

CITY OF FORSYTH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

Prepared under authority
of the Office of the
City Manager

CITY OF FORSYTH, GEORGIA
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CITY OF FORSYTH

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

June 30, 2017

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, 2016 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, 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 \$3,934,469 in 2016. 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.

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.

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.

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.

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.

Economic Development:

Overview - The Economic Development 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 Economic Development Department coordinates the development and implementation of special area studies, plan review process, Zoning Ordinance, Sign Ordinance, and Landscape Ordinances. The Economic Development Department expeditiously reviews and responds to all inquiries, applications, and studies dealing with current planning, zoning, subdivision, and land development to achieve a well-designed, planned, and quality community in accordance with adopted ordinances, resolutions, and policies. The Economic Development 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.

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.

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.

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 \$614,944. Total expenditures were made in the amount of \$506,344 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 \$378,060. Expenditures were made in the amount of \$151,224 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 \$3,053. There were no expenditures were made 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 2016 were \$13,305,452. Total operating expenditures for year 2016 were \$11,923,971. The change in net assets after depreciation and non-operating revenues and/or expenses was \$310,578 for the year 2016.

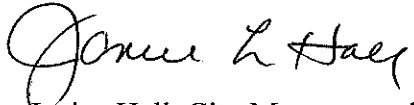
Relevant Financial Policies. Throughout the year, the city manager and city clerk administer the governing council's approved financial policies. These policies address issuance of debt, purchasing and procurement, cash and investment management, and accounting practices. In totality, these policies 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,

A handwritten signature in cursive script that reads "Janice L. Hall". The signature is written in black ink and is positioned above the printed name.

Janice Hall, City Manager and
Chief Financial Officer

CITY OF FORSYTH, GEORGIA

LIST OF PRINCIPAL OFFICIALS

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

ECONOMIC DEVELOPMENT/ DOWNTOWN DEVELOPMENT AUTHORITY

Michael Norris

BETTER HOMETOWN DIRECTOR

Vacant

MUNICIPAL COURT JUDGE

J. Kristi Lovelace

CITY ATTORNEY

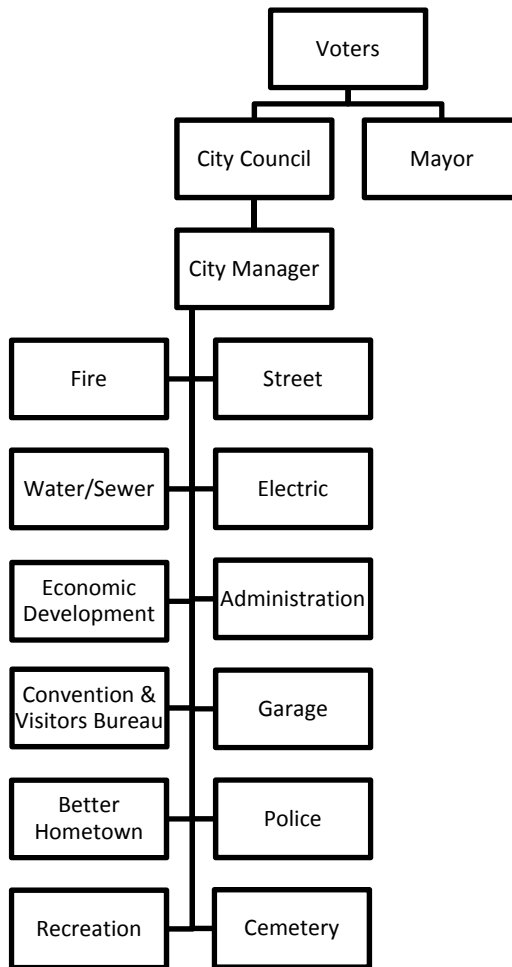
C. Robert Melton

CITY AUDITOR

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

CITY OF FORSYTH, GEORGIA

ORGANIZATIONAL CHART



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, 2016, 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, 2016, 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 43 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 June 30, 2017, 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.

Buehly + Hopkins, LLP

Forsyth, Georgia
June 30, 2017

CITY OF FORSYTH, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016
(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, 2016.

FINANCIAL HIGHLIGHTS

- The assets of the City's Primary Government activities exceeded its liabilities as of December 31, 2016, by \$20,221,549.
- As of December 31, 2016, total net position consisted of \$15,422,835 net investment in capital assets, \$63,326 restricted for debt service, \$5,733 restricted for police expenditures, \$575,764 restricted for capital outlay, \$755,049 restricted for postclosure landfill costs, and \$3,398,842 unrestricted.
- As of December 31, 2016, the City's governmental funds reported ending fund balance of \$2,315,312, an decrease of \$(112,427) in comparison with the prior year.
- As of December 31, 2016, the City's General Fund reported ending fund balance of \$1,561,729, an increase of \$10,440 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, 2016
(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
DECEMBER 31, 2016
(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 \$20,221,549 at the close of the most recent fiscal year.

CITY OF FORSYTH, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016
(UNAUDITED)

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	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$ 2,761,541	\$ 2,938,035	\$ 4,429,200	\$ 3,557,936	\$ 7,190,741	\$ 6,495,971
Capital assets, net of accumulated depreciation	5,140,065	5,388,537	13,606,446	13,053,626	18,746,511	18,442,163
Total assets	7,901,606	8,326,572	18,035,646	16,611,562	25,937,252	24,938,134
Liabilities						
Current and other	1,116,685	327,245	1,275,341	1,292,014	2,392,026	1,619,259
Long-term liabilities	2,178,882	3,452,810	1,144,795	14,616	3,323,677	3,467,426
Total liabilities	3,295,567	3,780,055	2,420,136	1,306,630	5,715,703	5,086,685
Net position						
Net investment in						
capital assets	2,961,183	1,936,014	12,461,652	13,039,010	15,422,835	14,975,024
Restricted for debt service	63,326	58,813	-	-	63,326	58,813
Restricted for police expenditures	5,733	38,047	-	-	5,733	38,047
Restricted for postclosure landfill costs	755,049	-	-	-	755,049	-
Restricted for capital outlay	575,764	889,167	-	-	575,764	889,167
Unrestricted	244,984	1,624,476	3,153,858	2,265,922	3,398,842	3,890,398
Total net position	\$ 4,606,039	\$ 4,546,517	\$ 15,615,510	\$ 15,304,932	\$ 20,221,549	\$ 19,851,449

CITY OF FORSYTH, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016
(UNAUDITED)

City of Forsyth, Georgia Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program services						
Charges for services	\$ 809,993	\$ 643,500	\$ 12,968,052	\$ 12,427,014	\$ 13,778,045	\$ 13,070,514
Operating grants & contributions	-	-	-	-	-	-
Capital grants and contributions	614,730	898,268	266,576	-	881,306	898,268
General revenues						
Taxes	2,326,346	2,377,828	-	-	2,326,346	2,377,828
Investment & interest revenue	1,281	2,132	353,048	33,476	354,329	35,608
Other	182,118	70,774	78,863	90,853	260,981	161,627
Total revenues	3,934,468	3,992,502	13,666,539	12,551,343	17,601,007	16,543,845
Expenses						
General government	\$1,502,667	\$1,399,516	-	-	1,502,667	1,399,516
Public safety	2,216,538	2,214,927	-	-	2,216,538	2,214,927
Public works	1,285,931	1,142,324	-	-	1,285,931	1,142,324
Better Hometown	203,398	131,824	-	-	203,398	131,824
Parks & recreation	44,433	41,613	-	-	44,433	41,613
Interest	52,676	65,607	-	-	52,676	65,607
Combined utilities	-	-	11,925,264	11,198,044	11,925,264	11,198,044
Total expenses	5,305,643	4,995,811	11,925,264	11,198,044	17,230,907	16,193,855
Change in net position before transfers	(1,371,175)	(1,003,309)	1,741,275	1,353,299	370,100	349,990
Transfers	1,430,697	1,559,777	(1,430,697)	(1,559,777)	-	-
Increase in net position	59,522	556,468	310,578	(206,478)	370,100	349,990
Net position, beginning	4,546,517	3,990,049	15,304,932	15,511,410	19,851,449	19,501,459
Net position, ending	\$ 4,606,039	\$ 4,546,517	\$ 15,615,510	\$ 15,304,932	\$ 20,221,549	\$ 19,851,449

CITY OF FORSYTH, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016
(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 \$2,315,312, a decrease of \$(112,427) from the prior year, resulting primarily from the transfer from the proprietary fund which amounted to \$1,665,218 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 \$1,478,775. 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 \$748,483 which was a decrease of \$(131,789) 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 \$12,461,652 and \$3,153,858 respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund had a surplus of \$10,440 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 property and 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 2016 adopted budget was amended during 2017, resulting in no negative variances plus an overall favorable result. The amended budget accommodated an increase in cost associated with the privatized trash pickup and fire department expenditures, by lowering the police department's budget.

