CITY OF FOREST PARK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
June 30, 2012



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, 2012

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	i-vii
GFOA Certificate of Achievement	viii
Principal Officials	ix
Organizational Chart	x
FINANCIAL SECTION	
Independent Auditor's Report	1 and 2
Management's Discussion and Analysis	3-9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	15
Emergency Telephone System Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	16
Statement of Net Assets – Proprietary Funds	17
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	18
Statement of Cash Flows – Proprietary Funds	19
Notes to Financial Statements	20–43
Required Supplementary Information:	
Schedule of Funding Progress	44
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	46
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Police Seizure Fund – Special Revenue Fund	47
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Hotel/Motel Tax Fund – Special Revenue Fund	48

CITY OF FOREST PARK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

TABLE OF CONTENTS

Page

FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules (Continued):

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Multiple Grants Fund – Special Revenue Fund 49

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Forest Park/Ft. Gillem LRA Fund – Special Revenue Fund 50

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Tax Allocation District One – Fort Gillem and Main Street – Special Revenue Fund 51

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Capital Improvement Fund – Capital Projects Fund 52

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – SPLOST Fund – Capital Projects Fund 53

Schedule of Projects Constructed with Special Sales Tax Proceeds 54

STATISTICAL SECTION (Unaudited)

Net Assets by Component 55

Changes in Net Assets ..... 56 and 57

Governmental Activities Tax Revenues by Source 58

Fund Balances of Governmental Funds 59

Changes in Fund Balances of Governmental Funds 60

General Government Tax Revenues by Source 61

Assessed Value and Estimated Actual Value – All Taxable Property 62

Property Tax Rates – All Overlapping Governments 63

Principal Property Taxpayers 64

Property Tax Levies and Collections 65

Sanitation Revenues 66

Ratios of Outstanding Debt by Type 67

Ratios of General Bonded Debt Outstanding 68

Direct and Overlapping Governmental Activities Debt 69

Legal Debt Margin Information 70

Demographic and Economic Statistics Information 71

Principal Employers 72

Full-time Equivalent City Government Employees by Function 73

Operating Indicators by Function 74

Capital Asset Statistics by Function 75

INTRODUCTORY SECTION

John Parker
City Manager

November 15, 2012

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

State law requires that all general-purpose local governments publish within six (6) months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. 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, 2012.

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, 2012, 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, 2012, 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.

The independent audit of the financial statements of the City of Forest Park was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Forest Park's separately issued Single Audit 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 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 and the Emergency Telephone System Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds other than the General Fund and the Emergency Telephone System 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. The City of Forest Park is located on the Southside, in Clayton County. Because of the City of Forest Park's proximity to the City of Atlanta, the City is not dependent on a single industry or entity for any substantial portion of our revenue. The area has a wide variety of businesses and industries. The City of Forest Park has among other businesses: a K-Mart apparel warehouse, the Clorox Company, Georgia Power, Bell South, and Ralcorp Frozen Bakery Products (formerly 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.

The City of Forest Park continued to experience growth in 2012, as indicated by the following areas now under construction or recently completed:

- Babb Middle School – portable classroom additions – under construction - $22,084,000.
- Forest Park Middle School – additions / alterations – under construction - $7,082,0000.
- Babb Middle School – additions / renovations – under construction - cost $5,600,000.
- Forest Park Library – new building – under construction - $3,400,000.
- Ash Street Center – bus canopies and other additions – completed - $365,573.
- Value Village – interior alterations – completed - $250,000.
- Unidos Academy – roof replacement – completed - $206,000.
- Various other projects totaling $302,221.

The total cost of these improvements is $39,289,794. This is $31,059,929 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. The City of Forest Park continues to experience modest growth from construction, despite the decline in the construction industry.

The unemployment rate for Clayton County is 11.1% for August 2012 compared with 12.6% at August 2011. The August 2012 unemployment rate for Metro Atlanta is 8.8%, the State of Georgia is 9.2%, and the U.S. rate is 8.1%. The decrease in unemployment from 2011 to 2012 reflects the beginning of economic recovery for the State of Georgia and Clayton County.

Long-term Financial Planning.

Current and Future Initiatives

Atlanta Regional Commission Livable Centers Initiative (LCI) Implementation Project

Phase I of the LCI Main Street Downtown Streetscape Project has been completed. The project consisted of constructing brick paver handicap accessible sidewalks, landscaping, bicycle racks, trash receptacles, benches, and decorative pedestrian lighting on Main Street. 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 the Mayor and City Council. The master plan includes mixed-use commercial/residential, which allows for a mixture of commercial, retail and residential uses in a traditional main street fashion, mixed use office/residential, which allows for a mixture of professional office and residential uses. The master plan also includes mixed use transit village, which allows for a mixture of neighborhood-friendly commercial and retail, office and residential uses in a vertical arrangement with homes over shops and other uses, and is consistent with the transit village as recommended by the Forest Park Livable Centers Initiative Plan. 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 have been completed. The projects consisted of sidewalks, curb, gutter and drainage improvements on various street.

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. In addition, the City of Forest Park was awarded $150,000 in Community Development Block Grant funds to supplement the two projects mentioned above.

The Burks Road, Stillwood Cove & North Avenue project is in the right-of-way acquisition phase. Glenn Drive, Sharon Street and School Place is currently in the preliminary engineering phase.

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 has been approved for closure on or before September 15, 2011. The Fort is 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 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 (FP/FG LRA) 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 City 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 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 met on October 26, 2011, to continue negotiations. A Term Sheet was 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 began in November 2010. 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 2012-2013 OEA grant will be $361,920 ($324,545 in Federal funds).

The LRA estimates that the $482.5 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 an estimated 2,500 – 3,000 permanent jobs and over 4,000 construction jobs. The project will more than double real property taxes for the City.

The Governing Body of the City of Forest Park 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, 2012, 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, 2011. 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 32 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, 2011

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.



Linda C. Davidson

President

Jeffrey R. Ener

Executive Director

CITY OF FOREST PARK, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2012

ELECTED OFFICIALS

Corine Deyton	Mayor
Sparkle Adams	Mayor Pro-Tem (Ward 1)
Vacant	Council Member (Ward 2)
Maudie McCord	Council Member (Ward 3)
Latresa Akins	Council Member (Ward 4)
Linda Lord	Council Member (Ward 5)

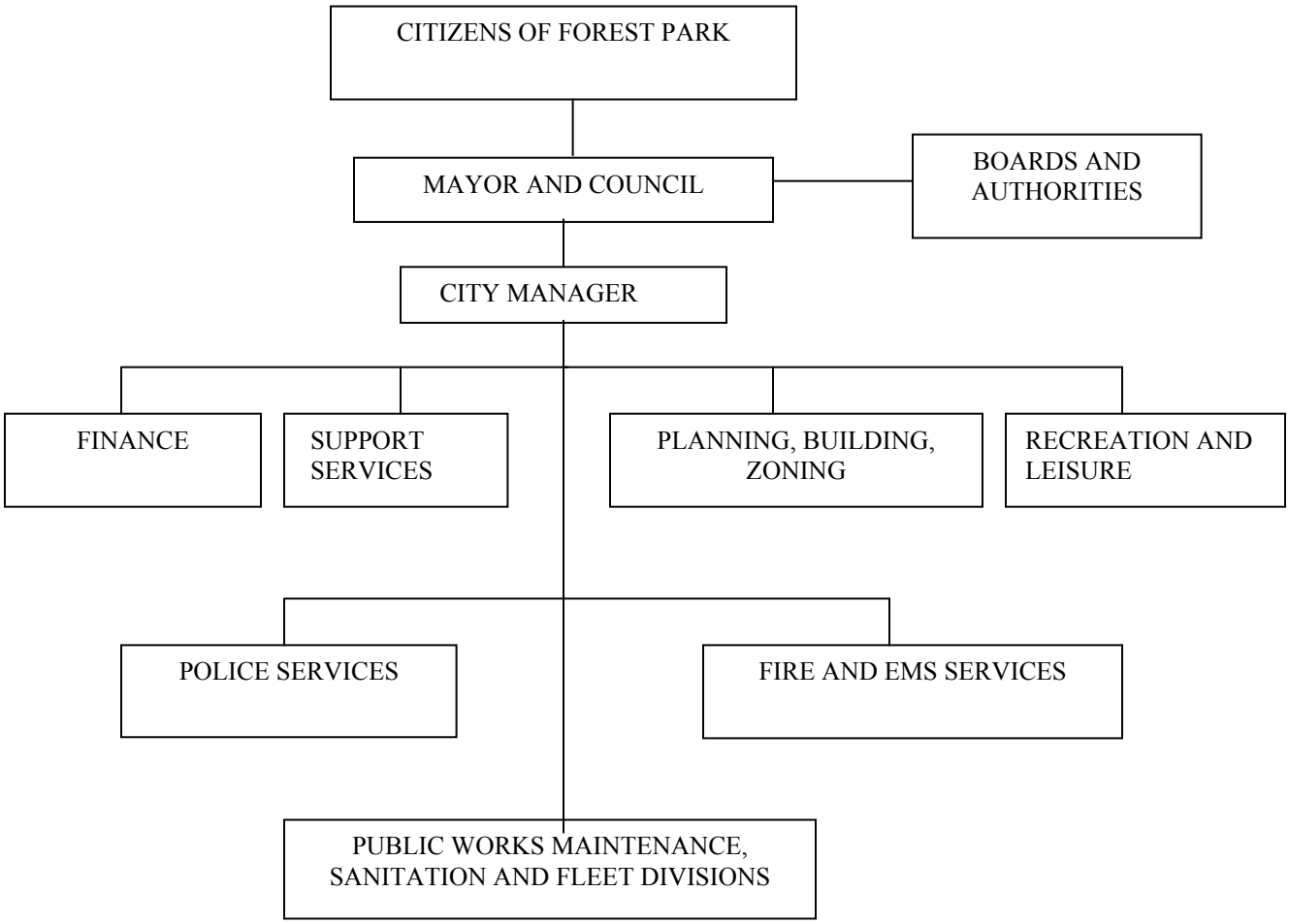
APPOINTED ADMINISTRATIVE OFFICIALS

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	Al Wiggins
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, 2012



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, 2012, 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund and the Emergency Telephone System Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2012, 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 9 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 purpose local option 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 them.

