CITY OF FOREST PARK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
June 30, 2011



Prepared By: Mike Blandenburg
Director of Finance – City of Forest Park, Georgia

CITY OF FOREST PARK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

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CITY OF FOREST PARK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

John Parker
City Manager

October 27, 2011

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Forest Park for the fiscal year ended June 30, 2011.

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

The City of Forest Park's basic financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Forest Park for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Forest Park's basic financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City, incorporated in 1908, is located approximately nine minutes and seven miles south of Atlanta's downtown business district. The City enjoys access to Interstate Highways I-75 and I-285, and Hartsfield-Jackson International Airport. The City of Forest Park currently occupies a land area of 9.3 square miles and serves a population of approximately 21,000 based on the latest census. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

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

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

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

Factors Affecting Financial Condition

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

Local Economy

The economic outlook for this area remains positive, despite the state of the national and global economies. Many companies continue to discover that the Southside of Atlanta provides much opportunity to build and maintain businesses. Forest Park is located on the Southside, in Clayton County. Because of Forest Park's proximity to the City of Atlanta, the City is not dependent on a single industry or entity for any substantial portion of our revenue. The area has a wide variety of businesses and industries. Forest Park has among other businesses: a K-Mart apparel warehouse, the Clorox Company, Georgia Power, Bell South, and Sara Lee Bakery Group. The City also projects substantial growth from the future development of the Fort Gillem property, after transfer of the property from the Department of Defense is complete. A senior citizen assisted living community is located in the City limits and a senior citizen community center was built by the City with funds from local and federal grants. Also, redevelopment of the Main Street area is now in progress.

Forest Park continued to experience growth in 2011, as indicated by the following areas now under construction or recently completed:

- Forest Park High School – Auxiliary gym addition – completed - cost $2,850,000.
- Sara Lee Bakery – additions and renovations – completed - cost $2,300,000.
- Hendrix Drive Elementary School – noise abatement renovations – under constructions – cost $1,000,000.
- J&P Hall Express – office space additions – under construction – cost $415,000.
- Jacobson / Wilpak – interior remodel –completed – cost $356,000.
- Clorox – loading dock addition – completed – cost $229,000.
- Various other projects totaling $1,079,865.

The total cost of these improvements is $8,229,865. This is $3,274,085 more than in the prior fiscal year. The increase reflects the beginning of a recovery of the state of the economy and the construction industry. Forest Park continues to experience modest growth from construction, despite the decline in the construction industry.

The unemployment rate for Clayton County is 12.6% for August 2011 compared with 12.5% at August 2010. The August 2011 unemployment rate for Metro Atlanta is 10.4%, the State of Georgia is 10.2%, and the U.S. rate is 9.1%. The consistency in unemployment from 2010 to 2011 can be primarily attributed to the continued state of the national economy.

Long-term Financial Planning.

Current and Future Initiatives

Atlanta Regional Commission Livable Centers Initiative (LCI) Implementation Project

The Atlanta Regional Commission (ARC) awarded the City of Forest Park $300,000 with a local match of $75,000 for preliminary engineering on the Downtown Pedestrian Streetscape Project on Main Street. LCI Implementation funds were awarded for construction of the Forest Park LCI (Livable Centers Initiative) Downtown Main Street Streetscape Project. The project consisting of constructing brick paver handicap accessible sidewalks, landscaping, bicycle racks,

trash receptacles, benches, and decorative pedestrian lighting is almost complete. The realignment of College/Ash/Main Street is the location for the new Town Center complete with a water fountain and town clock. This project is the catalyst for the overall redevelopment of Main Street.

Main Street Redevelopment

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

The redevelopment of Main Street includes Phase II of the Main Street Streetscape project, which will terminate at Highway 54 (Jonesboro Road) and the realignment of Lake Drive and Main Street.

Sidewalks to Schools, Phase III and Transit Oriented Pedestrian Projects

These projects will address various streets in the City of Forest Park. The projects consist of sidewalks, curb, gutter and drainage improvements. The bid opening for construction of the projects were held August 2011. The project is scheduled for construction during fiscal year 2011-2012.

Sidewalks to Schools, Phase I & Phase II

These projects will address various streets in the City of Forest Park. The projects will consist of sidewalks, curb, gutter and drainage improvements. Due to the shortage of federal funding for the State of Georgia and the local match required, the projects were removed from the TIP (transportation improvement program) and assigned as local projects. The City of Forest Park received $246,874 in Community Development Block Grant funds for streetscape improvements on Burks Road, Stillwood Cove and North Avenue and $275,000 in Community Development Block Grant Funds for streetscape improvements on Glenn Drive, Sharon Street, and School Place.

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

Fort Gillem

Fort Gillem is a 1427 acre military installation which was approved for closure during September 2011. The Fort is the home of the First U.S. Army, the Army and Air Force Exchange Service Distribution Center, and other entities, including organizations from the Active Component, Reserve Component, Georgia Army National Guard, and other Department of Defense and federal agencies. The Army will retain approximately 250 acres for use by the Criminal Investigation Laboratory and Reserve units.

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

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

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

On October 5, 2009, the Mayor and Council adopted an ordinance that created the Forest Park/Fort Gillem Implementation LRA (ILRA). The ILRA was recognized by OEA on October 30, 2009 as the sole entity responsible for continued planning and redevelopment. In January 2010, the ILRA submitted to the Army its EDC Application and a letter proposing a disposition strategy for the remaining property. The ILRA and Army met on April 27th and October 13th of 2010 to discuss and refine the application and to negotiate the property that will be transferred to the ILRA by EDC and that which will be transferred as part of the Army Compatible Use Buffer Program. The Army and ILRA Teams will meet on October 26, 2011, to continue negotiations. A Term Sheet should be finalized prior to the end of 2011. The draft ordinance and design guidelines for the Fort Gillem Zoning District have been completed. The public review and approval process should begin in November 2011. The LRA is funded by OEA grants and City of Forest Park matching funds. The 2009-2010 OEA grant was $945,257 ($848,480 in Federal funds). The 2010-2011 OEA grant was $390,931 ($351,005 in Federal funds). The 2011-2012 OEA grant is currently $348,231 ($312,305 in Federal funds).

The LRA estimates that the $300 million on and off-site redevelopment of Fort Gillem will take 15-20 years. The site will include 300-350,000 square feet of office space and 6-7 million square feet of industrial warehouse space. The project is expected to generate over 7,000 permanent jobs and over 4,000 construction jobs. The project will more than double real property taxes for the City.

The Governing Body of the City of Forest Park is already authorized to be a Georgia

Redevelopment Authority and created a Tax Allocation District, effective December 31, 2008, that includes Fort Gillem. The TAD will produce over $80 million in taxes that will directly benefit this and the Main Street revitalization projects.

Impact of Financial Policies on Financial Statements

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

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

The City's cash and investment management policy is to minimize credit and market risks while maintaining a competitive yield on its deposits. As of June 30, 2011, all of the City's bank deposits were insured or collateralized. The City's investment objectives in order of priority are:

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

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

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

Awards

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

applicable legal requirements.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Forest Park for its comprehensive annual financial report for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. The City of Forest Park has been awarded the Certificate of Achievement for every submission of its CAFR for the past 31 consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and are submitting it to the GFOA.

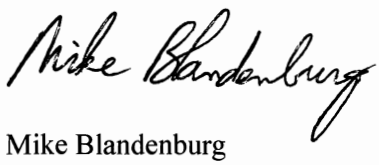
Acknowledgements

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

Sincerely,



John Parker
City Manager



Mike Blandenburg
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Forest Park

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF FOREST PARK, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2011

ELECTED OFFICIALS

Corine Deyton	Mayor
Sparkle Adams	Mayor Pro-Tem (Ward 1)
Karen-Brandee Williams	Council Member (Ward 2)
Maudie McCord	Council Member (Ward 3)
Donald Judson	Council Member (Ward 4)
Linda Lord	Council Member (Ward 5)

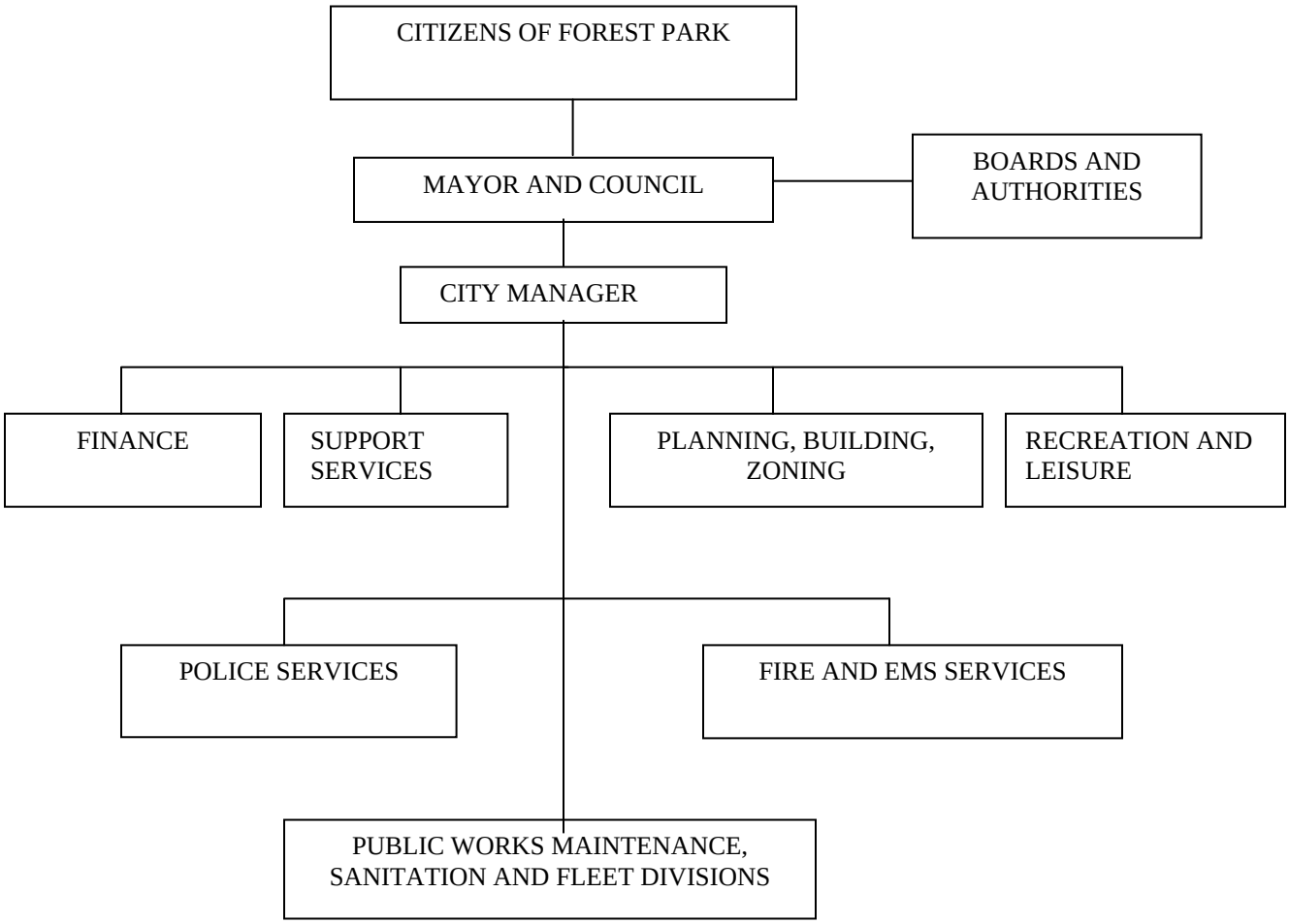
APPOINTED ADMINISTRATIVE OFFICIALS

City Manager	John Parker
Director of Finance	Mike Blandenburg
Director of Police Services	L. Dwayne Hobbs
Director of Fire Services	John E. Buckholts, Jr.
Director of Public Works	Mike Gippert
Director of Planning, Building and Zoning	Stephen L. Pearson
Director of Recreation and Leisure	Elaine Corley
Director of Support Services	Christine Terrell
City Attorney	Joe Harris
Municipal Court Judge	Allyson Pitts

CITY OF FOREST PARK, GEORGIA

ORGANIZATIONAL CHART

June 30, 2011



FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Forest Park, Georgia** as of and for the fiscal year ended June 30, 2011, which collectively comprise the City of Forest Park, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Forest Park, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Forest Park, Georgia as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2011, on our consideration of the City of Forest Park, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress (on pages 3 through 10 and page 44, respectively) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Forest Park, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of projects constructed with special sales tax proceeds (as required by the Official Code of Georgia Annotated 48-8-21), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Forest Park, Georgia's basic financial statements. The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Mauldin & Jenkins, LLC

Atlanta, Georgia
October 27, 2011

City of Forest Park, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

As management of the City of Forest Park, Georgia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $26,339,854 (net assets). Of this amount, $2,486,875 (*unrestricted net assets)* may be used to meet the City's ongoing obligations to citizens and creditors.