CITY OF FORSYTH, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016
(UNAUDITED)

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, 2016, amounts to \$18,746,512 (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 1.6% (an decrease of 4.6% for governmental activities and an increase of 4.6% for business-type activities). Some of the major capital asset events for the current year include the purchase of a bucket truck, improvements to city sidewalks, 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	
	2016	2015	2016	2015	2016	2015
Land and improvements	\$ 2,279,492	\$ 2,215,726	\$ 249,261	\$ 249,261	\$ 2,528,753	\$ 2,464,987
Distribution system	-	-	25,607,880	25,433,125	25,607,880	25,433,125
Buildings and improvements	2,030,567	2,026,707	5,091,203	5,091,203	7,121,770	7,117,910
Infrastructure	2,534,648	2,500,514	-	-	2,534,648	2,500,514
Machinery and equipment	1,273,486	1,248,308	998,289	998,289	2,271,775	2,246,597
Vehicles	2,015,036	2,015,036	1,004,625	839,861	3,019,661	2,854,897
Construction in progress	162,492	162,492	1,266,289	124,017	1,428,781	286,509
Total capital assets	10,295,721	10,168,783	34,217,547	32,735,756	44,513,268	42,904,539
Accumulated depreciation	(5,155,656)	(4,779,689)	(20,611,100)	(19,682,131)	(25,766,756)	(24,461,820)
Total capital assets	\$ 5,140,065	\$ 5,389,094	\$ 13,606,447	\$ 13,053,625	\$ 18,746,512	\$ 18,442,719

CITY OF FORSYTH, GEORGIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016
(UNAUDITED)

Long-Term Debt

As of December 31, 2016, Forsyth had approximately \$3.3 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 38-40 of this report.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
SPLOST bonds and premium	\$ 1,439,043	\$ 1,905,339	\$ -	\$ -	\$ 1,439,043	\$ 1,905,339
Capital leases	-	-	144,795	14,616	144,795	14,616
Landfill post-closure costs	755,049	794,475	-	-	755,049	794,475
Notes payable	739,839	752,996	1,000,000	-	1,739,839	752,996
Total debt	\$ 2,933,931	\$ 3,452,810	\$ 1,144,795	\$ 14,616	\$ 4,078,726	\$ 3,467,426

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, 2016

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-Type Activities	Total	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,415,442	\$ 3,012,130	\$ 4,427,572	\$ 4,814
Certificates of Deposit	60,000	-	60,000	-
Receivables, net of allowance				
Claims	130,442	-	130,442	-
Taxes	70,118	-	70,118	-
Accounts	29,063	701,079	730,142	-
Due from other governments	341,743	260,562	602,305	-
Restricted assets				
Cash and cash equivalents	695,738	-	695,738	-
Inventories	-	393,718	393,718	-
Prepayments	18,995	61,709	80,704	-
Capital assets not being depreciated:				
Land	451,103	249,261	700,364	-
Construction in progress	162,492	1,266,289	1,428,781	-
Capital assets net of accumulated depreciation:				
Buildings	1,054,049	68,680	1,122,729	-
Infrastructure	2,043,870	-	2,043,870	-
Furniture, fixtures & equipment	232,461	45,260	277,721	-
Vehicles	382,596	174,643	557,239	-
Land improvements	813,494	-	813,494	-
Distribution system	-	11,802,315	11,802,315	-
Total Assets	7,901,606	18,035,646	25,937,252	4,814
<u>LIABILITIES</u>				
Accounts payable	185,922	619,919	805,841	-
Accrued liabilities	155,735	57,123	212,858	-
Customer deposits	-	489,704	489,704	-
Other liabilities	775,028	108,595	883,623	-
Noncurrent liabilities				
Due within one year	495,025	4,571	499,596	-
Due in more than one year	1,683,857	1,140,224	2,824,081	-
Total Liabilities	3,295,567	2,420,136	5,715,703	-
<u>NET POSITION</u>				
Net investment in capital assets	2,961,183	12,461,652	15,422,835	-
Restricted for				
Restricted for debt service	63,326	-	63,326	-
Restricted for public safety expenditures	5,733	-	5,733	-
Restricted for postclosure landfill costs	755,049	-	755,049	-
Restricted for capital outlay	575,764	-	575,764	-
Unrestricted	244,984	3,153,858	3,398,842	4,814
Total Net Position	\$ 4,606,039	\$ 15,615,510	\$ 20,221,549	\$ 4,814

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, 2016

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	
Primary Government:								
Governmental Activities								
General government	\$ 1,502,667	\$ 122,405	\$ -	\$ 614,944	\$ (765,318)	\$ -	\$ (765,318)	\$ -
Public safety	2,216,538	372,797	-	-	(1,843,741)	-	(1,843,741)	-
Public works	1,285,931	314,791	-	-	(971,140)	-	(971,140)	-
Recreation and parks	44,433	-	-	-	(44,433)	-	(44,433)	-
Better Hometown	203,398	-	-	-	(203,398)	-	(203,398)	-
Interest on long-term debt	52,676	-	-	-	(52,676)	-	(52,676)	-
Total governmental activities	<u>5,305,643</u>	<u>809,993</u>	<u>-</u>	<u>614,944</u>	<u>(3,880,706)</u>	<u>-</u>	<u>(3,880,706)</u>	<u>-</u>
Business-type Activities:								
Combined Utility System -								
Water & Sewer	3,111,237	3,284,601	-	266,576	-	439,940	439,940	-
Electric	8,064,027	9,683,451	-	-	-	1,619,424	1,619,424	-
Cable	750,000	-	-	-	-	(750,000)	(750,000)	-
Total business-type activities	<u>11,925,264</u>	<u>12,968,052</u>	<u>-</u>	<u>266,576</u>	<u>-</u>	<u>1,309,364</u>	<u>1,309,364</u>	<u>-</u>
Total Primary Government	<u>17,230,907</u>	<u>13,778,045</u>	<u>-</u>	<u>881,520</u>	<u>(3,880,706)</u>	<u>1,309,364</u>	<u>(2,571,342)</u>	
Downtown Development Authority	\$ -	\$ -	\$ -	\$ -				-
Total Component Units	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ -</u>
General Revenues								
Property Tax					483,398	-	483,398	-
Sales Tax					910,954	-	910,954	-
Insurance premium tax					239,920	-	239,920	-
Beer, wine and alcohol tax					200,477	-	200,477	-
Hotel/motel tax					378,060	-	378,060	-
Franchise tax					113,537	-	113,537	-
Investment and interest revenue					1,067	353,048	354,115	-
Miscellaneous					182,118	78,863	260,981	3,174
Total General Revenues					<u>2,509,531</u>	<u>431,911</u>	<u>2,941,442</u>	<u>3,174</u>
Transfers					1,430,697	(1,430,697)	-	(63,784)
Total General Revenues and Transfers					<u>3,940,228</u>	<u>(998,786)</u>	<u>2,941,442</u>	<u>(60,610)</u>
Change in Net Position					<u>59,522</u>	<u>310,578</u>	<u>370,100</u>	<u>(60,610)</u>
Net Position - Beginning of Year					<u>4,546,517</u>	<u>15,304,932</u>	<u>19,851,449</u>	<u>65,424</u>
Net Position - End of Year					<u>\$ 4,606,039</u>	<u>\$ 15,615,510</u>	<u>\$ 20,221,549</u>	<u>\$ 4,814</u>

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

CITY OF FORSYTH, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General Fund	Major Governmental Fund (SPLOST Fund)	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,420,118	\$ 575,764	\$ 64,383	\$ 2,060,265
Certificate of Deposit	60,000	-	-	60,000
Receivables, net of allowance				-
Claims	130,442	-	-	130,442
Taxes	41,389	-	28,729	70,118
Accounts	29,063	-	-	29,063
Due from other funds	61,693	-	-	61,693
Due from other governments	164,541	177,202	-	341,743
Prepaid Assets	18,995	-	-	18,995
Total Assets	\$ 1,926,241	\$ 752,966	\$ 93,112	\$ 2,772,319
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 101,045	\$ -	\$ -	\$ 101,045
Accrued liabilities	74,019	4,483	26,317	104,819
Due to other funds	-	-	61,695	61,695
Other liabilities	19,979	-	-	19,979
Total Liabilities	195,043	4,483	88,012	287,538
<u>Deferred Inflow of Resources:</u>				
Deferred revenue	169,469	-	-	169,469
Total Deferred Inflow of Resources	169,469	-	-	169,469
<u>Fund Balances:</u>				
Nonspendable	18,995	-	-	18,995
Restricted for:				
Capital Outlay	-	748,483	-	748,483
Public Safety Expenditures	633	-	5,100	5,733
Debt Service	63,326	-	-	63,326
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,478,775	-	-	1,478,775
Total Fund Balances	1,561,729	748,483	5,100	2,315,312
Total Liabilities and Fund Balances	\$ 1,926,241	\$ 752,966	\$ 93,112	\$ 2,772,319