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 15, 2012

City of Forest Park, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

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, 2012. 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 $27,833,090 (net assets). Of this amount, $3,149,830 (*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 $1,493,236 compared to an increase of $4,068,988 in the prior fiscal year. The primary contributor to the increase was an increase in property tax assessments and collections, which contributed to this increase. Also, the Sanitation Fund reported a decline in operating revenue as compared to the prior fiscal year. The decrease in net assets of the Sanitation Fund 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 $6,038,746. This represents a decrease from the prior fiscal year of $3,331,831. The decrease can be attributed primarily to increased Public Safety personnel costs, in preparation for acquisition of the Ft. Gillem property. Capital asset purchases through the SPLOST Fund and for the Emergency Telephone System Fund also contributed to the decrease.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $5,267,019 or 24 percent of total General Fund expenditures. In the prior fiscal year, unassigned fund balance was $6,977,391 or 35 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 12, 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 nine (9) 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, Emergency Telephone System Fund, and SPLOST Capital Projects Fund. Data from the other six (6) 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 all special revenue funds. A budgetary comparison statement has been provided for each fund 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.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report presents the schedule of funding progress as required supplementary information on page 44 of this report.

Combining and individual fund statements and schedules. In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules. This section can be found on pages 45-54 of this report.

Statistical section. In addition to the basic financial statements and accompanying notes, this report also presents various supplementary and statistical information such as 10 year presentation of revenues, expenditures and tax rates. The statistical section can be found on pages 55-75 of this report.

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 $27,833,090 at the close of the most recent fiscal year. Table 1 below is a summary of the City's net assets.

Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2012	2011	2012	2011	2012
Current and other assets	$ 10,685,341	$ 8,067,135	$ (2,042,991)	$ 1,287,979	$ 8,642,350	$ 9,355,114
Capital assets	13,779,462	15,385,212	7,682,310	8,013,467	21,461,772	23,398,679
Total assets	24,464,803	23,452,347	5,639,319	9,301,446	30,104,122	32,753,793
Current liabilities	1,598,146	2,312,016	709,107	697,342	2,307,253	3,009,358
Long term liabilities	1,446,769	1,893,068	10,246	18,277	1,457,015	1,911,345
Total liabilities	3,044,915	4,205,084	719,353	715,619	3,764,268	4,920,703
Net assets:						
Invested in capital assets, net of related debt	13,779,462	15,242,947	7,682,310	8,013,467	21,461,772	23,256,414
Restricted	2,391,207	1,426,846	-	-	2,391,207	1,426,846
Unrestricted (deficit)	5,249,219	2,577,470	(2,762,344)	572,360	2,486,875	3,149,830
Total net assets	$ 21,419,888	$ 19,247,263	$ 4,919,966	$ 8,585,827	$ 26,339,854	$ 27,833,090

By far, the largest portion of the City's net assets ($23,256,414 or 84%) reflects its investment in capital assets, net of related debt (e.g., land, buildings, machinery, and equipment, net of related debt-capital leases). 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 to reduction of Internal balances between Governmental Activities and Business-type Activities.

Governmental activities

Governmental activities resulted in an decrease in net assets of $2,172,625. There were significant increases in Public Safety personnel expenses. 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	
	2011	2012	2011	2012	2011	2012
Revenues:						
Charges for services	$ 5,166,288	$ 4,610,081	$ 2,557,393	$ 2,489,050	$ 7,723,681	$ 7,099,131
Operating grants and Contributions	741,451	695,971	-	-	741,451	695,971
Capital grants and Contributions	5,347,809	5,246,034	-	-	5,347,809	5,246,034
General revenues:						
Property taxes	6,694,917	7,156,546	-	-	6,694,917	7,156,546
Sales taxes	4,627,030	4,767,454	-	-	4,627,030	4,767,454
Hotel/motel taxes	29,985	27,143	-	-	29,985	27,143
Franchise taxes	1,406,851	1,468,944	-	-	1,406,851	1,468,944
Insurance taxes	1,157,906	866,227	-	-	1,157,906	866,227
Alcoholic beverage tax	382,636	372,190	-	-	382,636	372,190
Motor vehicle tax	477,619	546,084	-	-	477,619	546,084
Business taxes	812,513	814,871	-	-	812,513	814,871
Other taxes	88,372	102,415	-	-	88,372	102,415
Interest income	18,987	12,390	-	-	18,987	12,390
Miscellaneous revenue	-	32,137	1,974	11,705	1,974	43,842
Gain on sale of capital assets	22,292	-	-	-	22,292	-
Total revenues	26,974,656	26,718,487	2,559,367	2,500,755	29,534,023	29,219,242
Expenses:						
General government	2,906,736	3,142,120	-	-	2,906,736	3,142,120
Public safety	14,067,567	15,782,226	-	-	14,067,567	15,782,226
Culture and recreation	1,261,707	1,366,783	-	-	1,261,707	1,366,783
Housing and development	896,377	985,641	-	-	896,377	985,641
Public works	3,164,165	3,146,528	-	-	3,164,165	3,146,528
Redevelopment and planning	299,604	395,892	61,471	109,697	361,075	505,589
Judicial	207,360	141,786	-	-	207,360	141,786
Tourism and economic development	27,552	32,499	-	-	27,552	32,499
Sanitation	-	-	2,572,496	2,622,834	2,572,496	2,622,834
Total expenses	22,831,068	24,993,475	2,633,967	2,732,531	25,465,035	27,726,006
Increase (decrease) in net assets before transfers	4,143,588	1,725,012	(74,600)	(231,776)	4,068,988	1,493,236
Transfers	(2,319,609)	(3,897,637)	2,319,609	3,897,637	-	-
Change in net assets	1,823,979	(2,172,625)	2,245,009	3,665,861	4,068,988	1,493,236
Net assets beginning of fiscal year	19,595,909	21,419,888	2,674,957	4,919,966	22,270,866	26,339,854
Net assets end of fiscal year	$ 21,419,888	$ 19,247,263	$ 4,919,966	$ 8,585,827	$ 26,339,854	$ 27,833,090

Governmental activities charges for services revenue decreased $556,207 or 11% primarily as a result of decreased activity in the area of fines and forfeitures. Overall, governmental revenues decreased by $256,169 or .1% while overall governmental expenses increased $2,162,407 or 9.5%. Public safety expenses increased $1,714,659 or 12.2% primarily due to costs related to personnel additions.

Business-type activities.

For the current fiscal year, the operating loss of $231,776 is primarily the result of increased charges of the private company services and decrease in revenues.

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 2011 and 2012.

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

	Governmental Funds	
	2011	2012
Revenues:		
Taxes	$ 11,043,062	$ 16,069,979
Licenses and permits	280,584	199,891
Intergovernmental revenues	10,947,455	5,941,362
Fines and forfeitures	3,643,479	3,343,140
Charges for services	1,185,947	1,067,050
Interest income	19,428	13,033
Other	56,278	32,137
Total revenues	27,176,233	26,666,592
Expenditures:		
General government	2,740,971	2,722,016
Public safety	13,224,338	14,709,791
Public works	2,552,843	2,725,321
Culture and recreation	1,105,475	1,238,552
Housing and development	852,072	968,516
Judicial	136,622	139,854
Redevelopment and planning	294,656	406,220
Tourism and economic development	27,552	32,514
Capital outlay	3,777,155	3,300,267
Debt service		
Principal	-	15,479
Total expenditures	24,711,684	26,258,530
Excess of revenues over expenditures	2,464,549	408,062
Other financing sources (uses)		
Proceeds from sale of capital assets	22,292	-
Capital leases	-	157,744
Transfers in	280,019	108,477
Transfers out	(2,599,628)	(4,006,114)
Total other financing sources (uses)	(2,297,317)	(3,739,893)
Net change in fund balances	167,232	(3,331,831)
Fund balances, beginning of fiscal year	9,203,345	9,370,577
Fund balances, end of fiscal year	$ 9,370,577	$ 6,038,746

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 $6,038,746, which is a decrease of $3,331,831 from the prior fiscal year. The decrease is due primarily to increased public safety expenditures and capital outlays through the SPLOST Fund.

A detail of the governmental funds can be found on pages 12 through 14 of the Comprehensive Annual Financial Report. The General Fund is the central operating fund of the City. For 2012, this fund had $1,594,083 of expenditures over revenues compared to revenues over expenditures of $493,290 in the prior fiscal year. The deficiency of revenues under expenditures can be primarily attributed to increased personnel costs for public safety and public works departments. The Emergency Telephone System Fund had $577,776 of expenditures over revenues as of the current fiscal year compared to revenues over expenditures of $167,404 in the prior fiscal year due to increase in capital outlays in the current fiscal year.

The SPLOST Capital Projects 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. As of fiscal year end, this fund had a fund balance deficit of $(664,659).

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 decreased from $2,523,583 in the prior fiscal year to $2,406,240 in the current fiscal year, which represents a 4.7% decrease. Operating expenses increased from $2,572,496 in the prior fiscal year to $2,622,834 in the current fiscal year, which represents a 2% increase. The Local Redevelopment Authority Fund is used to account for the City's property acquisitions and redevelopment of property throughout the City. Net assets increased from $3,972,844 at prior fiscal year end to $7,855,299 in net assets at current fiscal year end. The increase in net assets can be attributed to property acquisitions and decrease in internal balances 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 $991,927 less than budgeted. This was offset by expenditures of $1,618,017 less than budgeted. Significant components of the net variance of actual compared to budget are discussed below:

Revenues:

Tax revenues collected were $402,039 less than budgeted, due substantially to local option sales tax collections of $232,546 less than projected and insurance premium tax revenue of $308,773 less than projected.

