</b>	<b>2,392,114</b>	<b>2,246,466</b>	<b>2,092,295</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	121,601	87,143	90,450	82,358	72,665	80,795	71,854	85,836	78,250	74,921
Contributions - employee	26,389	21,270	23,928	22,736	21,426	17,949	-	753	-	-
Pension plan net investment income	165,310	113,981	2,467	743,922	35,600	217,647	289,364	251,214	(2,337)	38,150
Benefit payments	(181,280)	(191,921)	(135,379)	(144,671)	(184,035)	(110,020)	(84,664)	(63,120)	(61,904)	(61,951)
Pension plan administrative expense	(4,816)	(4,871)	(3,977)	(3,287)	(4,571)	(3,863)	(2,647)	(2,276)	(2,441)	(2,609)
Other (net transfer)	(7,964)	163,467	(418,757)	27,018	(38,770)	43,430	6,141	6,480	12,916	(2,717)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>119,240</b>	<b>189,069</b>	<b>(441,268)</b>	<b>728,076</b>	<b>(97,685)</b>	<b>245,938</b>	<b>280,048</b>	<b>278,887</b>	<b>24,484</b>	<b>45,794</b>
Plan Fiduciary Net Position beginning	3,241,418	3,052,349	3,493,617	2,765,541	2,863,226	2,617,288	2,337,240	2,058,353	2,033,869	1,988,075
<b>Plan Fiduciary Net Position ending</b>	<b>3,360,658</b>	<b>3,241,418</b>	<b>3,052,349</b>	<b>3,493,617</b>	<b>2,765,541</b>	<b>2,863,226</b>	<b>2,617,288</b>	<b>2,337,240</b>	<b>2,058,353</b>	<b>2,033,869</b>
<b>Employer Net Pension Liability (Asset)</b>	<b>\$ 688,770</b>	<b>\$ 439,258</b>	<b>\$ 225,761</b>	<b>\$ (139,173)</b>	<b>\$ 496,112</b>	<b>\$ 311,069</b>	<b>\$ (78,992)</b>	<b>\$ 54,874</b>	<b>\$ 188,113</b>	<b>\$ 58,426</b>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	82.99%	88.07%	93.11%	104.15%	84.79%	90.20%	103.11%	97.71%	91.63%	97.21%
Covered Payroll	\$ 648,979	\$ 484,652	\$ 607,443	\$ 541,580	\$ 515,101	\$ 594,392	\$ 564,745	\$ 605,614	\$ 565,989	\$ 568,961
Employer's Net Pension Liability (Asset) as a percentage of covered payroll	106.13%	90.63%	37.17%	-25.70%	96.31%	52.33%	-13.99%	9.06%	33.24%	10.27%

## City of Forsyth

### Schedule of Contributions Year Ended August 31, 2024

<b>Year Ended August 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contributions Excess (Deficiency)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2015	\$ 71,465	\$ 71,465	\$ -	\$ 544,745	13.12%
2016	78,649	73,782	(4,867)	562,597	13.11%
2017	77,453	77,453	-	600,055	12.91%
2018	69,595	69,595	-	586,376	11.87%
2019	80,000	80,000	-	588,131	13.60%
2020	73,396	73,396	-	541,089	13.56%
2021	94,481	81,566	(12,915)	555,926	14.67%
2022	115,490	90,621	(24,869)	597,852	15.16%
2023	109,022	91,475	(17,547)	553,614	16.52%
2024	127,927	112,854	(15,073)	659,453	17.11%

See accompanying Notes to the Schedule of Contributions.

# City of Forsyth

## Notes to the Schedule of Contributions

Year Ended August 31, 2024

---

**Valuation Date:** February 29, 2024

**Notes:** The roll-forward of total pension liability from February 29, 2024, to June 30, 2024, reflects expected service cost and interest reduced by actual benefit payments.

### **Methods and Assumptions Used to Determine Contribution Rates**

*Actuarial Cost Method:* Entry Age Normal and Modified Terminal Funding

*Amortization Method:* A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of, (i) the remaining initial amortization period, or (ii) 15 years.

*Remaining Amortization Period:* Multiple bases from 5 to 15 years (General)

Multiple bases from 7 to 15 years (Police)

Multiple bases from 9 to 23 years (Fire)

*Asset Valuation Method:* 5-Year smoothed market; 20% corridor

*Inflation:* 2.75% wage inflation; 2.25% price inflation

*Salary Increases:* 2.75% to 6.75% including wage inflation (General)

2.75% to 6.55% including wage inflation (Police)

2.75% to 7.15% including wage inflation (Fire)