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, 2016

Total Fund Equity per Balance Sheet of Governmental Funds	<u>\$ 2,315,312</u>
<p>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:</p>	
<p>Capital Assets</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>	
Cost of the assets	10,295,721
Accumulated depreciation	(5,155,656)
<p>Other Long-term Assets</p> <p>Long-term assets are not available for use in the current period and, therefore, are not reported as fund assets.</p>	
Unamortized SPLOST bond costs	-
<p>Revenues</p> <p>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.</p>	
Receivables, taxes	39,027
Receivables, insurance claim	130,442
<p>Accrued Liabilities</p> <p>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:</p>	
Pooled cash fund payable	(84,877)
<p>Long-term Liabilities</p> <p>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:</p>	
Notes payable	(739,838)
SPLOST Bonds payable	(1,345,000)
Unamortized SPLOST bond premiums	(94,043)
Postclosure Costs	<u>(755,049)</u>
Total Adjustments	<u>2,290,727</u>
Total Net Position of Governmental Activities	<u><u>\$ 4,606,039</u></u>

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, 2016

	General Fund	Major Governmental Fund (SPLOST Fund)	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Taxes				
Property tax	\$ 483,398	\$ -	\$ -	\$ 483,398
Sales tax	910,954	-	-	910,954
Insurance premium tax	239,920	-	-	239,920
Beer, wine and alcohol tax	200,477	-	-	200,477
Other taxes	113,537	-	378,060	491,597
License and permits	122,405	-	-	122,405
Intergovernmental	-	614,730	-	614,730
Fines and forfeitures	372,797	-	-	372,797
Charges for services	314,791	-	-	314,791
Investment earnings	1,066	214	1	1,281
Other revenues	179,066	-	3,053	182,119
Total Revenues	2,938,411	614,944	381,114	3,934,469
<u>Expenditures:</u>				
Current:				
General government	\$ 1,276,187	46	151,224	1,427,457
Public safety	2,068,830	-	-	2,068,830
Public works	1,206,140	-	-	1,206,140
Recreation and parks	20,567	-	-	20,567
Better Hometown	203,398	-	-	203,398
Capital Outlays	-	20,898	-	20,898
Debt Service				
Principal	13,157	415,000	-	428,157
Interest	31,746	70,400	-	102,146
Total Expenditures	4,820,025	506,344	151,224	5,477,593
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,881,614)	\$ 108,600	\$ 229,890	\$ (1,543,124)
<u>Other Financing Sources (Uses):</u>				
Transfers in	\$ 1,892,054			\$ 1,892,054
Transfers out		(234,521)	(226,836)	(461,357)
Total other financing sources (uses)	1,892,054	(234,521)	(226,836)	1,430,697
Net Change in fund balances	10,440	(125,921)	3,054	(112,427)
Fund Balance, beginning of year	1,551,289	874,404	2,046	2,427,739
Fund Balance, end of year	\$ 1,561,729	\$ 748,483	\$ 5,100	\$ 2,315,312

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, 2016

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>\$ (112,427)</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	149,480
Total capital deletions	(22,542)
Total depreciation	(375,967)

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	51,296
Principal repayments	428,157
Decrease in long-term interest expense	(53,985)

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>(4,490)</u>
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Total Adjustments	<u>171,949</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 59,522</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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes				
General property tax	\$ 512,500	\$ 512,500	\$ 483,398	\$ (29,102)
Local option sales tax	1,080,000	1,080,000	910,954	(169,046)
Insurance premium tax	221,000	221,000	239,920	18,920
Beer, wine and alcohol tax	195,000	195,000	200,477	5,477
Franchise fees	114,700	114,700	113,537	(1,163)
Licenses and permits	122,500	122,500	122,405	(95)
Intergovernmental	45,000	45,000	-	(45,000)
Fines and forfeitures	386,500	386,500	372,797	(13,703)
Charges for services	298,580	298,580	314,791	16,211
Investment income	2,400	2,400	1,066	(1,334)
Miscellaneous income	5,000	5,000	179,066	174,066
Total Revenues	2,983,180	2,983,180	2,938,411	(44,769)
 <u>Expenditures:</u>				
General Government				
Administration	921,514	1,037,514	1,036,156	1,358
Governing Body	240,478	238,478	227,617	10,861
Mayor	13,457	13,457	12,414	1,043
Total General Government	1,175,449	1,289,449	1,276,187	13,262
 Public Safety				
Police	1,473,878	1,280,678	1,180,371	100,307
Fire	779,145	846,345	846,334	11
Municipal Court	91,260	91,260	87,028	4,232
Total Public Safety	\$ 2,344,283	\$ 2,218,283	\$ 2,113,733	\$ 104,550

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, 2016
(CONTINUED)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Works				
Streets/Sanitation	\$ 933,274	\$ 953,274	\$ 951,763	\$ 1,511
Garage	192,167	176,167	175,392	775
Cemetery	102,148	82,148	78,985	3,163
Total Public Works	<u>1,227,589</u>	<u>1,211,589</u>	<u>1,206,140</u>	<u>5,449</u>
Better Hometown	<u>176,088</u>	<u>204,088</u>	<u>203,398</u>	<u>690</u>
Recreation	<u>23,960</u>	<u>23,960</u>	<u>20,567</u>	<u>3,393</u>
Total expenditures	<u>4,947,369</u>	<u>4,947,369</u>	<u>4,820,025</u>	<u>127,344</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,964,189)</u>	<u>(1,964,189)</u>	<u>(1,881,614)</u>	<u>82,575</u>
Other Financing Sources (Uses):				
Transfers In	2,419,693	2,419,693	1,892,054	(527,639)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>2,419,693</u>	<u>2,419,693</u>	<u>1,892,054</u>	<u>(527,639)</u>
Net change in fund balance	<u>\$ 455,504</u>	<u>\$ 455,504</u>	<u>10,440</u>	<u>\$ (445,064)</u>
Fund balance, beginning of year			<u>1,551,289</u>	
Fund balance, end of year			<u>\$ 1,561,729</u>	

The notes to the financial statements are an integral part of this statement.
Page 2 of 2

CITY OF FORSYTH, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	<u>Business-type Activities Combined Utilities Fund</u>
<u>ASSETS</u>	
Current assets	
Cash and cash equivalents	\$ 3,012,130
Receivables, net of allowance Accounts	701,079
Due from other governments	260,562
Inventories	393,720
Prepaid expenses	<u>61,709</u>
Total current assets	<u>4,429,200</u>
Noncurrent assets	
Capital assets:	
Land	249,261
Construction in progress	1,266,289
Building and improvements	5,091,203
Machinery and equipment	998,288
Vehicles	1,004,625
Distribution system	25,607,880
Less accumulated depreciation	<u>(20,611,100)</u>
Total capital assets (net of accumulated depreciation)	<u>13,606,446</u>
Total noncurrent assets	<u>13,606,446</u>
Total Assets	<u>\$ 18,035,646</u>

The notes to the financial statements are an integral part of this statement.
Page 1 of 2

CITY OF FORSYTH, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016
(CONTINUED)

	<u>Business-type Activities Combined Utilities Fund</u>
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	\$ 619,919
Accrued liabilities	57,123
Customer deposits	489,704
Other liabilities	108,595
Capital leases payable - current	<u>4,571</u>
Total current liabilities	<u>1,279,912</u>
Noncurrent liabilities	
Capital leases payable - long term	140,224
Notes Payable - long term	<u>1,000,000</u>
Total noncurrent liabilities	<u>1,140,224</u>
Total Liabilities	<u>2,420,136</u>
<u>NET POSITION</u>	
Net investment in capital assets	12,461,652
Unrestricted	<u>3,153,858</u>
Total Net Position	<u><u>\$ 15,615,510</u></u>

The notes to the financial statements are an integral part of this statement.
Page 2 of 2

CITY OF FORSYTH, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Business-type Activities Combined Utilities Fund</u>
<u>Operating revenues:</u>	
Charges for sales and services	
Water and sewer	\$ 3,551,177
Electric	9,683,451
Cable	-
Miscellaneous	70,824
	13,305,452
 <u>Operating expenses:</u>	
Salaries and benefits	491,889
Purchase of utilities	6,974,604
Materials and supplies	456,149
Repairs and maintenance	400,332
Depreciation	928,970
Management fees	1,189,697
Legal settlement expense	750,000
Other	732,330
	11,923,971
Total operating income	1,381,481
 <u>Nonoperating revenues (expenses):</u>	
Investment income	353,048
Cable income	8,039
Interest expense	(1,293)
	359,794
Total nonoperating revenues (expenses)	359,794
Income before contributions and transfers	1,741,275
Transfers in	235,437
Transfers out	(1,666,134)
	(1,430,697)
Total contributions and transfers	(1,430,697)
Change in net position	310,578
Net position - beginning of year	15,304,932
Net position - end of year	\$ 15,615,510

