

**CITY OF FORSYTH, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

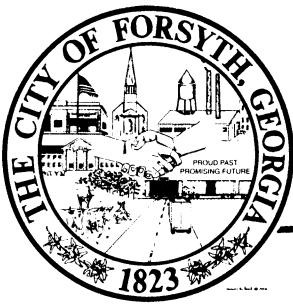
Prepared under authority  
of the Office of the  
City Clerk

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# CITY OF FORSYTH

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

September 1, 2016

Honorable Eric Wilson  
And Members of the City Council  
City of Forsyth  
Forsyth, Georgia 31029

Mayor and Council Members:

The comprehensive annual financial report of the City of Forsyth, Georgia for the year ended December 31, 2015 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required to have an audit in conformity with Governmental Auditing Standards. The auditors' report on compliance and internal control over financial reporting and the status of prior year findings is included in this report.

This report includes all funds of the government. The government provides a full range of services. These services include police protection, fire protection, the construction and maintenance of streets and drainage improvements, planning and zoning, engineering, building and code enforcement, electrical service, cable service, and water and sewer service.

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

**General Information.** The City of Forsyth is located in Monroe County. Forsyth was incorporated on December 10, 1823.

## **Economic Condition and Outlook**

The City of Forsyth is located in central Monroe County, which is located in the central part of the state, approximately 60 miles south of Atlanta. Growth has been reflected in the City's governmental funds' revenue, which has increased from \$3,405,433 in 2006 to \$3,995,792 in 2015. The economic condition and outlook of the City remain strong as the area is predicted to have a sustained growth pattern through 2016. City leaders have recognized and plans have been developed and/or implemented to maintain balanced, controlled and planned developments in concert with an economic development plan that encourage appropriate growth. The economic growth has also placed increased demands on services, but the City has adopted a conservative approach and implemented programs to meet these demands. The City has still been able to provide its services at a cost per capita that is comparable to other communities with similar demographic and economic characteristics.

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

## **Major Initiatives**

### **Mayor and City Council:**

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

### **Finance and Administration:**

**Overview** - The Finance and Administrative Department consists of the City Manager, City Clerk, and support personnel. The City Manager is appointed by the Mayor and City Council and is responsible for the execution of policies and legislative action of the City Council, direction, control and coordination of operational agencies. The City Clerk is responsible for City Council agenda preparation, minutes and custodian of City records. The City Clerk also acts in a support role to the Mayor and City Council. The Clerk is responsible for planning, developing, implementing, and maintaining the administrative and financial operations of the City including purchasing and assisting the Manager with preparing the annual budget and capital improvement plan.

### **Accomplishments:**

- ❖ Continued implementing and updating the administrative policy manual.
- ❖ Amended City Charter to adopt a City Manager form of government, Council elections by post, and no term limits for Mayor.
- ❖ City Clerk working on clerk certification through the Carl Vinson Institute.
- ❖ Continued to create computerized reports for financial use.
- ❖ Working with the Middle Georgia Regional Commission to update and/or rewrite city ordinances.

- ❖ Received the Certificate of Achievement for Excellence in Financial Reporting for the fourth year in a row.

### **Municipal Court:**

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

### **Accomplishments:**

- ❖ Continued training of staff with required knowledge of court procedures.
- ❖ Judge and Clerk sent to training sessions for handling court sessions and add-on fines.
- ❖ Community service workers used by different departments for various tasks; therefore, saving City funds.

### **Police:**

**Overview** - The men and women of the Forsyth Police Department are committed to protect life, property, and the constitutional guarantees of all citizens of Forsyth and those who travel through our City. With community partnership as our foundation, we, as a department, are entrusted to enhance the quality of life, seek solutions to community problems and foster a sense of peace and security for all people within our City. We will honor this trust placed in us by holding ourselves to the highest standards of professional police conduct.

### **Accomplishments:**

- ❖ Recertified under The Georgia Police Association Coalition (GPAC).
- ❖ Passed the initial review of Georgia Crime Information Center (GCIC) audit.
- ❖ The City continues to remain below the national average for criminal activity compared to cities across the state and nation with similar populations.
- ❖ The department continues to actively partner with schools targeting crime prevention, to continue a proactive effort toward reducing criminal activity.
- ❖ The department hired a total of 7 new employees (6 patrol officers, 1 dispatcher).
- ❖ Member of the governor's office of Highway Safety Traffic Enforcement Network.
- ❖ Increased equipment issued to officers, including AR-15 rifles, Tasers VieVu cameras, 14 bulletproof vests, 4 vest carriers for investigations, and 5 Glock guns.
- ❖ Continued prescription drop-off box for citizens to dispose of old prescription drugs.
- ❖ Assisted daily with month long summer "Save the Children" camp.

### **Fire:**

**Overview** - The City of Forsyth Fire Department responds to various types of emergency incidents including all types of fires, motor vehicle and other accidents, rescue calls, severe weather and flooding emergencies. Fire department personnel perform numerous prevention and public relations functions, fire safety inspections, annual hydrant maintenance, emergency management functions, and other specialty programs.

**Accomplishments:**

- ❖ Continues to maintain low average response times for emergency responses.
- ❖ Continues to enhance training levels of personnel to address increased threat of terrorism.
- ❖ Continues to work with other City departments in the development of City's threat level plan.
- ❖ Updating firefighter training to maintain all levels of Certification.
- ❖ Visited schools, day-care centers and Head Start to promote fire safety education.
- ❖ Received reduced ISO rating of 2, down from 5, thereby saving citizens of Forsyth a substantial amount on insurance premiums.
- ❖ Continuing education/training for core competency to maintain state certification.
- ❖ Continued smoke detector campaign to make sure every house Forsyth has a working smoke detector.
- ❖ Installed 150 smoke detectors in homes during 2015.

**Public Works:**

**Overview** - The City of Forsyth Public Works Department is responsible for the maintenance of all streets, sidewalks and drainage facilities located on public property. The department is also responsible for grass cutting along City streets and State highways and maintaining all three city cemeteries. The department provides landscaping services for public property. The Public Works Department provides emergency services including road closing and sandbagging flood prone areas.

**Accomplishments:**

- ❖ Reorganized the department's operational procedures and productivity.
- ❖ Enhanced personnel accountability and moral.
- ❖ Continued work on various road improvement projects
- ❖ Defined structure and function of new concrete finishing crew (sidewalks, storm drains, etc).
- ❖ Improved the operation and efficiency of the Purchasing Department and Inventory Control.

**Planning and Zoning:**

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

**Accomplishments:**

- ❖ Continues to work with the Middle Georgia Regional Commission on developing a GIS map.

**Electric:**

**Overview** – The Electric Department is responsible for supplying electricity to City of Forsyth Residents for energy needs. They are also responsible for minimizing power outages.

**Accomplishments:**

- ❖ Continues to work with the Middle Georgia Regional Commission on developing a GIS map.
- ❖ Made various upgrades to electrical distribution system, including the replacement of damaged poles, replacement of copper conductors with aluminum conductors, and rerouting of power lines to make them accessible for repair and maintenance.
- ❖ Relocated and extended existing power lines at the Monroe County Board of Education for the construction of a new fine arts building.
- ❖ Continued to install electronic meters to increase efficiency and accuracy.
- ❖ Worked with new businesses and residents to ensure their electrical needs are met before, during, and after construction.
- ❖ Maintained the street lighting for the City of Forsyth.
- ❖ Received an award from the APPA for reliability of the electrical system for the City of Forsyth.

**Water and Sewer:**

**Overview** - The Water and Sewer Department is responsible for supplying water to City of Forsyth residents for potable and firefighting uses. They are also responsible for the treatment and disposal of the wastewater generated by the City of Forsyth as per regulations set forth by all state and federal agencies.

**Accomplishments:**

- ❖ Began installing water main infrastructure to provide potable water and fire protection to Bibb Mill Village, Sutton Road, and Strickland Loop.
- ❖ Began installing 12” water main from Gose Road to Highway 18/Interstate 75 intersection to provide a secondary source of potable water from Monroe County in case of emergency.
- ❖ Began the process of obtaining a withdrawal permit increase from 3.0 MGD to 4.0 MGD in order to continue serving our growing community.
- ❖ Entered into a long-term maintenance agreement with American Tank Maintenance who will provide turn-key maintenance, including coatings, mechanical repairs, and annual inspection services for elevated tanks.

**Convention and Visitors Bureau:**

**Overview** – In January 2015, the City of Forsyth took over the oversight of the Convention and Visitors Bureau (CVB). The department is now funded by 40% of the net revenues received through the hotel/motel tax. The CVB is responsible for promoting tourism, trade, and conventions in the City of Forsyth.



## **Financial information**

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

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

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

**Budgetary control.** Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The level of budgetary control is on a departmental basis. A budget is legally adopted for all Governmental Fund types and Proprietary Fund types. Formal budgetary integration is employed as a management control device during the year. The budget is based on the same method of accounting as the fund it represents. Transfers of appropriations within a department budget or within a nondepartmental expenditure category require the approval of the finance director. Increase in appropriations in a departmental budget or in a nondepartmental expense category requires approval of the governing body in the form of amendments to the budget ordinance.

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

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

*SPLOST Fund.* The fund is used to account for special purpose local option sales tax proceeds for approved capital improvements. Total revenues equal \$854,924. Total expenditures were made in the amount of \$737,827 for approved capital projects and SPLOST bond debt service.

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

*Hotel/Motel Tax Fund.* The fund is used to account for hotel/motel taxes collected for the use of tourism. Total revenues equal \$349,690. Expenditures were made in the amount of \$139,890 for tourism and recreation purposes.

*Police Special Revenue Fund.* The fund is used to account for police seizure monies from federal and state agencies to be used on police expenditures. Total revenues equal \$3. Expenditures were made in the amount of \$7,143 for police purposes.

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

*Combined Utilities Fund.* The Combined Utilities Fund charges City residents for the consumption of electricity, water and sewer, and cable. Total utility revenues for year 2015 were \$12,427,014. Total operating expenditures for year 2015 were \$11,198,044. The change in net assets after depreciation and non-operating revenues and/or expenses was (\$206,478) for the year 2015.


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

**Other Information.**

**Independent Audit.** State statutes require an annual audit by independent certified public accountants. The accounting firm of Buckley & Hopkins, LLP was selected by the city council. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

**Acknowledgments.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the clerk's office. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report

Sincerely,



Janice Hall, City Manager and  
Chief Financial Officer

# **CITY OF FORSYTH, GEORGIA**

## **LIST OF PRINCIPAL OFFICIALS**

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### **MAYOR**

Eric S. Wilson

### **CITY COUNCIL MEMBERS**

Mike Dodd  
Greg Goolsby  
Chris Hewett  
Dexter King  
Melvin Lawrence  
Julius Stroud

### **CITY MANAGER**

Janice Hall

### **CITY CLERK**

Kristal Dunn

### **POLICE CHIEF**

Eddie Harris

### **FIRE CHIEF**

David Herndon

### **PUBLIC WORKS DEPARTMENT HEAD**

Alvin Randall

### **ELECTRIC DEPARTMENT HEAD**

Johnny Hodges

### **GARAGE DEPARTMENT HEAD**

Steve Butler

### **BETTER HOMETOWN DIRECTOR**

Loraine Khoury

### **MUNICIPAL COURT JUDGE**

J. Kristi Lovelace

### **CITY ATTORNEY**

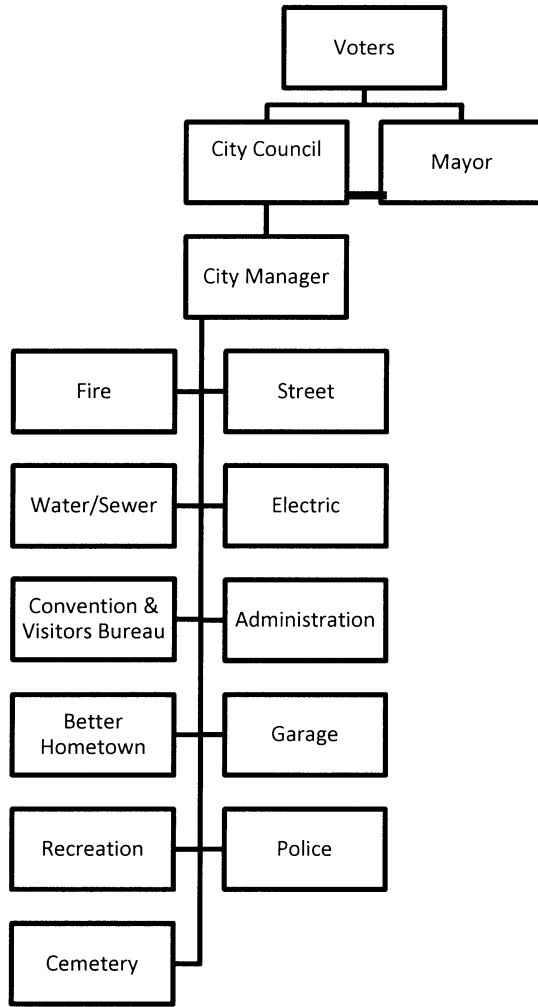
C. Robert Melton

### **CITY AUDITOR**

Albert P. Hopkins, Jr., C.P.A.

# CITY OF FORSYTH, GEORGIA

## ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Forsyth  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

**FINANCIAL SECTION**



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## INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council  
City of Forsyth, Georgia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Forsyth, Georgia, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Forsyth, Georgia, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress for the City of Forsyth's defined benefit plan on pages 4-11 and 49 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.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Forsyth, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the budgetary comparison schedules, statistical section, and the schedule of projects constructed with special sales tax proceeds, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the budgetary comparison schedules, and the schedule of projects constructed with special sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules, and the schedule of projects constructed with special sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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.



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2016, on our consideration of the City of Forsyth, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering City of Forsyth, Georgia's internal control over financial reporting and compliance.