- The City had an increase in net assets of $4,068,988 compared to an increase of $5,050,784 in the prior fiscal year. The primary contributor to the increase was revenue from the SPLOST Fund. Also, the City had an increase in property tax assessments and collections, which contributed to this increase. Also, the Sanitation Fund reported a decline in operating income as compared to the prior year. The decrease can be attributed to increased costs by the outside company for providing sanitation services and to increased personnel costs.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $9,370,577. This represents an increase over the prior year of $167,232.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $6,977,391 or 35 percent of total General Fund expenditures. In the prior fiscal year, unreserved fund balance was $6,042,890 or 33 percent of General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal 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 fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities)*. The governmental activities of the City include general government, public safety, public works, culture and recreation, housing and development, judicial, and redevelopment and planning. The City's business-type activities consist of a Sanitation Fund used to account for the collection of solid waste from residents and businesses and a Local Redevelopment Authority Fund used to account for fees collected from tenants of rental property owned by the City and for property acquisitions and redevelopment of property throughout the City.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. As shown on page 13, such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains ten (10) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and SPLOST Capital Projects Fund. Data from the other eight (8) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, as shown on page 17. The City uses enterprise funds to account for its trash pickup services and used to account for fees collected from tenants of rental property owned by the City (Local Redevelopment Authority) and to account for property acquisitions and redevelopment of property throughout the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and begin on page 20.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by $26,339,854 at the close of the most recent fiscal year. Table 1 below is a summary of the City's net assets.

Table 1
Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2011	2010	2011	2010	2011
Current and other assets	$ 10,841,018	$ 10,685,341	$ (194,242)	$ (2,042,991)	$ 10,646,776	$ 8,642,350
Capital assets	11,491,984	13,779,462	3,658,321	7,682,310	15,150,305	21,461,772
Total assets	22,333,002	24,464,803	3,464,079	5,639,319	25,797,081	30,104,122
Current liabilities	1,661,296	1,598,146	782,758	709,107	2,444,054	2,307,253
Long term liabilities	1,075,797	1,446,769	6,364	10,246	1,082,161	1,457,015
Total liabilities	2,737,093	3,044,915	789,122	719,353	3,526,215	3,764,268
Net assets:						
Invested in capital assets	11,491,984	13,779,462	3,658,321	7,682,310	15,150,305	21,461,772
Restricted	1,727,509	2,391,207	-	-	1,727,509	2,391,207
Unrestricted	6,376,416	5,249,219	(983,364)	(2,762,344)	5,393,052	2,486,875
Total net assets	$ 19,595,909	$ 21,419,888	$ 2,674,957	$ 4,919,966	$ 22,270,866	$ 26,339,854

By far, the largest portion of the City's net assets ($21,461,772 or 81 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The increase in net assets of the Business-type Activities is due primarily transfers in from the SPLOST Fund for capital assets purchased in the Local Redevelopment Authority (blended component unit).

Governmental activities

Governmental activities resulted in an increase in net assets of $1,823,979. There were significant increases in redevelopment and planning revenues. These increases are reflected in Table 2 on the following page.

Table 2
Changes in net assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2011	2010	2011	2010	2011
Revenues:						
Charges for services	$ 4,477,001	$ 5,166,288	$ 2,474,567	$ 2,557,393	$ 6,951,568	$ 7,723,681
Operating grants and Contributions	366,483	741,451	-	-	366,483	741,451
Capital grants and Contributions	9,698,730	9,974,839	-	-	9,698,730	9,974,839
General revenues:						
Property taxes	6,604,492	6,694,917	-	-	6,604,492	6,694,917
Hotel/motel taxes	28,212	29,985	-	-	28,212	29,985
Franchise taxes	1,278,493	1,406,851	-	-	1,278,493	1,406,851
Insurance taxes	1,189,089	1,157,906	-	-	1,189,089	1,157,906
Alcoholic beverage tax	422,215	382,636	-	-	422,215	382,636
Motor vehicle tax	432,328	477,619	-	-	432,328	477,619
Business taxes	883,517	812,513			883,517	812,513
Other taxes	55,433	88,372	-	-	55,433	88,372
Interest income	127,788	18,987	-	-	127,788	18,987
Miscellaneous revenue	-	-	51	1,974	51	1,974
Gain on sale of capital assets	13,501	22,292	-	-	13,501	22,292
Total revenues	25,577,282	26,974,656	2,474,618	2,559,367	28,051,900	29,534,023
Expenses:						
General government	2,091,985	2,906,736	-	-	2,091,985	2,906,736
Public safety	12,846,730	14,067,567	-	-	12,846,730	14,067,567
Culture and recreation	1,495,372	1,261,707	-	-	1,495,372	1,261,707
Housing and development	827,490	896,377	-	-	827,490	896,377
Public works	2,448,999	3,164,165	-	-	2,448,999	3,164,165
Redevelopment and planning	340,056	299,604	125,873	61,471	465,929	361,075
Judicial	325,629	207,360	-	-	325,629	207,360
Tourism and economic development	18,137	27,552	-	-	18,137	27,552
Sanitation	-	-	2,480,845	2,572,496	2,480,845	2,572,496
Total expenses	20,394,398	22,831,068	2,606,718	2,633,967	23,001,116	25,465,035
Increase (decrease) in net assets before transfers	5,182,884	4,143,588	(132,100)	(74,600)	5,050,784	4,068,988
Transfers	(1,759,079)	(2,319,609)	1,759,079	2,319,609	-	-
Change in net assets	3,423,805	1,823,979	1,626,979	2,245,009	5,050,784	4,068,988
Net assets beginning of fiscal year	16,172,104	19,595,909	1,047,978	2,674,957	17,220,082	22,270,866
Net assets end of fiscal year	$ 19,595,909	$ 21,419,888	$ 2,674,957	$ 4,919,966	$ 22,270,866	$ 26,339,854

Governmental activities charges for services revenue increased $689,287 or 15% primarily as a result of increased activity in the area of fines and forfeitures. Overall, governmental revenues increased by $1,397,374 or 5.5% while overall governmental expenses increased $2,436,670 or 12%. General government expenses increased by $814,751 primarily due to an increase in salary and benefits related to a new IT position, increased retirement administration and attorney fees, increase in OPEB obligations and compensated absences, and addition of funding for Keep Forest Park Beautiful program. Public safety expenses increased $1,220,837 or 9.5% primarily due to costs related to personnel additions and an increase in OPEB obligations and compensated absences. Public works expenses increased $715,166 or 29.2% primarily due to costs related to personnel additions and increase in OPEB obligations and compensated absences.

Business-type activities.

For the current fiscal year, the operating loss of $74,600 is primarily the result of increased charges of the private company services, increased personnel services costs, and increased repairs and maintenance costs.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Table 3 below compares governmental fund revenues and expenditures for 2010 and 2011.

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

	Governmental Funds	
	2010	2011
Revenues:		
Taxes	$ 10,867,924	$ 11,043,062
Licenses and permits	311,470	280,584
Intergovernmental revenues	10,297,560	10,947,455
Fines and forfeitures	3,040,492	3,643,479
Charges for services	1,118,670	1,185,947
Interest income	127,788	19,428
Other	6,369	56,278
Total revenues	25,770,273	27,176,233
Expenditures:		
General government	2,390,000	2,740,971
Public safety	12,239,237	13,224,338
Public works	2,234,788	2,552,843
Culture and recreation	1,392,167	1,105,475
Housing and development	803,362	852,072
Judicial	125,615	136,622
Redevelopment and planning	336,036	294,656
Tourism and economic development	17,184	27,552
Capital outlay	1,631,937	3,777,155
Debt service		
Principal	-	-
Interest	-	-
Total expenditures	21,170,326	24,711,684
Excess of revenues over expenditures	4,599,947	2,464,549
Other financing sources (uses)		
Proceeds from sale of capital assets	13,501	22,292
Transfers in	170,646	280,019
Transfers out	(1,929,725)	(2,599,628)
Total Other financing sources (uses)	(1,745,578)	(2,297,317)
Net change in fund balances	2,854,369	167,232
Fund balances, beginning of fiscal year	6,348,976	9,203,345
Fund balances, end of fiscal year	$ 9,203,345	$ 9,370,577

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The combined fund balances for all governmental funds is $9,370,577, which is an increase of $167,232 over the prior fiscal year. The fund balances continue to improve over prior fiscal years.

A detail of the governmental funds can be found on pages 13 through 15 of the Comprehensive Annual Financial Report. The General Fund is the central operating fund of the City. For 2011, this fund had $493,290 of revenues over expenditures compared to $1,599,453 in the prior fiscal year. The decrease of revenues over expenditures can be primarily attributed to increased personnel costs for public safety and public works departments.

The SPLOST Capital Projects Fund which was created during the prior fiscal year is used to account for the proceeds of a sales tax levied in Clayton County, which will be used by the City for the exclusive purpose of capital outlay projects. As of fiscal year-end, this fund had a balance of $395,013.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City has a Sanitation Fund which operates much like a private business. As discussed in previous paragraphs, most of the operations of the Sanitation Fund have been transferred to a private company. Operating revenues increased from $2,450,277 in the prior fiscal year to $2,523,583 in the current fiscal year, which represents a 3.0% increase. Operating expenses increased from $2,480,845 in the prior fiscal year to $2,572,496 in the current fiscal year, which represents a 3.7% increase. During prior fiscal years, the City created a Local Redevelopment Authority Fund to account for the City's property acquisitions and redevelopment of property throughout the City. Net assets for the Local Redevelopment Authority Fund increased from $1,678,922 at prior fiscal year end to $3,972,844 in net assets at current fiscal year end. The increase in net assets can be attributed to transfers in from the SPLOST Fund for property acquisitions during the current fiscal year.

General Fund Budgetary Highlights

A comparison of General Fund actual expenditures compared to budget can be found on page 15 of the Comprehensive Annual Financial Report. General Fund revenues were $817,598 more than budgeted. This was enhanced by expenditures of $2,214,094 less than budgeted. Significant components of the net variance of actual compared to budget are discussed below:

Revenues:

Tax revenues collected were $623,077 more than budgeted, due substantially to real, personal and motor vehicle property tax collections of $513,329 more than projected.

Fines and forfeitures collected were $391,834 more than budgeted, due substantially to an increase in patrol officers and vehicles.

Intergovernmental revenues were $319,479 less than budgeted, due substantially to sales tax collections of $372,970 less than projected.

Expenditures:

Actual expenditures for all but three categories, were below budgeted amounts. Significant variances are discussed below:

Public safety – Police expenditures were $369,214 below budget, due primarily to salaries and benefits paid being less than budgeted amounts.

Public safety – E911 expenditures were $144,808 below budget primarily as a result of actual salaries and benefits paid being less than budgeted amounts.

Public works expenditures were $1,381,385 below budget primarily as a result of actual salaries and benefits paid being less than budget, and fleet budget being included in public works budget.

Culture and recreation services were $264,422 below budget, due primarily to actual expenditures for salaries and benefits, capital outlay, and activities being less than projected.

Explanations of significant budgetary variances between the original budget and the final amended budget are discussed below:

Taxes / Licenses and permits revenue – Insurance premium tax revenue budget was moved from Taxes to Licenses and permits during the fiscal year.

General government – General administration budget was increased by $164,200 to provide for additional service fees, and by $23,000 to provide for additional computer equipment.

Public safety – Police budget was increased by $80,000 to provide for additional equipment.

Public safety – Fire budget was increased by $100,000 to provide for salaries and benefits for additional personnel needed.

Culture and recreation – budget was increased by $45,000 to provide for additional parks maintenance.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2011, amounts to $21,461,772 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. Table 4 on the following page summarizes capital assets of the City.

Table 4
Capital Assets net of depreciation

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2011	2010	2011	2010	2011
Land	$ 2,382,669	$ 2,533,169	$ 3,616,228	$ 7,655,137	$ 5,998,897	$ 10,188,306
Construction in progress	1,006,741	1,930,937	-	-	1,006,741	1,930,937
Buildings and improvements	3,814,254	3,946,816	42,093	27,173	3,856,347	3,973,989
Autos and trucks and other equipment	2,231,261	3,051,679	-	-	2,231,261	3,051,679
Infrastructure	2,057,059	2,316,861	-	-	2,057,059	2,316,861
Total	$ 11,491,984	$ 13,779,462	$ 3,658,321	$ 7,682,310	$ 15,150,305	$ 21,461,772

The City's total investment in capital assets increased from $15,150,305 in 2010 to $21,461,772 in 2011. Additional information on the City's capital assets can be found at Note 6 on pages 34 and 35 of this report.

Long term debt. The City's long-term debt can be found in Note 7 on page 36 of this report. The City incurred no additional debt in 2011 from purchasing vehicles and equipment.

Economic Factors and Next Year's Budgets and Rates

The City has continued to improve its financial condition in 2010 and 2011. The increase in net assets is $4,068,988, compared to an increase in net assets of $5,050,784 in the prior fiscal year. The City plans to maintain its positive financial condition as a result of the following:

- Transfer of sanitation operations to a private operator has eliminated operating losses through 2009. The fund reported operating income of $211,584, $258,493, $246,996, and $144,278 for 2006, 2007, 2008, and 2009, respectively. The fund reported operating losses of $30,568 and $48,913 for 2010 and 2011, respectively. Operating income is budgeted for 2011, as fees have been increased to offset increased operating costs for previous fiscal years.

- Tax revenues for 2011 are budgeted to increase modestly, as compared with 2010, although property values have decreased during the recession. The consistent revenues are due primarily to an increase in the millage rate to offset the decreased property values. The millage rate increased from 13.343 for 2010 to 14.743 for 2011.