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, 2016

	<u>Business-type Activities Combined Utilities Fund</u>
<u>Cash Flows from Operating Activities:</u>	
Cash received from customers	\$ 13,305,104
Cash paid to suppliers for goods and services	(9,988,963)
Cash paid to employees	(491,889)
Cash paid for legal settlement	(750,000)
Net Cash Flows Provided by (Used for) Operating Activities	<u>2,074,252</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to other funds	<u>(1,666,134)</u>
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	<u>(1,666,134)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Transfer in from SPLOST Fund	235,437
CDBG grant funding	266,576
GEFA loan funding	739,438
Purchase of capital assets	(1,315,001)
Principal payments of capital lease	(34,585)
Interest payments	(1,293)
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	<u>(109,428)</u>
<u>Cash flows from Investing Activities:</u>	
Investment income	<u>353,048</u>
Net Cash Flows Provided by (Used for) Investing Activities	<u>353,048</u>
Net Increase (Decrease) in Cash and Cash Equivalents	651,738
Cash and Cash Equivalents, Beginning of Year	<u>2,360,392</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,012,130</u></u>

The notes to the financial statements are an integral part of this statement.
Page 1 of 2

CITY OF FORSYTH, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(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>\$ 1,381,481</u>
<u>Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>	
Depreciation	928,970
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivable	(4,754)
(Increase) decrease in inventories	45,042
(Increase) decrease in other current assets	(259,812)
Increase (decrease) in accounts payable	8,640
Increase (decrease) in accrued liabilities	(29,721)
Increase (decrease) in deposits	<u>4,406</u>
Total Adjustments	<u>692,771</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 2,074,252</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, 2016

	<u>Municipal Court Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 50,915
Total Assets	<u>\$ 50,915</u>
<u>LIABILITIES</u>	
Funds held in escrow	\$ 23,558
Due to others	<u>27,357</u>
Total Liabilities	<u>\$ 50,915</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, 2016

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, 2016
(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, 2016
(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, 2016
(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, 2016.

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 2016 the tax levy was billed on November 1 and was due December 20.

CITY OF FORSYTH, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016
 (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, 2016
(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 expenditures when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt 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, 2016
(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, 2016.

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, 2016, the carrying amount of the City's deposits was \$2,175,994, and the bank balance was \$2,272,026. Of the bank balance, \$2,272,026 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, 2016, 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.

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

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, 2016, 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:

	General	Combined Utility Fund	Nonmajor Governmental Funds	Total
Receivables:				
Taxes	\$ 61,389	\$ -	\$ 28,729	\$ 90,118
Claims	130,442	-	-	130,442
Accounts	38,263	899,079	-	937,342
Gross Receivables	<u>230,094</u>	<u>899,079</u>	<u>28,729</u>	<u>1,157,902</u>
Less: allowance for uncollectibles	<u>(29,200)</u>	<u>(198,000)</u>	<u>-</u>	<u>(227,200)</u>
Total net receivables	<u>\$ 200,894</u>	<u>\$ 701,079</u>	<u>\$ 28,729</u>	<u>\$ 930,702</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	\$ 126,000
Uncollectibles related to water and sewer sales	<u>72,000</u>
Total uncollectibles of the current year	<u>\$ 198,000</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

CITY OF FORSYTH, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016
 (CONTINUED)

period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

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

	Unavailable	Unearned
Delinquent property taxes receivable (general fund)	\$ 39,027	\$ -
Insurance claims (general fund)	130,442	-
SPLOST receivable from county (SPLOST Fund)	-	-
Total deferred/unearned revenue for governmental funds	\$ 169,469	\$ -

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

D. Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 451,103	\$ -	\$ -	\$ 451,103
Construction in progress	162,492	-	-	162,492
Total capital assets, not being depreciated	<u>613,595</u>	<u>-</u>	<u>-</u>	<u>613,595</u>
Capital assets, being depreciated:				
Buildings	2,026,707	3,860	-	2,030,567
Infrastructure	2,500,514	34,134	-	2,534,648
Land improvements	1,764,623	63,766	-	1,828,389
Furniture, fixtures and equipment	1,248,308	47,720	(22,542)	1,273,486
Vehicles	2,015,036	-	-	2,015,036
Total capital assets being depreciated	<u>9,555,188</u>	<u>149,480</u>	<u>(22,542)</u>	<u>9,682,126</u>
Less accumulated depreciation for:				
Buildings	(916,511)	(60,007)	-	(976,518)
Infrastructure	(408,053)	(82,725)	-	(490,778)
Land improvements	(933,884)	(81,011)	-	(1,014,895)
Furniture, fixtures and equipment	(967,474)	(96,093)	22,542	(1,041,025)
Vehicles	(1,553,767)	(78,673)	-	(1,632,440)
Total accumulated depreciation	<u>(4,779,689)</u>	<u>(398,509)</u>	<u>22,542</u>	<u>(5,155,656)</u>
Total capital assets, being depreciated, net	<u>4,775,499</u>	<u>(249,029)</u>	<u>-</u>	<u>4,526,470</u>
Governmental activities capital assets, net	<u>\$ 5,389,094</u>	<u>\$ (249,029)</u>	<u>\$-</u>	<u>\$ 5,140,065</u>

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 249,261	\$ -	\$ -	\$ 249,261
Construction in progress	124,017	1,186,866	(44,594)	1,266,289
Total capital assets, not being depreciated	<u>373,278</u>	<u>1,186,866</u>	<u>(44,594)</u>	<u>1,515,550</u>
Capital assets, being depreciated:				
Buildings	5,091,203	-	-	5,091,203
Distribution system	25,433,125	240,326	(65,571)	25,607,880
Machinery & equipment	998,289	-	-	998,289
Vehicles	839,861	164,764	-	1,004,625
Total capital assets, being depreciated	<u>32,362,478</u>	<u>405,090</u>	<u>(65,571)</u>	<u>32,701,997</u>
Less accumulated depreciation for:				
Buildings	(5,018,101)	(4,421)	-	(5,022,522)
Distribution system	(12,901,574)	(969,562)	65,571	(13,805,565)
Machinery & equipment	(942,299)	(10,732)	-	(953,031)
Vehicles	(820,157)	(9,825)	-	(829,982)
Total accumulated depreciation	<u>(19,682,131)</u>	<u>(994,540)</u>	<u>65,571</u>	<u>(20,611,100)</u>
Total capital assets, being depreciated, net	<u>12,680,347</u>	<u>(589,450)</u>	<u>-</u>	<u>12,090,897</u>
Business-type activities capital assets, net	<u>\$ 13,053,625</u>	<u>\$ 597,416</u>	<u>\$ (44,594)</u>	<u>\$ 13,606,447</u>

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

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

Government activities:	
General government	\$ 76,882
Public safety	165,443
Public works	105,745
Cemetery	4,031
Recreation	23,866
	\$ 375,967
Business-type activities:	
Electric	\$ 80,216
Water and Sewer	848,754
	\$ 928,970

E. Interfund Receivables, Payables, and Transfers

There were no interfund balances as of December 31, 2016.

The composition of interfund transfers as of December 31, 2016, is as follows:

Transfer out:	Transfer in:			Purpose
	General Fund	SPLOST Fund	Combined Utilities	
Hotel/Motel	\$ 226,836	\$ -	\$ -	Transfer of taxes; 40% passed through to CVB
Combined utilities	1,665,218	916	-	Operating Costs
General fund	-	-	-	
Major governmental - SPLOST	-	-	235,437	Water and Sewer Capital Improvements
	\$ 1,892,054	\$ 916	\$ 235,437	
Total				

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.

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

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.

In 2016, the City entered into a capital lease to purchase a bucket truck from ALTEC Capital Services. The lease is for \$164,764 and is due in annual installments of \$30,014.

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2016, were as follows:

Year Ended December 31	Governmental Activities	Business-type Activities
2016	\$ -	\$ 35,527
Total minimum lease payments	-	35,527
Less: amount representing interest	-	(5,634)
Present value of minimum lease payments	\$ -	\$ 29,893

Amortization associated with these capital leases are included in depreciation.

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 2016, the Monroe County Board of Commissioners agreed to pay the City's bond payments in lieu of distributing the City's SPLOST receivables.

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

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

Year	Principal	Interest
2017	\$ 430,000	\$ 53,800
2018	450,000	36,600
2019	465,000	18,600
Total	<u>\$ 1,345,000</u>	<u>\$ 109,000</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%.