Forsyth, Georgia  
September 1, 2016

CITY OF FORSYTH, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015  
(UNAUDITED)

As management of the City of Forsyth, 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 December 31, 2015.

**FINANCIAL HIGHLIGHTS**

- The assets of the City's Primary Government activities exceeded its liabilities as of December 31, 2015, by \$19,851,449.
- As of December 31, 2015, total net position consisted of \$14,975,024 net investment in capital assets, \$58,813 restricted for debt service, \$38,047 restricted for police expenditures, \$889,167 restricted for capital outlay and \$3,890,398 unrestricted.
- As of December 31, 2015, the City's governmental funds reported ending fund balance of \$2,433,607, an increase of \$219,789 in comparison with the prior year.
- As of December 31, 2015, the City's General Fund reported ending fund balance of \$1,551,289, an increase of \$404,912 in comparison with the prior year.

**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 financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances. These two statements include the statement of net position, and the statement of activities.

The statement of net position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF FORSYTH, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015  
(UNAUDITED)

The statement of activities presents information showing how the government's net position 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).

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 administrative fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and parks and recreation.

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

### **Fund Financial Statements**

The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Forsyth, 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 of Forsyth can be divided into the following categories: (1) governmental funds, (2) proprietary funds, and (3) fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The City of Forsyth maintains four (4) individual governmental funds.

CITY OF FORSYTH, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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(UNAUDITED)

**Governmental Funds**

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund and the Capital Improvement Fund both of which are considered to be major funds. Data from the other (2) governmental funds is combined into a single, aggregated presentation. Individual fund data for this non-major governmental fund is provided in the form of both combining statements and individual fund statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

**Capital Improvements Fund**

The City maintains one capital improvements fund. The capital improvements fund is used to account for the purchase or construction of major capital facilities for the City.

**Proprietary Fund**

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

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

**Fiduciary Fund**

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

**Notes to the Financial Statements**

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

**Government-wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Forsyth, assets exceeded liabilities by \$19,851,449 at the close of the most recent fiscal year.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State Law. The City Council establishes other funds to control and manage money for particular purposes.

**City of Forsyth, Georgia Net Position**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current and other assets	\$ 2,938,035	\$ 2,933,933	\$ 3,557,936	\$ 3,115,154	\$ 6,495,971	\$ 6,049,087
Capital assets, net of accumulated depreciation	5,388,537	5,324,445	13,053,626	13,687,897	18,442,163	19,012,342
<b>Total assets</b>	<b>8,326,572</b>	<b>8,258,378</b>	<b>16,611,562</b>	<b>16,803,051</b>	<b>24,938,134</b>	<b>25,061,429</b>
<b>Liabilities</b>						
Current and other	327,245	309,092	1,292,014	1,279,474	1,619,259	1,588,566
Long-term liabilities	3,452,810	3,959,237	14,616	12,167	3,467,426	3,971,404
<b>Total liabilities</b>	<b>3,780,055</b>	<b>4,268,329</b>	<b>1,306,630</b>	<b>1,291,641</b>	<b>5,086,685</b>	<b>5,559,970</b>
<b>Net position</b>						
<b>Net investment in</b>						
capital assets	1,936,014	2,006,638	13,039,010	13,675,730	14,975,024	15,682,368
Restricted for debt service	58,813	54,302	-	-	58,813	54,302
Restricted for police expenditures	38,047	9,187	-	-	38,047	9,187
Restricted for capital outlay	889,167	-	-	-	889,167	-
Unrestricted	1,624,476	1,919,922	2,265,922	1,835,680	3,890,398	3,755,602
<b>Total net position</b>	<b>\$ 4,546,517</b>	<b>\$ 4,512,413</b>	<b>\$ 15,304,932</b>	<b>\$ 16,659,288</b>	<b>\$ 19,851,449</b>	<b>\$ 19,501,459</b>

CITY OF FORSYTH, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015  
(UNAUDITED)

**City of Forsyth, Georgia Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program services						
Charges for services	\$ 643,500	\$ 674,979	\$ 12,427,014	\$ 12,156,556	\$ 13,070,514	\$ 12,831,535
Operating grants and contributions	-	136,305	-	-	-	136,305
Capital grants and contributions	898,268	710,021	-	-	898,268	710,021
General revenues						
Taxes	2,377,828	2,283,616	-	-	2,377,828	2,283,616
Investment & interest revenue	2,132	2,646	33,476	42,014	35,608	44,660
Other	70,774	56,325	90,853	390,072	161,627	446,397
Total revenues	3,992,502	3,863,892	12,551,343	12,588,642	16,543,845	16,452,534
Expenses						
General government	\$ 1,399,516	1,282,167	-	-	1,399,516	1,282,167
Public safety	2,214,927	2,161,085	-	-	2,214,927	2,161,085
Public works	1,142,324	1,161,433	-	-	1,142,324	1,161,433
Better Hometown	131,824	120,804	-	-	131,824	120,804
Parks & recreation	41,613	36,124	-	-	41,613	36,124
Interest	65,607	72,111	-	-	65,607	72,111
Combined utilities	-	-	11,198,044	13,289,052	11,198,044	13,289,052
Total expenses	4,995,811	4,833,724	11,198,044	13,289,052	16,193,855	18,122,776
Change in net position						
before transfers	(1,003,309)	(969,832)	1,353,299	(700,410)	349,990	(1,670,242)
Transfers	1,559,777	447,468	(1,559,777)	(447,468)	-	-
Increase in net position	556,468	(522,364)	(206,478)	(1,147,878)	349,990	(1,670,242)
Net position, beginning	3,990,049	4,512,413	15,511,410	16,659,288	19,501,459	21,171,701
Net position, ending	\$ 4,546,517	\$ 3,990,049	\$ 15,304,932	\$ 15,511,410	\$ 19,851,449	\$ 19,501,459

CITY OF FORSYTH, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015  
(UNAUDITED)

**Governmental Funds**

Most of the City's basic services are included here, such as public safety, public works, culture, recreation, and general administration. These focus on (1) cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Such information is useful in assessing Forsyth's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Forsyth's governmental funds reported combined ending fund balances of \$2,433,607, an increase of \$219,789 from the prior year, resulting primarily from the transfer from the proprietary fund which amounted to \$2,010,712 during the current year. Also the governmental funds were greatly affected by receiving a decrease in their percentage of collected local option sales tax with the county.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$1,486,907. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

The SPLOST fund is the capital improvements fund of the City. At the end of the current fiscal year, the restricted for capital outlay fund balance was \$880,272 which was a decrease of \$(177,982) from the previous year. This large decrease was primarily due from the city using their SPLOST proceeds for various projects during the year.

**Proprietary Fund**

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. At the end of the current fiscal year, net investment in capital assets and unrestricted net position were \$13,039,009 and \$2,265,923 respectively.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund had a surplus of \$404,912 in revenues over expenditures. The General Fund financial condition became better due to large transfers from the Combined Utilities Fund during the current year. These transfers were necessary due to the decrease in sales tax revenues. The large decrease in sales tax revenues is directly related to a decrease in the percentage the City is entitled to from local option sales tax.

The 2015 adopted budget was amended during 2016, resulting in no negative variances plus an overall favorable result. The amended budget accommodated an increase in cost associated with the privatized trash pickup, by lowering the recreation department's budget.

CITY OF FORSYTH, GEORGIA  
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DECEMBER 31, 2015  
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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$18,422,719 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, and construction in progress.

The total net decrease in the City's investment in capital assets for the current fiscal year was 2.9% (an increase of 1.21% for governmental activities and a decrease of 4.6% for business-type activities). Some of the major capital asset events for the current year include improvements to Bazemore, East Chambers, Pondor, and Short Streets and the construction of several sewer projects. Additional information on the City's capital assets can be found in the note D on pages 35-36 of this report.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and improvements	\$ 2,215,726	\$ 2,211,866	\$ 249,261	\$ 249,261	\$ 2,464,987	\$ 2,461,127
Distribution system	-	-	25,433,125	25,085,289	25,433,125	25,085,289
Buildings and improvements	2,026,707	2,015,423	5,091,203	5,091,203	7,117,910	7,106,626
Infrastructure	2,500,514	2,433,540	-	-	2,500,514	2,433,540
Machinery and equipment	1,248,308	1,134,881	998,289	981,489	2,246,597	2,116,370
Vehicles	2,015,036	1,817,506	839,861	820,157	2,854,897	2,637,663
Construction in progress	162,492	144,365	124,017	229,155	286,509	373,520
<b>Total capital assets</b>	<b>10,168,783</b>	<b>9,757,581</b>	<b>32,735,756</b>	<b>32,456,554</b>	<b>42,904,539</b>	<b>42,214,135</b>
<b>Accumulated depreciation</b>	<b>(4,779,689)</b>	<b>(4,433,136)</b>	<b>(19,682,131)</b>	<b>(18,768,657)</b>	<b>(24,461,820)</b>	<b>(23,201,793)</b>
<b>Total capital assets</b>	<b>\$ 5,389,094</b>	<b>\$ 5,324,445</b>	<b>\$ 13,053,625</b>	<b>\$ 13,687,897</b>	<b>\$ 18,442,719</b>	<b>\$ 19,012,342</b>



CITY OF FORSYTH, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Long-Term Debt**

As of December 31, 2015, Forsyth had approximately \$2.8 million in outstanding long-term debt, which does not include interest expense.

Additional information on Forsyth's long-term debt can be found in notes F-G on pages 37-40 of this report.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
SPLOST bonds and premium	\$ 1,905,339	\$ 2,356,635	\$ -	\$ -	\$ 1,905,339	\$ 2,356,635
Capital leases	-	4,254	14,616	12,167	14,616	16,421
Landfill post-closure costs	794,475	832,741	-	-	794,475	832,741
Notes payable	752,996	765,607	-	-	752,996	765,607
Total debt	\$ 3,452,810	\$ 3,959,237	\$ 14,616	\$ 12,167	\$ 3,467,426	\$ 3,971,404

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Forsyth, Georgia's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ms. Janice Hall, 26 N. Jackson Street, Forsyth, Georgia 31029.

## **BASIC FINANCIAL STATEMENTS**

CITY OF FORSYTH, GEORGIA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2015

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,402,207	\$ 2,356,642	\$ 3,758,849	\$ 3,307
Certificates of Deposit	60,000	-	60,000	-
Receivables, net of allowance				
Claims	130,442	-	130,442	-
Taxes	106,197	-	106,197	-
Accounts	27,383	696,325	723,708	-
Due from other governments	378,732	-	378,732	-
Restricted assets				
Cash and cash equivalents	820,611	3,750	824,361	-
Inventories	-	438,760	438,760	-
Prepayments	3,371	62,459	65,830	-
Capital assets not being depreciated:				
Land	451,103	249,261	700,364	-
Construction in progress	162,492	124,017	286,509	62,117
Capital assets net of accumulated depreciation:				
Buildings	1,114,056	73,102	1,187,158	-
Infrastructure	2,110,588	-	2,110,588	-
Furniture, fixtures & equipment	258,291	55,990	314,281	-
Vehicles	461,268	19,704	480,972	-
Land improvements	830,739	-	830,739	-
Distribution system	-	12,531,552	12,531,552	-
Unamortized bonds and capital lease costs	9,092	-	9,092	-
<b>Total Assets</b>	<b>8,326,572</b>	<b>16,611,562</b>	<b>24,938,134</b>	<b>65,424</b>
<b>LIABILITIES</b>				
Accounts payable	168,849	611,279	780,128	-
Accrued liabilities	138,417	86,844	225,261	-
Customer deposits	-	485,296	485,296	-
Other liabilities	19,979	108,595	128,574	-
Noncurrent liabilities				
Due within one year	516,607	-	516,607	-
Due in more than one year	2,936,203	14,616	2,950,819	-
<b>Total Liabilities</b>	<b>3,780,055</b>	<b>1,306,630</b>	<b>5,086,685</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	1,936,014	13,039,009	14,975,023	62,117
Restricted for				
Restricted for debt service	58,813	-	58,813	-
Restricted for police expenditures	38,047	-	38,047	-
Restricted for capital outlay	889,167	-	889,167	-
Unrestricted	1,624,476	2,265,923	3,890,399	3,307
<b>Total Net Position</b>	<b>\$ 4,546,517</b>	<b>\$ 15,304,932</b>	<b>\$ 19,851,449</b>	<b>\$ 65,424</b>

The notes to the financial statements are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Downtown Development Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
<b>Primary Government:</b>								
Governmental Activities								
General government	\$ 1,399,516	\$ 122,468	\$ -	\$ 851,371	\$ (425,677)	\$ -	\$ (425,677)	\$ -
Public safety	2,214,927	221,053	-	1,500	(1,992,374)	-	(1,992,374)	-
Public works	1,142,324	299,979	-	45,397	(796,948)	-	(796,948)	-
Recreation and parks	41,613	-	-	-	(41,613)	-	(41,613)	-
Better Hometown	131,824	-	-	-	(131,824)	-	(131,824)	-
Interest on long-term debt	65,607	-	-	-	(65,607)	-	(65,607)	-
Total governmental activities	<u>4,995,811</u>	<u>643,500</u>	<u>-</u>	<u>898,268</u>	<u>(3,454,043)</u>	<u>-</u>	<u>(3,454,043)</u>	<u>-</u>
<b>Business-type Activities:</b>								
Combined Utility System -								
Water & Sewer	2,986,704	2,877,795	-	-	-	(108,909)	(108,909)	-
Electric	8,201,218	9,549,219	-	-	-	1,348,001	1,348,001	-
Cable	10,122	-	-	-	-	(10,122)	(10,122)	-
Total business-type activities	<u>11,198,044</u>	<u>12,427,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,228,970</u>	<u>1,228,970</u>	<u>-</u>
Total Primary Government	<u>16,193,855</u>	<u>13,070,514</u>	<u>-</u>	<u>898,268</u>	<u>(3,454,043)</u>	<u>1,228,970</u>	<u>(2,225,073)</u>	
Downtown Development Authority	\$ -	\$ -	\$ -	\$ -				\$ -
Total Component Units	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ -</u>
General Revenues								
Property Tax					571,258	-	571,258	-
Sales Tax					921,469	-	921,469	-
Insurance premium tax					221,493	-	221,493	-
Beer, wine and alcohol tax					195,455	-	195,455	-
Hotel/motel tax					349,725	-	349,725	-
Franchise tax					118,428	-	118,428	-
Investment and interest revenue					2,132	33,476	35,608	10
Miscellaneous					70,774	90,853	161,627	890
Total General Revenues					<u>2,450,734</u>	<u>124,329</u>	<u>2,575,063</u>	<u>900</u>
Transfers					1,559,777	(1,559,777)	-	5,874
Total General Revenues and Transfers					<u>4,010,511</u>	<u>(1,435,448)</u>	<u>2,575,063</u>	<u>6,774</u>
Change in Net Position					556,468	(206,478)	349,990	6,774
Net Position - Beginning of Year					3,990,049	15,511,410	19,501,459	58,651
Net Position - End of Year					<u>\$ 4,546,517</u>	<u>\$ 15,304,932</u>	<u>\$ 19,851,449</u>	<u>\$ 65,425</u>

