

CITY OF SNELLVILLE, GEORGIA

ANNUAL FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

JAMES L. WHITAKER, P.C.

CERTIFIED PUBLIC ACCOUNTANT

SNELLVILLE, GEORGIA 30078

**CITY OF SNELLVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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JAMES L. WHITAKER, P.C.
Certified Public Accountant
2295 Henry Clower Blvd., Suite 205
Snellville, Georgia 30078
Telephone: 678-205-4438
Fax: 678-205-4449

Member of
The American Institute of
Certified Public Accountants

Member of
Georgia Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of Snellville, Georgia

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 Snellville, Georgia (the City) as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

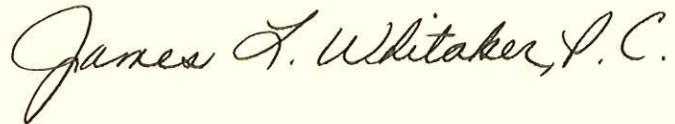
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Snellville, Georgia, as of June 30, 2010 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 conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated November 22, 2010 on our consideration of City of Snellville's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on page iii through xii is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Snellville, Georgia's basic financial statements. The combining nonmajor fund financial statements and the other individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "James F. Whitaker, P.C.".

Snellville, Georgia
November 22, 2010

CITY OF SNELLVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended June 30, 2010

As management of the City of Snellville, we offer readers of the City of Snellville's financial statements this narrative overview and analysis of the financial activities of the City of Snellville for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented in this analysis with their review of the financial statements.

Financial Highlights

- The assets of the City of Snellville exceeded its liabilities at the close of the most recent fiscal year by \$28,619,796 (Net assets). Of this amount unrestricted net assets of \$1,602,155 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net assets increased by \$2,012,399. This increase is due to an increase in net assets of \$1,586,071 in governmental activities and an increase in business-type activities net assets of \$426,328.
- As of the close of the current fiscal year, the City of Snellville's governmental funds reported combined ending fund balances of \$13,252,180, an increase of \$5,333,599 in comparison with the prior year. Of this amount \$1,303,974 is unreserved and available for spending, \$4,350,876 is reserved for SPLOST Capital Projects, \$7,202,105 is reserved for other Capital Projects, \$175,859 reserved for Police Activities, \$100,534 is reserved for Tree Bank Projects, and \$118,832 is reserved for Prepaid Items.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,249,808 or 13.9% of total General Fund revenues.
- The City of Snellville's total debt obligations (including accrued compensated absences) increased by the net of \$6,673,267. The decrease is due to repayment of City Hall Certificates of Participation, in the amount of \$290,000 and \$58,736 in capital lease obligations. It was offset by an increase in accrued compensated absences of \$4,253 and an addition of \$7,505,000 for Police Facilities Certificates of Participation. The City also accrued \$258,159 for early retirement termination benefits.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Snellville's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Snellville include general government, public safety and courts, highways and streets, parks and recreation, economic development, community development, and debt service. The business-type activities of the City are solid waste management and recycling and stormwater management.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. 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 the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains four major governmental funds. The City's major governmental funds are the General Fund, the Police Facilities Capital Project Fund, and the SPLOST I & II Capital Projects Funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for all four major funds.

The City of Snellville adopts an annual budget for its General Fund and all Special Revenue Funds. On page 7 of this report a budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the FY 10 budget. A project length budget is presented for the City Center Capital Project Fund, the Police and Public Works Facilities Fund, and the SPLOST I & II Capital Projects Funds in the supplementary information following the Basic Financial Statements.

Proprietary funds. The City of Snellville maintains two proprietary funds both of which are considered major funds. Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in Statement of Net Assets of the Solid Waste Management Enterprise Fund and the Stormwater Management Enterprise Fund as well as the Statement of Revenues, Expenses and Changes in Fund Net Assets for each fund.

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

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information, which consists of budget comparisons for all Governmental Funds' revenues and expenditures.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2010, the City's assets exceeded liabilities by \$28,619,796.