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

Year	Principal	Interest
2017	\$ 13,729	\$ 31,175
2018	14,324	30,580
2019	14,945	29,959
2020	15,592	29,312
2021	16,268	28,636
2022-2026	92,557	131,973
2027-2031	114,416	110,104
2032-2036	141,454	83,066
2037-2041	174,880	49,640
2042-2045	141,683	10,705
Total	<u>\$ 739,848</u>	<u>\$ 535,150</u>

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
USDA	\$ 752,996	\$ -	\$ (13,157)	\$ 739,839	\$ 13,729
2012 SPLOST bonds	1,760,000	-	(415,000)	1,345,000	430,000
2012 SPLOST premium	145,339	-	(51,296)	94,043	51,296
Governmental activity					
Long-term liabilities	<u>\$ 2,658,335</u>	<u>\$ -</u>	<u>\$ (479,453)</u>	<u>\$ 2,178,882</u>	<u>\$ 495,025</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
Business-type activities:					
GEFA Loan	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	
Capital leases	14,616	164,764	(34,585)	144,795	4,571
Business-type activities					
Long-term liabilities	<u>\$ 14,616</u>	<u>\$ 1,164,764</u>	<u>\$ (34,585)</u>	<u>\$ 1,144,795</u>	<u>\$ 4,571</u>

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 \$101,055 and \$111,705, respectively, for the year ended December 31, 2016.

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

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 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 2016 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, 2017.

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

Hotel/Motel Taxes

A summary of the hotel/motel excise tax receipts and expenditures for the year ended December 31, 2016, is as follows:

Expenditures by Purpose	Tax	
	<u>Receipts</u>	<u>Percentage</u>
Convention & Visitors Board	\$ 151,224	40%
General Fund	226,836	60%
Total	<u>\$ 378,060</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, 2016, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Cost of capital assets	\$ 10,295,721	\$ 34,217,547
Less accumulated depreciation	<u>(5,155,656)</u>	<u>(20,611,100)</u>
Book value	5,140,065	13,606,447
Less capital related debt	<u>(2,178,882)</u>	<u>(1,144,795)</u>
Net investment in capital assets	<u>\$ 2,961,183</u>	<u>\$ 12,461,652</u>

M. Nonspendable Fund Balance

Nonspendable fund balance on the governmental funds balance sheet, as of December 31, 2016, consisted of prepaid insurance of \$2,745 in the general fund.

CITY OF FORSYTH, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016
 (CONTINUED)

N. Restricted, Committed, and Assigned Fund Balance

Restricted, committed, and assigned fund balance on the governmental funds balance sheet as of December 31, 2016, consisted of:

	General Fund	SPLOST Fund	Police Special Revenue Fund
Restricted fund balance			
Fire department equipment purchases	\$ 333	\$ -	\$ -
Police department contributions	\$ 300	\$ -	\$ -
Debt service of USDA note	63,326	-	-
SPLOST referendum purchases	-	575,764	-
Assigned fund balance			
Police department purchases	\$ -	\$ -	\$ 5,100

O. Defined Benefit Pension Plan

The City established a defined benefit plan for full-time employees. The City amended the plan by eliminating the one-year waiting period for eligibility to participate. Full-time city employees now participate in the plan immediately upon employment. The City's defined benefit pension plan, the City of Forsyth Retirement Plan, provides retirement and disability benefits to plan members and beneficiaries. The plan has selected a measurement date of July 1.

Plan Description

The City's defined benefit pension plan, the City of Forsyth Retirement Plan, provides retirement and disability benefits to plan members and beneficiaries. The City of Forsyth Retirement Plan is a participating member in the Georgia Municipal Employees Benefit System (GMEBS), an agent-multiple-employer plan. O.G.G.A. Section 47- 5-1 et. Seq. assigns the authority to establish and amend the benefit provisions of the plans that participate in the GMEBS to the respective employer entities.

For the City of Forsyth Retirement Plan, that authority rests with the City of Forsyth, Georgia. It is the responsibility of the GMEBS to function as investment and administrative agent for the City of Forsyth, Georgia with respect to the pension plan. The Georgia Municipal Employee Benefits System issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Employee Benefits System, 201 Pryor Street, SW, Atlanta, GA 30303 or calling (404) 688-0472.

CITY OF FORSYTH, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2016
 (CONTINUED)

For the year ended December 31, 2016, the City's total covered payroll amounted to \$2,216,376. Covered payroll refers to all compensation paid by the City to active employees covered by the City of Forsyth Retirement Plan on which contributions to the pension are based.

Under the provision of the Plan, all employees who work twenty hours or more per week, including elected officials, are eligible to participate immediately. For regular employees, the pension benefits are fully vested after 5 years in the Plan. Vesting is immediate for officials.

Plan Asset Mix and Accounting Policies

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 and increments in cash value of death benefits. Plan member contributions are recognized when due and the City has made a formal commitment to provide the contributions. Investments in securities are valued at current market prices. Plan assets are invested approximately 65% in equity investments, 25% in fixed income investments and 10% in real estate investments. Plan assets do not include any loans, bonds, or other instruments or securities of the City or related parties.

Plan Membership

Retirees and beneficiaries receiving benefits	55
Terminated plan members entitled to, but not receiving benefits	30
Active plan members	63
 Total beneficiaries	 148
 Covered compensation for active participants	 \$ 2,216,376

Contributions

The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The GMEBS Board of Trustees has adopted an actuarial funding policy which requires a different funding level than the estimated minimum annual contribution to minimize fluctuation in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement. The estimated minimum annual contribution under those standards is \$212,479, which is 9.43% of covered payroll. The City's contribution equaled the minimum contribution and the amount was paid prior to year-end. Accordingly, the City reported no current payable and

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

the plan reported no receivable for amounts due for the current plan year. The GMEBS funding policy is to contribute an amount equal to the recommended contribution each year. These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method. Plan members are not permitted to contribute to the City of Forsyth Retirement Plan.

Net Pension Liability

The City's total pension liability was determined based on an actuarial valuation as of March 31, 2016 and the net pension liability was measured as of the same date. The March 31, 2016 actuarial valuation determined the total pension liability using assumptions that were applied to all periods included in the measurement as follows:

Actuarial Methods and Assumptions

Investment Return	7.75%
Salary Increases	3.25%, plus service based merit increases
Variable cost-of-living adjustments	N/A
Mortality	RP-2000, Combined
Mortality for disabled participants	RP-2000, Disabled Mortality Table with sex-distinct rates

Discount Rate

The discount rate total pension liability and the expected rate of return on plan assets was determined using a building-block method in which expected arithmetic rates of future return for each asset class are weighted based on the expected asset allocation and then totaled to determine an expected real rate or return. The expected inflation is then added to the expected real rate of return to determine the discount rate. The asset allocation, estimate of arithmetic rates of return, weighted averages and the expected inflation rate follow:

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-term Expected Real Return</u>
Domestic equity	45%	6.75%
International equity	20%	7.45%
Fixed income	25%	5.05%
Real Estate	10%	4.55%
Cash	0%	0.00%
	<u>100%</u>	
Weighted average expected return		6.25%
Inflation expectation		3.25%
Total expected return		<u>9.50%</u>
Discount rate		<u>7.75%</u>

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

The above calculated discount rate was used to calculate both the beginning and ending total pension liability. The projected plan assets are sufficient to pay all projected benefits promised to current plan participants. Because projected plan assets are sufficient to pay all projected promised benefits, the expected long-term rate of return was used to discount all projected benefit payments.

Because of the sensitivity of the calculation of the total pension liability to relatively small changes in the discount rate, the total pension liability calculated using discount rates one percentage point higher and lower than the discount rates actually used to calculate the total pension liability follows:

1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
\$ 1,920,628	\$ 1,237,309	\$ 657,812

Summary of Changes in Total Pension Liability, Fiduciary Net Position and Net Pension Liability

The changes in the total pension liability from the beginning to the ending of the year are as follows:

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at March 31, 2015	\$ 5,538,775	\$ 4,705,522	\$ 833,253
Changes for the year:			
Service cost	103,491	-	103,491
Interest	417,009	-	417,009
Differences between expected and actual experience	83,950	-	83,950
Contributions - employer	-	199,284	(199,284)
Contributions - employee	-	-	-
Net investment income	-	12,908	(12,908)
Benefit payments, including refunds of employee contributions	(316,031)	(316,031)	-
Administrative expense	-	(11,798)	11,798
Other	-	-	-
Net changes	288,419	(115,637)	404,056
Balances at March 31, 2016	\$ 5,827,194	\$ 4,589,885	\$ 1,237,309

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

The beginning and ending net pension liability is calculated as follows:

	Beginning	Ending
Total Pension Liability	\$ 5,538,775	\$ 5,827,194
Fiduciary Net Position	4,705,522	4,589,885
Net Pension Liability	\$ 833,253	\$ 1,237,309

Pension Expense, Deferred Outflows Related to Pension Items and Deferred Inflows Related to Pension Items

The following schedule reconciles the pension contributions to the total pension expense reported by the City in the government-wide statements:

Service cost	\$103,491
Interest on TPL	417,009
Employee contributions	-
Administrative expenses	11,798
Expected return on assets	(359,697)
Expensed portion of current year period differences between expected and actual experience in TPL	20,986
Expensed portion of current year period assumption changes	-
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	69,357
Current year recognition of deferred inflows and outflows established in prior years	(2,653)
Total expense	\$260,291

The unamortized deferred outflows and inflows related to pension items are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	97,702	-
Changes of assumptions	-	(5,178)
Net difference between projected and actual earnings on pension plan investments	225,133	-
Total	322,835	(5,178)

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

The pension contributions paid after the measurement date will be recognized as a part of pension expense next year. City amortizes the differences between expected and actual experience, the changes of assumptions and the differences between projected and actual investment returns into pension expense equally over a closed five year amortization period. The effect of amortizing deferred outflows of resources will be to increase pension expense and the effect of amortizing deferred inflows of resources will be to decrease pension expense in future years. The expected amortization of the City’s current deferred outflows and inflows over the next five years is:

Year ended December 31,	<u>Experience Difference</u>	<u>Assumption Change</u>	<u>Investment Results Difference</u>
2017	\$38,357	\$(2,589)	\$51,925
2018	38,357	(2,589)	51,925
2019	20,988	-	51,925
2020	-	-	69,358
2021	-	-	-
	<u>\$97,702</u>	<u>\$(5,178)</u>	<u>\$225,133</u>

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 2016, early retiree health insurance had 4 participants and an annual cost of \$17,539.