The notes to the financial statements are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

	General Fund	Major Governmental Fund (SPLOST Fund)	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,433,840	\$ 757,554	\$ (1,269)	\$ 2,190,125
Certificate of Deposit	60,000	-	-	60,000
Receivables, net of allowance				-
Claims	130,442	-	-	130,442
Taxes	77,893	-	28,304	106,197
Accounts	27,383	-	-	27,383
Due from other governments	255,386	123,346	-	378,732
Prepaid Assets	3,371	-	-	3,371
<b>Total Assets</b>	<b>\$ 1,988,315</b>	<b>\$ 880,900</b>	<b>\$ 27,035</b>	<b>\$ 2,896,250</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 168,221	\$ 628	\$ -	\$ 168,849
Accrued liabilities	74,867	-	24,989	99,856
Other liabilities	19,979	-	-	19,979
<b>Total Liabilities</b>	<b>263,067</b>	<b>628</b>	<b>24,989</b>	<b>288,684</b>
<u>Deferred Inflow of Resources:</u>				
Deferred revenue	173,959	-	-	173,959
<b>Total Deferred Inflow of Resources</b>	<b>173,959</b>	<b>-</b>	<b>-</b>	<b>173,959</b>
<u>Fund Balances:</u>				
Nonspendable	3,371	-	-	3,371
Restricted for:				
Capital Outlay	2,198	880,272	-	882,470
Debt Service	58,813	-	-	58,813
Committed	-	-	-	-
Assigned	-	-	2,046	2,046
Unassigned	1,486,907	-	-	1,486,907
<b>Total Fund Balances</b>	<b>1,551,289</b>	<b>880,272</b>	<b>2,046</b>	<b>2,433,607</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,988,315</b>	<b>\$ 880,900</b>	<b>\$ 27,035</b>	<b>\$ 2,896,250</b>

The notes to the financial statements are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2015

Total Fund Equity per Balance Sheet of Governmental Funds \$ 2,433,607

Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:

Capital Assets

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of the assets	10,168,226
Accumulated depreciation	(4,779,689)

Other Long-term Assets

Long-term assets are not available for use in the current period and, therefore, are not reported as fund assets.

Unamortized SPLOST bond costs	9,092
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Revenues

Some of the government's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Receivables, taxes	43,516
Receivables, insurance claim	130,442

Accrued Liabilities

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Accrued liabilities associated with long term liabilities at year-end consist of the following:

2012 SPLOST Bond Accrued interest	(5,867)
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Long-term Liabilities

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:

Notes payable	(752,996)
SPLOST Bonds payable	(1,760,000)
Unamortized SPLOST bond premiums	(145,339)
Landfill closure/postclosure costs	<u>(794,475)</u>

Total Adjustments	<u>2,112,910</u>
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Total Net Position of Governmental Activities	<u><u>\$ 4,546,517</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund	Major Governmental Fund (SPLOST Fund)	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Taxes				
Property tax	\$ 571,258	\$ -	\$ -	\$ 571,258
Sales tax	921,469	-	-	921,469
Insurance premium tax	221,493	-	-	221,493
Beer, wine and alcohol tax	195,455	-	-	195,455
Other taxes	118,428	-	349,690	468,118
License and permits	122,468	-	-	122,468
Intergovernmental	46,897	854,696	-	901,593
Fines and forfeitures	221,053	-	-	221,053
Charges for services	299,979	-	-	299,979
Investment earnings	1,867	228	37	2,132
Other revenues	70,774	-	-	70,774
<b>Total Revenues</b>	<b>2,791,141</b>	<b>854,924</b>	<b>349,727</b>	<b>3,995,792</b>
<u>Expenditures:</u>				
Current:				
General government	\$ 1,145,550	56	139,890	1,285,496
Public safety	2,129,462	-	7,143	2,136,605
Public works	1,136,757	-	-	1,136,757
Recreation and parks	18,278	-	-	18,278
Better Hometown	131,824	-	-	131,824
Capital Outlays	-	256,371	-	256,371
Debt Service				
Principal	12,611	400,000	-	412,611
Interest	32,294	81,400	-	113,694
<b>Total Expenditures</b>	<b>4,606,776</b>	<b>737,827</b>	<b>147,033</b>	<b>5,491,636</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,815,635)	\$ 117,097	\$ 202,694	\$ (1,495,844)
<u>Other Financing Sources (Uses):</u>				
Transfers in	\$ 2,220,547	\$ 155,856	\$ -	\$ 2,376,403
Transfers out	-	(450,935)	(209,835)	(660,770)
<b>Total other financing sources (uses)</b>	<b>2,220,547</b>	<b>(295,079)</b>	<b>(209,835)</b>	<b>1,715,633</b>
Net Change in fund balances	404,912	(177,982)	(7,141)	219,789
Fund Balance, beginning of year	1,146,377	1,058,254	9,187	2,213,818
Fund Balance, end of year	\$ 1,551,289	\$ 880,272	\$ 2,046	\$ 2,433,607

The notes to the financial statement are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses Per Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 219,789</u>
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Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:

Capital Assets

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

Total capital outlays	411,202
Total depreciation	(346,553)

Long-term Debt

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in the fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditures in the governmental funds, but reduces the liability in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are as follows:

Decrease in accrued bond debt service	48,530
Principal repayments	416,864
Decrease in postclosure landfill costs	38,266

Revenues

Because some revenues will not be collected for several months after the government's fiscal year end, they are not considered available revenues and are deferred in the governmental funds.

Deferred revenues decreased by this amount during the fiscal year.	<u>(231,630)</u>
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Total Adjustments	<u>336,679</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 556,468</u></u>
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The notes to the financial statements are an integral part of this statement.



CITY OF FORSYTH, GEORGIA  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes				
General property tax	\$ 485,222	\$ 485,222	\$ 571,258	\$ 86,036
Local option sales tax	1,080,000	1,080,000	921,469	(158,531)
Insurance premium tax	205,000	205,000	221,493	16,493
Beer, wine and alcohol tax	195,000	195,000	195,455	455
Franchise fees	104,700	104,700	118,428	13,728
Licenses and permits	109,800	109,800	122,468	12,668
Intergovernmental	-	-	46,897	46,897
Fines and forfeitures	386,500	386,500	221,053	(165,447)
Charges for services	299,880	299,880	299,979	99
Investment income	2,400	2,400	1,867	(533)
Miscellaneous income	5,000	5,000	70,774	65,774
Total Revenues	<u>2,873,502</u>	<u>2,873,502</u>	<u>2,791,141</u>	<u>(82,361)</u>
<u>Expenditures:</u>				
General Government				
Administration	885,290	931,290	931,191	99
Governing Body	247,095	201,095	200,863	232
Mayor	13,457	15,957	15,496	461
Total General Government	<u>1,145,842</u>	<u>1,148,342</u>	<u>1,147,550</u>	<u>792</u>
Public Safety				
Police	1,582,634	1,387,134	1,131,893	255,241
Fire	785,998	947,998	947,569	429
Municipal Court	90,711	95,711	94,905	806
Total Public Safety	<u>\$ 2,459,343</u>	<u>\$ 2,430,843</u>	<u>\$ 2,174,367</u>	<u>\$ 256,476</u>

The notes to the financial statements are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(CONTINUED)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Works				
Streets/Sanitation	\$ 840,595	\$ 880,595	\$ 880,093	\$ 502
Garage	185,533	176,533	176,181	352
Cemetery	93,342	81,342	80,483	859
Total Public Works	<u>1,119,470</u>	<u>1,138,470</u>	<u>1,136,757</u>	<u>1,713</u>
Better Hometown	<u>124,909</u>	<u>131,909</u>	<u>131,824</u>	<u>85</u>
Recreation	<u>18,850</u>	<u>18,850</u>	<u>18,278</u>	<u>572</u>
Total expenditures	<u>4,868,414</u>	<u>4,868,414</u>	<u>4,608,776</u>	<u>259,638</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,994,912)</u>	<u>(1,994,912)</u>	<u>(1,817,635)</u>	<u>177,277</u>
Other Financing Sources (Uses):				
Transfers In	1,850,712	1,850,712	2,220,547	369,835
Transfers Out	-	-	-	-
Total other financing sources and uses	<u>1,850,712</u>	<u>1,850,712</u>	<u>2,220,547</u>	<u>369,835</u>
Net change in fund balance	<u>\$ (144,200)</u>	<u>\$ (144,200)</u>	<u>402,912</u>	<u>\$ 547,112</u>
Fund balance, beginning of year			<u>1,146,377</u>	
Fund balance, end of year			<u>\$ 1,549,289</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2015

	<u>Business-type Activities Combined Utilities Fund</u>
<u>ASSETS</u>	
Current assets	
Cash and cash equivalents	\$ 2,360,392
Receivables, net of allowance	
Accounts	696,325
Inventories	438,760
Prepaid expenses	<u>62,459</u>
Total current assets	<u>3,557,936</u>
Noncurrent assets	
Capital assets:	
Land	249,261
Construction in progress	124,017
Building and improvements	5,091,203
Machinery and equipment	998,288
Vehicles	839,861
Distribution system	25,433,125
Less accumulated depreciation	<u>(19,682,131)</u>
Total capital assets (net of accumulated depreciation)	<u>13,053,624</u>
Total noncurrent assets	<u>13,053,624</u>
Total Assets	<u>\$ 16,611,562</u>

The notes to the financial statements are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2015  
(CONTINUED)

	<u>Business-type Activities Combined Utilities Fund</u>
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	\$ 611,279
Accrued liabilities	86,844
Customer deposits	485,296
Other liabilities	108,595
Capital leases payable - current	-
Total current liabilities	1,292,014
Noncurrent liabilities	
Capital leases payable - long term	-
Total noncurrent liabilities	14,616
Total Liabilities	1,306,630
<u>NET POSITION</u>	
Net investment in capital assets	13,039,010
Unrestricted	2,265,922
Total Net Position	\$ 15,304,932

The notes to the financial statements are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Business-type Activities Combined Utilities Fund</u>
<u>Operating revenues:</u>	
Charges for sales and services	
Water and sewer	\$ 2,877,795
Electric	9,549,219
Cable	-
Miscellaneous	86,510
	12,513,524
 <u>Operating expenses:</u>	
Salaries and benefits	579,400
Purchase of utilities	7,094,427
Materials and supplies	360,063
Repairs and maintenance	315,866
Depreciation	913,474
Management fees	1,144,768
Other	789,405
	11,197,403
Total operating income	1,316,121
 <u>Nonoperating revenues (expenses):</u>	
Investment income	33,476
Cable income	4,343
Interest expense	(641)
	37,178
Total nonoperating revenues (expenses)	37,178
Income before contributions and transfers	1,353,299
Transfers in	450,935
Transfers out	(2,010,712)
	(1,559,777)
Total contributions and transfers	(1,559,777)
Change in net position	(206,478)
Net position - beginning of year	15,511,410
Net position - end of year	\$ 15,304,932

The notes to the financial statements are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Business-type Activities Combined Utilities Fund</u>
<u>Cash Flows from Operating Activities:</u>	
Cash received from customers	\$ 12,565,133
Cash paid to suppliers for goods and services	(9,754,518)
Cash paid to employees	<u>(579,400)</u>
Net Cash Flows Provided by (Used for) Operating Activities	<u>2,231,215</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to other funds	<u>(2,010,712)</u>
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	<u>(2,010,712)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Transfer in from SPLOST Fund	450,932
CDBG Grant Funding	3,750
Purchase of capital assets	(258,478)
Principal payments of capital lease	(17,680)
Interest payments	<u>(641)</u>
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	<u>177,883</u>
<u>Cash flows from Investing Activities:</u>	
Investment income	<u>33,476</u>
Net Cash Flows Provided by (Used for) Investing Activities	<u>33,476</u>
Net Increase (Decrease) in Cash and Cash Equivalents	431,862
Cash and Cash Equivalents, Beginning of Year	<u>1,928,530</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,360,392</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(CONTINUED)

	<u>Business-type Activities Combined Utilities Fund</u>
<u>Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>	
Net Operating Income (Loss)	<u>\$ 1,316,121</u>
<u>Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>	
Depreciation	913,474
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivable	31,803
(Increase) decrease in inventories	2,401
(Increase) decrease in other current assets	(45,124)
Increase (decrease) in accounts payable	(16,573)
Increase (decrease) in accrued liabilities	9,307
Increase (decrease) in deposits	<u>19,806</u>
Total Adjustments	<u>915,094</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 2,231,215</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF FORSYTH, GEORGIA  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
DECEMBER 31, 2015

	<u>Municipal Court Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 32,693
Total Assets	<u>\$ 32,693</u>
<u>LIABILITIES</u>	
Funds held in escrow	\$ 22,338
Due to others	<u>10,355</u>
Total Liabilities	<u>\$ 32,693</u>

The notes to the financial statements are an integral part of this statement.