The largest portion of the City's net assets (76.1%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the City'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. Of the total net assets, \$5,234,855 (18.3%) is restricted for Capital Projects, Police Activities, and Tree Bank Projects and \$1,602,155 or (5.6%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

City of Snellville's Net Assets							
	Governmental Activities		Business Type Activities		Total		
	2010	2009	2010	2009	2010	2009	
Current and other assets	\$ 15,124,420	\$ 9,277,724	\$ 876,345	\$ 417,966	\$ 16,000,765	\$ 9,695,690	
Capital assets	25,329,912	22,475,691	1,555,575	1,567,883	26,885,487	24,043,574	
Total assets	40,454,332	31,753,415	2,431,920	1,985,849	42,886,252	33,739,264	
Current liabilities	1,446,170	1,004,591	494,105	474,362	1,940,275	1,478,953	
Long-term liabilities	12,326,181	5,652,914	-	-	12,326,181	5,652,914	
Total liabilities	13,772,351	6,657,505	494,105	474,362	14,266,456	7,131,867	
Net assets:	\$ 26,681,981	\$ 25,095,910	\$ 1,937,815	\$ 1,511,487	\$ 28,619,796	\$ 26,607,397	
Invested in capital assets, net of related debt	20,227,211	17,189,325	1,555,575	1,567,883	21,782,786	18,757,208	
Restricted	5,234,855	6,335,765	-	-	5,234,855	6,335,765	
Unrestricted	1,219,915	1,570,820	382,240	(56,396)	1,602,155	1,514,424	
Total net assets	\$ 26,681,981	\$ 25,095,910	\$ 1,937,815	\$ 1,511,487	\$ 28,619,796	\$ 26,607,397	

As of June 30, 2010, the City is able to report positive balances in all three categories of net assets, both for the government as a whole and for each individual fund except for the Solid Waste Management enterprise Fund which reported a negative balance (\$34,453) in unrestricted net assets.