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.

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

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 2016, the City spent \$8,726 for the Term Life Plan, which included coverage for 69 employees and 22 retirees.

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 \$755,049 reported as landfill closure and postclosure care liability at December 31, 2016, 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 2016. 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

CITY OF FORSYTH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(CONTINUED)

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 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 June 30, 2017 and found no reportable events.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FORSYTH, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2016

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}
7/1/2016	\$ 4,838,455	\$ 5,289,000	\$ 450,545	91.5%	\$ 2,216,376	20.3%
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%

CITY OF FORSYTH, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2016

City of Forsyth Defined Benefit Plan Trust
 Change in the Net Pension Liability and Related Ratios

Changes in Total Pension Liability	Year Ended March 31, 2016
Total Pension Liability - beginning of year	\$ 5,538,775
Changes for the year:	
Service cost	103,491
Interest	417,009
Differences between expected and actual experience	83,950
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds of employee contributions	(316,031)
Administrative expense	-
Other	-
Net changes	<u>288,419</u>
Total Pension Liability - end of year	\$ 5,827,194
Changes in Fiduciary Net Position	
Fiduciary Net Position - beginning of year	\$ 4,705,522
Changes for the year:	
Contributions - employer	199,284
Net investment income	12,908
Benefit payments, including refunds of employee contributions	(316,031)
Administrative expense	(11,798)
Net changes	<u>(115,637)</u>
Fiduciary Net Position - end of year	\$ 4,589,885
Net Pension Liability	\$ 1,237,309
Plan Fiduciary Net Position as a % of Total Pension Liability	78.77%
Covered Payroll	\$ 2,216,376
Net Pension Liability as % of Covered Payroll	55.83%

CITY OF FORSYTH, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2016

City of Forsyth Defined Benefit Plan Trust
 Schedule of Contributions

<u>Year Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as Percentage of Covered Employee Payroll</u>
2015	\$ 197,022	\$ 180,604	\$ 16,419	\$2,101,651	8.59%

Additional years will be presented as the information becomes available.

SUPPLEMENTARY INFORMATION

CITY OF FORSYTH, GEORGIA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Municipal Court Fund			
	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
<u>ASSETS</u>				
Cash and cash equivalents	\$ 32,693	\$ 584,277	\$ (566,055)	\$ 50,915
Total Assets	\$ 32,693	\$ 584,277	\$ (566,055)	\$ 50,915
<u>LIABILITIES</u>				
Funds held in escrow	\$ 22,338	\$ 560,593	\$ (559,373)	\$ 23,558
Due to others	10,355	569,539	(552,537)	27,357
Total Liabilities	\$ 32,693	\$ 1,130,132	\$ (1,111,910)	\$ 50,915

CITY OF FORSYTH, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2016

	Special Revenue Fund	Special Revenue Fund	Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Police Special Revenue	
<u>ASSETS</u>			
Cash	\$ 59,283	\$ 5,100	\$ 64,383
Receivables, net of allowance	28,729	-	28,729
Total Assets	\$ 88,012	\$ 5,100	\$ 93,112
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accrued liabilities	\$ 26,317	\$ -	\$ 26,317
Total Liabilities	26,317	-	26,317
Fund Balances:			
Assigned			
Assigned for police expenditures	-	5,100	5,100
Assigned for tourism expenditures	61,695	-	61,695
Total Fund Balances	61,695	5,100	66,795
Total Liabilities and Fund Balances	\$ 88,012	\$ 5,100	\$ 93,112

CITY OF FORSYTH, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue Fund	Special Revenue Fund	Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Police Special Purpose Revenue	
<u>Revenues:</u>			
Hotel/Motel Taxes	\$ 378,060	\$ -	\$ 378,060
Fines and Forfeitures	-	3,053	3,053
Investment Earnings	-	1	1
Total Revenues	<u>378,060</u>	<u>3,054</u>	<u>381,114</u>
<u>Expenditures:</u>			
Current:			
Agencies	151,224	-	151,224
Public safety	-	-	-
Total Expenditures	<u>151,224</u>	<u>-</u>	<u>151,224</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>226,836</u>	<u>3,054</u>	<u>229,890</u>
<u>Other Financing Sources (Uses):</u>			
Transfers (to) from other funds	<u>(226,836)</u>	<u>-</u>	<u>(226,836)</u>
Total other financing sources (uses)	<u>(226,836)</u>	<u>-</u>	<u>(226,836)</u>
Net change in fund balances	-	3,054	3,054
Fund Balance, beginning of year	<u>(35)</u>	<u>2,081</u>	<u>2,046</u>
Fund Balance, end of year	<u>\$ (35)</u>	<u>\$ 5,135</u>	<u>\$ 5,100</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, 2016

	Initial Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Hotel/Motel Tax	\$ 300,000	\$ 378,060	\$ 378,060	\$ -
Total Revenues	300,000	378,060	378,060	-
<u>Expenditures:</u>				
General government:				
Convention & Visitors Board	120,000	151,224	151,224	-
Total Expenditures	120,000	151,224	151,224	-
Excess of Revenues Over (Under) Expenditures	180,000	226,836	226,836	-
<u>Other Financing Uses:</u>				
Transfers to other funds	(180,000)	(226,836)	(226,836)	-
Total Other Financing Sources (Uses)	(180,000)	(226,836)	(226,836)	-
Excess of Revenues Over (Under) Other Financing Uses	\$ -	\$ -	-	\$ -
Fund Balance, beginning of year			(35)	
Fund Balance, end of year			\$ (35)	

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, 2016

	Initial Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Fine and Forfeitures	\$ 10,000	\$ 10,000	\$ 3,053	\$ (6,947)
Investment Earnings	10	10	1	(9)
Total Revenues	<u>10,010</u>	<u>10,010</u>	<u>3,054</u>	<u>(6,956)</u>
<u>Expenditures:</u>				
Public safety	<u>10,010</u>	<u>10,010</u>	<u>-</u>	<u>10,010</u>
Total Expenditures	<u>10,010</u>	<u>10,010</u>	<u>-</u>	<u>10,010</u>
Excess of Revenues Over (Under) Expendi	<u>-</u>	<u>-</u>	<u>3,054</u>	<u>3,054</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>\$ 3,054</u>	<u>\$ 3,054</u>
Fund Balance, beginning of year			<u>2,046</u>	
Fund Balance, end of year			<u><u>\$ 5,100</u></u>	

CITY OF FORSYTH, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original Estimated Cost	Revised Estimated Cost	Prior Year(s)	Current Year	Total	Estimated Percentage of Completion
2014 SPLOST						
Water & Sewer Upgrades	\$ 3,220,000	\$ 3,220,000	\$ 2,138,788	\$ 235,437	\$ 2,374,225	73.73%
Road Improvements	550,000	550,000	99,405	16,007	115,412	18.07%
Public Safety Vehicles	470,000	470,000	305,275	4,818	310,093	65.98%
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>\$ 2,547,328</u>	<u>\$ 256,262</u>	<u>\$ 2,803,590</u>	

NOTE: The difference in total SPLOST expenditures of \$256,262 as noted above, and total expenditures of the SPLOST Fund of \$741,662 is bond principal of \$415,000, bond debt service of \$70,200.