Fines and forfeitures collected were $351,057 less than budgeted, due substantially to the prior fiscal year being higher than normal.

Intergovernmental revenues were $140,000 less than budgeted, due to discontinued grants with the Clayton County School System.

Expenditures:

Actual expenditures for all but three (3) categories, were below budgeted amounts. Significant variances are discussed below:

Public safety – Police expenditures were $765,902 below budget, due primarily to salaries and benefits paid being less than budgeted amounts.

Public safety – E911 expenditures were $105,868 below budget primarily as a result of actual salaries and benefits paid being less than budgeted amounts.

Public works expenditures were $362,686 below budget primarily as a result of actual salaries and benefits paid being less than budgeted amounts.

Culture and recreation services were $218,627 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:

General government – General administration budget was increased by $100,000 to provide for additional service fees and by $34,000 to provide for a pay and classification plan for City employees.

Public safety – Police budget was increased by $30,575 to provide for increased insurance costs and by $12,000 to provide for additional telephone and internet costs incurred.

Public safety – Fire budget was increased by $150,000 to provide for salaries and benefits for additional personnel needed.

Public safety – EMS budget was increased by $330,000 to provide for salaries and benefits for additional personnel needed.

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, 2012, amounts to $23,398,679 (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 below summarizes capital assets of the City.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2012	2011	2012	2011	2012
Land	$ 2,533,169	$ 2,533,169	$ 7,655,137	$ 8,001,214	$ 10,188,306	$ 10,534,383
Construction in progress	1,930,937	2,285,454	-	-	1,930,937	2,285,454
Buildings and improvements	3,946,816	4,084,069	27,173	12,253	3,973,989	4,096,322
Autos and trucks and other equipment	3,051,679	3,796,414	-	-	3,051,679	3,796,414
Infrastructure	2,316,861	2,686,106	-	-	2,316,861	2,686,106
Total	$ 13,779,462	$ 15,385,212	$ 7,682,310	$ 8,013,467	$ 21,461,772	$ 23,398,679

The City's total investment in capital assets increased from $21,461,772 in 2011 to $23,398,679 in 2012. 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 pages 36 and 37 of this report. The City only incurred additional debt of $157,744 in 2012 from purchasing equipment through the initiation of capital leases.

Economic Factors and Next Fiscal Year's Budgets and Rates

The City has continued to improve its financial condition in 2011 and 2012. The increase in net assets is $1,493,236 in 2012, compared to an increase in net assets of $4,068,988 in the prior fiscal year. The City plans to maintain its positive financial condition as a result of the following:

- After transfer of sanitation operations to a private operator the fund reported operating income of $211,584, $258,493, $246,996, and $144,278 for 2006, 2007, 2008, and 2009, respectively. The fund has reported operating losses of $30,568, $48,913, and $216,594 for 2010, 2011, and 2012, respectively. The losses can be attributed mainly to the national economic recession. The loss for 2012 can also be attributed partially to increased operating costs incurred. Operating income is expected for 2013, as fees have been increased modestly. Also, operating costs are expected to decrease as a result of negotiations with the private operator.

- Tax revenues for 2012 are projected to be consistent with 2011. The consistent revenues are due primarily to the millage rate remaining the same at 14.743 for 2012 and 2011.

- Also, planned revitalization and development of commercial areas would increase property tax and business license revenues.

All of these factors were considered in preparing the City's 2012 budget.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to 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, 2012

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Current assets:			
Cash and cash equivalents	$ 5,380,410	$ 1,307,050	$ 6,687,460
Investments	8,263	-	8,263
Taxes receivable, net of allowance	1,012,080	-	1,012,080
Accounts receivable, net of allowance	-	106,241	106,241
Internal balances	125,312	(125,312)	-
Other receivables	158,783	-	158,783
Due from other governments	1,374,475	-	1,374,475
Prepaid items	7,812	-	7,812
Total current assets	8,067,135	1,287,979	9,355,114
Noncurrent assets:			
Capital assets:			
Non-depreciable	4,818,623	8,001,214	12,819,837
Depreciable, net of accumulated depreciation	10,566,589	12,253	10,578,842
Total noncurrent assets	15,385,212	8,013,467	23,398,679
Total assets	23,452,347	9,301,446	32,753,793
LIABILITIES			
Current liabilities:			
Accounts payable	1,232,306	176,830	1,409,136
Accrued liabilities	361,114	3,291	364,405
Unearned revenue	23,374	498,723	522,097
Customers deposits	-	3,836	3,836
Claims payable due within one year	115,824	-	115,824
Capital leases payable due within one year	31,609	-	31,609
Compensated absences due within one year	547,789	14,662	562,451
Total current liabilities	2,312,016	697,342	3,009,358
Noncurrent liabilities:			
Claims payable due in more than one year	57,229	-	57,229
Capital leases payable due in more than one year	110,656	-	110,656
Compensated absences due in more than one year	636,096	18,277	654,373
Net OPEB obligation	1,089,087	-	1,089,087
Total noncurrent liabilities	1,893,068	18,277	1,911,345
Total liabilities	4,205,084	715,619	4,920,703
NET ASSETS			
Invested in capital assets, net of related debt	15,242,947	8,013,467	23,256,414
Restricted for capital construction	11,290	-	11,290
Restricted for law enforcement activities	979,739	-	979,739
Restricted for public safety activities	368,604	-	368,604
Restricted for tourism and economic development	67,213	-	67,213
Unrestricted	2,577,470	572,360	3,149,830
Total net assets	$ 19,247,263	$ 8,585,827	$ 27,833,090

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, 2012

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	$ 3,142,120	$ 199,891	$ -	$ -	$ (2,942,229)	$ -	$ (2,942,229)
Public safety	15,782,226	4,192,881	313,790	868,284	(10,407,271)	-	(10,407,271)
Public works	3,146,528	970	-	127,443	(3,018,115)	-	(3,018,115)
Culture and recreation	1,366,783	216,339	-	90,392	(1,060,052)	-	(1,060,052)
Housing and development	985,641	-	-	-	(985,641)	-	(985,641)
Redevelopment and planning	395,892	-	382,181	4,159,915	4,146,204	-	4,146,204
Judicial	141,786	-	-	-	(141,786)	-	(141,786)
Tourism and economic development	32,499	-	-	-	(32,499)	-	(32,499)
Total governmental activities	24,993,475	4,610,081	695,971	5,246,034	(14,441,389)	-	(14,441,389)
Business-type activities:							
Sanitation	2,622,834	2,406,240	-	-	-	(216,594)	(216,594)
Local Redevelopment Authority	109,697	82,810	-	-	-	(26,887)	(26,887)
Total business-type activities	2,732,531	2,489,050	-	-	-	(243,481)	(243,481)
Total primary government	$ 27,726,006	$ 7,099,131	$ 695,971	$ 5,246,034	(14,441,389)	(243,481)	(14,684,870)
General revenues:							
Property taxes					7,156,546	-	7,156,546
Sales taxes					4,767,454	-	4,767,454
Franchise taxes					1,468,944	-	1,468,944
Insurance premium taxes					866,227	-	866,227
Alcoholic beverage taxes					372,190	-	372,190
Motor vehicle taxes					546,084	-	546,084
Business taxes					814,871	-	814,871
Hotel/motel taxes					27,143	-	27,143
Other taxes					102,415	-	102,415
Unrestricted investment earnings					12,390	-	12,390
Miscellaneous revenue					32,137	11,705	43,842
Transfers					(3,897,637)	3,897,637	-
Total general revenues and transfers					12,268,764	3,909,342	16,178,106
Change in net assets					(2,172,625)	3,665,861	1,493,236
Net assets, beginning of fiscal year					21,419,888	4,919,966	26,339,854
Net assets, end of fiscal year					$ 19,247,263	$ 8,585,827	$ 27,833,090

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

CITY OF FOREST PARK, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

ASSETS	General Fund	Emergency Telephone System Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 2,608,648	1,043,719	$ 649,401	$ 1,078,642	$ 5,380,410
Investments	8,263	-	-	-	8,263
Taxes receivable, net of allowance	1,009,653	-	-	2,427	1,012,080
Other receivables	119,584	39,199	-	-	158,783
Due from other governments	-	-	810,346	564,129	1,374,475
Due from other funds	2,730,351	-	-	9,007	2,739,358
Prepaid items	7,812	-	-	-	7,812
Total assets	$ 6,484,311	$ 1,082,918	$ 1,459,747	$ 1,654,205	$ 10,681,181
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 438,373	589,085	$ -	$ 204,848	$ 1,232,306
Accrued liabilities	359,512	-	-	1,602	361,114
Deferred revenues	411,595	-	-	23,374	434,969
Due to other funds	-	125,229	2,124,406	364,411	2,614,046
Total liabilities	1,209,480	714,314	2,124,406	594,235	4,642,435
FUND BALANCES (DEFICITS)					
Fund balances:					
Nonspendable:					
Prepaid items	7,812	-	-	-	7,812
Restricted for:					
Capital construction	-	-	-	11,290	11,290
Law enforcement activities	-	-	-	979,739	979,739
E911 operations	-	368,604	-	-	368,604
Tourism and economic development	-	-	-	67,213	67,213
Committed for:					
Redevelopment and planning	-	-	-	1,728	1,728
Unassigned	5,267,019	-	(664,659)	-	4,602,360
Total fund balances (deficits)	5,274,831	368,604	(664,659)	1,059,970	6,038,746
Total liabilities and fund balances	$ 6,484,311	$ 1,082,918	$ 1,459,747	$ 1,654,205	