CITY OF FORSYTH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Forsyth, Georgia (City) is a municipal corporation governed by an elected mayor and six-member council. The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financial accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

**Discretely presented component unit.** The Downtown Development Authority of Forsyth was utilized to issue bonds related to the purchase and establishment of the cable system for the City of Forsyth. The governing board is appointed by the City Council. The Authority is fiscally dependent upon the City because the City provides the majority of the general fund revenues.

The Downtown Development Authority of Forsyth does not issue separate component unit financial statements.

Under Georgia law, the City in conjunction with other cities and counties in the Middle Georgia area is a member of the Middle Georgia Regional Commission (MGRC) and is required to pay annual dues thereto. Membership in an MGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the MGRC in Georgia. The MGRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.0 provides that the member governments are liable for any debts or obligations of an MGRC. Separate financial statements may be obtained from:

Middle Georgia Regional Commission  
175 Emery Highway  
Macon, Georgia 31217

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

CITY OF FORSYTH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(CONTINUED)

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement activities) report information on all nonfiduciary activities of the primary government and its component unit. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

CITY OF FORSYTH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(CONTINUED)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The government reports the following major governmental funds:

The *general fund* is the government'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 *special purpose local option sales tax fund* accounts for the activities of the government's special purpose local option sales tax.

The government reports the following major proprietary fund:

The *combined utility system fund* accounts for the activities of the government's electric, water and sewer and cable television systems.

The government reports the following fiduciary fund:

The *municipal court fund* accounts for the activities of the government's municipal court collected funds.

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

CITY OF FORSYTH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(CONTINUED)

**D. Assets, Liabilities, and Net Assets or Equity**

1. *Deposits and investments*

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

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component unit, are reported at fair value.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the government activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

All trade and property tax receivables are presented net of an allowance for uncollectibles. Trade accounts receivables in excess of 90 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance for uncollectible is equal to approximately 24 percent of the outstanding property taxes at December 31, 2015.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy is billed on November 1 annually, and is due December 20. The billings are considered past due 60 days after the tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed. During 2015 the tax levy was billed on November 1 and was due December 20.

CITY OF FORSYTH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(CONTINUED)

3. *Inventories*

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. *Prepaid items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is nonspendable, as this amount is not available for general appropriation.

5. *Restricted assets*

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

6. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of two years.

General infrastructure assets acquired prior to January 1, 2004 are not reported in the basic financial statements.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvement	20
Land improvement	10
Public domain infrastructure	40
System infrastructure	30
Vehicles	5

CITY OF FORSYTH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(CONTINUED)

Office equipment	5
Computer equipment	5

7. *Compensated absences*

In accordance with the government's policy, employees are entitled to annual vacation and sick leave. These benefits do not accrue and cannot be carried forward to subsequent periods. Accordingly, there is no liability for unpaid accumulated vacation or sick leave.

8. *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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

9. *Fund Equity*

In the fund financial statements, governmental fund balances are classified based on the level of restrictions placed on the fund balances. The classifications include nonspendable, restricted, committed, assigned, and unassigned.

The City's policies require that committed fund balances can only be established by city council through resolution and released or modified from those restrictions by city council through resolution. Under the City's adopted fund assignment policy, the City allows the mayor and city clerk to assign fund balances for specific purposes that will benefit the city without council approval; however these assigned designations can be released by council or city administration.

When committed, assigned, and unassigned funds are available for use, it is the City's policy to use committed resources first, and then assigned resources, then unassigned resources as they are needed.

CITY OF FORSYTH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(CONTINUED)

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

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

**B. Expenditures in Excess of Appropriations**

There were no material expenditures in excess of appropriations during the year ended December 31, 2015.

**NOTE 3 – DETAILED NOTES ON ALL FUNDS**

**Deposits and Investments**

**A. Custodial Credit Risk – Deposits**

The custodial credit risk of deposits is the risk that in the event of the failure of a bank the government will not be able to recover deposits. The city does not have a formal custodial risk policy. At December 31, 2015, the carrying amount of the City's deposits was \$2,268,686, and the bank balance was \$2,683,886. Of the bank balance, \$2,683,886 was covered by federal depository insurance, or by collateral held by the City's agent or pledging financial institution. Georgia state law requires that balances be insured or collateralized at 110% of the bank's balance. As of the December 31, 2015, the city was in compliance with this state requirement.

**B. Investments**

Investments are stated at fair value.

State statutes authorize the City to invest in obligations of the U.S. Treasury, other U.S. Government Agencies, State of Georgia, Other States, Prime Banker's Acceptances, repurchase agreements and other political subdivisions of Georgia.

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

Credit Risk – State statutes authorize the City to invest obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker’s acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

As of December 31, 2015, the City had no investments in financial securities.

**C. Receivables**

Receivables as of year-end for the government’s individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Combined Utility Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 97,893	\$ -	\$ 28,304	\$ 126,197
Claims	130,442	-	-	130,442
Accounts	33,383	864,325	-	897,708
Gross Receivables	<u>261,718</u>	<u>864,325</u>	<u>28,304</u>	<u>1,154,347</u>
Less: allowance for uncollectibles	<u>(26,000)</u>	<u>(168,000)</u>	<u>-</u>	<u>(194,000)</u>
Total net receivables	<u><u>\$ 235,718</u></u>	<u><u>\$ 696,325</u></u>	<u><u>\$ 28,304</u></u>	<u><u>\$ 960,347</u></u>

Revenues of the Combined Utility Revenue Fund are reported gross of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to electric sales	\$ 104,000
Uncollectibles related to water and sewer sales	<u>64,000</u>
Total uncollectibles of the current year	<u><u>\$ 168,000</u></u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.



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At the end of the current year, the various components of deferred revenues and unearned revenue reported in the governmental funds were as follows:

Delinquent property taxes receivable (general fund)	\$ 43,517	\$ -	
Insurance claims (general fund)	130,442	-	
SPLOST receivable from county (SPLOST Fund)	<u>-</u>	<u>-</u>	
 Total deferred/unearned revenue for governmental funds	 <u>\$ 173,959</u>	 <u>\$ -</u>	

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2015, was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 447,243	\$ 3,860	\$ -	\$ 451,103
Construction in progress	144,365	18,127	-	162,492
Total capital assets, not being depreciated	<u>591,608</u>	<u>21,987</u>	<u>-</u>	<u>613,595</u>
 Capital assets, being depreciated:				
Buildings	2,015,423	11,284	-	2,026,707
Infrastructure	2,433,540	66,974	-	2,500,514
Land improvements	1,764,623	-	-	1,764,623
Furniture, fixtures and equipment	1,134,881	113,427	-	1,248,308
Vehicles	1,817,506	197,530	-	2,015,036
Total capital assets being depreciated	<u>9,165,973</u>	<u>389,215</u>	<u>-</u>	<u>9,555,188</u>
 Less accumulated depreciation for:				
Buildings	(857,761)	(58,750)	-	(916,511)
Infrastructure	(323,374)	(84,679)	-	(408,053)
Land improvements	(853,405)	(80,479)	-	(933,884)
Furniture, fixtures and equipment	(898,935)	(68,539)	-	(967,474)
Vehicles	(1,499,661)	(54,106)	-	(1,553,767)
Total accumulated depreciation	<u>(4,433,136)</u>	<u>(346,553)</u>	<u>-</u>	<u>(4,779,689)</u>
 Total capital assets, being depreciated, net	 <u>4,732,837</u>	 <u>42,662</u>	 <u>-</u>	 <u>4,775,499</u>
 Governmental activities capital assets, net	 <u>\$ 5,324,445</u>	 <u>\$ 64,649</u>	 <u>\$ -</u>	 <u>\$ 5,389,094</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 249,261	\$ -	\$ -	\$ 249,261
Construction in progress	229,155	-	(105,138)	124,017
Total capital assets, not being depreciated	<u>478,416</u>	<u>-</u>	<u>(105,138)</u>	<u>373,278</u>
Capital assets, being depreciated:				
Buildings	5,091,203	-	-	5,091,203
Distribution system	25,085,289	347,836	-	25,433,125
Machinery & equipment	981,489	16,800	-	998,289
Vehicles	820,157	19,704	-	839,861
Total capital assets, being depreciated	<u>31,978,138</u>	<u>384,340</u>	<u>-</u>	<u>32,362,478</u>
Less accumulated depreciation for:				
Buildings	(5,013,680)	(4,421)	-	(5,018,101)
Distribution system	(12,009,026)	(892,548)	-	(12,901,574)
Machinery & equipment	(925,794)	(16,505)	-	(942,299)
Vehicles	(820,157)	-	-	(820,157)
Total accumulated depreciation	<u>(18,768,657)</u>	<u>(913,474)</u>	<u>-</u>	<u>(19,682,131)</u>
Total capital assets, being depreciated, net	<u>13,209,481</u>	<u>(529,134)</u>	<u>-</u>	<u>12,680,347</u>
Business-type activities capital assets, net	<u>\$ 13,687,897</u>	<u>\$ (529,134)</u>	<u>\$ (105,138)</u>	<u>\$ 13,053,625</u>

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

Government activities:	
General government	\$ 81,574
Public safety	139,595
Public works	102,049
Recreation	23,335
Total depreciation expense-governmental activities	<u>\$ 346,553</u>
Business-type activities:	
Electric	\$ 77,190
Water and Sewer	836,284
CATV	-
Total depreciation expense-business-type activities	<u>\$ 913,474</u>

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**E. Interfund Receivables, Payables, and Transfers**

There were no interfund balances as of December 31, 2015.

The composition of interfund transfers as of December 31, 2015, is as follows:

Transfer out:	Transfer in:			Purpose
	General Fund	SPLOST Fund	Combined Utilities	
Hotel/Motel	\$ 209,835	\$ -	\$ -	Reimburse Promotion of Tourism Costs
Combined utilities	2,010,712	-	-	Reimburse Operating Costs
General fund	-	-	-	
Major governmental - SPLOST	-	155,856	450,935	Water and Sewer Capital Improvements
Total	<u>\$ 2,220,547</u>	<u>\$ 155,856</u>	<u>\$ 450,935</u>	

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

**F. Capital Leases**

In 2015, the City entered into a capital lease to purchase a Ford F-150. The lease for \$20,129 is due in annual installments of \$5,513.41, including interest at 6.45%, for a term of four years ending in 2018.

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2015, were as follows:

Year Ended December 31	Governmental Activities	Business-type Activities
2015	\$ -	\$ 14,616
Total minimum lease payments	-	14,616
Less: amount representing interest	-	-
Present value of minimum lease payments	<u>\$ -</u>	<u>\$ 14,616</u>

Amortization associated with these capital leases are included in depreciation.

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**G. Long-term Debt**

2012 SPLOST Bonds

In 2012, the City, in conjunction with City of Culloden and Monroe County, issued bonds of \$12,650,000 in anticipation of receiving special purpose local option sales tax proceeds starting in 2014. The City is responsible for \$2,160,000 of the total amount of the bonds. The bonds consist of 15 semi-annual payments of varying amounts in accordance with the bond ordinance. The annual interest rate is 3.000% through December 1, 2015 and then increases to 4.000% for the remainder of the bond terms. At issuance of the bond, the city received a premium of \$307,776, which is being amortized at a rate of \$51,296 per year over the life of the bond.

In 2015, the Monroe County Board of Commissioners agreed to pay the City's bond payments in lieu of distributing the City's SPLOST receivables.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	415,000	70,400
2017	430,000	53,800
2018	450,000	36,600
2019	465,000	18,600
Total	<u>\$ 1,760,000</u>	<u>\$ 179,400</u>

Notes Payable

In 2005, the City obtained a note payable totaling \$862,080 from the United States Department of Agriculture for cost reimbursements associated with the construction of the Public Safety Building. The note consists of 478 monthly payments in the amount of \$3,742 and a final balloon payment in the amount of \$2,646.08. The annual interest rate is 4.25%.

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

Year	Principal	Interest
2016	13,159	31,745
2017	13,729	31,175
2018	14,324	30,580
2019	14,945	29,959
2020-2024	85,017	139,503
2025-2029	105,109	119,411
2030-2034	129,947	94,573
2035-2039	163,504	61,026
2040-2044	197,567	28,746
2045	15,695	2,170
<b>Total</b>	<b>\$ 752,996</b>	<b>\$ 568,888</b>

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
USDA	\$ 765,607	\$ -	\$ (12,611)	\$ 752,996	\$ 13,159
2012 SPLOST bonds	2,160,000	-	(400,000)	1,760,000	415,000
2012 SPLOST premium	196,635	-	(51,296)	145,339	51,296
Capital leases	4,254	-	(4,254)	-	-
Postclosure landfill costs	832,741	-	(38,266)	794,475	37,152
Governmental activity					
Long-term liabilities	<u>\$ 3,959,237</u>	<u>\$ -</u>	<u>\$ (506,427)</u>	<u>\$ 3,452,810</u>	<u>\$ 516,607</u>

For the governmental activities, compensated absences, and postclosure landfill costs are generally liquidated by the General fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Capital leases	\$ 12,167	\$ 20,129	\$ (17,680)	\$ 14,616	\$ 5,513
Business-type activities					
Long-term liabilities	<u>\$ 12,167</u>	<u>\$ 20,129</u>	<u>\$ (17,680)</u>	<u>\$ 14,616</u>	<u>\$ 5,513</u>

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**I. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets and errors or omissions. The City purchases commercial insurance for most types of risk. The government manages risk through various employee education and prevention programs.