STATISTICAL SECTION (Unaudited)

CITY OF FORSYTH, GEORGIA
STATISTICAL SECTION INTRODUCTION
FOR THE YEAR ENDED DECEMBER 31, 2016

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 61*

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 67*

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 74*

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 78*

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 80*

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 2,961,183
Restricted	266,774	771,272	983,515	822,839	1,272,016	430,819	63,354	63,489	986,027	1,399,872
Unrestricted	(492,417)	(423,564)	(120,777)	518,173	(440,645)	409,023	1,217,566	1,919,922	1,624,476	244,984
Total governmental activities net position	1,690,840	2,652,531	3,097,572	4,163,431	4,815,148	4,887,947	4,512,413	3,990,049	4,546,517	4,606,039
Business-type activities:										
Net investment in capital assets	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	12,461,652
Restricted	1,089,332	471,000	471,000	471,000	471,000	471,000	-	-	-	-
Unrestricted	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	3,153,858
Total business-type activities net position	16,399,738	16,809,182	16,254,873	17,480,836	17,815,955	17,018,308	16,659,288	15,511,410	15,304,932	15,615,510
Primary government total:										
Net investment in capital assets	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	15,422,835
Restricted	1,356,106	1,242,272	1,454,515	1,293,839	1,743,016	901,819	63,354	1,121,743	986,027	1,399,872
Unrestricted	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	3,398,842
Total primary government net position	\$ 18,090,578	\$ 19,461,713	\$ 19,352,445	\$ 21,644,267	\$ 22,631,103	\$ 21,906,255	\$ 21,171,701	\$ 19,501,459	\$ 19,851,449	\$ 20,221,549

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

	Calendar Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 1,502,667
Public safety	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	2,216,538
Public works	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	1,285,931
Better Hometown	23,712	94,993	92,612	94,744	79,813	100,168	118,824	120,804	131,824	203,398
Recreation and parks	126,543	14,039	24,603	19,653	67,301	59,110	36,934	36,124	41,613	44,433
Economic Development	259,000	-	-	-	-	-	-	-	-	-
Interest on long-term debt	46,828	42,205	115,991	92,883	85,385	74,021	94,286	72,111	65,607	52,676
Total governmental activities expenses	5,724,902	4,771,393	4,690,654	4,863,451	5,312,525	5,114,762	5,255,994	4,833,724	4,995,811	5,305,643
Business-type activities:										
Water and Sewer	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	3,111,237
Electric	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	8,064,027
Cable	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	750,000
Total business-type activities expenses	9,332,610	8,760,297	9,341,064	10,264,658	11,079,013	11,524,533	11,973,073	13,289,052	11,198,044	11,925,264
Total primary government expenses	15,057,512	13,531,690	14,031,718	15,128,109	16,391,538	16,639,295	17,229,067	18,122,776	16,193,855	17,230,907
Program revenues										
Governmental activities:										
Charges for services:										
General government	114,744	241,996	120,383	104,718	127,796	103,346	143,867	121,714	\$ 122,468	\$ 122,405
Public safety	644,759	364,864	347,537	375,063	452,485	520,036	391,328	261,547	221,053	372,797
Public works	413,885	380,780	387,501	399,480	428,856	388,715	315,027	291,718	299,979	314,791
Recreation and parks	-	-	10,150	-	-	-	-	-	-	-
Operating grants and contributions	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	614,730
Total governmental activities program revenues	1,234,144	1,021,932	891,171	2,056,441	2,150,142	1,727,972	1,755,807	1,521,305	1,541,768	1,424,723
Business-type activities:										
Charges for services:										
Water and Sewer	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	3,284,601
Electric	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	9,683,451
Cable	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	-	-	-	-	266,576
Total business-type activities program revenues	10,536,787	9,595,773	9,173,030	11,431,842	11,556,016	10,918,138	11,371,998	12,156,556	12,427,014	13,234,628
Total primary governmental program revenues	\$ 11,770,931	\$ 10,617,705	\$ 10,064,201	\$ 13,488,283	\$ 13,706,158	\$ 12,646,110	\$ 13,127,805	\$ 13,677,861	\$ 13,968,782	\$ 14,659,351

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

	Calendar Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (3,880,920)
Business-type activities	1,204,177	835,476	(168,034)	1,167,184	477,003	(606,395)	(601,075)	(1,132,496)	1,228,970	1,309,364
Total primary government expense	(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)	(2,571,556)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	483,576	612,791	636,400	613,754	609,299	621,760	669,123	594,819	571,258	483,398
Sales taxes	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	910,954
Other taxes and licenses	911,794	751,993	852,450	839,930	791,468	799,138	809,692	797,757	885,101	931,994
Investment earnings	35,478	12,632	7,463	1,483	1,145	558	1,244	2,646	2,132	1,281
Miscellaneous	102,428	29,166	54,913	64,327	91,482	277,793	53,170	56,325	70,774	182,118
Transfers	992,757	772,553	541,738	875,249	738,811	657,489	559,867	447,468	1,559,777	1,430,697
Total governmental activities	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	3,940,442
Business-type activities:										
Investment earnings	406,743	489,859	155,463	754,159	456,593	413,264	570,720	42,014	33,476	353,048
Miscellaneous	-	-	-	13,281	140,334	52,973	231,202	390,072	90,853	78,863
Transfers	(992,757)	(915,891)	(541,738)	(708,661)	(738,811)	(657,489)	(559,867)	(447,468)	(1,559,777)	(1,430,697)
Total business-type activities	(586,014)	(426,032)	(386,275)	58,779	(141,884)	(191,252)	242,055	(15,382)	(1,435,448)	(998,786)
Total primary government	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	2,941,656
Change in Net Position										
Governmental activities	84,872	961,691	445,041	1,065,859	651,717	72,799	(375,534)	(522,364)	556,468	59,522
Business-type activities	618,163	409,444	(554,309)	1,225,963	335,119	(797,647)	(359,020)	(1,147,878)	(206,478)	310,578
Total primary government	\$ 703,035	\$ 1,371,135	\$ (109,268)	\$ 2,291,822	\$ 986,836	\$ (724,848)	\$ (734,554)	\$ (1,670,242)	\$ 349,990	\$ 370,100

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

	Calendar Year									
<i>Prior to implementation of GASB 54</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ -	\$ 47,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	546,956	586,107	736,299	-	-	-	-	-	-	-
Total general fund	546,956	633,256	736,299	-	-	-	-	-	-	-
All Other Governmental Funds										
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>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	-	-	-	16,202	23,522	3,494	5,784	2,941	3,371	18,995
Restricted	-	-	-	45,876	47,019	73,608	55,029	60,091	61,011	63,959
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	1,071,596	984,215	872,761	952,304	1,083,345	1,486,907	1,478,775
Total general fund	-	-	-	1,133,674	1,054,756	949,863	1,013,117	1,146,377	1,551,289	1,561,729
All Other Governmental Funds										
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	753,583
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	753,583
Total governmental funds	\$ 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	\$ 2,315,312

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$ 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	\$ 2,326,346
Licenses and permits	114,744	113,115	116,898	104,718	127,796	103,346	143,867	121,714	122,468	122,405
Intergovernmental	60,756	34,292	724,614	1,165,182	1,137,270	715,875	904,678	634,625	901,593	614,730
Fines and forfeitures	644,759	364,885	347,537	375,063	452,485	520,036	391,328	261,547	221,053	372,797
Charges for services	413,885	396,058	394,319	399,480	428,856	388,715	315,027	291,718	299,979	314,791
Investment earnings	35,478	12,611	7,463	2,880	4,879	558	2,151	3,042	2,132	1,281
Other revenues	102,428	29,166	65,063	74,928	91,482	35,511	150,010	56,325	70,774	182,119
Total revenues	3,684,838	4,838,645	4,938,364	4,486,986	5,056,706	5,260,468	4,408,023	3,717,782	3,995,792	3,934,469
Expenditures										
General government	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	1,427,457
Public safety	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	2,068,830
Public works	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	1,206,140
Parks and recreation	21,588	11,915	22,478	16,663	63,445	54,761	22,030	12,789	18,278	20,567
Better hometown	126,543	94,993	92,612	94,744	79,813	100,168	118,824	120,804	131,824	203,398
Capital outlay	463,749	1,040,388	51,179	436,558	878,815	347,337	241,761	683,619	256,371	170,378
Debt service										
Principal	81,347	402,991	136,601	412,309	426,676	442,583	453,530	404,516	412,611	428,157
Interest	46,828	60,331	115,991	92,883	85,385	74,021	52,378	121,303	113,694	102,146
Total expenditures	4,927,598	5,665,970	5,887,126	4,654,661	5,939,333	7,034,500	5,665,115	5,753,267	5,491,636	5,627,073
Excess (deficiency) of revenues over (under) expenditures	(1,242,760)	(827,325)	(948,762)	(167,675)	(882,627)	(1,774,032)	(1,257,092)	(2,035,485)	(1,495,844)	(1,692,604)
Other financing sources (uses):										
Transfers in (out)	992,757	1,141,955	541,738	875,249	738,811	657,489	559,867	447,468	2,376,403	1,892,054
Bond and loan proceeds	-	422,016	2,006,911	63,791	5,542	2,358,019	-	-	(660,770)	(461,357)
Total other financing sources (uses)	1,555,019	992,757	1,563,971	2,548,649	939,040	744,353	559,867	447,468	1,715,633	1,430,697
Net change in fund balances	\$ 312,259	\$ 165,432	\$ 615,209	\$ 2,380,974	\$ 56,413	\$ (1,029,679)	\$ (697,225)	\$ (1,588,017)	\$ 219,789	\$ (261,907)
Ratio of debt service to noncapital expenditures	2.53%	10.57%	5.81%	10.11%	9.07%	10.82%	10.29%	11.57%	11.18%	10.76%