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.	15,385,212
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	411,595
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(1,499,203)
Net OPEB obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(1,089,087)
Net assets of governmental activities	$ 19,247,263

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, 2012

	General Fund	Emergency Telephone System Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 16,042,836	$ -	$ -	$ 27,143	$ 16,069,979
Fines and forfeitures	3,258,943	-	-	84,197	3,343,140
Charges for services	760,225	306,825	-	-	1,067,050
Licenses and permits	199,891	-	-	-	199,891
Intergovernmental	-	-	4,558,934	1,382,428	5,941,362
Interest income	5,283	-	643	7,107	13,033
Miscellaneous	32,137	-	-	-	32,137
Total revenues	20,299,315	306,825	4,559,577	1,500,875	26,666,592
Expenditures					
Current:					
General government	2,721,765	-	-	251	2,722,016
Public safety	14,099,390	209,776	-	400,625	14,709,791
Public works	2,725,321	-	-	-	2,725,321
Culture and recreation	1,238,552	-	-	-	1,238,552
Housing and development	968,516	-	-	-	968,516
Judicial	139,854	-	-	-	139,854
Redevelopment and planning	-	-	-	406,220	406,220
Tourism and economic development	-	-	-	32,514	32,514
Capital outlay:					
Public safety	-	674,825	-	30,734	705,559
Public works	-	-	-	730,831	730,831
Redevelopment and planning	-	-	1,863,877	-	1,863,877
Debt service:					
Principal	-	-	15,479		15,479
Total expenditures	21,893,398	884,601	1,879,356	1,601,175	26,258,530
Excess (deficiency) of revenues over (under) expenditures	(1,594,083)	(577,776)	2,680,221	(100,300)	408,062
Other financing sources (uses):					
Capital leases	-	-	157,744		157,744
Transfers in	-	-	-	108,477	108,477
Transfers out	(108,477)	-	(3,897,637)	-	(4,006,114)
Total other financing sources (uses)	(108,477)	-	(3,739,893)	108,477	(3,739,893)
Net change in fund balance	(1,702,560)	(577,776)	(1,059,672)	8,177	(3,331,831)
Fund balances, beginning of fiscal year	6,977,391	946,380	395,013	1,051,793	9,370,577
Fund balances (deficits), end of fiscal year	$ 5,274,831	$ 368,604	$ (664,659)	$ 1,059,970	$ 6,038,746

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, 2012

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

Net change in fund balances - total governmental funds	$	(3,331,831)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		1,605,750
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		51,895
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(142,265)
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.		(356,174)
Change in net assets - governmental activities	$	(2,172,625)

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, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 16,444,875	$ 16,444,875	$ 16,042,836	$ (402,039)
Fines and forfeitures	3,610,000	3,610,000	3,258,943	(351,057)
Charges for services	761,970	761,970	760,225	(1,745)
Licenses and permits	275,000	275,000	199,891	(75,109)
Intergovernmental	140,000	140,000	-	(140,000)
Interest	45,000	45,000	5,283	(39,717)
Miscellaneous	14,397	14,397	32,137	17,740
Total revenues	21,291,242	21,291,242	20,299,315	(991,927)
Expenditures				
Current:				
General government:				
General administration	1,887,787	2,047,587	1,994,571	53,016
Legislative	442,650	442,650	377,467	65,183
Executive	352,351	352,351	349,727	2,624
Total general government	2,682,788	2,842,588	2,721,765	120,823
Judicial:				
Municipal court	130,327	130,327	139,854	(9,527)
Total judicial	130,327	130,327	139,854	(9,527)
Public safety:				
Police	8,892,915	8,981,327	8,215,425	765,902
Fire	3,359,566	3,534,466	3,604,347	(69,881)
EMS	1,220,888	1,554,188	1,577,209	(23,021)
E911	594,531	594,531	488,663	105,868
Animal control	110,544	110,544	92,815	17,729
Emergency management	56,710	130,635	120,931	9,704
Total public safety	14,235,154	14,905,691	14,099,390	806,301
Public works	4,225,635	3,088,007	2,725,321	362,686
Culture and recreation	1,454,248	1,457,179	1,238,552	218,627
Housing and development:				
Planning and zoning	916,623	1,006,623	897,601	109,022
Urban redevelopment and housing	81,000	81,000	70,915	10,085
Total housing and development	997,623	1,087,623	968,516	119,107
Total expenditures	23,725,775	23,511,415	21,893,398	1,618,017
Excess (deficiency) of revenues over (under) expenditures	(2,434,533)	(2,220,173)	(1,594,083)	626,090
Other financing sources (uses)				
Proceeds from sale of capital assets	10,000	-	-	-
Transfers in	1,175,000	1,175,000	-	(1,175,000)
Transfers out	-	-	(108,477)	(108,477)
Total other financing sources (uses)	1,185,000	1,175,000	(108,477)	(1,283,477)
Net change in fund balances	(1,249,533)	(1,045,173)	(1,702,560)	(657,387)
Fund balances, beginning of fiscal year	6,977,391	6,977,391	6,977,391	-
Fund balances, end of fiscal year	$ 5,727,858	$ 5,932,218	$ 5,274,831	$ (657,387)

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

CITY OF FOREST PARK, GEORGIA

EMERGENCY TELEPHONE SYSTEM FUND - SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 450,000	$ 550,000	$ 306,825	$ (243,175)
Total revenues	450,000	550,000	306,825	(243,175)
EXPENDITURES				
Public safety	200,000	200,000	209,776	(9,776)
Capital outlay - public safety	415,600	350,000	674,825	(324,825)
Total expenditures	615,600	550,000	884,601	(334,601)
Net change in fund balances	(165,600)	-	(577,776)	(577,776)
FUND BALANCES, beginning of fiscal year	946,380	946,380	946,380	-
FUND BALANCES, end of fiscal year	$ 780,780	$ 946,380	$ 368,604	$ (577,776)

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

CITY OF FOREST PARK, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Business-type Activities - Enterprise Funds		
ASSETS	**Sanitation Fund**	**Local Redevelopment Authority Fund**	**Total Enterprise Funds**
Current assets:			
Cash	$ 1,293,800	$ 13,250	$ 1,307,050
Accounts receivable, net of allowance	105,241	1,000	106,241
Total current assets	1,399,041	14,250	1,413,291
Noncurrent assets:			
Capital assets:			
Non-depreciable	34,853	7,966,361	8,001,214
Depreciable, net of accumulated depreciation	12,253	-	12,253
Total noncurrent assets	47,106	7,966,361	8,013,467
Total assets	1,446,147	7,980,611	9,426,758
LIABILITIES			
Current liabilities:			
Accounts payable	176,830	-	176,830
Accrued liabilities	3,291	-	3,291
Compensated absences payable	14,662	-	14,662
Customer deposits	3,836	-	3,836
Unearned revenue	498,723	-	498,723
Due to other funds	-	125,312	125,312
Total current liabilities	697,342	125,312	822,654
Noncurrent liabilities:			
Compensated absences payable	18,277	-	18,277
Total noncurrent liabilities	18,277	-	18,277
Total liabilities	715,619	125,312	840,931
NET ASSETS			
Invested in capital assets	47,106	7,966,361	8,013,467
Unrestricted	683,422	(111,062)	572,360
Total net assets	$ 730,528	$ 7,855,299	$ 8,585,827

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, 2012

	Business-type Activities - Enterprise Funds		
	Sanitation Fund	Local Redevelopment Authority Fund	Total Enterprise Funds
OPERATING REVENUE			
Charges for sales and services	$ 2,406,240	$ 82,810	$ 2,489,050
Miscellaneous revenue	-	11,705	11,705
Total operating revenues	2,406,240	94,515	2,500,755
OPERATING EXPENSES			
Cost of sales and services	2,226,936	32,942	2,259,878
Personnel services	318,079	-	318,079
Depreciation	14,920	-	14,920
Other operating expenses	62,899	76,755	139,654
Total operating expenses	2,622,834	109,697	2,732,531
Operating loss before transfers	(216,594)	(15,182)	(231,776)
Transfers in	-	3,897,637	3,897,637
Change in net assets	(216,594)	3,882,455	3,665,861
Total net assets, beginning of fiscal year	947,122	3,972,844	4,919,966
Total net assets, ending of fiscal year	$ 730,528	$ 7,855,299	$ 8,585,827

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, 2012

	Business-type Activities - Enterprise Funds		
	Sanitation Fund	Local Redevelopment Authority Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 2,475,127	$ 94,515	$ 2,569,642
Payments to suppliers	(2,391,850)	(109,697)	(2,501,547)
Payments to employees	(225,483)	-	(225,483)
Net cash used in operating activities	(142,206)	(15,182)	(157,388)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Repayments of interfund balances owed	(12,862)	-	(12,862)
Net cash used in non-capital financing activities	(12,862)	-	(12,862)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of property	-	(346,077)	(346,077)
Net transfers from other funds	-	368,537	368,537
Net cash provided by capital and relating financing activities	-	22,460	22,460
Net increase (decrease) in cash	(155,068)	7,278	(147,790)
Cash, beginning of fiscal year	1,448,868	5,972	1,454,840
Cash, end of fiscal year	$ 1,293,800	$ 13,250	$ 1,307,050
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:			
Operating loss	$ (216,594)	$ (15,182)	$ (231,776)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	14,920	-	14,920
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	63,202	-	63,202
Increase (decrease) in accounts payable	(9,211)	-	(9,211)
Increase (decrease) in accrued liabilities	823	-	823
Increase (decrease) in compensated absences payable	(1,031)	-	(1,031)
Increase (decrease) in unearned revenue	5,685	-	5,685
Net cash used in operating activities	$ (142,206)	$ (15,182)	$ (157,388)

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 as amended by GASB 39," 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 component unit may be composed entirely of the City Council and the Mayor, serving ex officio. The primary government is, essentially, serving as the governing body of the component unit. The blended component units of the City of Forest Park, Georgia have a June 30th fiscal year-end.