The City has property, general liability, criminal, inland marine, workers' compensation, and employers' liability coverages. The policies have various deductibles ranging from \$500 to \$1,000 and co-insurance of 90% with replacement value on buildings and personal property. Policy limits extend from \$1,000,000 per occurrence to a general aggregate of \$3,000,000.

Liability insurance expense and workers' compensation expense totaled \$122,459 and \$83,675, respectively, for the year ended December 31, 2015.

**J. Contingent Liabilities**

*Grants*

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

*Commitments*

The City has entered into power sales contracts together with 45 other cities and one county in the State of Georgia with the Municipal Electric Authority of Georgia (MEAG). Under terms of these contracts, the City purchases power and energy for resale to its electric system customers.

*Litigation*

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

**K. Tax Revenues**

*Property Taxes*

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by

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the State Revenue Department, all assessments are made by the Board of Tax Assessors of Monroe County.

Upon completion of all assessments and tax returns, the information is turned over to the Monroe County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

During 2015 taxes were levied on November 1 and were due and payable on or before December 20. Unpaid property taxes attached as an enforceable lien on property as of April 1, 2016.

*Hotel/Motel Taxes*

A summary of the hotel/motel excise tax receipts and expenditures for the year ended December 31, 2015, is as follows:

Expenditures by Purpose	Tax Receipts	Percentage
Chamber of Commerce	\$ 139,890	40%
General Fund	209,835	60%
Total	<u>\$ 349,725</u>	<u>100%</u>

**L. Net Investment in Capital Assets**

Net investment in capital assets on the Government-wide statement of net position as of December 31, 2015, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net investment in capital assets:		
Cost of capital assets	\$ 10,168,783	\$ 32,735,756
Less accumulated depreciation	<u>(4,779,689)</u>	<u>(19,682,131)</u>
Book value	5,389,094	13,053,625
Less capital related debt	<u>(3,453,080)</u>	<u>(14,616)</u>
Net investment in capital assets	<u>\$ 1,936,014</u>	<u>\$ 13,039,009</u>

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**M. Nonspendable Fund Balance**

Nonspendable fund balance on the governmental funds balance sheet, as of December 31, 2015, consisted of prepaid insurance of \$3,371 in the general fund.

**N. Restricted, Committed, and Assigned Fund Balance**

Restricted, committed, and assigned fund balance on the governmental funds balance sheet as of December 31, 2015, consisted of:

	<u>General Fund</u>	<u>SPLOST Fund</u>	<u>Police Special Revenue Fund</u>
Restricted fund balance			
Fire department equipment purchases	\$ 2,198	\$ -	\$ -
Debt service of USDA note	58,813	-	-
SPLOST referendum purchases	-	880,272	-
Assigned fund balance			
Police department purchases	\$ -	\$ -	\$ 2,046

**O. Pension Plan**

*Plan Description*

The City's defined benefit pension plan, City of Forsyth Retirement Plan (the Plan), provides retirement, disability and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by City Council. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS) an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. Financial statements for the plan can be obtained by writing:

Georgia Municipal Association  
 210 Pryor Street  
 Atlanta, Georgia 30303

*Significant Account Policies*

*Basis of Accounting.* The plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the plan.



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Plan member contributions (not currently required) are recognized in the period in which contributions are due. City contributions are recognized when due and the City has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The GMEBS trust fund is invested, approximately, in 57% equities and 43% fixed income.

*Funding Policy*

The City is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth minimum funding standards for state and local government pension plans.

Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

The Georgia Constitution enables the governing authority of the City, to establish and amend from time-to-time the contribution rates for the City and its plan participants.

*Annual Pension Cost*

For the plan year, the City's annual pension cost of \$197,022 was equal to the City's required and actual contributions.

Three-Year Trend Information for the Plan

Plan Year <u>Beginning</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/2014	193,558	100%	-
1/1/2015	197,022	100%	-
1/1/2016	210,591	100%	-

The required contribution was determined as part of the July 1, 2015 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return net of administrative expenses, and (b) projected salary increases of 3.5% per year. The Plan's unfunded actuarial accrued liability is being amortized (closed level dollar method) over 30 years and changes in the unfunded actuarial accrued liabilities over 15 years for actuarial gains and losses,

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20 years for plan provisions and 30 years for actuarial assumptions and cost methods. The current equivalent amortization period (ESAP) is calculated at 12 years.

*Funded Status and Funding Progress*

The funded status of the plan as of July 1, 2015, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2015	\$ 4,640,000	\$ 5,000,480	\$ 360,480	92.79%	\$ 2,101,651	17.15%

The schedule of funding progress, presented as RSI following the notes to the financial statements presents multiyear trend information about whether actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Additional Information*

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of July 1, 2015. The following summarizes the actuarial methods and assumptions used in that valuation:

Valuation date	July 1, 2015
Actuarial cost method	Projected unit credit
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of year.
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Varies for the bases, the weighted average currently is calculated at 12 years (ESAP)
Actuarial assumptions:	
Assumed rate of return	7.75%
Expected future salary increases	3.50%

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Expected inflation	3.50%
Cost of living adjustments	0.00%
Membership of the Plan	
Retirees and beneficiaries	51
Terminated plan members entitled to, but not yet receiving benefits	28
Active plan members	<u>63</u>
Total	142

**P. Other Post-Employment Benefits**

The City provides funding for continued healthcare benefits to retired employees. The Healthcare Plan, administered by Blue Cross Blue Shield of Georgia, provides medical and prescription drug benefits to those who qualify. Continued healthcare benefits in the form of single coverage will be paid at 99% of the premium. All city employees may become eligible for post-employment health care benefits if they retire with a 70 year total of age plus years employed with the city. This benefit is limited to a period until the employee reaches age 65, at which time the benefit terminates. The City has the authority to amend or terminate this benefit. The Healthcare Plan was established by City Council and it may be amended by the same Council.

The Healthcare Plan is a single-employer defined benefit post-retirement healthcare. The City has not elected to advance fund the Plan, but rather maintains the Plan on a “pay as you go” basis. In 2015, early retiree health insurance had 24 participants and an annual cost of \$28,495.

The City also provides funding for life insurance benefits to retired employees. The Term Life Plan, administered by Mutual of Omaha Insurance Company, provides life insurance coverage to those who qualify. Life insurance benefits in the form of \$30,000 term life will be paid at 100% of the premium. All city employees may become eligible for post-employment life insurance benefits if they retire with a 70 year total of age plus years employed with the city. The benefit is provided until death of the retiree. The City has the authority to amend or terminate this benefit. The Term Life Plan was established by City Council and it may be amended by the same Council.

The Term Life Plan is a single-employer defined benefit term life plan. The City has not elected to advance fund the Plan, but rather maintains the Plan on a “pay as you go” basis. In 2015, the City spent \$7,947 for the Term Life Plan, which included coverage for 59 employees and 20 retirees.

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Neither Plan has had actuarial calculations performed to establish net OPEB obligation since annual cost is minimal to the City's annual budget and the city pays both benefits on a "pay as you go" basis.

**Q. Closure and Postclosure of Care Cost**

State and federal laws and regulations require the Landfill to place a final cover on the landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although, closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the landfill reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet. The \$794,475 reported as landfill closure and postclosure care liability at December 31, 2015, represents the cumulative amount reported to-date based on the use of 100% of the estimated capacity of the landfill site. These amounts are based on what it would cost to perform all closure and postclosure care in 2015. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

**R. Legal Contracts and Agreements**

The City of Forsyth, Georgia is one of approximately 47 participants who have entered into Power and Sales Contract with the Municipal Electrical Authority of Georgia (MEAG). Under these contracts, the Authority has agreed to provide to the participant, and the participants have agreed to take from the Authority, such output and services from the various projects of the Authority as may be available for the useful life thereof. The participants are required to make payments therefore according to the rates and charges established by the Authority to produce revenues sufficient to pay the Authority's cost attributable to such projects. In general, the Power Sales Contract provide that if at any time, (i) a project is terminated prior to completion, or (ii) a project declared by the Authority to be totally and permanently retired from service, or (iii) a project is totally, but not permanently, out of service and the Authority is unable to provide service from alternative sources, then each participant will remain liable to pay a fixed percentage referred to an "obligation share" of the Authority's costs attributable to such projects. In case of default by a participant under its contracts relating to any of the various projects, such participant would remain liable to the greater of its obligation share of the Authority's costs attributable to such project or the amount determined to be due under the rates and charges established by the Authority.

Payments under the Power Sales contracts are not subject to reduction whether by offset or otherwise, and will not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever. Each Power Sales Contract will continue in full force and effect at least until; such time, not to exceed 50 years, as all

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bonds issued for the purpose of financing the costs of acquisition and construction of the applicable project, and notes issued for such purpose in anticipation of the bonds, have been paid or provision has been made for their payment.

The City of Forsyth approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the Trust's beneficiaries a means to mitigate the expected differential between market rates for power and the cost of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust created two types of funds which are held by MEAG in the name of the City. The first type represents amounts that are available to the City for withdrawal without restriction. The second type represents amounts that are available to the City in the form of a loan or as an off-set to billings from MEAG for power usage if certain criteria related to the difference between the cost of power generated by MEAG facilities and the market rates for power are met.

**S. Subsequent Events**

City's management evaluated subsequent events through September 1, 2016 and found no reportable events.

**REQUIRED SUPPLEMENTARY INFORMATION**

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City of Forsyth Defined Benefit Plan Trust  
 Schedule of Funding Progress

Actuarial Valuation Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded/ (Assets in Excess of) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded/ (Assets in Excess of) AAL as a Percentage of Covered Payroll {(b-a)/c}
7/1/2015	\$ 4,640,000	\$ 5,000,480	\$ 360,480	92.8%	\$ 2,101,651	17.2%
7/1/2014	\$ 4,433,470	\$ 4,792,220	\$ 358,750	92.5%	\$ 2,098,355	17.1%
7/1/2013	4,241,491	4,669,442	427,951	90.8%	2,168,464	19.7%
7/1/2012	4,061,407	4,412,506	351,099	92.0%	2,221,250	15.8%
7/1/2011	3,877,032	4,145,465	268,433	93.5%	1,827,556	14.7%
7/1/2010	3,738,615	4,059,845	321,230	92.1%	1,963,398	16.4%
10/1/2009	3,618,929	3,560,874	(58,055)	101.6%	1,952,103	-3.0%
9/1/2008	3,451,837	3,335,946	(115,891)	103.5%	1,815,861	-6.4%
12/31/2006	3,634,756	2,919,107	(715,649)	124.5%	1,813,684	-39.5%
12/31/2005	3,270,371	2,888,274	(382,097)	113.2%	2,118,581	-18.0%

**SUPPLEMENTARY INFORMATION**



CITY OF FORSYTH, GEORGIA  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Municipal Court Fund			
	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
<u>ASSETS</u>				
Cash and cash equivalents	\$ 47,143	\$ 308,822	\$ (323,272)	\$ 32,693
Total Assets	\$ 47,143	\$ 308,822	\$ (323,272)	\$ 32,693
<u>LIABILITIES</u>				
Funds held in escrow	\$ 23,995	\$ 142,058	\$ (143,715)	\$ 22,338
Due to others	23,148	166,764	(179,557)	10,355
Total Liabilities	\$ 47,143	\$ 308,822	\$ (323,272)	\$ 32,693

CITY OF FORSYTH, GEORGIA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2015

	Special Revenue Fund	Special Revenue Fund	Total
	Hotel/Motel Tax Fund	Police Special Revenue	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ (3,315)	\$ 2,046	\$ (1,269)
Receivables, net of allowance	28,304	-	28,304
Total Assets	\$ 24,989	\$ 2,046	\$ 27,035
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accrued liabilities	\$ 24,989	\$ -	\$ 24,989
Total Liabilities	24,989	-	24,989
Fund Balances:			
Assigned			
Assigned for police expenditures	-	2,046	2,046
Assigned for tourism expenditures	-	-	-
Total Fund Balances	-	2,046	2,046
Total Liabilities and Fund Balances	\$ 24,989	\$ 2,046	\$ 27,035

CITY OF FORSYTH, GEORGIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue Fund	Special Revenue Fund	Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Police Special Purpose Revenue	
<u>Revenues:</u>			
Hotel/Motel Taxes	\$ 349,690	\$ -	\$ 349,690
Fines and Forfeitures	-	-	-
Investment Earnings	-	37	37
Total Revenues	<u>349,690</u>	<u>37</u>	<u>349,727</u>
<u>Expenditures:</u>			
Current:			
Agencies	139,890	-	139,890
Public safety	-	7,143	7,143
Total Expenditures	<u>139,890</u>	<u>7,143</u>	<u>147,033</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>209,800</u>	<u>(7,106)</u>	<u>202,694</u>
<u>Other Financing Sources (Uses):</u>			
Transfers (to) from other funds	<u>(209,835)</u>	<u>-</u>	<u>(209,835)</u>
Total other financing sources (uses)	<u>(209,835)</u>	<u>-</u>	<u>(209,835)</u>
Net change in fund balances	(35)	(7,106)	(7,141)
Fund Balance, beginning of year	<u>-</u>	<u>9,187</u>	<u>9,187</u>
Fund Balance, end of year	<u>\$ (35)</u>	<u>\$ 2,081</u>	<u>\$ 2,046</u>

CITY OF FORSYTH, GEORGIA  
HOTEL/MOTEL TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Initial Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Hotel/Motel Tax	\$ 266,637	\$ 349,690	\$ 349,690	\$ -
Total Revenues	<u>266,637</u>	<u>349,690</u>	<u>349,690</u>	<u>-</u>
<u>Expenditures:</u>				
General government:				
Chamber of Commerce	106,655	139,890	139,890	-
Total Expenditures	<u>106,655</u>	<u>139,890</u>	<u>139,890</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>159,982</u>	<u>209,800</u>	<u>209,800</u>	<u>-</u>
<u>Other Financing Uses:</u>				
Transfers to other funds	(160,000)	(209,800)	(209,800)	-
Total Other Financing Sources (Uses)	<u>(160,000)</u>	<u>(209,800)</u>	<u>(209,800)</u>	<u>-</u>
Excess of Revenues Over (Under ) Other Financing Uses	<u>\$ (18)</u>	<u>\$ (18)</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year			<u>(35)</u>	
Fund Balance, end of year			<u><u>\$ (35)</u></u>	