All of these factors were considered in preparing the City's 2011 budget.

Requests for Information

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

CITY OF FOREST PARK, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2011

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and cash equivalents	$ 4,778,956	$ 1,454,840	$ 6,233,796
Investments	9,969	-	9,969
Taxes receivable, net of allowance	883,550	-	883,550
Accounts receivable, net of allowance	-	169,443	169,443
Internal balances	3,667,274	(3,667,274)	-
Other receivables	175,172	-	175,172
Due from other governments	1,170,420	-	1,170,420
Total current assets	10,685,341	(2,042,991)	8,642,350
Noncurrent assets:			
Capital assets:			
Non-depreciable	4,464,106	7,655,137	12,119,243
Depreciable, net of accumulated depreciation	9,315,356	27,173	9,342,529
Total noncurrent assets	13,779,462	7,682,310	21,461,772
Total assets	24,464,803	5,639,319	30,104,122
LIABILITIES			
Current liabilities:			
Accounts payable	640,213	186,041	826,254
Accrued liabilities	301,637	2,468	304,105
Unearned revenue	13,214	493,038	506,252
Customers deposits	-	3,836	3,836
Claims payable due within one year	68,427	-	68,427
Compensated absences due within one year	574,655	23,724	598,379
Total current liabilities	1,598,146	709,107	2,307,253
Noncurrent liabilities:			
Claims payable due in more than one year	40,185	-	40,185
Compensated absences due in more than one year	633,990	10,246	644,236
Net OPEB obligation	772,594	-	772,594
Total noncurrent liabilities	1,446,769	10,246	1,457,015
Total liabilities	3,044,915	719,353	3,764,268
NET ASSETS			
Invested in capital assets	13,779,462	7,682,310	21,461,772
Restricted for capital construction	406,301	-	406,301
Restricted for law enforcement activities	965,942	-	965,942
Restricted for public safety activities	946,380	-	946,380
Restricted for tourism and economic development	72,584	-	72,584
Unrestricted	5,249,219	(2,762,344)	2,486,875
Total net assets	$ 21,419,888	$ 4,919,966	$ 26,339,854

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

CITY OF FOREST PARK, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Business-type Activities	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 2,906,736	$ 344,247	$ -	$ -	$ (2,562,489)	$ -	$ (2,562,489)
Public safety	14,067,567	4,617,257	397,502	702,031	(8,350,777)	-	(8,350,777)
Public works	3,164,165	247	-	5,740,882	2,576,964	-	2,576,964
Culture and recreation	1,261,707	204,537	64,365	729,632	(263,173)	-	(263,173)
Housing and development	896,377	-	-	-	(896,377)	-	(896,377)
Redevelopment and planning	299,604	-	279,584	2,802,294	2,782,274	-	2,782,274
Judicial	207,360	-	-	-	(207,360)	-	(207,360)
Tourism and economic development	27,552	-	-	-	(27,552)	-	(27,552)
Total governmental activities	22,831,068	5,166,288	741,451	9,974,839	(6,948,490)	-	(6,948,490)
Business-type activities:							
Sanitation	2,572,496	2,523,583	-	-	-	(48,913)	(48,913)
Local Redevelopment Authority	61,471	33,810	-	-	-	(27,661)	(27,661)
Total business-type activities	2,633,967	2,557,393	-	-	-	(76,574)	(76,574)
Total primary government	$ 25,465,035	$ 7,723,681	$ 741,451	$ 9,974,839	(6,948,490)	(76,574)	(7,025,064)
General revenues:							
Property taxes					6,694,917	-	6,694,917
Franchise taxes					1,406,851	-	1,406,851
Insurance premium taxes					1,157,906	-	1,157,906
Alcoholic beverage taxes					382,636	-	382,636
Motor vehicle taxes					477,619	-	477,619
Business taxes					812,513	-	812,513
Hotel/motel taxes					29,985	-	29,985
Other taxes					88,372	-	88,372
Unrestricted investment earnings					18,987	-	18,987
Gain on sale of capital assets					22,292	-	22,292
Miscellaneous revenue					-	1,974	1,974
Transfers					(2,319,609)	2,319,609	-
Total general revenues					8,772,469	2,321,583	11,094,052
Change in net assets					1,823,979	2,245,009	4,068,988
Net assets, beginning of fiscal year					19,595,909	2,674,957	22,270,866
Net assets, end of fiscal year					$ 21,419,888	$ 4,919,966	$ 26,339,854

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

CITY OF FOREST PARK, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

ASSETS	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 1,571,481	$ 1,145,035	$ 2,062,440	$ 4,778,956
Investments	9,969	-	-	9,969
Taxes receivable, net of allowance	880,773	-	2,777	883,550
Other receivables	129,750	-	45,422	175,172
Due from other governments	-	731,362	439,058	1,170,420
Due from other funds	5,585,925	24,672	34,747	5,645,344
Total assets	$ 8,177,898	$ 1,901,069	$ 2,584,444	$ 12,663,411
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 514,481	$ -	$ 125,732	$ 640,213
Accrued liabilities	300,586	-	1,051	301,637
Deferred revenues	359,700	-	13,214	372,914
Due to other funds	25,740	1,506,056	446,274	1,978,070
Total liabilities	1,200,507	1,506,056	586,271	3,292,834
FUND BALANCES				
Fund balances:				
Restricted for:				
Capital construction	-	395,013	11,288	406,301
Law enforcement	-	-	965,942	965,942
Public safety	-	-	946,380	946,380
Tourism and economic development	-	-	72,584	72,584
Committed for:				
Redevelopment and planning	-	-	1,979	1,979
Unassigned	6,977,391	-	-	6,977,391
Total fund balances	6,977,391	395,013	1,998,173	9,370,577
Total liabilities and fund balances	$ 8,177,898	$ 1,901,069	$ 2,584,444	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,779,462
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	359,700
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(1,317,257)
Net OPEB obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(772,594)
Net assets of governmental activities	$ 21,419,888

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

CITY OF FOREST PARK, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 11,013,077	$ -	$ 29,985	$ 11,043,062
Fines and forfeitures	3,551,834	-	91,645	3,643,479
Charges for services	755,184	-	430,763	1,185,947
Licenses and permits	280,584	-	-	280,584
Intergovernmental	4,820,521	4,443,929	1,683,005	10,947,455
Interest income	10,520	440	8,468	19,428
Miscellaneous	56,278	-	-	56,278
Total revenues	20,487,998	4,444,369	2,243,866	27,176,233
Expenditures				
Current:				
General government	2,740,950	-	21	2,740,971
Public safety	12,606,746	-	617,592	13,224,338
Public works	2,552,843	-	-	2,552,843
Culture and recreation	1,105,475	-	-	1,105,475
Housing and development	852,072	-	-	852,072
Judicial	136,622	-	-	136,622
Redevelopment and planning	-	-	294,656	294,656
Tourism and economic development	-	-	27,552	27,552
Capital outlay:				
Public safety	-	-	111,242	111,242
Public works	-	-	1,158,617	1,158,617
Culture and recreation	-	-	12,154	12,154
Redevelopment and planning	-	2,495,142	-	2,495,142
Total expenditures	19,994,708	2,495,142	2,221,834	24,711,684
Excess of revenues over expenditures	493,290	1,949,227	22,032	2,464,549
Other financing sources (uses):				
Proceeds from sale of capital assets	22,292	-	-	22,292
Transfers in	-	-	280,019	280,019
Transfers out	(274,533)	(2,319,609)	(5,486)	(2,599,628)
Total other financing sources (uses)	(252,241)	(2,319,609)	274,533	(2,297,317)
Net change in fund balance	241,049	(370,382)	296,565	167,232
Fund balances, beginning of fiscal year	6,736,342	765,395	1,701,608	9,203,345
Fund balances, end of fiscal year	$ 6,977,391	$ 395,013	$ 1,998,173	$ 9,370,577

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

CITY OF FOREST PARK, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Net change in fund balances - total governmental funds	$	167,232
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 in the current period.		2,287,478
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(223,869)
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.		(406,862)
Change in net assets - governmental activities	$	1,823,979

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

CITY OF FOREST PARK, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 9,190,000	$ 10,390,000	$ 11,013,077	$ 623,077
Fines and forfeitures	3,160,000	3,160,000	3,551,834	391,834
Charges for services	624,100	624,100	755,184	131,084
Licenses and permits	1,490,000	290,000	280,584	(9,416)
Intergovernmental	5,140,000	5,140,000	4,820,521	(319,479)
Interest	45,000	45,000	10,520	(34,480)
Miscellaneous	21,300	21,300	56,278	34,978
Total revenues	19,670,400	19,670,400	20,487,998	817,598
Expenditures				
Current:				
General government:				
General administration	1,788,873	1,976,073	1,996,139	(20,066)
Legislative	409,158	409,158	403,457	5,701
Executive	318,051	340,051	341,354	(1,303)
Total general government	2,516,082	2,725,282	2,740,950	(15,668)
Judicial:				
Municipal court	130,327	130,327	136,622	(6,295)
Total judicial	130,327	130,327	136,622	(6,295)
Public safety:				
Police	7,942,596	8,022,596	7,653,382	369,214
Fire	2,998,968	3,098,968	3,076,300	22,668
EMS	1,297,771	1,297,771	1,288,375	9,396
E911	621,538	621,538	476,730	144,808
Animal control	106,569	106,569	64,748	41,821
Emergency management	39,684	54,354	47,211	7,143
Total public safety	13,007,126	13,201,796	12,606,746	595,050
Public works	3,934,228	3,934,228	2,552,843	1,381,385
Culture and recreation	1,324,897	1,369,897	1,105,475	264,422
Housing and development:				
Planning and zoning	790,272	790,272	794,673	(4,401)
Urban redevelopment and housing	57,000	57,000	57,399	(399)
Total housing and development	847,272	847,272	852,072	(4,800)
Total expenditures	21,759,932	22,208,802	19,994,708	2,214,094
Excess (deficiency) of revenues over (under) expenditures	(2,089,532)	(2,538,402)	493,290	3,031,692
Other financing sources (uses)				
Proceeds from sale of capital assets	10,000	10,000	22,292	12,292
Transfers in	862,740	862,740	-	(862,740)
Transfers out	-	-	(274,533)	274,533
Total other financing sources (uses)	872,740	872,740	(252,241)	(575,915)
Net change in fund balances	(1,216,792)	(1,665,662)	241,049	2,455,777
Fund balances, beginning of fiscal year	6,736,342	6,736,342	6,736,342	-
Fund balances, end of fiscal year	$ 5,519,550	$ 5,070,680	$ 6,977,391	$ 2,455,777

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

CITY OF FOREST PARK, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business-type Activities - Enterprise Funds		
ASSETS	**Sanitation Fund**	**Local Redevelopment Authority Fund**	**Total Enterprise Funds**
Current assets:			
Cash	$ 1,448,868	$ 5,972	$ 1,454,840
Accounts receivable, net of allowance	168,443	1,000	169,443
Total current assets	1,617,311	6,972	1,624,283
Noncurrent assets:			
Capital assets:			
Non-depreciable	34,853	7,620,284	7,655,137
Depreciable, net of accumulated depreciation	27,173	-	27,173
Total noncurrent assets	62,026	7,620,284	7,682,310
Total assets	1,679,337	7,627,256	9,306,593
LIABILITIES			
Current liabilities:			
Accounts payable	186,041	-	186,041
Accrued liabilities	2,468	-	2,468
Compensated absences payable	23,724	-	23,724
Customer deposits	3,836	-	3,836
Unearned revenue	493,038	-	493,038
Due to other funds	12,862	3,654,412	3,667,274
Total current liabilities	721,969	3,654,412	4,376,381
Noncurrent liabilities:			
Compensated absences payable	10,246	-	10,246
Total noncurrent liabilities	10,246	-	10,246
Total liabilities	732,215	3,654,412	4,386,627
NET ASSETS			
Invested in capital assets	62,026	7,620,284	7,682,310
Unrestricted	885,096	(3,647,440)	(2,762,344)
Total net assets	$ 947,122	$ 3,972,844	$ 4,919,966

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

CITY OF FOREST PARK, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds		
	Sanitation Fund	Local Redevelopment Authority Fund	Total Enterprise Funds
OPERATING REVENUE			
Charges for sales and services	$ 2,523,583	$ 33,810	$ 2,557,393
Miscellaneous revenue	-	1,974	1,974
Total operating revenues	2,523,583	35,784	2,559,367
OPERATING EXPENSES			
Cost of sales and services	2,180,429	3,551	2,183,980
Personnel services	311,976	-	311,976
Depreciation	14,920	-	14,920
Other operating expenses	65,171	57,920	123,091
Total operating expenses	2,572,496	61,471	2,633,967
Operating loss before transfers	(48,913)	(25,687)	(74,600)
Transfers in	-	2,319,609	2,319,609
Change in net assets	(48,913)	2,293,922	2,245,009
Total net assets, beginning of fiscal year	996,035	1,678,922	2,674,957
Total net assets, ending of fiscal year	$ 947,122	$ 3,972,844	$ 4,919,966

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

CITY OF FOREST PARK, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds		
	Sanitation Fund	Local Redevelopment Authority Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 2,420,014	$ 35,784	$ 2,455,798
Payments to suppliers	(2,404,413)	(52,121)	(2,456,534)
Payments to employees	(229,220)	-	(229,220)
Net cash provided by (used in) operating activities	(213,619)	(16,337)	(229,956)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Proceeds received from interfund transactions	4,659	-	4,659
Net cash provided by non-capital financing activities	4,659	-	4,659
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of property	-	(4,038,909)	(4,038,909)
Transfers from other funds	-	4,038,911	4,038,911
Net cash used in capital and relating financing activities	-	2	2
Net increase (decrease) in cash	(208,960)	(16,335)	(225,295)
Cash, beginning of fiscal year	1,657,828	22,307	1,680,135
Cash, end of fiscal year	$ 1,448,868	$ 5,972	$ 1,454,840
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating loss	$ (48,913)	$ (25,687)	$ (74,600)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	14,920	-	14,920
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(110,507)	-	(110,507)
Decrease (increase) in other assets	-	10,000	10,000
Increase (decrease) in accounts payable	(74,927)	-	(74,927)
Increase (decrease) in customer deposits	-	(650)	(650)
Increase (decrease) in accrued liabilities	(3,805)	-	(3,805)
Increase (decrease) in compensated absences payable	2,675	-	2,675
Increase (decrease) in unearned revenue	6,938	-	6,938
Net cash provided by (used in) operating activities	$ (213,619)	$ (16,337)	$ (229,956)

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Based upon criteria set forth by Governmental Accounting Standards Board (GASB) 14 "The Financial Reporting Entity," the accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City's blended component units, although legally separate entities, have a governing body which is substantively the same as the City's governing body; therefore, data from these entities are combined with data of the primary government. Substantively the same means sufficient representation of the primary government's entire governing body on the component unit's governing body to allow complete control of the component unit's activities. To illustrate, the board of a City's Redevelopment Authority may be composed entirely of the City Council and the Mayor, serving ex officio. The primary government is, essentially, serving as the governing body of the component unit. The blended component units of the City of Forest Park, Georgia have a June 30th fiscal year-end.