Blended Component Units:

The Forest Park/Fort Gillem Local Redevelopment Authority (the "FGLRA") was established for 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 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 FGLRA 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 **Emergency Telephone System Fund** is used to account for emergency services which are provided to all City taxpayers. Financing is provided through user fees and charges. The charges from the telephone providers are restricted by State law O.C.G.A. 46-5-134.

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, 2012, 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 Council. 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 $1,499,203 difference are as follows:

Claims payable	$	(173,053)
Capital leases payable		(142,265)
Compensated absences		(1,183,885)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(1,499,203)

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 $1,605,750 difference are as follows:

Capital outlay	$	2,969,693
Depreciation expense		(1,363,943)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	1,605,750

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

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

Another element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this $142,265 difference are as follows:

Proceeds from capital lease	$	(157,744)
Current period principal retirements		15,479
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(142,265)

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 $356,174 difference are as follows:

Claims and judgments	$	(64,441)
Compensated absences		24,760
Other post employment benefit (OPEB) obligation		(316,493)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(356,174)

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).

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

For fiscal year ended June 30, 2012, the following General Fund departments, and special revenue funds, had excesses of actual expenditures over appropriations:

General Fund departments:		
Municipal court	$	9,527
Fire department		69,881
EMS department		23,021
Emergency Telephone System Fund		334,601
Police Seizure Fund		52,505
Hotel / Motel Tax Fund		214
Tax Allocation District One - Ft. Gillem and Main Street		251

These over expenditures were funded by greater than anticipated revenues and by available fund balance. As of June 30, 2012, the City did not adopt an annual budget for the Tax Allocation District One Ft.Gillem/Main Street Special Revenue Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

As of June 30, 2012, the City had $8,263 invested for its governmental funds.

Investment	Maturities	Fair Value
Ginnie Mae II Pool Asset Backed Security	November 20, 2022	$ 7,553
Georgia Fund 1	48 days	710
Total		$ 8,263

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.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk (Continued): The Ginnie Mae II Pool Asset Backed securities are based on cash flows from principal payments on underlying mortgages. Therefore, they are sensitive to less than expected prepayments by mortgagees, which may result from an increase in interest rates. For example, if interest rates rise and homeowners do not refinance their mortgages, thereby not prepaying the mortgages underlying 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.

As of June 30, 2012, 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 State Treasurer. 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 State Treasurer. As of June 30, 2012, 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, 2012, the City's bank balances were properly collateralized, or insured, in accordance with State statutes.

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, 2012, 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	Emergency Telephone System Fund	SPLOST Fund	Nonmajor Governmental Funds	Governmental Activities Total
Receivables:					
Taxes	$ 1,348,270	$ -	$ -	$ 2,427	$ 1,350,697
Less allowance for uncollectible	(338,617)	-	-	-	(338,617)
Taxes receivable, net	1,009,653	-	-	2,427	1,012,080
Due from other governments	-	-	810,346	564,129	1,374,475
Other	119,584	39,199	-	-	158,783
Net total receivable	$ 1,129,237	$ 39,199	$ 810,346	$ 566,556	$ 2,545,338

	Sanitation Fund	Redevelopment Authority Fund	Business-type Activities Total
Receivables:			
Accounts	$ 458,421	$ 1,000	$ 459,421
Less allowance for uncollectible	(353,180)	-	(353,180)
Accounts receivable, net	$ 105,241	$ 1,000	$ 106,241

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended June 30, 2012, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 2,533,169	$ -	$ -	$ -	$ 2,533,169
Construction in progress	1,930,937	774,232	-	(419,715)	2,285,454
Total	4,464,106	774,232	-	(419,715)	4,818,623
Capital assets, being depreciated:					
Buildings	7,909,261	26,439	-	-	7,935,700
Improvements	2,986,475	8,455	-	410,075	3,405,005
Computer & office equipment	899,115	-	(267,575)	-	631,540
Machinery & equipment	4,147,208	982,626	-	-	5,129,834
Vehicles	5,415,773	708,655	-	-	6,124,428
Infrastructure	9,467,464	469,286	-	9,640	9,946,390
Total	30,825,296	2,195,461	(267,575)	419,715	33,172,897
Less accumulated depreciation for:					
Buildings	(4,530,515)	(207,797)	-	-	(4,738,312)
Improvements	(2,418,405)	(99,919)	-	-	(2,518,324)
Computer & office equipment	(591,306)	(177,679)	267,575	-	(501,410)
Machinery and equipment	(2,828,459)	(328,255)	-	-	(3,156,714)
Vehicles	(3,990,652)	(440,612)	-	-	(4,431,264)
Infrastructure	(7,150,603)	(109,681)	-	-	(7,260,284)
Total	(21,509,940)	(1,363,943)	267,575	-	(22,606,308)
Total capital assets, being depreciated, net	9,315,356	831,518	-	419,715	10,566,589
Governmental activities capital assets, net	$ 13,779,462	$ 1,605,750	$ -	$ -	$ 15,385,212

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 7,655,137	$ 346,077	$ -	$ 8,001,214
Total	7,655,137	346,077	-	8,001,214
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	(196,617)	(14,920)	-	(211,537)
Equipment	(55,209)	-	-	(55,209)
Vehicles	(803,730)	-	-	(803,730)
Total	(1,168,855)	(14,920)	-	(1,183,775)
Total capital assets, being depreciated, net	27,173	(14,920)	-	12,253
Business-type activities capital assets, net	$ 7,682,310	$ 331,157	$ -	$ 8,013,467

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

Governmental activities:	
General government	$ 190,090
Public safety	769,493
Public works	309,555
Culture and recreation	90,565
Housing and development	4,240
Total depreciation expense - governmental activities	$ 1,363,943
Business-type activities:	
Sanitation	$ 14,920

NOTE 7. LONG-TERM DEBT

Primary Government

Long-term liability activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Governmental activities:					
Claims payable	$ 108,612	$ 199,923	$ (135,482)	$ 173,053	$ 115,824
Capital leases payable	-	157,744	(15,479)	142,265	31,609
Compensated absences	1,208,645	1,185,434	(1,210,194)	1,183,885	547,789
Net OPEB Obligation	772,594	337,983	(21,490)	1,089,087	-
Governmental activity Long-term liabilities	$ 2,089,851	$ 1,881,084	$ (1,382,645)	$ 2,588,290	$ 695,222

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Business-type activities:					
Compensated absences	$ 33,970	$ 23,860	$ (24,891)	$ 32,939	$ 14,662
Business-type activity Long-term liabilities	$ 33,970	$ 23,860	$ (24,891)	$ 32,939	$ 14,662

For governmental funds, compensated absences are liquidated by the General Fund and capital leases are liquidated by the SPLOST Fund. For business-type activities, compensated absences are liquidated by the Sanitation Fund. The claims payable and the net OPEB obligations for the City are liquidated by the General Fund.

Capital Leases - Equipment. During the fiscal year, the City entered into a lease agreement as lessee for financing the acquisition of communication equipment used in general governmental activities. The lease agreement qualifies as a capital lease for accounting purposes (the lease term covers at least 75% of the asset's economic life), therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. At inception, the purchase price of the equipment was equal to the present value of the future minimum lease payments and therefore, the lease has an effective interest rate of zero. Lease payments are due in monthly installments for a term of sixty months. As of June 30, 2012, the City had $157,744 for governmental activities of equipment under capital lease.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

The City's total capital lease debt service requirements to maturity are as follows:

	Governmental Activities
Fiscal Year Ending June 30,	
2013	$ 31,609
2014	31,739
2015	31,739
2016	31,739
2017	15,439
Total minimum lease payments	142,265
Less amount representing interest	-
Present value of future minimum lease payments	$ 142,265

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2012, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 355,404
General Fund	SPLOST Fund	2,124,406
General Fund	Emergency Telephone System Fund	125,229
General Fund	Local Redevelopment Authority Fund	125,312
Nonmajor governmental funds	Nonmajor governmental funds	9,007
		$ 2,739,358

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.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund transfers:

Transfers In	Transfers Out	Amount
Local Redevelopment Authority Fund	SPLOST Fund	$ 3,897,637
Nonmajor governmental funds	General Fund	108,477
		$ 4,006,114

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 $316,647 and Plan participants contributed $690,167 to the Plan during the fiscal year ended June 30, 2012. At the beginning of the fiscal year, there were 389 participants with account balances. During the current fiscal year, 288 made contributions, 38 entered into the Plan, and 24 left the Plan, resulting in 403 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 $13,598,895 which results in an average participant balance of $33,744.

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, 2012; therefore, there are no separate financial statements for the City's OPEB Plan.

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 two (2) years maximum. Insurance coverage is provided for the retiree from the time of retirement until the retiree reaches 65 years of age or is eligible for Medicare coverage, whichever comes first.

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

Expenditures for 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, 2011, there were 248 participants consisting of the following:

Retirees	3
Active employees	245
Total	248

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

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 2012, the City's annual required contribution was $350,040 and actual employer contributions totaled $21,490. The annual required contribution was determined as part of the July 1, 2011 actuarial valuation using the projected unit credit actuarial cost method.