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
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
2016	1,276,187	1,180,371	846,334	87,028	1,206,140	203,398	20,567	4,820,025

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
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
2016	-	483,398	1,525,684	113,537	122,405	314,791	372,797	200,477	239,920	561,460	3,934,469

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 Purpose Local Option Sales Tax	City Local Option Sales Tax	Total Sales Tax Rate
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%
2016	910,954	614,730	1,525,684	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>
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%
2016	119,688,305	10,146,648	109,541,657	3.000	273,854,143	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		
12/31/2007	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%	122,542	529,175	99.95%	254	0.05%
12/31/2010	616,399	482,924	78.35%	128,603	611,527	99.21%	4,872	0.79%
12/31/2011	644,337	562,484	87.30%	80,266	642,750	99.75%	1,587	0.25%
12/31/2012	625,241	532,308	85.14%	90,297	622,605	99.58%	2,636	0.42%
12/31/2013	618,538	525,605	84.98%	89,681	615,286	99.47%	3,252	0.53%
12/31/2014	359,111	302,078	84.12%	53,908	355,986	99.13%	3,125	0.87%
12/31/2015	310,410	305,734	98.49%	69,698	305,734	98.49%	4,676	1.51%
12/31/2016	312,046	273,554	87.66%	-	273,554	87.66%	38,492	12.34%

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	
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
2016	3.000	11.831	15.800	30.631

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, 2016

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Eric S Zorn Trustee (Wal-Mart)	Retail	\$ 4,202,260	3.73%
Central Georgia Medical Properties LLC	Medical	3,031,476	2.69%
Wal-Mart Stores East Inc	Retail	2,572,972	2.28%
Ingram Timber Enterprises LP	Timber	1,275,424	1.13%
Atlantic Gas Light Co	Utilities	1,163,500	1.03%
Treadwell Family Partnership	Real Estate	1,155,616	1.02%
Jones, William B	Real Estate	1,046,960	0.93%
Ingles Markets Incorp	Grocery Store	1,017,056	0.90%
Encore Plastics Southeast	Manufacturer	872,756	0.77%
Monroe Hospitality Services	Hotel	828,800	0.74%
		<u>\$ 17,166,820</u>	<u>15.23%</u>

Source: Monroe County Tax Digest

CITY OF FORSYTH, GEORGIA
 PRINCIPAL TAXPAYERS
 DECEMBER 31, 2007

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Perdue Farms Inc	Poultry	\$ 1,869,141	1.88%
Forsyth Inns Inc	Hotel	1,426,332	1.43%
Ingram Timber Enterprises	Timber	1,422,864	1.43%
Ingles Markets	Grocery Store	1,188,122	1.19%
Treadwell Family Partnership	Real Estate	1,130,573	1.14%
Jack Treadwell	Real Estate	1,073,501	1.08%
Newton Trio MFG Co	Manufacturing	1,085,214	1.09%
Bellsouth Telecom	Telephone	925,174	0.93%
Wal-Mart Stores East Inc	Retail	913,242	0.92%
Michael H Jackson & Joel R Walker	Timber	913,200	0.92%
		<u>\$ 11,947,363</u>	<u>12.02%</u>

Source: Provided by Cheri Sparks, Forsyth-Monroe Chamber of Commerce

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			
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
2016	-	739,839	1,439,043	-	1,000,000	-	144,795	3,323,677	2.07%	832

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, 2016

	<u>Total Amount of Debt Outstanding</u>	<u>Percentage Applicable to City of Forsyth</u>	<u>Amount Applicable to City of Forsyth</u>
Direct Debt			
Notes payable	\$ 739,839	100%	\$ 739,839
Revenue bonds	1,439,043	100%	1,439,043
Capital leases	-	100%	-
Total Direct Debt	<u>2,178,882</u>	<u>100%</u>	<u>2,178,882</u>
Overlapping Debt			
	<u>-</u>		<u>-</u>
Total Direct and Overlapping Debt	<u><u>\$ 2,178,882</u></u>	<u><u>100%</u></u>	<u><u>\$ 2,178,882</u></u>

Source: City of Forsyth

Note: No overlapping debt as December 31, 2016.

CITY OF FORSYTH, GEORGIA
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2016

Assessed value of all taxable property	\$ 109,547,657	
Plus exempt property	<u>10,146,648</u>	<u>\$ 119,694,305</u>
Debt limit - 10% of assessed value		\$ 11,969,431
Debt applicable to limitation:		
Total general obligation debt	\$ (739,839)	
Less assets in debt service available for payment of principal	<u>63,326</u>	
Total amount of debt applicable to debt limit		<u>(676,513)</u>
Legal debt margin		<u>\$ 11,292,918</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		
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	-	-
2016	13,305,452	11,923,971	1,381,481	1,144,795	40,518	1,185,313	-	-

- (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>
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%
2016	3,993	160,941,858	40,306	5.2%

Source: Records in City Hall files, Georgia Department of Labor, and Bureau of Labor Statistics // 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	2016			2007		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Monroe County Board of Education	620	1	15.64%	700	1	18.49%
GA Department of Corrections	427	2	10.77%			
Georgia Power Company - Plant Scherer	410	3	10.34%	400	2	10.57%
Monroe County Board of Commissioners	250	4	6.31%	300	3	7.93%
Al Burrus Correctional Institute	249	5	6.28%	200	5	5.28%
GA Public Safety Training Center	132	6	3.33%	230	4	6.08%
Wal-Mart	91	7	2.30%	105	8	2.77%
Monroe County Hospital	85	8	2.14%	140	6	3.70%
Bolingreen Nursing Home	80	9	2.02%			
City of Forsyth	68	10	1.72%	113	7	2.99%
Perdue Chicken	39			70	9	1.85%

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

Note: 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administrative	12	10	11	11	11	12	12	8	8	8
Fire	12	13	13	13	17	16	16	10	14	11
Police	34	32	32	35	32	29	22	23	26	17
Municipal Court	1	1	1	1	1	1	1	1	1	1
Public Works	31	26	22	22	25	18	14	9	12	14
Better Hometown	1	2	2	2	2	2	2	2	4	4
Electric	12	9	9	13	11	11	11	11	11	8
Cable	2	-	-	-	-	-	-	-	-	-

Source: Provided by Kristal Dunn, City Clerk

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

Function	Calendar Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administrative										
Business licenses issued	539	537	442	476	512	501	444	471	636	753
Permits issued	152	193	263	155	212	207	243	341	110	110
Police										
Citations	3,275	3,980	2,084	2,928	2,879	2,544	2,816	1,703	1,458	2,561
Public Works										
Garbage customers	1,494	2,281	1,470	1,437	1,427	1,481	1,574	1,491	1,513	1,516
Culture and Recreation										
Annual city-sponsored events	6	6	11	11	5	10	12	11	13	16
Annual non-city sponsored events	1	1	1	1	1	1	1	1	1	1
Electric										
Annual Kilowatt Hours Sold (millions)	67.9	65.8	67.1	77.2	79.4	80.8	85.9	115.4	126	132
Water										
Average daily consumption in gallons (millions)	1.6	1.7	1.1	2.0	2.0	1.5	1.3	1.3	1.43	1.60
Cable										
Cable customers	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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administrative										
Buildings	1	1	1	1	1	1	1	1	2	2
Police										
Patrol units	9	9	8	9	10	8	8	14	22	22
Fire										
Fire trucks	5	5	5	5	4	4	4	7	7	7
Public Works										
Vehicles	10	10	10	10	10	10	8	8	10	10
Street (miles)	46	46	46	46	46	46	46	50	50	50
Streetlights	760	760	785	785	785	785	785	785	795	795
Garage										
Vehicles	1	1	1	1	1	1	2	2	2	2
Culture and Recreation										
Acreage	16	16	16	16	16	16	16	16	16	16
Park sites	4	4	5	5	5	5	5	5	5	5
Electric										
Electric lines (miles)	52.50	54.97	54.97	57.97	57.97	58.00	58.00	58.00	58.00	58.00
Vehicles	8	8	8	8	8	9	9	9	9	9
Water										
Water mains (miles)	40	40	40	40	40	40	40	40	40	40
Sewer										
Sanitary sewers (miles)	30	30	30	30	30	40	40	40	40	40
Cable										
Cable lines (miles)	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, 2016, 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 June 30, 2017.

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.

Buckley + Hopkins, LLP

Forsyth, Georgia
June 30, 2017

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

2015-01 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 2015, the City transferred \$155,856 from other funds into their SPLOST fund to fund a capital project.

Auditee response/status: Resolved.