Blended Component Units:

The Forest Park/Fort Gillem Local Redevelopment Authority (the "FGLRA") was established for purposes of planning the reuse and economic development of the real estate and other assets presently comprising Fort Gillem, Georgia, a military installation which has been selected for closure in 2011 by the United States Department of Defense and the Independent Base Realignment and Closure Commission.

A Board of Directors consisting of ten (10) members, all of whom are appointed by or are members of the City of Forest Park's Council. The Mayor, City Manager, and five (5) members of the City Council serve as board members and the remaining three (3) board members are appointed by the Mayor and confirmed by City Council. The FGLRA Fund is reported in the City's financial statements as a special revenue fund. Financial information with regard to the FGLRA can be obtained directly from the City of Forest Park, City Hall, 745 Forest Parkway, Georgia 30297. Separate financial statements for the Redevelopment Authority are not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued):

The Local Redevelopment Authority was created for the purpose of attracting development, industry, and employment opportunities to the City. The Mayor serves as a board member and the remaining board members are members of the City of Forest Park's Council. The Local Redevelopment Authority is reported in the City's financial statements as an enterprise fund. Financial information with regard to the Local Redevelopment Authority can be obtained directly from the City of Forest Park, City Hall, 745 Forest Parkway, Georgia 30297. Separate financial statements for the Local Redevelopment Authority are not prepared.

B. Government-wide and Fund Financial Statements

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

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

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

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

The City reports the following major proprietary funds:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

D. Budgets

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

E. Deposits and Investments

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by 100% of state or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

Capital assets, which include property, plant, equipment, computer software, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets (including intangible assets) are defined by the City as assets with an initial, individual cost of more than $2,500 and an estimated useful life in excess of two (2) years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Infrastructure (e.g., roads, bridges, sidewalks, and similar items) prior to June 30, 1980 has been reported.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

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

Assets	Years
Buildings and improvements	15-40
Infrastructure	30-50
Equipment	5
Vehicles	5

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

The City offers all full-time employees a maximum of 640 hours of "buyback" sick time at the end of their employment. Employees must have twenty-four (24) days to participate in the buyback incentive program. Employees with more than ten (10) years services are vested. Vested employees have the right to receive 20% of accrued sick leave upon termination. The maximum number of days that the employee can buy back is limited to 60 days. Vested vacation and sick leave that is expected to be liquidated with expendable available resources is reported as expenditures and a fund liability at the fund level financial statements, for example, as a result of employee resignations and retirements. All vested vacation pay and sick leave expected to be paid at retirement are accrued when incurred in the government-wide and proprietary fund financial statements.

J. Unearned Revenue

Unearned or deferred revenues at the governmental fund level arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arise in the governmental fund level, proprietary funds, and government wide level when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity and Net Assets

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

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

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote of the City Commission. 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. The City Council has expressly delegated to the City's finance director the authority to assign funds for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Equity and Net Assets (Continued)

Net Assets – Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, 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 assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Restrictions on the government-wide statement of net assets represent amounts segregated to meet debt covenants and state laws.

M. Management Estimates

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

N. Interfund Transactions

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $1,317,257 difference are as follows:

Claims payable	$	(108,612)
Compensated absences		(1,208,645)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(1,317,257)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $2,287,478 difference are as follows:

Capital outlay	$	3,418,082
Depreciation expense		(1,130,604)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	2,287,478

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

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

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $406,862 difference are as follows:

Claims and judgments	$	18,436
Compensated absences		(145,290)
Other post employment benefit (OPEB) obligation		(280,008)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(406,862)

NOTE 3. LEGAL COMPLIANCE - BUDGETS

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

Before May 31, the proposed budget is presented to the City Council for review. City Council holds public hearings and may add to, subtract from or change appropriations. The budget is then approved by an affirmative vote of a majority of the City's council.

Expenditures may not legally exceed budgeted appropriations at the department level (e.g. administration). For fiscal year ended June 30, 2011, the following departments, and funds, had excesses of actual expenditures over appropriations:

General Fund departments:		
General administration	$	20,066
Executive		1,303
Municipal court		6,295
Planning and zoning		4,401
Urban redevelopment and housing		399

These over expenditures were funded by greater than anticipated revenues and by available fund balance.

As of June 30, 2011, the City did not legally adopt an annual budget for the Grant Fund and the Tax Allocation District Number One – Ft. Gillem/Main Street Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

As of June 30, 2011, the City had $9,969 invested for its governmental funds.

Investment	Maturities	Fair Value
Ginnie Mae II Pool Asset Backed Security	November 20, 2022	$ 9,260
Georgia Fund 1	59 days	709
Total		$ 9,969

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

Credit risk: State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City has an investment policy that would further limit its investment choices by investing operating funds primarily in shorter-term securities, money market accounts, or similar investment pools.

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

The City’s investments in mortgage backed securities pool is either insured or registered or are held by the City or its agent in the City’s name.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2011, the City's investment in the Ginnie Mae II Pool Asset Back Securities was not rated by any of the major rating agencies, since they are fully backed by mortgages.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1 per share. The regulatory oversight agency for Georgia Fund 1 is the Office of Treasury and Fiscal Services of the State of Georgia. As of June 30, 2011, the City's investment in Georgia Fund 1 was rated AAAm by Standard' & Poor's. Funds included in this Pool are not required to be collateralized.

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. State statutes, and City policy, require all deposits and investments (other than federal or state government instruments) to be collateralized at 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2011, the City's bank balances were properly collateralized in accordance with State statutes at 110%

NOTE 5. RECEIVABLES

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

Property taxes are recorded as receivables and deferred revenues when assessed. Revenues are recognized when available.

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

Receivables at June 30, 2011, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	SPLOST Fund	Sanitation Fund	Local Redevelopment Authority Fund	Nonmajor Governmental Funds
Receivables:					
Taxes	$ 1,074,238	$ -	$ -	$ -	$ 2,777
Accounts	-	-	434,688	1,000	45,422
Due from other governments	-	731,362	-	-	439,058
Other	129,750	-	-	-	-
Less allowance for uncollectible	(193,465)	-	(266,245)	-	-
Net total receivable	$ 1,010,523	$ 731,362	$ 168,443	$ 1,000	$ 487,257

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended June 30, 2011, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 2,382,669	$ 150,500	$ -	$ -	$ 2,533,169
Construction in progress	1,006,741	1,324,140	-	(399,944)	1,930,937
Total	3,389,410	1,474,640	-	(399,944)	4,464,106
Capital assets, being depreciated:					
Buildings	7,760,149	-	-	149,112	7,909,261
Improvements	2,710,788	275,687	-	-	2,986,475
Computer & office equipment	899,115	-	-	-	899,115
Machinery & equipment	3,269,223	877,985	-	-	4,147,208
Vehicles	4,974,221	687,667	(246,115)	-	5,415,773
Infrastructure	9,114,529	102,103	-	250,832	9,467,464
Total	28,728,025	1,943,442	(246,115)	399,944	30,825,296
Less accumulated depreciation for:					
Buildings	(4,316,135)	(214,380)	-	-	(4,530,515)
Improvements	(2,340,548)	(77,857)	-	-	(2,418,405)
Computer & office equipment	(411,957)	(179,349)	-	-	(591,306)
Machinery and equipment	(2,592,210)	(236,249)	-	-	(2,828,459)
Vehicles	(3,907,131)	(329,636)	246,115	-	(3,990,652)
Infrastructure	(7,057,470)	(93,133)	-	-	(7,150,603)
Total	(20,625,451)	(1,130,604)	246,115	-	(21,509,940)
Total capital assets, being depreciated, net	8,102,574	812,838	-	399,944	9,315,356
Governmental activities capital assets, net	$ 11,491,984	$ 2,287,478	$ -	$ -	$ 13,779,462

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 3,616,228	$ 4,038,909	$ -	$ 7,655,137
Total	3,616,228	4,038,909	-	7,655,137
Capital assets, being depreciated:				
Building	113,299	-	-	113,299
Building improvement	223,790	-	-	223,790
Equipment	55,209	-	-	55,209
Vehicles	803,730	-	-	803,730
Total	1,196,028	-	-	1,196,028
Less accumulated depreciation for:				
Building	(113,299)	-	-	(113,299)
Building improvement	(181,697)	(14,920)	-	(196,617)
Equipment	(55,209)	-	-	(55,209)
Vehicles	(803,730)	-	-	(803,730)
Total	(1,153,935)	(14,920)	-	(1,168,855)
Total capital assets, being depreciated, net	42,093	(14,920)	-	27,173
Business-type activities capital assets, net	$ 3,658,321	$ 4,023,989	$ -	$ 7,682,310

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

Governmental activities:	
General government	$ 90,988
Judicial	68,908
Public safety	645,788
Public works	242,907
Culture and recreation	75,406
Housing and development	6,607
Total depreciation expense - governmental activities	$ 1,130,604
Business-type activities:	
Sanitation	$ 14,920

NOTE 7. LONG-TERM DEBT

Primary Government

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Claims payable	$ 127,048	$ 77,730	$ (96,166)	$ 108,612	$ 68,427
Compensated absences	1,063,355	1,053,051	(907,761)	1,208,645	574,655
Net OPEB Obligation	492,586	298,380	(18,372)	772,594	-
Governmental activity Long-term liabilities	$ 1,682,989	$ 1,429,161	$ (1,022,299)	$ 2,089,851	$ 643,082

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Compensated absences	$ 31,295	$ 20,217	$ (17,542)	$ 33,970	$ 23,724
Business-type activity Long-term liabilities	$ 31,295	$ 20,217	$ (17,542)	$ 33,970	$ 23,724

For governmental funds, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Sanitation Fund. Claims and the net OPEB obligations for the City are liquidated by the General Fund.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2011, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 412,595
General Fund	SPLOST Fund	1,506,056
General Fund	Sanitation Fund	12,862
General Fund	Local Redevelopment Authority Fund	3,654,412
Nonmajor governmental funds	General Fund	25,740
SPLOST Fund	Nonmajor governmental funds	24,672
Nonmajor governmental funds	Nonmajor governmental funds	9,007
		$ 5,645,344

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

Transfers In	Transfers Out	Amount
Local Redevelopment Authority Fund	SPLOST Fund	$ 2,319,609
Nonmajor governmental funds	General Fund	274,533
Nonmajor governmental funds	Nonmajor governmental funds	5,486
		$ 2,599,628

Transfers between the Local Redevelopment Authority and the SPLOST Fund were made to acquire property in accordance with the SPLOST resolution and redevelopment projects in progress at the City.

NOTE 9. DEFERRED COMPENSATION PLAN

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

Employee contributions range from a minimum of 1% of the employees' base salary to a maximum of $16,500 per year for employees less than 50 years old, $22,000 for employees 50 years of age or older (as elected by the employee). Under the plan authorized by the City Council, the City is required to make a fixed contribution equal to 5% of the aggregate annual compensation of all participants allocated as a 50% match. Additionally, the City can make discretionary contributions if deemed necessary or desirable. The City's contribution and related investment earnings allocated to an employee's account are fully vested after 5 years of continuous service. City contributions and interest forfeited by employees who leave employment before becoming vested are held in the plan and are distributed to remaining participants.

The City contributed $283,956 and plan participants contributed $613,410 to the Plan during the fiscal year ended June 30, 2011. At the beginning of the fiscal year, there were 379 participants with account balances. During the current fiscal year, 264 made contributions, 27 entered into the Plan, and 17 left the Plan, resulting in 389 participants with account balances at the end of the current fiscal year. Total value of the deferred compensation and thrift plans as of the current fiscal year-end was $13,087,261 which results in an average participant balance of $33,643.