C. Annual OPEB Cost

The City's actuarially required contribution (ARC), OPEB cost, and increase in net OPEB obligation for the fiscal year ended June 30, 2012, were computed as follows:

Actuarially required contribution	$ 350,040
Interest on prior fiscal year net OPEB obligation	30,904
Adjustment to ARC	(42,961)
Annual OPEB cost	337,983
Actual contributions made	(21,490)
Increase in net OPEB obligation	316,493
Net OPEB obligation (asset), June 30, 2011	772,594
Net OPEB obligation (asset), June 30, 2012	$ 1,089,087

Fiscal Year Ended June 30,	Annual OPEB Cost	Actual OPEB Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2012	$ 337,983	$ 21,490	6.4 %	$ 1,089,087
2011	298,380	18,372	6.2	772,594
2010	288,104	43,275	15.0	492,586

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.

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

C. Annual OPEB Cost (Continued)

As of the most recent valuation date, July 1, 2011, 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]
$ -	$ 2,186,339	$ (2,186,339)	0.0%	11,928,408	-18.3%

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, 2011 and are based on the types of benefits provided under the terms of the substantive plan at the time of the valuation. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

The assumptions used in the July 1, 2011 actuarial valuation are as follows:

Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	N/A
Discount Rate	4% * 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	7.5% grades to 5.0% over 6 years

* The inflation rate assumption is included in the discount rate of 4%

NOTE 11. FUND DEFICITS

For the fiscal year ended June 30, 2012, the City's SPLOST Fund had deficit fund balances of $664,659. The fund deficit will be reduced through future collections of SPLOST taxes from Clayton County, Georgia and General Fund appropriations, as needed.

NOTE 12. 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 13. 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 Fiscal Year Liability
2012	$ -	$ 5,005	$ 5,005	$ -
2011	-	-	-	-

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.

NOTE 13. RISK MANAGEMENT (CONTINUED)

Workers' Compensation Insurance (Continued)

Changes in the 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
2012	$ 108,612	$ 199,923	$ (135,482)	$ 173,053
2011	127,048	77,730	(96,166)	108,612
2010	149,382	13,500	(35,834)	127,048

NOTE 14. COMMITMENTS AND CONTINGENCIES

Contracts:

As of June 30, 2012, the City has $371,642 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, 2012. The City has a cash account with a balance of $97,442 to fund these payments in future periods.

NOTE 15. 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 $27,143 for the fiscal year ended June 30, 2012. Of this amount 119.8% or $32,514 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 excess of expenditures over revenues were funded by available fund balance in the Hotel / Motel Tax Fund.

CITY OF FOREST PARK, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

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
7/1/2011	$ -	$ 2,186,339	$ (2,186,339)	0.0 %	$ 11,928,408	18.3 %
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.

Police Seizure Fund - To account for the use of confiscated drug money by the City's Police Department. These revenues are restricted by State law to be expended on investigations and other law enforcement activities of the City's Police Department.

Hotel/Motel Tax Fund - To account for the 3% lodging tax levied in the City. The tax revenues are restricted by the Official Code of Georgia Annotated (O.C.G.A.) 48-13-51.

Multiple Grants Fund - To account for grants received from various Federal and State agencies and for which projected expenditures do not exceed 2% of the General Fund's budgeted total operating expenditures. The fund's revenues are restricted by the various external resource providers from whom the City has received the grant funds.

Forest Park/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. The fund's revenues are restricted by the grantor agency from whom the City has received the funds.

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. The City Council has committed all revenues generated by the TAD for the purpose of redevelopment and planning in the area.

CAPITAL PROJECTS FUNDS

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

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

CITY OF FOREST PARK, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue Funds					Capital Projects Fund	
ASSETS	Police Seizure Fund	Hotel/Motel Tax Fund	Multiple Grants Fund	Forest Park/ Ft. Gillem LRA Fund	Tax Allocation District One Ft. Gillem & Main Street Fund	Capital Improvement Fund	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 986,567	$ 64,786	$ 14,271	$ -	$ 1,728	$ 11,290	$ 1,078,642
Taxes receivable	-	2,427	-	-	-	-	2,427
Due from other governments	-	-	416,155	147,974	-	-	564,129
Due from other funds	-	-	9,007	-	-	-	9,007
Total assets	$ 986,567	$ 67,213	$ 439,433	$ 147,974	$ 1,728	$ 11,290	$ 1,654,205
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ 165,576	$ 39,272	$ -	$ -	$ 204,848
Accrued liabilities	-	-	-	1,602	-	-	1,602
Deferred revenues	-	-	23,374	-	-	-	23,374
Due to other funds	6,828	-	250,483	107,100	-	-	364,411
Total liabilities	6,828	-	439,433	147,974	-	-	594,235
FUND BALANCES							
Restricted for:							
Capital construction	-	-	-	-		11,290	11,290
Law enforcement activities	979,739	-	-	-		-	979,739
Tourism and economic development	-	67,213	-	-		-	67,213
Committed for:							
Redevelopment and planning	-	-	-	-	1,728	-	1,728
Total fund balances	979,739	67,213	-	-	1,728	11,290	1,059,970
Total liabilities and fund balances	$ 986,567	$ 67,213	$ 439,433	$ 147,974	$ 1,728	$ 11,290	$ 1,654,205

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, 2012

	Special Revenue Funds					Capital Projects Fund	
	Police Seizure Fund	Hotel/Motel Tax Fund	Multiple Grants Fund	Forest Park/ Ft. Gillem LRA Fund	Tax Allocation District One Ft. Gillem & Main Street Fund	Capital Improvement Fund	Total Nonmajor Governmental Funds
REVENUES							
Taxes	$ -	$ 27,143	$ -	$ -	$ -	$ -	$ 27,143
Fines & forfeitures	84,197	-	-	-	-	-	84,197
Intergovernmental	-	-	1,000,247	382,181	-	-	1,382,428
Interest	7,105	-	-	-	-	2	7,107
Total revenues	91,302	27,143	1,000,247	382,181	-	2	1,500,875
EXPENDITURES							
Current:							
General government	-	-	-	-	251	-	251
Redevelopment and planning	-	-	-	406,220	-	-	406,220
Public safety	77,505	-	323,120	-	-	-	400,625
Tourism and economic development	-	32,514	-	-	-	-	32,514
Capital outlay:							
Public safety	-	-	30,734	-	-	-	30,734
Public works	-	-	730,831	-	-	-	730,831
Total expenditures	77,505	32,514	1,084,685	406,220	251	-	1,601,175
Excess (deficiency) of revenues over (under) expenditures	13,797	(5,371)	(84,438)	(24,039)	(251)	2	(100,300)
Other financing sources							
Transfers in	-	-	84,438	24,039	-	-	108,477
Net change in fund balances	13,797	(5,371)	-	-	(251)	2	8,177
FUND BALANCES, beginning of fiscal year	965,942	72,584	-	-	1,979	11,288	1,051,793
FUND BALANCES, end of fiscal year	$ 979,739	$ 67,213	$ -	$ -	$ 1,728	$ 11,290	$ 1,059,970

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, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines & forfeitures	$ 25,000	$ 25,000	$ 84,197	$ 59,197
Interest	-	-	7,105	7,105
Total revenue	25,000	25,000	91,302	66,302
EXPENDITURES				
Public safety	25,000	25,000	77,505	(52,505)
Total expenditures	25,000	25,000	77,505	(52,505)
Net change in fund balances	-	-	13,797	13,797
FUND BALANCES, beginning of fiscal year	965,942	965,942	965,942	-
FUND BALANCES, end of fiscal year	$ 965,942	$ 965,942	$ 979,739	$ 13,797

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, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 35,000	$ 32,300	$ 27,143	$ (5,157)
Total revenue	35,000	32,300	27,143	(5,157)
EXPENDITURES				
Tourism and economic development	35,000	32,300	32,514	(214)
Total expenditures	35,000	32,300	32,514	(214)
Net change in fund balances	-	-	(5,371)	(5,371)
FUND BALANCES, beginning of fiscal year	72,584	72,584	72,584	-
FUND BALANCES, end of fiscal year	$ 72,584	$ 72,584	$ 67,213	$ (5,371)

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, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 4,978,384	$ 3,780,518	$ 1,000,247	$ (2,780,271)
Total revenue	4,978,384	3,780,518	1,000,247	(2,780,271)
EXPENDITURES				
Public safety	2,151,363	1,262,214	323,120	939,094
Capital outlay - public safety	110,404	106,216	30,734	75,482
Capital outlay - public works	3,005,317	2,498,898	730,831	1,768,067
Total expenditures	5,267,084	3,867,328	1,084,685	2,782,643
Deficiency of revenues under expenditures	(288,700)	(86,810)	(84,438)	2,372
OTHER FINANCING SOURCES				
Transfers in	288,700	112,655	84,438	(28,217)
Total other financing sources	288,700	112,655	84,438	(28,217)
Net change in fund balances	-	25,845	-	(25,845)
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	$ -	$ 25,845	$ -	$ (25,845)

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, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 526,217	$ 874,448	$ 382,181	$ (492,267)
Total revenue	526,217	874,448	382,181	(492,267)
EXPENDITURES				
Redevelopment and planning	526,217	874,448	406,220	468,228
Total expenditures	526,217	874,448	406,220	468,228
Excess (deficiency) of revenues over (under) expenditures	-	-	(24,039)	(24,039)
OTHER FINANCING SOURCES				
Transfers in	-	-	24,039	24,039
Total other financing sources	-	-	24,039	24,039
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of fiscal year	-	-	-	-
FUND BALANCES, end of fiscal year	$ -	$ -	$ -	$ -

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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES				
General government	-	-	251	(251)
Total expenditures	-	-	251	(251)
Net change in fund balances	-	-	(251)	(251)
FUND BALANCES, beginning of fiscal year	1,979	1,979	1,979	-
FUND BALANCES, end of fiscal year	$ 1,979	$ 1,979	$ 1,728	$ (251)

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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ -	$ -	$ 2	$ 2
Net change in fund balances	-	-	2	2
FUND BALANCES, beginning of fiscal year	11,288	11,288	11,288	-
FUND BALANCES, end of fiscal year	$ 11,288	$ 11,288	$ 11,290	$ 2