CITY OF FORSYTH, GEORGIA  
POLICE SPECIAL PURPOSE REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Initial Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Fine and Forfeitures	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Investment Earnings	10	10	3	(7)
Total Revenues	<u>10,010</u>	<u>10,010</u>	<u>3</u>	<u>(10,007)</u>
<u>Expenditures:</u>				
Public safety	<u>10,010</u>	<u>10,010</u>	<u>7,144</u>	<u>2,866</u>
Total Expenditures	<u>10,010</u>	<u>10,010</u>	<u>7,144</u>	<u>2,866</u>
Excess of Revenues Over (Under) Expendi	<u>-</u>	<u>-</u>	<u>(7,141)</u>	<u>(7,141)</u>
<u>Other Financing Uses:</u>				
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under ) Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(7,141)</u>	<u>\$ (7,141)</u>
Fund Balance, beginning of year			<u>9,187</u>	
Fund Balance, end of year			<u>\$ 2,046</u>	

CITY OF FORSYTH, GEORGIA  
SCHEDULE OF PROJECTS CONSTRUCTED  
WITH SPECIAL SALES TAX PROCEEDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Estimated Cost	Revised Estimated Cost	Prior Year(s)	Current Year	Total	Estimated Percentage of Completion
<b>2007 SPLOST</b>						
Water & Sewer Upgrades	\$ 1,200,000	\$ 1,200,000	\$ 1,241,311	\$ -	\$ 1,241,311	103.44%
Road Improvements	900,000	850,000	784,044	66,974	851,018	100.12%
Streetscape Project	600,000	600,000	706,190	-	706,190	117.70%
Public Safety Vehicles	600,000	650,000	649,441	-	649,441	99.91%
City Park Improvements	402,000	402,000	248,131	-	248,131	61.72%
Old City Hall Rehabilitation	300,000	312,097	312,097	-	312,097	100.00%
Downtown Parking	198,000	198,000	197,131	-	197,131	99.56%
	<u>\$ 4,200,000</u>	<u>\$ 4,212,097</u>	<u>\$ 4,138,345</u>	<u>\$ 66,974</u>	<u>\$ 4,205,319</u>	
<b>2014 SPLOST</b>						
Water & Sewer Upgrades	\$ 3,220,000	\$ 3,220,000	\$ 1,717,162	\$ 421,626	\$ 2,138,788	66.42%
Road Improvements	550,000	550,000	85,091	14,314	99,405	18.07%
Public Safety Vehicles	470,000	470,000	134,680	170,595	305,275	64.95%
City Park Improvements	285,000	285,000	-	-	-	0.00%
Downtown Improvements	75,000	75,000	-	3,860	3,860	5.15%
	<u>\$ 4,600,000</u>	<u>\$ 4,600,000</u>	<u>\$ 1,936,933</u>	<u>\$ 610,395</u>	<u>\$ 2,547,328</u>	

**NOTE:** The difference in total SPLOST expenditures of \$677,369 as noted above, and total expenditures of the SPLOST Fund of \$1,188,762 is bond principal of \$400,000, bond debt service of \$81,400.

**STATISTICAL SECTION (Unaudited)**

CITY OF FORSYTH, GEORGIA  
STATISTICAL SECTION INTRODUCTION  
FOR THE YEAR ENDED DECEMBER 31, 2014

**STATISTICAL SECTION**

The statistical section provides users with additional historical perspective, content, and detail to assist in understanding the information in the financial statements, notes to the financial statements, and for assessing the City's economic condition.

**CONTENTS**

*Financial Trends* *Page 56*

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* *Page 61*

These schedules contain information to help the reader assess the City's most significant local revenue sources, sales taxes and ad valorem taxes.

*Debt Capacity* *Page 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* *Page 73*

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

*Operating Information* *Page 75*

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



CITY OF FORSYTH, GEORGIA  
NET POSITION BY COMPONENT  
LAST TEN YEARS

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ 2,030,681	\$ 1,916,483	\$ 2,304,823	\$ 2,234,834	\$ 2,822,419	\$ 3,983,777	\$ 4,048,105	\$ 3,231,493	\$ 2,006,638	\$ 1,936,014
Restricted	-	266,774	771,272	983,515	822,839	1,272,016	430,819	63,354	63,489	986,027
Unrestricted	(424,713)	(492,417)	(423,564)	(120,777)	518,173	(440,645)	409,023	1,217,566	1,919,922	1,624,476
<b>Total governmental activities net position</b>	<b>1,605,968</b>	<b>1,690,840</b>	<b>2,652,531</b>	<b>3,097,572</b>	<b>4,163,431</b>	<b>4,815,148</b>	<b>4,887,947</b>	<b>4,512,413</b>	<b>3,990,049</b>	<b>4,546,517</b>
Business-type activities:										
Net investment in capital assets	10,410,925	12,340,821	15,329,342	15,021,681	15,149,564	15,009,325	14,745,496	15,098,938	13,675,730	13,039,009
Restricted	994,050	1,089,332	471,000	471,000	471,000	471,000	471,000	-	-	-
Unrestricted	4,376,600	2,969,585	1,008,840	762,192	1,860,272	2,335,630	1,801,812	1,560,350	1,835,680	2,265,923
<b>Total business-type activities net position</b>	<b>15,781,575</b>	<b>16,399,738</b>	<b>16,809,182</b>	<b>16,254,873</b>	<b>17,480,836</b>	<b>17,815,955</b>	<b>17,018,308</b>	<b>16,659,288</b>	<b>15,511,410</b>	<b>15,304,932</b>
Primary government total:										
Net investment in capital assets	12,441,606	14,257,304	17,634,165	17,256,515	17,971,983	18,993,102	18,793,601	18,330,431	15,682,368	14,975,023
Restricted	994,050	1,356,106	1,242,272	1,454,515	1,293,839	1,743,016	901,819	63,354	1,121,743	986,027
Unrestricted	3,951,887	2,477,168	585,276	641,415	2,378,445	1,894,985	2,210,835	2,777,916	2,697,348	3,890,399
<b>Total primary government net position</b>	<b>\$ 17,387,543</b>	<b>\$ 18,090,578</b>	<b>\$ 19,461,713</b>	<b>\$ 19,352,445</b>	<b>\$ 21,644,267</b>	<b>\$ 22,631,103</b>	<b>\$ 21,906,255</b>	<b>\$ 21,171,701</b>	<b>\$ 19,501,459</b>	<b>\$ 19,851,449</b>

**CITY OF FORSYTH, GEORGIA**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS**

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 1,551,765	\$ 1,468,309	\$ 1,218,640	\$ 1,410,070	\$ 1,448,306	\$ 1,283,799	\$ 1,320,752	\$ 1,524,706	\$ 1,282,167	\$ 1,399,516
Public safety	1,811,849	2,028,036	2,026,424	1,901,616	2,030,713	2,497,117	2,313,436	2,148,535	2,161,085	2,214,927
Public works	1,232,752	1,772,474	1,375,092	1,145,762	1,177,152	1,299,110	1,247,275	1,332,709	1,161,433	1,142,324
Better Hometown	20,460	23,712	94,993	92,612	94,744	79,813	100,168	118,824	120,804	131,824
Recreation and parks	110,055	126,543	14,039	24,603	19,653	67,301	59,110	36,934	36,124	41,613
Economic Development	-	259,000	-	-	-	-	-	-	-	-
Interest on long-term debt	31,583	46,828	42,205	115,991	92,883	85,385	74,021	94,286	72,111	65,607
<b>Total governmental activities expenses</b>	<b>4,758,464</b>	<b>5,724,902</b>	<b>4,771,393</b>	<b>4,690,654</b>	<b>4,863,451</b>	<b>5,312,525</b>	<b>5,114,762</b>	<b>5,255,994</b>	<b>4,833,724</b>	<b>4,995,811</b>
<b>Business-type activities:</b>										
Water and Sewer	2,452,951	2,744,406	2,497,429	2,347,640	2,594,367	2,766,489	2,763,021	2,765,315	2,716,467	2,986,704
Electric	4,611,114	5,029,797	4,833,497	5,522,070	6,312,351	6,939,331	7,375,402	7,843,734	9,567,802	8,201,218
Cable	1,434,759	1,558,407	1,429,371	1,471,354	1,357,940	1,373,193	1,386,110	1,364,024	1,004,783	10,122
<b>Total business-type activities expenses</b>	<b>8,498,824</b>	<b>9,332,610</b>	<b>8,760,297</b>	<b>9,341,064</b>	<b>10,264,658</b>	<b>11,079,013</b>	<b>11,524,533</b>	<b>11,973,073</b>	<b>13,289,052</b>	<b>11,198,044</b>
<b>Total primary government expenses</b>	<b>13,257,288</b>	<b>15,057,512</b>	<b>13,531,690</b>	<b>14,031,718</b>	<b>15,128,109</b>	<b>16,391,538</b>	<b>16,639,295</b>	<b>17,229,067</b>	<b>18,122,776</b>	<b>16,193,855</b>
<b>Program revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	98,821	114,744	241,996	120,383	104,718	127,796	103,346	143,867	121,714	\$ 122,468
Public safety	455,202	644,759	364,864	347,537	375,063	452,485	520,036	391,328	261,547	221,053
Public works	276,650	413,885	380,780	387,501	399,480	428,856	388,715	315,027	291,718	299,979
Recreation and parks	-	-	-	10,150	-	-	-	-	-	-
Operating grants and contributions	189,898	60,756	34,292	25,600	1,000	42,232	-	4,750	136,305	-
Capital grants and contributions	-	-	-	-	1,176,180	1,098,773	715,875	900,835	710,021	898,268
<b>Total governmental activities program revenues</b>	<b>1,020,571</b>	<b>1,234,144</b>	<b>1,021,932</b>	<b>891,171</b>	<b>2,056,441</b>	<b>2,150,142</b>	<b>1,727,972</b>	<b>1,755,807</b>	<b>1,521,305</b>	<b>1,541,768</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water and Sewer	1,993,426	2,372,834	2,092,204	2,054,720	2,238,758	2,381,675	2,348,384	2,324,264	2,563,660	2,877,795
Electric	5,094,481	5,962,160	5,778,944	5,945,079	7,324,525	7,417,847	7,488,911	8,006,946	8,966,317	9,549,219
Cable	1,116,644	1,110,666	1,116,143	1,130,365	1,107,994	1,106,494	1,080,843	1,040,788	626,579	-
Operating grants and contributions	-	3,679	-	-	-	-	-	-	-	-
Capital grants and contributions	-	1,087,448	608,482	42,866	760,565	650,000	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>8,204,551</b>	<b>10,536,787</b>	<b>9,595,773</b>	<b>9,173,030</b>	<b>11,431,842</b>	<b>11,556,016</b>	<b>10,918,138</b>	<b>11,371,998</b>	<b>12,156,556</b>	<b>12,427,014</b>
<b>Total primary governmental program revenues</b>	<b>\$ 9,225,122</b>	<b>\$ 11,770,931</b>	<b>\$ 10,617,705</b>	<b>\$ 10,064,201</b>	<b>\$ 13,488,283</b>	<b>\$ 13,706,158</b>	<b>\$ 12,646,110</b>	<b>\$ 13,127,805</b>	<b>\$ 13,677,861</b>	<b>\$ 13,968,782</b>

CITY OF FORSYTH, GEORGIA  
CHANGES IN NET POSITION  
LAST TEN YEARS (CONTINUED)

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (3,737,893)	\$ (4,490,758)	\$ (3,749,461)	\$ (3,799,483)	\$ (2,807,010)	\$ (3,162,383)	\$ (3,386,790)	\$ (3,500,187)	\$ (3,312,419)	\$ (3,454,043)
Business-type activities	(294,273)	1,204,177	835,476	(168,034)	1,167,184	477,003	(606,395)	(601,075)	(1,132,496)	1,228,970
Total primary government expense	(4,032,166)	(3,286,581)	(2,913,985)	(3,967,517)	(1,639,826)	(2,685,380)	(3,993,185)	(4,101,262)	(4,444,915)	(2,225,073)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	518,526	483,576	612,791	636,400	613,754	609,299	621,760	669,123	594,819	571,258
Sales taxes	1,227,317	2,049,597	2,532,017	2,151,560	1,478,126	1,581,895	1,102,851	1,031,557	891,040	921,469
Other taxes and licenses	877,483	911,794	751,993	852,450	839,930	791,468	799,138	809,692	797,757	885,101
Investment earnings	24,961	35,478	12,632	7,463	1,483	1,145	558	1,244	2,646	2,132
Miscellaneous	47,087	102,428	29,166	54,913	64,327	91,482	277,793	53,170	56,325	70,774
Transfers	1,355,961	992,757	772,553	541,738	875,249	738,811	657,489	559,867	447,468	1,559,777
Total governmental activities	4,051,335	4,575,630	4,711,152	4,244,524	3,872,869	3,814,100	3,459,589	3,124,653	2,790,055	4,010,511
Business-type activities:										
Sales tax	675,205	-	-	-	-	-	-	-	-	-
Investment earnings	471,768	406,743	489,859	155,463	754,159	456,593	413,264	570,720	42,014	33,476
Miscellaneous	-	-	-	-	13,281	140,334	52,973	231,202	390,072	90,853
Transfers	(1,355,961)	(992,757)	(915,891)	(541,738)	(708,661)	(738,811)	(657,489)	(559,867)	(447,468)	(1,559,777)
Total business-type activities	(208,988)	(586,014)	(426,032)	(386,275)	58,779	(141,884)	(191,252)	242,055	(15,382)	(1,435,448)
Total primary government	3,842,347	3,989,616	4,285,120	3,858,249	3,931,648	3,672,216	3,268,337	3,366,708	2,774,673	2,575,063
<b>Change in Net Position</b>										
Governmental activities	313,442	84,872	961,691	445,041	1,065,859	651,717	72,799	(375,534)	(522,364)	556,468
Business-type activities	(503,261)	618,163	409,444	(554,309)	1,225,963	335,119	(797,647)	(359,020)	(1,147,878)	(206,478)
Total primary government	\$ (189,819)	\$ 703,035	\$ 1,371,135	\$ (109,268)	\$ 2,291,822	\$ 986,836	\$ (724,848)	\$ (734,554)	\$ (1,670,242)	\$ 349,990