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

In accordance with GASB 45 requirements, the City of Forest Park is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a postretirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements were implemented by the City of Forest Park during the fiscal year ended June 30, 2009. The City has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the Plan as of June 30, 2011; therefore, there are no separate financial statements for the City's OPEB Plan.

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. Plan Description (Continued)

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

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

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

Expenditures for post-employment health care benefits are funded on pay-as-you-go basis. The City will pay between 60% and 100% of individual premium costs based on age and years of service according to the chart above.

At July 1, 2010, there were 238 participants consisting of the following:

Retirees	3
Active employees	235
Total	238

B. Funding Policy

The City is not required to make any contributions to the Plan. The City of Forest Park has yet to adopt any funding requirements to the Plan other than pay-as-you-go.

For 2011, the City's annual required contribution was $306,068 and actual employer contributions totaled $18,372. The annual required contribution was determined as part of the July 1, 2010 actuarial valuation using the projected unit credit actuarial cost method.

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Annual OPEB Cost

The City's actuarially required contribution (ARC), OPEB cost, and increase in net OPEB obligation for the year ended June 30, 2011, were computed as follows:

Actuarially required contribution	$ 306,068
Interest on prior year net OPEB obligation	19,703
Adjustment to ARC	(27,391)
Annual OPEB cost	298,380
Actual contributions made	(18,372)
Increase in net OPEB obligation	280,008
Net OPEB obligation (asset), June 30, 2010	492,586
Net OPEB obligation (asset), June 30, 2011	$ 772,594

Fiscal Year Ended June 30,	Annual OPEB Cost	Actual OPEB Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2011	$ 298,380	$ 18,372	6.2 %	$ 772,594
2010	288,104	43,275	15.0	492,586
2009	272,553	24,796	9.1	247,757

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

As of the most recent valuation date, July 1, 2010, the funded status of the OPEB Plan was as follows:

Actuarial Value of Assets [a]	Actuarial Accrued Liability (AAL) [b]	Unfunded AAL (UAAL) [b-a]	Funded Ratio [a/b]	Covered Payroll [c]	UAAL as a % of Covered Payroll [(b-a)/c]
$ -	$ 1,888,756	$ (1,888,756)	0.0%	11,334,489	-16.7%

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Annual OPEB Cost (Continued)

Actuarial valuation involves 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 continued 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 Plan in effect at July 1, 2010. The assumptions used in the July 1, 2010 actuarial valuation are as follows:

Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	N/A
Discount Rate	4.00% per annum, compounded annually
Pre-retirement Mortality Rates	1994 Uninsured Pensioners, separately for males and females
Post-retirement Mortality Rates	1994 Uninsured Pensioners, separately for males and females
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	30 years-closed
Health Care Trend Rates	8.0% grades to 5.0% over 6 years

NOTE 11. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Council (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Clayton County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.

NOTE 12. RISK MANAGEMENT

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

Disability Benefits

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

Fiscal Year ended June 30,	Beginning of Year liability	Current Fiscal Year Accrual and Changes in Estimates	Benefit Payments	End of Year Liability
2010	$ -	$ -	$ -	$ -
2009	-	2,507	2,507	-

Workers' Compensation Insurance

The City is partially self-insured for workers' compensation claims. The City pays annual aggregate claims up to $1,000,000 per year. Workers' compensation claims expense/expenditure and liability are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Changes in workers' compensation claims liability during the last three (3) fiscal years are as follows:

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2011	$ 127,048	$ 77,730	$ (96,166)	$ 108,612
2010	149,382	13,500	(35,834)	127,048
2009	233,969	35,200	(119,787)	149,382

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contracts:

As of June 30, 2011, the City has $297,827 in uncompleted construction contracts outstanding.

Litigation:

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

Grant Contingencies:

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

Other:

The City has provided lump-sum payments to the estates of deceased employees. The amount of these payments, if any, is at the discretion of the City Council and does not represent a formal commitment of the City. The City had no such payments for the fiscal year ended June 30, 2011. The City has a cash account with a balance of $97,510 to fund these payments in future periods.

NOTE 14. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 3%. Revenues were $29,985 for the fiscal year ended June 30, 2011. Of this amount 91.9% or $27,552 was expended. Expenditures of the tax were used to promote tourism, conventions, and trade shows to operate, maintain, and market a conference center facility as required by O.C.G.A. 48-13-51. The remaining tax proceeds are held in fund balance of the Hotel/Motel Tax Fund to be spent on tourism in future years.

CITY OF FOREST PARK, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

Schedule of Funding Progress

Postemployment Benefits:

The information presented below is based on the annual actuarial valuations as of July 1 of the respective fiscal year.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liabilities (AAL)	Unfunded Actuarial Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2010	$ -	$ 1,888,756	$ (1,888,756)	0.0 %	$ 11,334,489	16.7 %
7/1/2009	-	1,884,217	(1,884,217)	0.0	10,288,935	18.3 %
7/1/2008	-	1,745,215	(1,745,215)	0.0	N/A	N/A

See notes to financial statements for actuarial assumptions used in the above calculations.

CITY OF FOREST PARK, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Emergency Telephone System Fund - To account for emergency services which are provided to all City taxpayers. Financing is provided through user fees and charges.

Police Seizure Fund - To account for the use of confiscated drug money by the City's Police Department.

Hotel/Motel Tax Fund - To account for the 3% lodging tax levied in the City.

Multiple Grants Fund - To account for grants received from the various Federal and State agencies and for which projected expenditures do not exceed 2% of the General Fund's budgeted total operating expenditures.

Forest Park/Ft. Gillem LRA Fund - To account for grants received from the Office of Economic Adjustment for the base reuse planning and redevelopment of the Ft. Gillem army base.

Grant Fund - To account for grants received from the Georgia Department of Transportation and Community Development Block Grant received from Clayton County, Georgia.

Tax Allocation District One – Ft. Gillem and Main Street Fund - To account for incremental property tax revenues received from the district as well as the redevelopment and planning expenditures made as amounts are collected.

CAPITAL PROJECTS FUNDS

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

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

CITY OF FOREST PARK, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

ASSETS	Special Revenue Funds							Capital Projects Fund	Total Nonmajor Governmental Funds
	Emergency Telephone System Fund	Police Seizure Fund	Hotel/Motel Tax Fund	Multiple Grants Fund	Forest Park/ Ft. Gillem LRA Fund	Grant Fund	Tax Allocation District One Ft. Gillem & Main Street Fund	Capital Improvement Fund	
Cash and cash equivalents	$ 955,902	$ 972,770	$ 69,807	$ -	$ 45,208	$ 5,486	$ 1,979	$ 11,288	$ 2,062,440
Taxes receivable	-	-	2,777	-	-	-	-	-	2,777
Accounts receivables	45,422	-	-	-	-	-	-	-	45,422
Due from other governments	-	-	-	354,629	84,429	-	-	-	439,058
Due from other funds	25,740	-	-	9,007	-	-	-	-	34,747
Total assets	$ 1,027,064	$ 972,770	$ 72,584	$ 363,636	$ 129,637	$ 5,486	$ 1,979	$ 11,288	$ 2,584,444
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	$ 2,504	$ -	$ -	$ 100,652	$ 22,576	$ -	$ -	$ -	$ 125,732
Accrued liabilities	-	-	-	-	1,051	-	-	-	1,051
Deferred revenues	-	-	-	13,214	-	-	-	-	13,214
Due to other funds	78,180	6,828	-	249,770	106,010	5,486	-	-	446,274
Total liabilities	80,684	6,828	-	363,636	129,637	5,486	-	-	586,271
FUND BALANCES									
Restricted for:									
Capital construction	-	-	-	-	-	-		11,288	11,288
Law enforcement	-	965,942	-	-	-	-		-	965,942
Public safety	946,380	-	-	-	-	-		-	946,380
Tourism and economic development	-	-	72,584	-	-	-		-	72,584
Committed for:									
Redevelopment and planning	-	-	-	-	-	-	1,979	-	1,979
Total fund balances	946,380	965,942	72,584	-	-	-	1,979	11,288	1,998,173
Total liabilities and fund balances	$ 1,027,064	$ 972,770	$ 72,584	$ 363,636	$ 129,637	$ 5,486	$ 1,979	$ 11,288	$ 2,584,444

CITY OF FOREST PARK, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Special Revenue Funds							Capital Projects Fund	
	Emergency Telephone System Fund	Police Seizure Fund	Hotel/Motel Tax Fund	Multiple Grants Fund	Forest Park/ Ft. Gillem LRA Fund	Grant Fund	Tax Allocation District One Ft. Gillem & Main Street Fund	Capital Improvement Fund	Total Nonmajor Governmental Funds
REVENUES									
Taxes	$ -	$ -	$ 29,985	$ -	$ -	$ -	$ -	$ -	$ 29,985
Charges for services	430,763	-	-	-	-	-	-	-	430,763
Fines & forfeitures	-	91,645	-	-	-	-	-	-	91,645
Intergovernmental	-	-	-	1,403,422	279,583	-	-	-	1,683,005
Interest	-	8,461	-	-	-	-	-	7	8,468
Total revenues	430,763	100,106	29,985	1,403,422	279,583	-	-	7	2,243,866
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	21	-	21
Redevelopment and planning	-	-	-	-	294,656	-	-	-	294,656
Public safety	185,178	12,546	-	419,868	-	-	-	-	617,592
Tourism and economic development	-	-	27,552	-	-	-	-	-	27,552
Capital outlay:									
Public safety	78,181	-	-	33,061	-	-	-	-	111,242
Culture and recreation	-	-	-	12,154	-	-	-	-	12,154
Public works	-	-	-	1,158,617	-	-	-	-	1,158,617
Total expenditures	263,359	12,546	27,552	1,623,700	294,656	-	21	-	2,221,834
Excess (deficiency) of revenues over (under) expenditures	167,404	87,560	2,433	(220,278)	(15,073)	-	(21)	7	22,032
Other financing sources (uses)									
Transfers in	-	-	-	244,423	33,596	-	2,000	-	280,019
Transfers out	-	-	-	-	-	(5,486)	-	-	(5,486)
Net change in fund balances	167,404	87,560	2,433	24,145	18,523	(5,486)	1,979	7	296,565
FUND BALANCES (DEFICITS), beginning of fiscal year	778,976	878,382	70,151	(24,145)	(18,523)	5,486	-	11,281	1,701,608
FUND BALANCES (DEFICITS), end of fiscal year	$ 946,380	$ 965,942	$ 72,584	$ -	$ -	$ -	$ 1,979	$ 11,288	$ 1,998,173

CITY OF FOREST PARK, GEORGIA

EMERGENCY TELEPHONE SYSTEM FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 450,000	$ 450,000	$ 430,763	$ (19,237)
Total revenue	450,000	450,000	430,763	(19,237)
EXPENDITURES				
Public safety	200,000	200,000	185,178	14,822
Capital outlay - public safety	250,000	250,000	78,181	171,819
Total expenditures	450,000	450,000	263,359	186,641
Excess of revenues over expenditures	-	-	167,404	167,404
FUND BALANCES, beginning of fiscal year	778,976	778,976	778,976	-
FUND BALANCES, end of fiscal year	$ 778,976	$ 778,976	$ 946,380	$ 167,404

CITY OF FOREST PARK, GEORGIA
POLICE SEIZURE FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines & forfeitures	$ -	$ 25,000	$ 91,645	$ 66,645
Interest	-	-	8,461	8,461
Total revenue	-	25,000	100,106	75,106
EXPENDITURES				
Public Safety	-	25,000	12,546	12,454
Total expenditures	-	25,000	12,546	12,454
Excess of revenues over expenditures	-	-	87,560	87,560
FUND BALANCES, beginning of fiscal year	878,382	878,382	878,382	-
FUND BALANCES, end of fiscal year	$ 878,382	$ 878,382	$ 965,942	$ 87,560

CITY OF FOREST PARK, GEORGIA
HOTEL/MOTEL TAX FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 35,000	$ 35,000	$ 29,985	$ (5,015)
Total revenue	35,000	35,000	29,985	(5,015)
EXPENDITURES				
Tourism and economic development	35,000	35,000	27,552	7,448
Total expenditures	35,000	35,000	27,552	7,448
Excess of revenues over expenditures	-	-	2,433	2,433
FUND BALANCES, beginning of fiscal year	70,151	70,151	70,151	-
FUND BALANCES, end of fiscal year	$ 70,151	$ 70,151	$ 72,584	$ 2,433

CITY OF FOREST PARK, GEORGIA
MULTIPLE GRANTS FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 4,978,384	$ 4,978,384	$ 1,403,422	$ (3,574,962)
Total revenue	4,978,384	4,978,384	1,403,422	(3,574,962)
EXPENDITURES				
Public safety	2,174,854	2,174,854	419,868	1,754,986
Capital outlay - public safety	41,289	41,289	33,061	8,228
Capital outlay - culture and recreation	36,097	36,097	12,154	23,943
Capital outlay - public works	3,014,844	3,015,844	1,158,617	1,857,227
Total expenditures	5,267,084	5,268,084	1,623,700	3,644,384
Deficiency of revenues under expenditures	(288,700)	(289,700)	(220,278)	69,422
OTHER FINANCING SOURCES				
Transfers in	288,700	288,700	244,423	(44,277)
Total other financing sources	288,700	288,700	244,423	(44,277)
Net change in fund balances	-	(1,000)	24,145	25,145
FUND BALANCES (DEFICITS), beginning of fiscal year	(24,145)	(24,145)	(24,145)	-
FUND BALANCES (DEFICITS), end of fiscal year	$ (24,145)	$ (25,145)	$ -	$ 25,145