*Investment Rate of Return:* 7.00%, net of investment expenses

*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition

*Mortality:* The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

*Other Information:* None



## City of Forsyth

### Budgetary Comparison Schedule – General Fund

Year Ended August 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes				
Ad valorem taxes, penalties and interest	\$ 211,500	\$ 211,855	\$ 212,619	\$ 764
City sales tax	420,000	395,564	410,202	14,638
Recreation sales tax	210,000	188,951	194,642	5,691
Fire department sales tax	105,000	94,476	97,321	2,845
Cable franchise tax	16,000	13,630	13,630	-
Utility franchise tax	65,000	58,441	62,868	4,427
Motor vehicle tax	121,000	130,387	145,293	14,906
Financial institution tax	6	-	6	6
	1,148,506	1,093,304	1,136,581	43,277
Licenses and Permits				
Occupational licenses	5,000	4,565	4,640	75
Building permits	12,000	9,826	10,697	871
	17,000	14,391	15,337	946
Intergovernmental Revenues				
General grants	-	-	203,803	203,803
Police grants	1,965	1,965	1,965	-
Fire grants	30,000	32,138	21,970	(10,168)
	31,965	34,103	227,738	193,635
Charges for Services				
Campground user fees	22,000	24,339	28,599	4,260
Rental income	1,825	1,805	2,015	210
	23,825	26,144	30,614	4,470
Fines and Forfeitures				
City court fines	5,000	4,560	4,915	355
Miscellaneous				
Interest	53,000	60,245	66,882	6,637
Other	23,125	24,036	24,992	956
	76,125	84,281	91,874	7,593
<b>Total Revenues</b>	1,302,421	1,256,783	1,507,059	250,276

See accompanying Notes to the Budgetary Comparison Schedules.

## City of Forsyth

### Budgetary Comparison Schedule – General Fund

Year Ended August 31, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Expenditures</b>				
Current				
Administration	160,447	564,901	324,077	240,824
Police	524,438	415,845	492,943	(77,098)
Fire	510,370	424,469	454,421	(29,952)
Parks	314,969	131,529	301,357	(169,828)
Street	161,507	125,677	150,087	(24,410)
Building	44,388	45,338	51,585	(6,247)
<b>Total Expenditures</b>	<u>1,716,119</u>	<u>1,707,759</u>	<u>1,774,470</u>	<u>(66,711)</u>
 <i>Excess (Deficit) of Revenues Over Expenditures</i>	 (413,698)	 (450,976)	 (267,411)	 183,565
<b>Other Financing Sources</b>				
Operating transfers in	-	-	19,636	19,636
Sale of property	10,000	10,000	10,000	-
<b>Total Other Financing Sources</b>	<u>10,000</u>	<u>10,000</u>	<u>29,636</u>	<u>19,636</u>
 <i>Net Change in Fund Balance</i>	 (403,698)	 (440,976)	 (237,775)	 203,201
 Fund Balance, September 1	 <u>1,898,691</u>	 <u>1,898,691</u>	 <u>1,898,691</u>	 <u>-</u>
<b>Fund Balance, August 31</b>	<u><u>\$ 1,494,993</u></u>	<u><u>\$ 1,457,715</u></u>	<u><u>\$ 1,660,916</u></u>	<u><u>\$ 203,201</u></u>

See accompanying Notes to the Budgetary Comparison Schedules.

## City of Forsyth

### Budgetary Comparison Schedule – Capital Improvement Fund

Year Ended August 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Taxes				
Sales tax	\$ 210,000	\$ 204,455	\$ 194,642	\$ (9,813)
Miscellaneous				
Interest	16,000	15,598	17,448	1,850
<b>Total Revenues</b>	<u>226,000</u>	<u>220,053</u>	<u>212,090</u>	<u>(7,963)</u>
<b>Expenditures</b>				
Debt service				
Principal, interest, and fees	126,250	141,246	141,246	-
<b>Total Expenditures</b>	<u>126,250</u>	<u>141,246</u>	<u>141,246</u>	<u>-</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	99,750	78,807	70,844	(7,963)
Fund Balance, September 1	391,417	391,417	391,417	-
<b>Fund Balance, August 31</b>	<u><u>\$ 491,167</u></u>	<u><u>\$ 470,224</u></u>	<u><u>\$ 462,261</u></u>	<u><u>\$ (7,963)</u></u>

See accompanying Notes to the Budgetary Comparison Schedules.

# City of Forsyth

## Notes to the Budgetary Comparison Schedules

Year Ended August 31, 2024

---

### **Budgets and Budgetary Accounting**

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September, Administration submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following September 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.
2. One public hearing is conducted by the Board of Aldermen in late July or early August to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to September 1, motions are passed by the Board, which provide for legally adopted budgets for all funds of the City.
4. Formal budgetary integration is employed as a management control device for all funds of the City.
5. The City records capitalized expenditures as capital outlay on the GAAP basis fund statement, however for budget purposes, they are included in the associated department's expenditures. These differences have no bearing on the fund balance since the overall total expenditures are the same.
6. Budgets for the General Fund and Capital Improvement Fund are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by Board of Aldermen on approved budget adjustment forms.