CITY OF FORSYTH, GEORGIA  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN YEARS

	Calendar Year									
<i>Prior to implementation of GASB 54</i>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ 47,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	648,298	546,956	586,107	736,299	-	-	-	-	-	-
Total general fund	648,298	546,956	633,256	736,299	-	-	-	-	-	-
<b>All Other Governmental Funds</b>										
Reserved	-	266,774	724,123	2,990,426	-	-	-	-	-	-
Unreserved	-	-	71,560	83,188	-	-	-	-	-	-
Total all other governmental funds	-	266,774	795,683	3,073,614	-	-	-	-	-	-
	Calendar Year									
<i>After implementation of GASB 54</i>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Nonspendable	-	-	-	-	16,202	23,522	3,494	5,784	2,941	3,371
Restricted	-	-	-	-	45,876	47,019	73,608	55,029	60,091	61,011
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	1,071,596	984,215	872,761	952,304	1,083,345	1,486,907
Total general fund	-	-	-	-	1,133,674	1,054,756	949,863	1,013,117	1,146,377	1,551,289
<b>All Other Governmental Funds</b>										
Nonspendable	-	-	-	-	278,728	324,849	328,986	288,043	-	-
Restricted	-	-	-	-	2,394,415	1,373,548	3,162,844	2,490,076	1,058,254	880,272
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	59,520	83,493	44,803	10,599	9,187	2,046
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	-	-	-	-	2,732,663	1,781,890	3,536,633	2,788,718	1,067,441	882,318
Total governmental funds	\$ 648,298	\$ 813,730	\$ 1,428,939	\$ 3,809,913	\$ 3,866,337	\$ 2,836,646	\$ 4,486,496	\$ 3,801,835	\$ 2,213,818	\$ 2,433,607

**Note 1:** Fund balances terminology changed in June 15, 2010 with the implementation of GASB statement 54.

CITY OF FORSYTH, GEORGIA  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Taxes	\$ 2,592,219	\$ 3,466,595	\$ 3,988,237	\$ 2,831,092	\$ 2,934,455	\$ 3,017,700	\$ 2,510,573	\$ 2,500,962	\$ 2,348,811	\$ 2,377,793
Licenses and permits	98,821	114,744	113,115	116,898	104,718	127,796	103,346	143,867	121,714	122,468
Intergovernmental	189,898	60,756	34,292	724,614	1,165,182	1,137,270	715,875	904,678	634,625	901,593
Fines and forfeitures	455,202	644,759	364,885	347,537	375,063	452,485	520,036	391,328	261,547	221,053
Charges for services	276,650	413,885	396,058	394,319	399,480	428,856	388,715	315,027	291,718	299,979
Investment earnings	24,961	35,478	12,611	7,463	2,880	4,879	558	2,151	3,042	2,132
Other revenues	47,087	102,428	29,166	65,063	74,928	91,482	35,511	150,010	56,325	70,774
<b>Total revenues</b>	<b>3,405,433</b>	<b>3,684,838</b>	<b>4,838,645</b>	<b>4,938,364</b>	<b>4,486,986</b>	<b>5,056,706</b>	<b>5,260,468</b>	<b>4,408,023</b>	<b>3,717,782</b>	<b>3,995,792</b>
<b>Expenditures</b>										
General government	1,446,508	1,661,240	1,061,479	1,103,838	1,502,460	1,622,132	1,257,352	1,461,306	1,293,127	1,285,496
Public safety	1,796,911	1,915,924	1,873,857	1,858,466	2,033,492	2,467,583	2,145,608	2,024,716	2,018,487	2,136,605
Public works	1,438,759	1,348,751	1,341,172	1,273,496	1,350,224	1,410,651	1,218,334	1,290,570	1,098,622	1,136,757
Parks and recreation	18,336	21,588	11,915	22,478	16,663	63,445	54,761	22,030	12,789	18,278
Better hometown	110,055	126,543	94,993	92,612	94,744	79,813	100,168	118,824	120,804	131,824
Capital outlay	-	463,749	1,040,388	51,179	436,558	878,815	347,337	241,761	683,619	256,371
Debt service										
Principal	85,446	81,347	402,991	136,601	412,309	426,676	442,583	453,530	404,516	412,611
Interest	31,583	46,828	60,331	115,991	92,883	85,385	74,021	52,378	121,303	113,694
<b>Total expenditures</b>	<b>4,105,386</b>	<b>4,927,598</b>	<b>5,665,970</b>	<b>5,887,126</b>	<b>4,654,661</b>	<b>5,939,333</b>	<b>7,034,500</b>	<b>5,665,115</b>	<b>5,753,267</b>	<b>5,491,636</b>
Excess (deficiency) of revenues over (under) expenditures	(699,953)	(1,242,760)	(827,325)	(948,762)	(167,675)	(882,627)	(1,774,032)	(1,257,092)	(2,035,485)	(1,495,844)
<b>Other financing sources (uses):</b>										
Transfers in (out)	1,355,961	992,757	1,141,955	541,738	875,249	738,811	657,489	559,867	447,468	2,376,403
Bond and loan proceeds	199,058	-	422,016	2,006,911	63,791	5,542	2,358,019	-	-	(660,770)
<b>Total other financing sources (uses)</b>	<b>670,494</b>	<b>1,555,019</b>	<b>992,757</b>	<b>1,563,971</b>	<b>2,548,649</b>	<b>939,040</b>	<b>744,353</b>	<b>559,867</b>	<b>447,468</b>	<b>1,715,633</b>
<b>Net change in fund balances</b>	<b>\$ (29,459)</b>	<b>\$ 312,259</b>	<b>\$ 165,432</b>	<b>\$ 615,209</b>	<b>\$ 2,380,974</b>	<b>\$ 56,413</b>	<b>\$ (1,029,679)</b>	<b>\$ (697,225)</b>	<b>\$ (1,588,017)</b>	<b>\$ 219,789</b>
Ratio of debt service to noncapital expenditures	2.43%	2.53%	10.57%	5.81%	10.11%	9.07%	10.82%	10.29%	11.57%	11.18%

CITY OF FORSYTH, GEORGIA  
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION  
LAST TEN YEARS

Calendar Year	General Government	Police	Fire Department	Municipal Court	Public Works	Better Hometown	Parks & Recreation	Total
2006	1,249,446	1,399,742	397,169	63,994	1,438,759	110,055	18,336	4,677,501
2007	1,176,129	1,475,054	440,870	97,699	1,348,751	126,543	21,588	4,686,634
2008	922,043	1,358,814	423,078	91,965	1,341,172	94,993	11,915	4,243,980
2009	678,047	1,230,211	448,008	92,517	1,273,496	92,612	22,478	3,837,369
2010	1,390,959	1,443,956	526,455	89,755	1,350,224	94,744	16,663	4,912,756
2011	1,511,255	1,683,293	714,204	85,444	1,410,651	79,813	63,445	5,548,105
2012	1,137,303	1,495,948	602,431	93,164	1,231,202	100,168	54,761	4,714,977
2013	1,338,921	1,290,276	643,157	95,738	1,290,570	118,824	22,030	4,799,516
2014	1,172,578	1,297,778	677,104	92,167	1,098,622	120,804	12,789	4,471,842
2015	1,147,550	1,304,594	774,868	94,905	1,136,757	131,824	18,278	4,608,776

Notes:

(1) Source is current and prior years' fund financial statements.

CITY OF FORSYTH, GEORGIA  
GENERAL GOVERNMENT REVENUES BY SOURCE  
LAST TEN YEARS

Calendar Year	Inter-Government	Ad Valorem Taxes	Sales Taxes	Franchise Taxes	Licenses & Permits	Charges for Services	Fines & Forfeits	Beer & Liquor Taxes	Insurance Premium Tax	Misc. & Interest	Total
2006	191,638	487,419	1,902,522	106,588	98,821	276,650	455,202	223,701	214,525	70,307	4,027,373
2007	63,312	505,204	2,049,597	144,520	114,744	367,573	644,759	222,471	223,773	134,806	4,470,759
2008	34,292	584,679	2,532,017	113,603	113,115	396,058	328,585	180,224	229,134	39,556	4,551,263
2009	25,600	529,429	2,151,560	105,804	116,898	394,319	347,537	201,851	226,984	48,804	4,148,786
2010	393,179	616,399	2,250,129	116,700	104,718	399,480	365,999	224,091	220,387	76,411	4,767,493
2011	336,489	644,337	2,370,080	119,443	127,796	428,856	411,603	217,159	177,673	92,587	4,926,023
2012	90,507	608,584	1,728,219	110,444	103,346	388,715	489,377	199,848	188,719	36,032	3,943,791
2013	36,024	659,713	1,900,211	116,050	143,867	315,027	373,151	192,281	195,400	151,239	4,082,963
2014	180,539	660,014	1,345,126	95,334	121,714	291,718	254,194	193,725	207,325	58,965	3,408,654
2015	46,897	571,258	1,776,165	118,428	122,468	299,979	221,053	195,455	221,493	422,596	3,995,792

CITY OF FORSYTH, GEORGIA  
SALES TAX COLLECTIONS AND RATES  
LAST TEN YEARS

Calendar Year	Sales Tax Received by Forsyth			Individual Sales Tax Rates				
	Local Option Sales Tax	Special Purpose Local Option Sales Tax	Total Collected Sales Tax	State Basic Rate	County Education Rate	Special Local Option Sales Tax	City Local Option Sales Tax	Total Sales Tax Rate
2006	1,227,317	675,205	1,902,522	4%	1%	1%	1%	7%
2007	1,322,174	727,423	2,049,597	4%	1%	1%	1%	7%
2008	1,663,432	868,585	2,532,017	4%	1%	1%	1%	7%
2009	1,452,546	699,014	2,151,560	4%	1%	1%	1%	7%
2010	1,478,126	772,003	2,250,129	4%	1%	1%	1%	7%
2011	1,581,895	788,185	2,370,080	4%	1%	1%	1%	7%
2012	1,102,851	625,368	1,728,219	4%	1%	1%	1%	7%
2013	1,031,557	868,654	1,900,211	4%	1%	1%	1%	7%
2014	891,040	454,086	1,345,126	4%	1%	1%	1%	7%
2015	921,469	854,696	1,776,165	4%	1%	1%	1%	7%



CITY OF FORSYTH, GEORGIA  
 ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS

<u>Calendar Year</u>	<u>Assessed Value of Taxable Property</u>	<u>Less Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2006	114,369,837	19,793,523	94,576,314	6.515	236,440,785	40%
2007	118,651,803	19,826,374	98,825,429	6.000	247,063,573	40%
2008	116,969,795	9,791,246	107,178,549	5.750	267,946,373	40%
2009	120,859,356	9,764,906	111,094,450	5.750	277,736,125	40%
2010	121,371,593	9,897,306	111,474,287	5.750	278,685,718	40%
2011	119,762,947	9,906,759	109,856,188	5.600	274,640,470	40%
2012	121,919,065	9,992,386	111,926,679	5.600	279,816,698	40%
2013	121,448,004	9,691,866	111,756,138	5.600	279,390,345	40%
2014	118,275,837	9,728,506	108,547,331	3.500	271,368,328	40%
2015	120,246,776	10,177,848	110,068,928	3.000	275,172,320	40%

Sources: Georgia's Consolidated Tax Digest

Note: The county assesses property at 40% of actual value. Actual taxable value is calculated by dividing assessed value by 40%. Tax rates are per \$1,000 of assessed value.

CITY OF FORSYTH, GEORGIA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Calendar Year Ended	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date		Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percentage of Current Levy
		Amount	Percentage of Levy		Amount	Percentage of Levy		
12/31/2006	487,419	368,450	75.59%	118,712	487,162	99.95%	257	0.05%
12/31/2007	505,204	391,882	77.57%	112,827	504,709	99.90%	495	0.10%
12/31/2008	584,679	324,981	55.58%	259,321	584,302	99.94%	377	0.06%
12/31/2009	529,429	406,633	76.81%	122,439	529,072	99.93%	357	0.07%
12/31/2010	616,399	482,924	78.35%	128,310	611,234	99.16%	5,165	0.84%
12/31/2011	644,337	562,484	87.30%	80,123	642,607	99.73%	1,730	0.27%
12/31/2012	625,241	532,308	85.14%	90,140	622,448	99.55%	2,793	0.45%
12/31/2013	618,538	525,605	84.98%	87,533	613,138	99.13%	5,400	0.87%
12/31/2014	359,111	302,078	84.12%	51,452	353,530	98.45%	5,581	1.55%
12/31/2015	310,410	236,038	76.04%	-	236,038	76.04%	74,372	23.96%

Sources: Digest Reports of Forsyth, Property Tax Collection Reports,  
Property Tax Delinquent Accounts Reports, Prior Forsyth Financial Reports

CITY OF FORSYTH, GEORGIA  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING  
(PER \$1,000 OF ASSESSED VALUE)  
LAST TEN YEARS

Tax Levy Period Calendar Year	Direct	Overlapping		Total
	City Basic Rate	State and County	County School System	
2006	6.000	11.450	13.500	30.950
2007	5.750	11.450	13.900	31.100
2008	5.750	9.681	13.100	28.531
2009	5.750	9.681	13.700	29.131
2010	5.600	9.681	13.950	29.231
2011	5.600	9.681	14.987	30.268
2012	5.600	9.531	15.342	30.473
2013	5.600	9.981	15.342	30.923
2014	3.500	9.931	15.342	28.773
2015	3.000	10.832	15.318	29.150

Source: Georgia Department of Revenue

Note: The above presents tax rates per \$1,000 of assessed valuation.