CITY OF FOREST PARK, GEORGIA
FOREST PARK/FT. GILLEM LRA FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 526,217	$ 874,448	$ 279,583	$ (594,865)
Total revenue	526,217	874,448	279,583	(594,865)
EXPENDITURES				
Redevelopment and planning	526,217	526,217	294,656	231,561
Total expenditures	526,217	526,217	294,656	231,561
Excess (deficiency) of revenues over (under) expenditures	-	348,231	(15,073)	(363,304)
OTHER FINANCING SOURCES				
Transfers in	-	-	33,596	33,596
Net Change in Fund Balance	-	348,231	18,523	(329,708)
FUND BALANCES (DEFICITS), beginning of fiscal year	(18,523)	(18,523)	(18,523)	-
FUND BALANCES (DEFICITS), end of fiscal year	$ (18,523)	$ 329,708	$ -	$ (329,708)

CITY OF FOREST PARK, GEORGIA
GRANT FUND - SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ -
Total revenue	-	-	-	-
EXPENDITURES				
Redevelopment and planning	-	-	-	-
Total expenditures	-	-	-	-
Deficiency of revenues under expenditures	-	-	-	-
OTHER FINANCING USES				
Transfers out	-	-	5,486	5,486
Net change in fund balances	-	-	(5,486)	(5,486)
FUND BALANCES, beginning of fiscal year	5,486	5,486	5,486	-
FUND BALANCES, end of fiscal year	$ 5,486	$ 5,486	$ -	$ (5,486)

CITY OF FOREST PARK, GEORGIA
TAX ALLOCATION DISTRICT NUMBER ONE - FT. GILLEM AND MAIN STREET

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES				
General government	-	-	21	(21)
Deficiency of revenues under expenditures	-	-	21	(21)
OTHER FINANCING SOURCES				
Transfers in	-	-	2,000	2,000
Net change in fund balances	-	-	1,979	1,979
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	$ -	$ -	$ 1,979	$ 1,979

CITY OF FOREST PARK, GEORGIA
CAPITAL IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ -	$ -	$ 7	$ 7
Net change in fund balances	-	-	7	7
FUND BALANCES, beginning of fiscal year	11,281	11,281	11,281	-
FUND BALANCES, end of fiscal year	$ 11,281	$ 11,281	$ 11,288	$ 7

CITY OF FOREST PARK, GEORGIA
SPLOST FUND - CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ -	$ 4,500,000	$ 4,443,929	$ (56,071)
Interest income	-	-	440	440
Total revenue	-	4,500,000	4,444,369	(55,631)
EXPENDITURES				
Capital outlay	-	4,500,000	2,495,142	2,004,858
Total expenditures	-	4,500,000	2,495,142	2,004,858
Excess (deficiency) of revenues over (under) expenditures	-	-	1,949,227	1,949,227
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(2,319,609)	(2,319,609)
Net change in fund balances	-	-	(370,382)	(370,382)
FUND BALANCES, beginning of fiscal year	-	-	765,395	-
FUND BALANCES, end of fiscal year	$ -	$ -	$ 395,013	$ (370,382)

CITY OF FOREST PARK, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Projects	Original Estimated Cost (1)	Revised Estimated Cost (1)	Expenditures			Estimated Percentage of Completion (2)
			Prior Fiscal Years	Current Fiscal Year	Total	
L.C.I. Main Street -Phase I	$ 1,900,000	$ 1,900,000	$ 505,730	$ -	$ 505,730	26.62%
Underground Utilities - Main Street	2,500,000	2,500,000	547,786	-	547,786	21.91%
Sidewalks to Schools - Phase III Transit Oriented Pedestrian Improvements - design, construction, & right of way acquisition.	2,500,000	2,500,000	55,708	117,734	173,442	6.94%
Recreational Center - design & construction	9,500,000	9,500,000	-	561,894	561,894	5.91%
Property Acquisition - Street improvements, transit purchase, recreational areas, & greenspace.	6,000,000	6,000,000	2,216,695	3,451,655	5,668,350	94.47%
Transit Station - design & construction	3,000,000	3,000,000	-	-	-	0.00%
City Hall - Expansion and parking - design & construction	2,300,000	2,300,000	-	-	-	0.00%
New Computer System - City Hall - computers, software, & installation.	650,000	650,000	173,428	95,279	268,707	41.34%
Walkover Bridge over Forest Parkway - design & construction	1,200,000	1,200,000	-	-	-	0.00%
LCI Main Street Project - Phase II	2,700,000	2,700,000	-	-	-	0.00%
Paving of remaining streets not completed in current SPLOST	3,400,000	3,400,000	-	-	-	0.00%
Annex Expansion - design & construction	1,900,000	1,900,000	-	-	-	0.00%
Sidewalks to Schools - Phase I & II - design, construction, & right of way acquisition	2,800,000	2,800,000	-	-	-	0.00%
Recreational Miscellaneous Projects - athletic field development, senior building addition, starr park & athletic field lighting, outdoor pool & water park, skate park, walking trail, & mini golf new construction.	6,500,000	6,500,000	-	-	-	0.00%
Sidewalks, curbs, & gutters - right of way acquisition & additional streets.	1,500,000	1,500,000	-	-	-	0.00%
Capital equipment for parks & streets	750,000	750,000	25,600	-	25,600	3.41%
Fire equipment - quint ladder truck, 1 engine, & 3 ambulances	1,500,000	1,500,000	181,027	109,900	290,927	19.40%
Police vehicle purchases	700,000	700,000	482,985	478,289	961,274	137.32%
Program administration	800,000	800,000	-	-	-	0.00%
Transportation projects - miscellaneous	1,300,000	1,300,000	-	-	-	0.00%
Construction & Design Community - buildings phase I, III, IV	2,600,000	2,600,000	-	-	-	0.00%
New Fire Station - Station 3 - design, construction, & property acquisition.	3,500,000	3,500,000	-	-	-	0.00%
Totals	$ 59,500,000	$ 59,500,000	$ 4,188,959	$ 4,814,751	$ 9,003,710	15.13%

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

Capital outlay	2,495,142
Transfers out (3)	2,319,609
Total	4,814,751

(1) Unaudited

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

(3) The transfer out from the SPLOST Fund to the Local Redevelopment Authority Fund was for capital projects undergone around the City during the current fiscal year and prior fiscal year in accordance with the SPLOST Referendum.

STATISTICAL SECTION

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

Page

Financial Trends **57**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **63**

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity **69**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information **73**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **75**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year. The City also implemented GASB 54 in 2011; fund balance for governmental funds under the categories nonsependable, restricted, committed, assigned, and unassigned will be reflected in fiscal year 2011 and subsequent periods.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Governmental activities										
Invested in capital assets, net of related debt	$ 7,414,836	$ 7,793,149	$ 8,449,063	$ 9,774,464	$ 9,956,448	$ 10,321,785	$ 10,421,731	$ 11,491,984	$ 13,779,462	
Restricted	2,045,100	2,295,182	2,270,922	2,253,535	2,213,195	2,624,834	3,891,311	1,727,509	2,391,207	
Unrestricted	2,262,262	1,269,057	1,126,426	887,642	1,230,074	2,743,819	1,859,062	6,376,416	5,249,219	
Total governmental activities net assets	11,722,198	11,357,388	11,846,411	12,915,641	13,399,717	15,690,438	16,172,104	19,595,909	21,419,888	
Business-type activities										
Invested in capital assets, net of related debt	238,640	173,944	167,763	136,626	121,706	106,788	1,930,490	3,658,321	7,682,310	(2)
Unrestricted	(543,036)	(507,963)	(3,661)	239,060	512,423	774,337	(882,512)	(983,364)	(2,762,344)	
Total business-type activities net assets	(304,396)	(334,019)	164,102	375,686	634,129	881,125	1,047,978	2,674,957	4,919,966	
Primary government										
Invested in capital assets, net of related debt	7,653,476	7,967,093	8,616,826	9,911,090	10,078,154	10,428,573	12,352,221	15,150,305	21,461,772	(2)
Restricted	2,045,100	2,295,182	2,270,922	2,253,535	2,213,195	2,624,834	3,891,311	1,727,509	2,391,207	
Unrestricted	1,719,226	761,094	1,122,765	1,126,702	1,742,497	3,518,156	976,550	5,393,052	2,486,875	
Total primary government net assets	$ 11,417,802	$ 11,023,369	$ 12,010,513	$ 13,291,327	$ 14,033,846	$ 16,571,563	$ 17,220,082	$ 22,270,866	$ 26,339,854	

Notes:
(1) Government-wide financial information is only available since 2003, therefore only nine (9) fiscal years of information is presented.
(2) Increase due to land and property purchases throughout the City for redevelopment purposes.

SCHEDULE 2
CITY OF FOREST PARK, GEORGIA
Changes in Net Assets
Last Nine Fiscal Years (1)
(Accrual basis of accounting)

	Fiscal Year								
Expenses	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Governmental activities:									
General government	$ 2,104,870	$ 2,040,221	$ 2,013,209	$ 2,030,611	$ 2,347,243	$ 2,114,016	$ 2,687,936	$ 2,091,985	$ 2,906,736
Public safety	8,671,102	9,118,149	9,129,169	9,529,477	12,184,123	11,754,730	11,961,092	12,846,730	14,067,567
Public works	1,802,997	1,697,309	1,784,032	2,409,046	2,317,216	2,269,108	2,364,117	2,448,999	3,164,165
Culture and Recreation	895,567	886,839	900,603	935,826	935,614	1,208,130	1,223,290	1,495,372	1,261,707
Housing and development	450,026	504,925	525,005	516,852	525,315	561,177	835,343	827,490	896,377
Redevelopment and planning	-	-	-	-	675,990	169,885	1,456,053	340,056	299,604
Judicial	-	-	-	-	-	125,734	257,385	325,629	207,360
Tourism and economic development	-	-	-	-	-	12,147	6,703	18,137	27,552
Interest on long-term debt	156,773	111,081	96,748	68,970	41,150	16,011	-	-	
Total governmental activities expenses	14,081,335	14,358,524	14,448,766	15,490,782	19,026,651	18,230,938	20,791,919	20,394,398	22,831,068
Business-type activities:									
Local Redevelopment Authority	-	-	-	-	-	-	41,020	125,873	61,471
Sanitation	2,222,999	2,384,398	2,272,845	2,037,168	2,068,182	2,236,962	2,368,069	2,480,845	2,572,496
Total business-type activities expenses	2,222,999	2,384,398	2,272,845	2,037,168	2,068,182	2,236,962	2,409,089	2,606,718	2,633,967
Program Revenues									
Governmental activities									
Charges for services:									
General government	739,918	678,768	913,453	3,276	-	384,799	429,780	321,727	344,247
Public safety	2,746,551	3,113,618	2,774,018	3,791,030	5,177,480	4,207,547	4,055,775	3,968,207	4,617,257
Public works	67,919	111,085	215,161	1,157	600	836	775	380	247
Culture and Recreation	178,873	177,611	244,712	202,446	179,569	178,558	168,564	186,687	204,537
Housing and development	-	-	-	904,124	1,034,505	-	-	-	-
Judicial	-	-	-	-	-	41,217	-	-	-
Operating grants and contributions	92,172	107,469	267,757	182,127	362,576	453,070	965,305	366,483	741,451
Capital grants and contributions	933,902	554,814	525,117	1,080,638	913,590	132,050	5,965,531 (4)	9,698,730	9,974,839
Total governmental activities program revenues	4,759,335	4,743,365	4,940,218	6,164,798	7,668,320	5,398,077	11,585,730	14,542,214	15,882,578
Business-type activities									
Charges for services:									
Local Redevelopment Authority	-	-	-	-	-	-	17,500	24,290	33,810
Sanitation	2,070,151	2,011,022	2,132,446	2,248,752	2,326,625	2,483,958	2,512,347	2,450,277	2,523,583
Operating grants and contributions	-	-	-	-	-	-	44,895	-	-
Total business-type activities program revenues	2,070,151	2,011,022	2,132,446	2,248,752	2,326,625	2,483,958	2,574,742	2,474,567	2,557,393
Total primary government program revenues	6,829,486	6,754,387	7,072,664	8,413,550	9,994,945	7,882,035	14,160,472	17,016,781	18,439,971