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, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 4,500,000	$ 4,500,000	$ 4,558,934	$ 58,934
Interest income	-	-	643	643
Total revenue	4,500,000	4,500,000	4,559,577	59,577
EXPENDITURES				
Capital outlay	4,500,000	4,500,000	1,863,877	2,636,123
Debt service				
Principal	-	-	15,479	(15,479)
Total expenditures	4,500,000	4,500,000	1,879,356	2,620,644
Excess of revenues over expenditures	-	-	2,680,221	2,680,221
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	157,744	157,744
Transfers out	-	-	(3,897,637)	(3,897,637)
Total other financing sources (uses)	-	-	(3,739,893)	(3,739,893)
Net change in fund balances	-	-	(1,059,672)	(1,059,672)
FUND BALANCES, beginning of fiscal year	395,013	395,013	395,013	-
FUND BALANCES (DEFICIT), end of fiscal year	$ 395,013	$ 395,013	$ (664,659)	$ (1,059,672)

CITY OF FOREST PARK, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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	$ 16,300	$ 522,030	27.48%
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	173,442	216	173,658	6.95%
Recreational Center - design & construction	9,500,000	9,500,000	561,894	30,251	592,145	6.23%
Property Acquisition - Street improvements, transit purchase, recreational areas, & greenspace.	6,000,000	6,000,000	5,668,350	3,932,099	9,600,449	160.01%
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	-	110,849	110,849	4.82%
New Computer System - City Hall - computers, software, & installation.	650,000	650,000	268,707	181,298	450,005	69.23%
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	-	31,466	31,466	1.17%
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	-	475,264	475,264	31.68%
Capital equipment for parks & streets	750,000	750,000	25,600	127,849	153,449	20.46%
Fire equipment - quint ladder truck, 1 engine, & 3 ambulances	1,500,000	1,500,000	290,927	734,492	1,025,419	68.36%
Police vehicle purchases	700,000	700,000	961,274	96,909	1,058,183	151.17%
Program administration	800,000	800,000	-	-	-	0.00%
Transportation projects - miscellaneous	1,300,000	1,300,000	-	40,000	40,000	3.08%
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	$ 9,003,710	$ 5,776,993	$ 14,780,703	24.84%

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	$ 1,863,877
Debt service	15,479
Transfers out (3)	3,897,637
Total	$ 5,776,993

(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 years 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 **55**

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 **62**

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

Debt Capacity **67**

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 **71**

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 **73**

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 Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 15,242,947
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	1,426,846 (2)
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	2,577,470 (3)
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	19,247,263
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 (1)	8,013,467
Unrestricted	(543,036)	(507,963)	(3,661)	239,060	512,423	774,337	(882,512)	(983,364)	(2,762,344)	572,360 (3)
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	8,585,827
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 (1)	23,256,414
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	1,426,846
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	3,149,830
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	$ 27,833,090

Notes:

(1) Increase due to land and property purchases throughout the City for redevelopment purposes.

(2) Decrease due to the City expending resources for technological upgrades and improvements to its E911 system.

(3) Changes due to transfers from governmental activities to fund property acquisitions for redevelopment purposes.

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

	Fiscal Year									
Expenses	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
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	$ 3,142,120
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	15,782,226
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	3,146,528
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	1,366,783
Housing and development	450,026	504,925	525,005	516,852	525,315	561,177	835,343	827,490	896,377	985,641
Redevelopment and planning	-	-	-	-	675,990	169,885	1,456,053	340,056	299,604	395,892
Judicial	-	-	-	-	-	125,734	257,385	325,629	207,360	141,786
Tourism and economic development	-	-	-	-	-	12,147	6,703	18,137	27,552	32,499
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	24,993,475
Business-type activities:										
Local Redevelopment Authority	-	-	-	-	-	-	41,020	125,873	61,471	109,697
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	2,622,834
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	2,732,531
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	199,891
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	4,192,881
Public works	67,919	111,085	215,161	1,157	600	836	775	380	247	970
Culture and Recreation	178,873	177,611	244,712	202,446	179,569	178,558	168,564	186,687	204,537	216,339
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	695,971
Capital grants and contributions	933,902	554,814	525,117	1,080,638	913,590	132,050	5,965,531 (2)	4,834,667	5,347,809	5,246,034
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	9,678,151	11,255,548	10,552,086
Business-type activities										
Charges for services:										
Local Redevelopment Authority	-	-	-	-	-	-	17,500	24,290	33,810	82,810
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	2,406,240
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	2,489,050
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	12,152,718	13,812,941	13,041,136

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	$(10,716,247)	$ (11,575,520)	$(14,441,389)
Business-type activities	(152,848)	(373,376)	(140,399)	211,584	258,443	246,996	165,653	(132,151)	(76,574)	(243,481)
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)	(10,848,398)	(11,652,094)	(14,684,870)
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 (1)	15,602,363 (2)	15,757,842	15,677,829	16,121,874
Investment earnings	66,403	27,093	23,386	103,909	156,513	115,465	93,732	127,788	18,987	12,390
Miscellaneous	28,721	72,531	75,397	-	50,809	-	-	-	-	32,137
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)	(3,897,637)
Total governmental activities	9,380,203	9,250,349	9,997,571	10,395,214	11,845,564	15,123,582	15,719,826	14,140,052	13,399,499	12,268,764
Business-type activities										
Gains on sale of capital assets	-	-	650,423	-	-	-	1,200	-	-	-
Miscellaneous	-	-	-	-	-	-	-	51	1,974	11,705
Transfers	-	343,753	(11,903)	-	-	-	-	1,759,079	2,319,609	3,897,637
Total business-type activities	-	343,753	638,520	-	-	-	1,200	1,759,130	2,321,583	3,909,342
Total primary government	9,380,203	9,594,102	10,636,091	10,395,214	11,845,564	15,123,582 -	15,721,026	15,899,182	15,721,082	16,178,106
Change in Net Assets										
Governmental activities	58,203	(364,810)	489,023	1,069,230	487,233	2,290,721 (1)	6,513,637	3,423,805	1,823,979	(2,172,625)
Business-type activities	(152,848)	(29,623)	498,121	211,584	258,443	246,996	166,853	1,626,979	2,245,009	3,665,861
Total primary government	$ (94,645)	$ (394,433)	$ 987,144	$ 1,280,814	$ 745,676	$ 2,537,717	$ 6,680,490	$ 5,050,784	$ 4,068,988	$ 1,493,236

Notes:
(1) 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.

(2) 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 Ten Fiscal Years
(Accrual basis of accounting)

Fiscal Year	Property Tax	Motor Vehicle Tax	Hotel/Motel Tax	Alcoholic Beverage Tax	Sales Tax	Franchise Tax	Insurance Premium Tax	Business Tax	Other Tax	Total
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 (1)	381,481	36,728	461,655	5,268,900	1,345,197	1,172,269	752,154 (2)	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	4,864,063 (3)	1,278,493	1,189,089	883,517	55,433	15,757,842
2011	6,694,917	477,619	29,985	382,636	4,627,030 (3)	1,406,851	1,157,906	812,513	88,372	15,677,829
2012	7,156,546	546,084	27,143	372,190	4,767,454 (3)	1,468,944	866,227	814,871	102,415	16,121,874

Notes:

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

(2) For FY 2007 and prior fiscal years, business tax revenue was reported as licenses and permits 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 revenue.

(3) Beginning in FY 2010, sales tax revenue only includes local option sales tax. Special purpose local option sales taxes are reported as capital grants and contributions on the statement of activities.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	$ 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	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	$ 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	$ -	$ -	$ -	$ -	$ 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	(61,876)	(59,341)	(58,485)	(58,733)	(12,298)	(55)	(565,672)	765,395		
Total all other governmental funds	$ (60,435)	$ (95,157)	$ (46,580)	$ 98,268	$ 1,283,919	$ 1,713,637	$ 1,054,942	$ 2,467,003		
General Fund										
Nonspendable									$ -	$ 7,812
Restricted									-	-
Committed									-	-
Unassigned									6,977,391	5,267,019
Total General Fund									$ 6,977,391	$ 5,274,831
All Other Governmental Funds										
Restricted for:										
Capital construction									$ 406,301	$ 11,290
Law enforcement activities									965,942	979,739
E911 operations									946,380	368,604
Tourism and economic development									72,584	67,213
Committed for:										
Redevelopment and planning									1,979	1,728
Unassigned									-	(664,659)
Total all other governmental funds									$ 2,393,186	$ 763,915