Note: The city's total direct rate only consists of a basic rate.

CITY OF FORSYTH, GEORGIA  
 PRINCIPAL TAXPAYERS  
 DECEMBER 31, 2015

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Eric S Zorn Trustee (Wal-Mart)	Retail	\$ 4,202,260	3.49%
Central Georgia Medical Properties LLC	Medical	3,031,476	2.52%
Wal-Mart Stores East Inc	Retail	2,804,418	2.33%
Ingram Timber Enterprises LP	Timber	1,275,424	1.06%
Treadwell Family Partnership	Real Estate	1,155,616	0.96%
Atlantic Gas Light Co	Utilities	1,135,708	0.94%
Ingles Markets Incorp	Grocery Store	1,017,056	0.85%
Encore Plastics Southeast	Manufacturer	872,756	0.73%
Jones, William B	Real Estate	847,560	0.70%
Brentwood Partners LP	Real Estate	801,860	0.67%
		<u>\$ 17,144,134</u>	<u>14.26%</u>

Source: Monroe County Tax Digest

CITY OF FORSYTH, GEORGIA  
 PRINCIPAL TAXPAYERS  
 DECEMBER 31, 2006

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Perdue Farms Inc	Poultry	\$ 1,799,433	1.57%
Forsyth Inns Inc	Hotel	1,426,332	1.25%
Ingram Timber Enterprises	Timber	1,398,134	1.22%
Bellsouth Telecom	Telephone	1,314,420	1.15%
Ingles Markets	Grocery Store	1,188,122	1.04%
Treadwell Family Partnership	Real Estate	1,130,573	0.99%
Jack Treadwell	Real Estate	1,073,501	0.94%
Newton Trio MFG Co	Manufacturing	1,197,584	1.05%
Trane Company	AC Manufacturer	1,323,841	1.16%
Wal-Mart Stores East Inc	Retail	<u>878,667</u>	0.77%
		<u><u>\$ 12,730,607</u></u>	11.13%

Source: Provided by Lori Andrews, Monroe County Tax Commissioner

CITY OF FORSYTH, GEORGIA  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS

Calendar Year	General Obligation Bonds	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita
		Notes Payable	Revenue Bonds	Capital Leases	Notes Payable	Revenue Bonds	Capital Leases			
2006	-	857,713	-	162,435	91,354	2,645,000	3,298,353	7,054,855	7.54%	1,864
2007	-	840,319	-	98,482	71,377	1,325,000	2,888,915	5,224,093	5.40%	1,380
2008	-	831,001	-	126,825	-	-	2,510,935	3,468,761	3.32%	916
2009	-	821,225	2,030,000	-	-	-	2,040,709	4,891,934	4.91%	1,292
2010	-	811,025	1,635,000	51,141	-	-	1,666,893	4,164,059	4.04%	1,099
2011	-	800,382	1,230,000	40,108	-	-	1,145,073	3,215,563	2.13%	840
2012	-	789,279	2,970,000	28,627	-	-	564,593	4,352,499	2.88%	1,136
2013	-	777,694	2,540,000	16,683	-	-	38,520	3,372,897	2.38%	880
2014	-	765,607	2,160,000	4,254	-	-	12,167	2,942,028	2.08%	746
2015	-	752,995	1,760,000	-	-	-	14,616	2,527,611	1.78%	638

Source: current and prior years' financial statements.

(1) See the schedule of Demographic and Economic Statistics for per capita personal income and population data.

CITY OF FORSYTH, GEORGIA  
DIRECT AND OVERLAPPING GOVERNMENTAL  
ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015

	<u>Total Amount of Debt Outstanding</u>	<u>Percentage Applicable to City of Forsyth</u>	<u>Amount Applicable to City of Forsyth</u>
<b>Direct Debt</b>			
Notes payable	\$ 752,995	100%	\$ 752,995
Revenue bonds	1,760,000	100%	1,760,000
Capital leases	<u>14,616</u>	<u>100%</u>	<u>14,616</u>
<b>Total Direct Debt</b>	<u>2,527,611</u>	<u>100%</u>	<u>2,527,611</u>
<b>Overlapping Debt</b>			
	<u>-</u>		<u>-</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>\$ 2,527,611</u></u>	<u><u>100%</u></u>	<u><u>\$ 2,527,611</u></u>

Source: City of Forsyth

Note: No overlapping debt as December 31, 2015.

CITY OF FORSYTH, GEORGIA  
 COMPUTATION OF LEGAL DEBT MARGIN  
 DECEMBER 31, 2015

Assessed value of all taxable property	\$ 110,068,928	
Plus exempt property	<u>10,177,848</u>	<u>\$ 120,246,776</u>
Debt limit - 10% of assessed value		\$ 12,024,678
Debt applicable to limitation:		
Total general obligation debt	\$ (752,995)	
Less assets in debt service available for payment of principal	<u>58,813</u>	
Total amount of debt applicable to debt limit		<u>(694,182)</u>
Legal debt margin		<u>\$ 11,330,496</u>

Source: City of Forsyth, Georgia tax records.

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation debt.



CITY OF FORSYTH, GEORGIA  
LONG TERM DEBT BURDEN  
WATER AND SEWER FUND  
LAST TEN YEARS

Calendar Year	Gross Revenue (1)	Direct Operating Expenses (2)	Available for Debt Service	Debt Service Requirements			Total Debt Burden	Per Capita
				Principal	Interest	Total		
2006	\$ 8,204,551	\$ 7,240,585	\$ 963,966	\$ 1,688,891	\$ 116,680	\$ 1,805,571	\$ 841,605	222
2007	9,445,660	8,030,579	1,415,081	1,749,415	72,887	1,822,302	407,221	108
2008	8,987,291	7,447,006	1,540,285	1,845,734	97,406	1,943,140	402,855	106
2009	9,130,164	8,097,321	1,032,843	470,226	118,176	588,402	-	-
2010	10,671,277	9,050,729	1,620,548	505,174	93,560	598,734	-	-
2011	10,906,016	9,860,147	1,045,869	521,820	71,740	593,560	-	-
2012	10,971,111	10,336,256	634,855	540,529	51,955	592,484	-	-
2013	11,603,199	10,833,079	770,120	27,832	939	28,771	-	-
2014	12,546,628	12,264,230	282,398	12,167	119	12,286	-	-
2015	12,513,524	10,283,929	2,229,595	14,616	1,925	16,541	-	-

- (1) Total revenues exclusive of SPLOST, grants and interest.  
(2) Total operating expenses exclusive of depreciation.

Source: current and prior years' financial statements.

CITY OF FORSYTH, GEORGIA  
 DEMOGRAPHIC AND ECONOMIC INFORMATION  
 DECEMBER 31, 2015

Date of incorporation	December 10, 1823
Form of government	Mayor-City Council
Area	4.98 square miles
Miles of streets	46 miles
Miles of sanitary sewers	40
Number of street lights	785
Number of fire stations	1
Number of police stations	1
Number of parks	5

<u>Fiscal Year</u>	<u>Population (Est) (2)</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (County)</u>
2006	3,784	\$ 93,616,160	\$ 24,740	4.5%
2007	3,785	96,733,245	25,557	4.2%
2008	3,786	104,414,094	27,579	5.7%
2009	3,787	99,617,035	26,305	9.0%
2010	3,788	103,132,088	27,226	9.2%
2011	3,826	150,732,922	39,397	8.8%
2012	3,830	150,890,510	39,397	8.2%
2013	3,834	141,394,086	36,879	7.9%
2014	3,943	141,447,239	35,873	5.7%
2015	3,964	142,200,572	35,873	5.7%

Source: Records in City Hall files, Georgia Department of Labor, and Bureau of Labor Statistics // [www.bea.gov](http://www.bea.gov), City of Forsyth Records

- (1) Personal income is derived at by multiplying population by per capita personal income.
- (2) All population data, besides 2010, are estimates based on the U.S. Census results.

CITY OF FORSYTH, GEORGIA  
PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2015			2007		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Monroe County Board of Education	612	1	15.44%	700	1	18.49%
GA Department of Corrections	434	2	10.95%			
Georgia Power Company - Plant Scherer	410	3	10.34%	400	2	10.57%
Monroe County Board of Commissioners	245	4	6.18%	300	3	7.93%
Al Burrus Correctional Institute	229	5	5.78%	200	5	5.28%
GA Public Safety Training Center	149	6	3.76%	230	4	6.08%
Wal-Mart	91	7	2.30%	105	8	2.77%
Monroe County Hospital	91	8	2.30%	140	6	3.70%
Bolingreen Nursing Home	80	9	2.02%			
PalletOne	69	10	1.74%			
City of Forsyth	65			113	7	2.99%
Perdue Chicken	39			70	9	1.85%

Source: City of Forsyth, Occupation Licenses Reports, Bureau of Economic Analysis

Note: 2006 employment data not readily available. 2007 data provided by the Chamber of Commerce.

CITY OF FORSYTH, GEORGIA  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
 LAST TEN YEARS

Function	Full-time Equivalent Employees as of Year End									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administrative	13	12	10	11	11	11	12	12	8	8
Fire	12	12	13	13	13	17	16	16	10	14
Police	34	34	32	32	35	32	29	22	23	26
Municipal Court	1	1	1	1	1	1	1	1	1	1
Public Works	28	31	26	22	22	25	18	14	9	12
Better Hometown	1	1	2	2	2	2	2	2	2	4
Electric	9	12	9	9	13	11	11	11	11	11
Cable	2	2	-	-	-	-	-	-	-	-

Source: Provided by Kristal Dunn, City Clerk

CITY OF FORSYTH, GEORGIA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS

Function	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Administrative</b>										
Business licenses issued	463	539	537	442	476	512	501	444	471	636
Permits issued	130	152	193	263	155	212	207	243	341	110
<b>Police</b>										
Citations	3,422	3,275	3,980	2,084	2,928	2,879	2,544	2,816	1,703	1,458
<b>Public Works</b>										
Garbage customers	1,501	1,494	2,281	1,470	1,437	1,427	1,481	1,574	1,491	1,513
<b>Culture and Recreation</b>										
Annual city-sponsored events	-	6	6	11	11	5	10	12	11	13
Annual non-city sponsored events	1	1	1	1	1	1	1	1	1	1
<b>Electric</b>										
Annual Kilowatt Hours Sold (millions)	58.0	67.9	65.8	67.1	77.2	79.4	80.8	85.9	115.4	126
<b>Water</b>										
Average daily consumption in gallons (millions)	1.3	1.6	1.7	1.1	2.0	2.0	1.5	1.3	1.3	1.43
<b>Cable</b>										
Cable customers	1,761	1,753	1,708	1,731	1,437	1,432	1,653	1,609	-	-

Source: City permit and license records, city police records, utility records

CITY OF FORSYTH, GEORGIA  
 CAPITAL ASSETS STATISTICS BY FUNCTION  
 LAST TEN YEARS

Function	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Administrative</b>										
Buildings	1	1	1	1	1	1	1	1	1	2
<b>Police</b>										
Patrol units	7	9	9	8	9	10	8	8	14	22
<b>Fire</b>										
Fire trucks	5	5	5	5	5	4	4	4	7	7
<b>Public Works</b>										
Vehicles	10	10	10	10	10	10	10	8	8	10
Street (miles)	46	46	46	46	46	46	46	46	50	50
Streetlights	726	760	760	785	785	785	785	785	785	795
<b>Garage</b>										
Vehicles	1	1	1	1	1	1	1	2	2	2
<b>Culture and Recreation</b>										
Acreage	16	16	16	16	16	16	16	16	16	16
Park sites	4	4	4	5	5	5	5	5	5	5
<b>Electric</b>										
Electric lines (miles)	51.65	52.50	54.97	54.97	57.97	57.97	58.00	58.00	58.00	58.00
Vehicles	8	8	8	8	8	8	9	9	9	9
<b>Water</b>										
Water mains (miles)	40	40	40	40	40	40	40	40	40	40
<b>Sewer</b>										
Sanitary sewers (miles)	30	30	30	30	30	30	40	40	40	40
<b>Cable</b>										
Cable lines (miles)	110	110	110	110	110	110	110	110	-	-

Source: City capital asset records

## **GOVERNMENT REPORTS**

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

To the Mayor and City Council  
City of Forsyth, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Forsyth, Georgia, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise City of Forsyth, Georgia's basic financial statements and have issued our report thereon dated September 1, 2016.

**Internal Control Over Financial Reporting**

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

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

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



## **Compliance and Other Matters**

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

## **City of Forsyth, Georgia's Response to Findings**

City of Forsyth, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City of Forsyth, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

Forsyth, Georgia  
September 1, 2016

CITY OF FORSYTH, GEORGIA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2015

2014-01 State Law Compliance: Commingling of SPLOST Funds

Criteria: Under §48-8-121 of the Georgia Annotated Code, special purpose local option sales tax proceeds should be kept separate from other funds not derived from special purpose local option sales tax.

Condition: During 2014, the City transferred \$16,868 from other funds into their SPLOST fund to fund a capital project.

Auditee response/status: Resolved.

2014-02 State Compliance – Budgets

Criteria: The Official Code of Georgia §36-81-3 requires that municipalities adopt balanced budgets for all special revenue funds.

Condition: The City failed to adopt budgets for their Special Police Revenue Fund and Hotel/Motel Tax Fund in 2014.

Auditee response/status: Resolved.