SCHEDULE 2 (CONTINUED)
CITY OF FOREST PARK, GEORGIA
Changes in Net Assets
Last Nine Fiscal Years (1)
(Accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense) Revenue									
Governmental activities	$ (9,322,000)	$ (9,615,159)	$ (9,508,548)	$ (9,325,984)	$ (11,358,331)	$ (12,832,861)	$ (9,206,189)	$ (5,852,184)	$ (6,948,490)
Business-type activities	(152,848)	(373,376)	(140,399)	211,584	258,443	246,996	165,653	(132,151)	(76,574)
Total primary government net expense	(9,474,848)	(9,988,535)	(9,648,947)	(9,114,400)	(11,099,888)	(12,585,865)	(9,040,536)	(5,984,335)	(7,025,064)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property and other taxes	9,249,970	9,474,878	9,886,885	11,174,271	11,588,735	15,008,117	9,963,292 (4)	10,893,779	11,050,799
Investment earnings	66,403	27,093	23,386	103,909	156,513	115,465	93,732	127,788	18,987
Miscellaneous	28,721	72,531	75,397	-	50,809	-	-	-	-
Gains on disposal/sale of capital assets	35,109	19,600	-	48,549	49,507	-	23,731	13,501	22,292
Transfers	-	(343,753)	11,903	(931,515)	-	-	-	(1,759,079)	(2,319,609)
Total governmental activities	9,380,203	9,250,349	9,997,571	10,395,214	11,845,564	15,123,582	10,080,755	9,275,989	8,772,469
Business-type activities									
Gains on sale of capital assets	-	-	650,423	-	-	-	1,200	-	-
Miscellaneous	-	-	-	-	-	-	-	51	1,974
Transfers	-	343,753	(11,903)	-	-	-	-	1,759,079	2,319,609
Total business-type activities	-	343,753	638,520	-	-	-	1,200	1,759,130	2,321,583
Total primary government	9,380,203	9,594,102	10,636,091	10,395,214	11,845,564	15,123,582	10,081,955	11,035,119	11,094,052
Change in Net Assets									
Governmental activities	58,203	(364,810)	489,023	1,069,230	487,233	2,290,721	874,566	3,423,805	1,823,979
Business-type activities	(152,848)	(29,623)	498,121	211,584	258,443	246,996	166,853	1,626,979	2,245,009
Total primary government	$ (94,645)	$ (394,433)	$ 987,144	$ 1,280,814	$ 745,676	$ 2,537,717	$ 1,041,419	$ 5,050,784	$ 4,068,988

Notes:

(1) Government-wide financial information is only available since 2003, therefore only nine (9) fiscal years of information is presented.

(2) FY 2008 property and other taxes increased significantly over previous years due to increase in the millage rate for 2007; therefore, governmental activities change in net assets increased significantly as well compared to previous fiscal years.

(3) FY 2009 redevelopment and planning expenses have increased from the prior fiscal year due to Forest Park/Ft. Gillem Local Authority Project going into Phase III which resulted into higher redevelopment and planning costs.

(4) Reclassed sales tax revenues as program revenues instead of general tax revenues in order to be comparable to fiscal years 2010 and 2011.

SCHEDULE 3
CITY OF FOREST PARK, GEORGIA
Governmental Activities Tax Revenues by Source
Last Nine Fiscal Years (1)
(Accrual basis of accounting)

Fiscal Year	Property Tax		Motor Vehicle Tax	Hotel/Motel Tax	Alcoholic Beverage Tax	Sales Tax		Franchise Tax	Insurance Premium Tax	Business Tax		Other Tax	Total
2003	$ 2,199,545		$ 197,628	$ 49,492	$ 478,200	$ 4,236,940		$ 1,144,016	$ 880,850	$ -		$ 63,299	$ 9,249,970
2004	2,151,520		200,566	45,358	479,159	4,574,159		1,012,371	945,611	-		66,134	9,474,878
2005	2,206,892		195,154	50,921	486,511	4,731,416		1,119,578	1,026,168	-		70,245	9,886,885
2006	2,711,194		249,343	48,518	470,600	5,330,317		1,182,127	1,103,828	-		78,344	11,174,271
2007	3,054,543		287,256	44,565	461,762	5,262,427		1,248,488	1,150,973	-		78,721	11,588,735
2008	5,526,403	(2)	381,481	36,728	461,655	5,268,900		1,345,197	1,172,269	752,154	(4)	63,330	15,008,117
2009	5,490,624		415,949	35,505	445,697	5,639,071		1,417,693	1,200,350	913,553		43,921	15,602,363
2010	6,604,492		432,328	28,212	422,215	-	(3)	1,278,493	1,189,089	883,517		55,433	10,893,779
2011	6,694,917		477,619	29,985	382,636	-	(3)	1,406,851	1,157,906	812,513		88,372	11,050,799

Notes:

(1) Government-wide financial information is only available since 2003, therefore only nine (9) fiscal years of information is presented.

(2) FY 2008 property increase significantly over previous fiscal years due to increase in the millage rate from 2007.

(3) For FY 2010, sales tax revenue is reported as program revenue under capital grants and contributions where as in prior fiscal years, this revenue was reported as sales tax revenue.

(4) For FY 2007 and prior fiscal year, business tax revenue was reported as license and permit revenue on the statement of revenues, expenditures, and changes in fund balance for governmental funds. Beginning in FY 2008, the revenue is reported as business tax instead of license revenue.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	$ 636,163	$ 802,096	$ 869,621	$ 929,624	$ 999,139	$ -	$ 579,481	$ 1,160,408	$ 595,959	
Unreserved, designated	-	113,392	86,988	88,065	90,979	94,953	97,261	97,436	97,493	
Unreserved, undesignated	4,165,048	2,831,925	2,074,470	2,252,323	1,684,951	2,992,155	3,640,758	4,036,190	6,042,890	
Total General Fund	$ 4,801,211	$ 3,747,413	$ 3,031,079	$ 3,270,012	$ 2,775,069	$ 3,087,108	$ 4,317,500	$ 5,294,034	$ 6,736,342	
All Other Governmental Funds										
Reserved	$ 4,843	$ -	$ -	$ -	$ -	$ 1,296,217	$ 1,718,824	$ 1,663,282	$ 1,744,276	
Unreserved, reported in:										
Special revenue funds	-	1,441	(35,816)	11,905	157,001	-	(5,132)	(42,668)	(42,668)	
Capital projects funds	251,553	(61,876)	(59,341)	(58,485)	(58,733)	(12,298)	(55)	(565,672)	765,395	
Total all other governmental funds	$ 256,396	$ (60,435)	$ (95,157)	$ (46,580)	$ 98,268	$ 1,283,919	$ 1,713,637	$ 1,054,942	$ 2,467,003	
General Fund										
Nonspendable										$ -
Restricted										-
Committed										-
Unassigned										6,977,391
Total General Fund										$ 6,977,391
All Other Governmental Funds										
Restricted for:										
Capital construction										$ 406,301
Law enforcement										965,942
Public safety										946,380
Tourism and economic development										72,584
Committed for:										
Redevelopment and planning										1,979
Unassigned										-
Total all other governmental funds										$ 2,393,186

Note: Beginning for fiscal year 2011, fund balance is reported under categories using the definitions provided by GASB Statement No. 54.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Revenues											
Taxes	$ 8,247,498	$ 9,166,413	$ 9,448,406	$ 9,872,719	$ 11,045,246	$ 11,546,947	$ 14,937,833	$ 15,175,604	$ 10,867,924	$ 11,043,062	(1)
Licenses and permits	744,415	807,581	787,739	1,053,917	904,124	1,034,505	311,536	355,105	311,470	280,584	
Intergovernmental revenues	1,939,907	1,026,074	662,283	784,377	1,562,689	1,570,611	585,120	1,291,765	10,297,560	10,947,455	(1)
Fines and forfeitures	1,940,034	2,235,851	2,544,385	2,181,204	2,158,784	2,200,211	3,448,869	3,203,838	3,040,492	3,643,479	
Charges for services	717,472	688,226	748,959	912,222	607,688	561,920	984,239	1,026,558	1,118,670	1,185,947	
Investment earnings	88,091	58,870	22,283	17,114	96,207	128,718	115,465	93,732	127,788	19,428	
Miscellaneous	96,498	65,433	92,134	83,897	48,549	100,314	68,313	69,393	6,369	56,278	
Total revenues	13,773,915	14,048,448	14,306,189	14,905,450	16,423,287	17,143,226	20,451,375	21,215,995	25,770,273	27,176,233	
Expenditures											
General government	1,857,442	1,994,218	1,965,141	1,939,271	1,959,240	2,190,658	2,122,684	2,614,437	2,390,000	2,740,971	
Public safety	7,487,796	7,927,121	8,474,509	8,571,069	8,921,999	9,246,602	11,294,851	12,092,642	12,239,237	13,224,338	
Public works	1,475,839	1,714,535	1,602,274	1,679,271	2,264,131	2,132,034	2,327,652	2,342,649	2,234,788	2,552,843	
Culture and recreation	787,299	783,577	783,237	825,967	855,023	830,901	1,137,210	1,174,419	1,392,167	1,105,475	
Housing and development	451,651	450,026	504,925	516,429	507,043	507,878	548,238	819,258	803,362	852,072	
Judicial	-	-	-	-	-	-	132,632	130,487	125,615	136,622	
Redevelopment and planning	-	-	-	-	-	-	169,885	1,456,053	336,036	294,656	
Tourism and economic development	-	-	-	-	-	-	12,308	6,069	17,184	27,552	
Animal control	-	40,917	49,302	48,493	45,794	46,846	-	-	-		
Capital outlay	3,004,379	1,521,387	639,302	1,054,567	1,627,044	1,300,448	404,782	-	-		
Capital outlay - redevelopment and planning	-	-	-	-	-	-	-	435,873	1,584,850	2,495,142	
Capital outlay - public safety	-	-	-	-	-	-	-	-	-	111,242	
Capital outlay - public works	-	-	-	-	-	-	-	-	-	1,158,617	
Capital outlay - culture and recreation	-	-	-	-	-	-	-	-	47,087	12,154	
Debt service											
Principal	686,364	830,522	583,721	1,264,077	524,138	531,761	408,692	-	-	-	
Interest and fees	174,843	156,773	111,081	96,748	68,970	41,149	16,011	-	-	-	
Total expenditures	15,925,613	15,419,076	14,713,492	15,995,892	16,773,382	16,828,277	18,574,945	21,071,887	21,170,326	24,711,684	
Excess (deficiency) of revenues over (under) expenditures	(2,151,698)	(1,370,628)	(407,303)	(1,090,442)	(350,095)	314,949	1,876,430	144,108	4,599,947	2,464,549	
Other Financing Sources (Uses)											
Proceeds from issuance of debt	709,668	-	-	973,317	-	-	-	-			
Proceeds from sale of capital assets	-	-	-	-	-	-	-	23,731	13,501	22,292	
Transfers in	1,445,394	1,391,011	729,601	791,688	945,702	665,308	920,238	58,014	170,646	280,019	
Transfers out	(1,807,848)	(1,391,011)	(1,073,354)	(791,688)	(945,702)	(665,308)	(920,238)	(58,014)	(1,929,725)	(2,599,628)	
Total other financing sources (uses)	347,214	-	(343,753)	973,317	-	-	-	23,731	(1,745,578)	(2,297,317)	
Net change in fund balances	$ (1,804,484)	$ (1,370,628)	$ (751,056)	$ (117,125)	$ (350,095)	$ 314,949	$ 1,876,430	$ 167,839	$ 2,854,369	$ 167,232	
Debt service as a percentage of noncapital expenditures	7.14%	7.65%	5.19%	10.02%	4.08%	3.83%	2.39%	0.00%	0.00%	0.00%	

(1) For FY 2010 and 2011, sales tax revenue is reported as intergovernmental revenue where as in prior fiscal years, this revenue was reported under taxes.

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

Fiscal Year	Property Taxes (2)		Insurance Premium Taxes	Alcoholic Beverage Taxes	Sales Taxes		Franchise Taxes	Other Taxes	Total
2002	$ 1,406,347		$ 805,880	$ 506,360	$ 4,310,929		$ 1,147,828	$ 70,154	$ 8,247,498
2003	2,313,616		880,850	478,200	4,236,940		1,144,016	112,791	9,166,413
2004	2,325,614		945,611	479,159	4,574,159		1,012,371	111,492	9,448,406
2005	2,387,880		1,026,168	486,511	4,731,416		1,119,578	121,166	9,872,719
2006	2,831,512		1,103,828	470,600	5,330,317		1,182,127	126,862	11,045,246
2007	3,328,809		1,150,973	461,762	5,262,427		1,248,488	786,678	12,239,137
2008	5,839,206	(3)	1,172,269	461,655	5,268,900		1,345,197	813,881	14,901,108
2009	5,527,818		1,200,350	445,697	5,175,118		1,417,693	1,408,928	15,175,604
2010	6,578,637		1,189,089	422,215	-	(4)	1,278,493	1,399,490	10,867,924
2011	6,687,180		1,157,906	382,636	-	(4)	1,406,851	1,408,489	11,043,062

Notes:

(1) Includes all governmental fund type tax revenues.

(2) Includes ad valorem and intangible taxes.

(3) FY 2008 property increase significantly over previous fiscal years due to increase in the millage rate for 2007.

(4) For FY 2010 and 2011, sales tax revenue is reported as intergovernmental revenue for governmental funds where as in the prior fiscal years, this was reported as sales taxes.