Note: Beginning in 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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	$ 9,166,413	$ 9,448,406	$ 9,872,719	$ 11,045,246	$ 11,546,947	$ 14,937,833	$ 15,175,604	$ 15,731,987 (1)	$ 15,670,092 (1)	$ 16,069,979
Licenses and permits	807,581	787,739	1,053,917	904,124	1,034,505	311,536	355,105	311,470	280,584	199,891
Intergovernmental revenues	1,026,074	662,283	784,377	1,562,689	1,570,611	585,120	1,291,765	5,433,497 (1)	6,320,425 (1)	5,941,362
Fines and forfeitures	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	3,343,140
Charges for services	688,226	748,959	912,222	607,688	561,920	984,239	1,026,558	1,118,670	1,185,947	1,067,050
Investment earnings	58,870	22,283	17,114	96,207	128,718	115,465	93,732	127,788	19,428	13,033
Miscellaneous	65,433	92,134	83,897	48,549	100,314	68,313	69,393	6,369	56,278	32,137
Total revenues	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	26,666,592
Expenditures										
General government	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	2,722,016
Public safety	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	14,709,791
Public works	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	2,725,321
Culture and recreation	783,577	783,237	825,967	855,023	830,901	1,137,210	1,174,419	1,392,167	1,105,475	1,238,552
Housing and development	450,026	504,925	516,429	507,043	507,878	548,238	819,258	803,362	852,072	968,516
Judicial	-	-	-	-	-	132,632	130,487	125,615	136,622	139,854
Redevelopment and planning	-	-	-	-	-	169,885	1,456,053	336,036	294,656	406,220
Tourism and economic development	-	-	-	-	-	12,308	6,069	17,184	27,552	32,514
Animal control	40,917	49,302	48,493	45,794	46,846	-	-	-	-	-
Capital outlay	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	1,863,877
Capital outlay - public safety	-	-	-	-	-	-	-	-	111,242	705,559
Capital outlay - public works	-	-	-	-	-	-	-	-	1,158,617	730,831
Capital outlay - culture and recreation	-	-	-	-	-	-	-	47,087	12,154	-
Debt service										
Principal	830,522	583,721	1,264,077	524,138	531,761	408,692	-	-	-	15,479
Interest and fees	156,773	111,081	96,748	68,970	41,149	16,011	-	-	-	-
Total expenditures	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	26,258,530
Excess (deficiency) of revenues over (under) expenditures	(1,370,628)	(407,303)	(1,090,442)	(350,095)	314,949	1,876,430	144,108	4,599,947	2,464,549	408,062
Other Financing Sources (Uses)										
Proceeds from issuance of debt	-	-	973,317	-	-	-	-	-	-	157,744
Proceeds from sale of capital assets	-	-	-	-	-	-	23,731	13,501	22,292	-
Transfers in	1,391,011	729,601	791,688	945,702	665,308	920,238	58,014	170,646	280,019	108,477
Transfers out	(1,391,011)	(1,073,354)	(791,688)	(945,702)	(665,308)	(920,238)	(58,014)	(1,929,725)	(2,599,628)	(4,006,114)
Total other financing sources (uses)	-	(343,753)	973,317	-	-	-	23,731	(1,745,578)	(2,297,317)	(3,739,893)
Net change in fund balances	$ (1,370,628)	$ (751,056)	$ (117,125)	$ (350,095)	$ 314,949	$ 1,876,430	$ 167,839	$ 2,854,369	$ 167,232	$ (3,331,831)
Debt service as a percentage of noncapital expenditures	7.65%	5.19%	10.02%	4.08%	3.83%	2.39%	0.00%	0.00%	0.00%	0.07%

(1) For FY 2010 and 2011, special purpose local option 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
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	4,864,063 (4)	1,278,493	1,399,490	15,731,987
2011	6,687,180	1,157,906	382,636	4,627,030 (4)	1,406,851	1,408,489	15,670,092
2012	7,104,651	866,227	372,190	4,767,454 (4)	1,468,944	1,490,513	16,069,979

Notes:

(1) Includes all governmental fund type tax revenues.

(2) Includes ad valorem and intangible taxes.

(3) FY 2008 property tax revenues increased significantly over previous fiscal years due to an increase in the millage rate.

(4) For FY 2010 and 2011, special purpose local option sales tax revenue is reported as intergovernmental revenue for governmental funds whereas in prior fiscal years, this was reported as sales tax revenue.

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	
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%
2011	324,741,454	811,853,635	47,808,851	119,522,128	180,816,802	452,042,005	58,036,374	145,090,935	611,403,481	1,528,508,703	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
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
2011	14.743	20.000	15.813	0.250	50.806

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

Taxpayer	2011 Assessed valuation	2011 Rank	2011 Percentage of total assessed valuation	2002 Assessed valuation	2002 Rank	2002 Percentage of total assessed valuation
Georgia Power	$ 49,702,101	1	8.13%	$ 33,824,506	1	6.99%
Clorox Products, Inc.	43,576,294	2	7.13%	12,667,978	2	2.62%
Sara Lee Bakery Group	12,282,070	3	2.01%	---		---
Ozark Automotive Distributors	12,222,502	4	2.00%	---		---
K Mart Apparel of Atlanta Corp.	11,610,648	5	1.90%	8,251,319	5	1.70%
Medicis Aesthetics	7,022,152	6	1.15%	---		---
James Campbell Company	6,320,000	7	1.03%	---		---
BellSouth Telecommunication	6,247,061	8	1.02%	9,494,551	3	1.96%
Atlanta Airlogistics	5,800,000	9	0.95%	---		---
KN Forest Park	5,732,800	10	0.94%	---		---
United Rentals	---		---	3,635,008	9	0.75%
Earthgrains Co.	---		---	9,473,204	4	1.96%
Heenan D.A. ETAL Trustees	---		---	5,966,800	6	1.23%
Rexan Beverage Company	---		---	5,511,000	7	1.14%
McWhorter, Inc.	---		---	5,151,403	8	1.06%
Industrial Property Fund	---		---	3,597,000	10	0.74%
Total	$ 160,515,627		26.24%	$ 97,572,769		20.14%

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		
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%	112,256	6,404,133	97%	652,613	10%
2012	7,141,981	6,808,577	95%	-	6,808,577	95%	913,890	13%

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
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
2012	2,406,240

Source: The City of Forest Park Finance Department

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

Fiscal year	Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	Notes Payable	Notes Payable			
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%	-
2012	142,265	-	142,265	0.06%	8

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
2003	-	- %	$ -
2004	-	-	-
2005	-	-	-
2006	-	-	-
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-

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, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct General Obligation Debt:			
City of Forest Park, Georgia	$ -	100%	$ -
Overlapping General Obligation Debt:			
Clayton County Board of Education	-	9%	-
Clayton County	34,299,914	9%	3,086,992
Landfill Authority	11,660,000	9%	1,049,400
Total direct and overlapping debt			$ 4,136,392

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 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	$ 61,140,348
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 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	$ 61,140,348
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	$ 611,403,481
Debt limit (10% of total assessed value)	61,140,348
Debt applicable to limit	
General obligation bonds	-
Legal debt margin	$ 61,140,348

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

Note - 2: The City has no outstanding general obligation debt.

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

Fiscal year	Population	Personal Income	Per Capita Income	Median Age(3)	Level in Years of Formal Schooling(1)	School Enrollment(4)	Unemployment Rate(5)
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 (2)	14.7	5,321	12.9%
2012	18,468 (2)	254,452,104	13,778 (2)	30.6 (2)	14.7	5,691	11.1%

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

	2012			2007		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Ozark Automotive Distributors	478	1	9.35%	186	6	2.71%
Ralcorp Frozen Bakery Products	302	2	5.91%	220	2	3.20%
Clorox Products	272	3	5.32%	197	4	2.87%
Kmart	230	4	4.50%	283	1	4.12%
McLane Food Service	146	5	2.86%	190	5	2.76%
Mid-South Roof Systems	125	6	2.45%	200	3	2.91%
American Credit Acceptance	120	7	2.35%	---	---	---
Tom Graddy Enterprises, Inc.	75	8	1.47%	---	---	---
Wholesale Food Outlet	54	9	1.06%	---	---	---
Airtran Airways	49	10	0.96%	---	---	---
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	1851		36.21%	1750		25.47%

Source: City of Forest Park's Business License Division

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	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Administrative										
City Manager Office	3	3	3	3	3	3	3	3	3	3
Finance Department	10	10	10	10	10	10	10	10	11	11
Support Services	2	2	2	3	3	3	3	6	6	6
Police										
Officers*	70	70	70	70	70	70	70	70	93	89
Communications	13	13	14	14	14	14	14	14	14	14
Administrative	12	12	11	11	11	11	11	11	11	12
Other	1	1	---	---	---	---	---	---	---	---
Recreation & Leisure	23	23	23	25	25	25	25	25	28	28
Public Works										
Streets**	12	12	---	---	---	---	---	---	---	---
Maintenance**	16	16	34	33	33	33	33	33	39	39
Sanitation***	32	32	4	4	4	4	4	5	6	6
Fleet	10	10	7	7	7	7	7	7	8	8
Planning, Building and Zoning	7	8	8	8	8	8	8	9	13	13
Fire and EMS										
Firefighters and Officers	49	49	49	49	49	50	50	50	69	69
Administrative	2	2	2	2	2	2	2	2	2	3

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 Ten Fiscal Years

	Fiscal Year									
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Police										
Physical arrests	2,422	3,623	4,031	3,972	4,648	4,289	3,758	3,837	3,694	3,616
Parking violations	91	93	60	64	115	153	78	71	112	115
Traffic violations	16,812	20,436	17,585	16,761	17,769	19,654	16,379	16,652	23,622	21,390
Fire and EMS										
Emergency responses	3,750	3,769	3,687	3,827	4,163	4,688	4,459	5,177	5,324	4,315
Fires extinguished	74	66	42	46	127	199	115	100	119	95
Inspections	107	275	243	234	316	430	637	1,249	1,067	939
Recreation & Leisure										
Athletic field permits issued	2,068	2,044	1,799	1,921	1,580	1,618	1,498	1,256	1,840	1,826
Community Center admissions	10,648	12,000	16,226	16,897	12,044	10,710	14,897	15,133	14,468	19,442

Sources: Various City Departments

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

	Fiscal Year									
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	34	35	35	36	35	35	34	42	46	46
Fire stations	2	2	2	2	2	2	2	2	3	3
Public Works										
Streets (miles)	80	80	80	80	80	80	80	80	80	80
Streetlights	1649	1649	1652	1655	1655	1655	1655	1659	1659	1778
Traffic signals	42	42	42	42	42	42	42	42	42	47
Recreation & Leisure										
Acreage	62.6	62.6	62.6	62.6	62.6	62.6	72.51	72.51	78.9	78.9
Playgrounds	2	2	3	4	6	6	6	6	7	7
Baseball / Softball diamonds	6	6	6	6	6	6	6	6	6	6
Soccer / football fields	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1

Sources: Various City Departments