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

Year of Levy	Real Property		Exemptions Real Property		Personal Property		Utilities		Total		Assessed Value as a Percentage of actual value (1)
	Assessed actual value	Estimated actual value	Assessed value	Estimated actual value	Assessed value	Estimated actual value	Assessed value	Estimated actual value	Assessed value	Estimated actual value	
2001	304,215,551	760,538,918	4,373,682	10,934,205	112,717,472	281,793,709	44,505,367	111,263,417	465,812,072	1,164,530,249	40%
2002	312,981,670	806,716,442	6,496,000	16,240,000	118,525,873	296,314,686	46,210,924	115,527,309	484,214,467	1,234,798,437	39%
2003	341,201,128	878,325,500	7,294,000	18,235,000	103,906,035	259,765,107	44,028,194	110,070,484	496,429,357	1,266,396,091	39%
2004	350,522,806	876,306,963	3,845,000	9,612,500	112,596,179	281,490,459	41,887,880	104,719,701	508,851,865	1,272,129,623	40%
2005	377,753,204	944,383,010	30,615,184	76,537,960	123,060,502	307,651,255	43,024,050	107,560,125	574,452,940	1,436,132,350	40%
2006	406,399,017	1,015,997,543	29,085,577	72,713,943	137,230,626	343,076,565	46,146,467	115,366,168	618,861,687	1,547,154,219	40%
2007	427,138,210	1,067,845,525	103,716,207	259,290,518	178,392,371	445,980,927	52,800,604	132,001,510	762,047,392	1,905,118,480	40%
2008	447,325,739	1,118,314,348	101,752,134	254,380,335	184,496,097	461,240,243	50,866,049	127,165,123	784,440,019	1,961,100,049	40%
2009	432,547,172	1,081,367,930	94,040,401	235,101,003	206,204,834	515,512,085	50,972,142	127,430,355	783,764,549	1,959,411,373	40%
2010	379,715,899	949,289,748	67,562,283	168,905,708	173,811,076	434,527,690	50,973,170	127,432,925	672,062,428	1,680,156,070	40%

Source: Clayton County Tax Commissioner Office

Notes:

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

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

Per $1,000 of net assessed value

Calendar year	City of Forest Park Operating Millage (3)	Clayton County School Millage (2)	Clayton County Operating Millage (1)(3)	State of Georgia Millage	Total
2001	3.040	17.916	8.398	0.250	29.604
2002	5.043	17.916	10.089	0.250	33.298
2003	4.793	18.916	10.782	0.250	34.741
2004	5.593	18.916	11.681	0.250	36.440
2005	6.593	18.916	11.681	0.250	37.440
2006	6.593	20.000	12.664	0.250	39.507
2007	10.343	19.836	8.535	0.250	38.964
2008	10.343	19.836	8.962	0.250	39.391
2009	12.343	20.000	11.436	0.250	44.029
2010	13.343	20.000	11.327	0.250	44.920

Source: Clayton County Tax Commissioner Office

Notes: (1) Includes fire district.
(2) Includes debt service.
(3) Local Option Sales Tax Collection passed November 1993 resulted in millage reduction.

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

	2010			2001		
Taxpayer	**Assessed valuation**	**Rank**	**Percentage of total assessed valuation**	**Assessed valuation**	**Rank**	**Percentage of total assessed valuation**
Georgia Power	$ 43,161,254	1	6.42%	$ 33,824,506	1	7.26%
Clorox Products, Inc.	42,468,463	2	6.32%	12,667,978	2	2.72%
Sara Lee Bakery Group	13,179,852	3	1.96%	---		---
Ozark Automotive Distributors	12,392,497	4	1.84%	---		---
James Campbell Company	7,297,200	5	1.09%	---		---
K Mart Apparel of Atlanta Corp.	7,195,510	6	1.07%	8,251,319	5	1.77%
BellSouth Telecommunication	6,877,253	7	1.02%	9,494,551	3	2.04%
Medicis Aesthetics	6,466,078	8	0.96%	---		---
Atlanta Airlogistics	5,800,000	9	0.86%	---		---
KN Forest Park	5,732,800	10	0.85%	---		---
United Rentals	---		---	3,635,008	9	0.78%
Earthgrains Co.	---		---	9,473,204	4	2.03%
Heenan D.A. ETAL Trustees	---		---	5,966,800	6	1.28%
American National Can Co.	---		---	5,511,000	7	1.18%
McWhorter, Inc.	---		---	5,151,403	8	1.11%
Industrial Property Fund	---		---	3,597,000	10	0.77%
Total	$ 150,570,907		22.39%	$ 97,572,769		20.94%

Source: Clayton County Tax Commissioner Office

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
		Amount	Collected		Amount	Percentage of Levy		
2002	$ 1,235,559	$ 1,184,896	96%	$ 50,663	$ 1,235,559	100%	$ 55,180	4%
2003	2,170,531	2,064,232	95%	100,446	2,164,678	100%	105,232	5%
2004	2,133,398	2,074,610	97%	39,380	2,113,990	99%	163,820	8%
2005	2,221,396	2,122,716	96%	83,651	2,206,367	99%	139,993	6%
2006	2,685,445	2,498,602	93%	168,910	2,667,512	99%	277,475	10%
2007	2,730,960	2,582,266	95%	126,536	2,708,802	99%	301,059	11%
2008	4,735,683	4,536,765	96%	160,063	4,696,828	99%	394,147	8%
2009	5,538,125	5,304,425	96%	135,311	5,439,736	98%	391,337	7%
2010	6,773,812	6,401,329	95%	219,135	6,620,464	98%	652,617	10%
2011	6,572,996	6,291,877	96%	-	6,291,877	96%	652,613	10%

Source: Clayton County Tax Commissioner Office

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

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

Fiscal Year	Sanitation Revenues
2002	$ 2,056,560
2003	2,070,151
2004	2,011,022
2005	2,132,446
2006	2,248,752
2007	2,326,625
2008	2,483,958
2009	2,512,347
2010	2,450,277
2011	2,523,583

Source: Forest Park Finance Department

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

Fiscal year	Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	Notes Payable	Notes Payable			
2002	$ 3,170,109	$ 468,523	$ 3,638,632	1.14%	170
2003	2,339,071	312,741	2,651,812	0.83%	124
2004	1,755,350	156,441	1,911,791	0.60%	89
2005	1,464,591	-	1,464,591	0.46%	68
2006	940,453	-	940,453	0.29%	44
2007	408,810	-	408,810	0.13%	19
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-

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

Prior to fiscal year 2002, all notes payable were reported as general debt.

(1) See Schedule 14 for personal income and population data.

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Taxable Value of Property	Per Capita
2002	-	- %	$ -
2003	-	-	-
2004	-	-	-
2005	-	-	-
2006	-	-	-
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-

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

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

SCHEDULE 14
CITY OF FOREST PARK, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct General Obligation Debt:			
Overlapping General Obligation Debt:			
Clayton County Board of Education - Capital Leases	-	9%	$ -
Clayton County:			-
General Obligation Debt	-	9%	-
Guaranteed Revenue Debt	26,770,000	9%	2,409,300
Capital Leases	6,926,350	9%	623,372
			3,032,672
City of Forest Park, Georgia direct debt			-
Total direct and overlapping debt			$ 3,032,672

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Forest Park, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the resident and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

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

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	$ 46,581,207	$ 48,421,447	$ 49,642,936	$ 50,885,187	$ 57,445,294	$ 61,886,169	$ 76,204,739	$ 78,444,002	$ 78,376,455	$ 67,206,243
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 46,581,207	$ 48,421,447	$ 49,642,936	$ 50,885,187	$ 57,445,294	$ 61,886,169	$ 76,204,739	$ 78,444,002	$ 78,376,455	$ 67,206,243
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	672,062,428
Debt limit (10% of total assessed value)	67,206,243
Debt applicable to limit	
General obligation bonds	-
Legal debt margin	$ 67,206,243

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

Note - 2: The City has no outstanding general obligation debt as of June 30, 2010 or June 30, 2011.

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

Fiscal year	Population	Personal Income	Per Capita Income	Median Age(3)	Level in Years of Formal Schooling(1)	School Enrollment(4)	Unemployment Rate(5)
2002	21,447 (1)	$ 320,246,604	$14,932 (1)	29.1	14.7	6,151	6.4%
2003	21,447 (1)	$ 320,246,604	$14,932 (1)	29.1	14.7	5,569	6.2%
2004	21,447 (1)	$ 320,246,604	$14,932 (1)	29.1	14.7	5,309	4.2%
2005	21,447 (1)	$ 320,246,604	$14,932 (1)	29.1	14.7	5,309	6.4%
2006	21,447 (1)	$ 320,246,604	$14,932 (1)	29.1	14.7	5,059	5.9%
2007	21,447 (1)	$ 320,246,604	$14,932 (1)	29.1	14.7	5,193	5.8%
2008	21,447 (1)	$ 320,246,604	$14,932 (1)	29.1	14.7	4,920	7.5%
2009	21,447 (1)	$ 320,246,604	$14,932 (1)	29.1	14.7	4,864	12.2%
2010	18,468 (2)	$ 254,452,104	$13,778 (2)	29.1	14.7	5,407	12.5%
2011	18,468 (2)	$ 254,452,104	$13,778 (2)	30.6	14.7	5,321	12.9%

Sources:
1 - United States Bureau of Census (2000)
2 - United States Bureau of Census (2010)
3 - Georgia Department of Industry and Trade
4 - Clayton County Board of Education
5 - Georgia Department of Labor

SCHEDULE 17
CITY OF FOREST PARK, GEORGIA
Principal Employers
Current Fiscal Year and Five Fiscal Years Ago

	2011			2006		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Ozark Automotive Distributors	434	1	7.39%	186	6	2.71%
Earthgrains Refrigerated Dough Products	306	2	5.21%	220	2	3.20%
Clorox Products	269	3	4.58%	197	4	2.87%
Kmart	262	4	4.46%	283	1	4.12%
J.B. Hunt	191	5	3.25%	---	---	---
Mid-South Roof Systems	150	6	2.56%	200	3	2.91%
McLane Food Service	159	7	2.71%	190	5	2.76%
Bulloch & Bulloch	95	8	1.62%	---	---	---
Forward Air	80	9	1.36%	---	---	---
DHL Global Mail	79	10	1.35%	---	---	---
Premier Transportation	---	---	---	185	7	2.69%
McDonald Transit Associates	---	---	---	110	8	1.60%
Stewart Auto Finance	---	---	---	96	9	1.40%
Rexam Beverage Can Company	---	---	---	83	10	1.21%
Total	2025		34.50%	1750		25.47%

Source: City of Forest Park's Business License Division

Note: Information is not readily available prior to fiscal year 2006

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

	Full-time Equivalent Employees as of June 30									
Function/Program	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Administrative										
City Manager Office	3	3	3	3	3	3	3	3	3	3
Finance Department	10	10	10	10	10	10	10	10	10	11
Support Services	3	2	2	2	3	3	3	3	6	6
Police										
Officers*	70	70	70	70	70	70	70	70	70	93
Communications	13	13	13	14	14	14	14	14	14	14
Administrative	14	12	12	11	11	11	11	11	11	11
Other	3	1	1	---	---	---	---	---	---	---
Recreation & Leisure	23	23	23	23	25	25	25	25	25	28
Public Works										
Streets**	12	12	12	---	---	---	---	---	---	---
Maintenance**	13	16	16	34	33	33	33	33	33	39
Sanitation***	39	32	32	4	4	4	4	4	5	6
Fleet	10	10	10	7	7	7	7	7	7	8
Planning, Building and Zoning	7	7	8	8	8	8	8	8	9	13
Fire and EMS										
Firefighters and Officers	50	49	49	49	49	49	50	50	50	69
Administrative	2	2	2	2	2	2	2	2	2	2

Source: City Budgets

* 1997 includes the final year of operation of a jail facility.
** Beginning in 2005, the Streets and Maintenance Divisions are combined for reporting purposes.
*** Beginning in 2005, Sanitation services are contracted with an outside company.

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

	Fiscal Year								
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Police									
Physical arrests	2,422	3,623	4,031	3,972	4,648	4,289	3,758	3,837	3,694
Parking violations	91	93	60	64	115	153	78	71	112
Traffic violations	16,812	20,436	17,585	16,761	17,769	19,654	16,379	16,652	23,622
Fire and EMS									
Emergency responses	3,750	3,769	3,687	3,827	4,163	4,688	4,459	5,177	5,324
Fires extinguished	74	66	42	46	127	199	115	100	119
Inspections	107	275	243	234	316	430	637	1,249	1,067
Recreation & Leisure									
Athletic field permits issued	2,068	2,044	1,799	1,921	1,580	1,618	1,498	1,256	1,840
Community Center admissions	10,648	12,000	16,226	16,897	12,044	10,710	14,897	15,133	14,468

Sources: Various City Departments

Note: Information is not readily available prior to fiscal year 2003

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

	Fiscal Year								
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Police									
Stations	1	1	1	1	1	1	1	1	1
Patrol units	34	35	35	36	35	35	34	42	46
Fire stations	2	2	2	2	2	2	2	2	3
Public Works									
Streets (miles)	80	80	80	80	80	80	80	80	80
Streetlights	1649	1649	1652	1655	1655	1655	1655	1659	1659
Traffic signals	42	42	42	42	42	42	42	42	42
Recreation & Leisure									
Acreage	62.6	62.6	62.6	62.6	62.6	62.6	72.51	72.51	78.9
Playgrounds	2	2	3	4	6	6	6	6	7
Baseball / Softball diamonds	6	6	6	6	6	6	6	6	6
Soccer / football fields	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1

Sources: Various City Departments

Note: Information is not readily available prior to fiscal year 2003