City of Snellville's Change in Net Assets

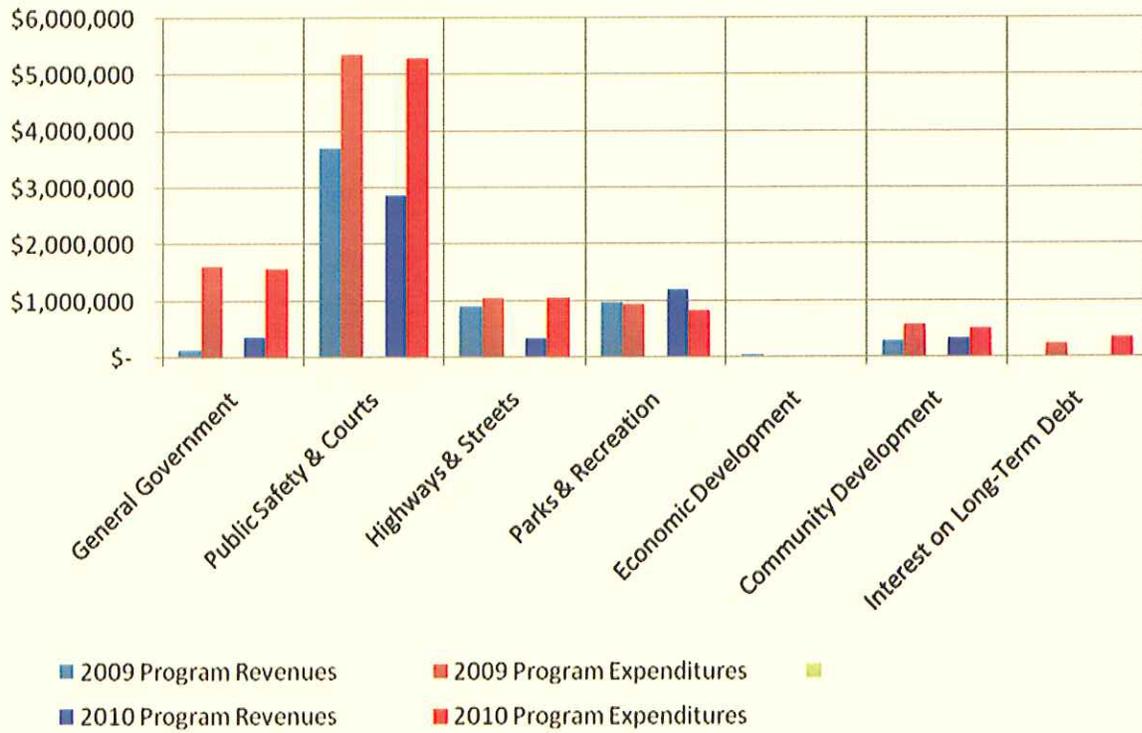
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues -						
Charges for Services	\$ 2,519,405	\$ 3,224,691	\$ 2,134,798	\$ 1,655,160	\$ 4,654,203	\$ 4,879,851
Operating Grants and Contributions	\$ 2,450	\$ 109,045	\$ -	\$ -	\$ 2,450	\$ 109,045
Capital Grants and Contributions	\$ 2,503,274	\$ 2,726,672	\$ -	\$ -	\$ 2,503,274	\$ 2,726,672
General Revenues -						
Property Taxes	\$ 3,438,809	\$ 3,507,366	\$ -	\$ -	\$ 3,438,809	\$ 3,507,366
Other Taxes	\$ 3,080,432	\$ 3,050,752	\$ -	\$ -	\$ 3,080,432	\$ 3,050,752
Interest	\$ 11,666	\$ 30,363	\$ 941	\$ 1,092	\$ 12,607	\$ 31,455
Other	\$ -	\$ 14,292	\$ -	\$ -	\$ -	\$ 14,292
Total Revenues	\$ 11,556,036	\$ 12,663,181	\$ 2,135,739	\$ 1,656,252	\$ 13,691,775	\$ 14,319,433
Expenses:						
General Government	\$ 1,573,221	\$ 1,628,287	\$ -	\$ -	\$ 1,573,221	\$ 1,628,287
Public Safety and Courts	\$ 5,277,044	\$ 5,356,421	\$ -	\$ -	\$ 5,277,044	\$ 5,356,421
Parks and Recreation	\$ 833,980	\$ 954,721	\$ -	\$ -	\$ 833,980	\$ 954,721
Highways and Streets	\$ 1,045,251	\$ 1,063,138	\$ -	\$ -	\$ 1,045,251	\$ 1,063,138
Economic Development	\$ -	\$ 31,044	\$ -	\$ -	\$ -	\$ 31,044
Community Development	\$ 516,531	\$ 577,474	\$ -	\$ -	\$ 516,531	\$ 577,474
Interest on Long-term Debt	\$ 338,885	\$ 241,132	\$ -	\$ -	\$ 338,885	\$ 241,132
Solid Waste	\$ -	\$ -	\$ 2,039,450	\$ 2,146,781	\$ 2,039,450	\$ 2,146,781
Stormwater	\$ -	\$ -	\$ 55,014	\$ -	\$ 55,014	\$ -
Total Expenses	\$ 9,584,912	\$ 9,852,217	\$ 2,094,464	\$ 2,146,781	\$ 11,679,376	\$ 11,998,998
Increase (Decrease) in net assets before transfers	\$ 1,971,124	\$ 2,810,964	\$ 41,275	\$ (490,529)	\$ 2,012,399	\$ 2,320,435
Transfers	\$ (385,053)	\$ (331,985)	\$ 385,053	\$ 331,985	\$ -	\$ -
Increase (Decrease) in Net Assets	\$ 1,586,071	\$ 2,478,979	\$ 426,328	\$ (158,544)	\$ 2,012,399	\$ 2,320,435
Net Assets-Beginning of Year	\$ 25,095,910	\$ 22,616,931	\$ 1,511,487	\$ 1,670,031	\$ 26,607,397	\$ 24,286,962
Net Assets-End of Year	\$ 26,681,981	\$ 25,095,910	\$ 1,937,815	\$ 1,511,487	\$ 28,619,796	\$ 26,607,397

Note- 2009 amounts were amended to treat proceeds from SPLOST and the related interest revenue as capital grants and contributions rather than other taxes and interest.

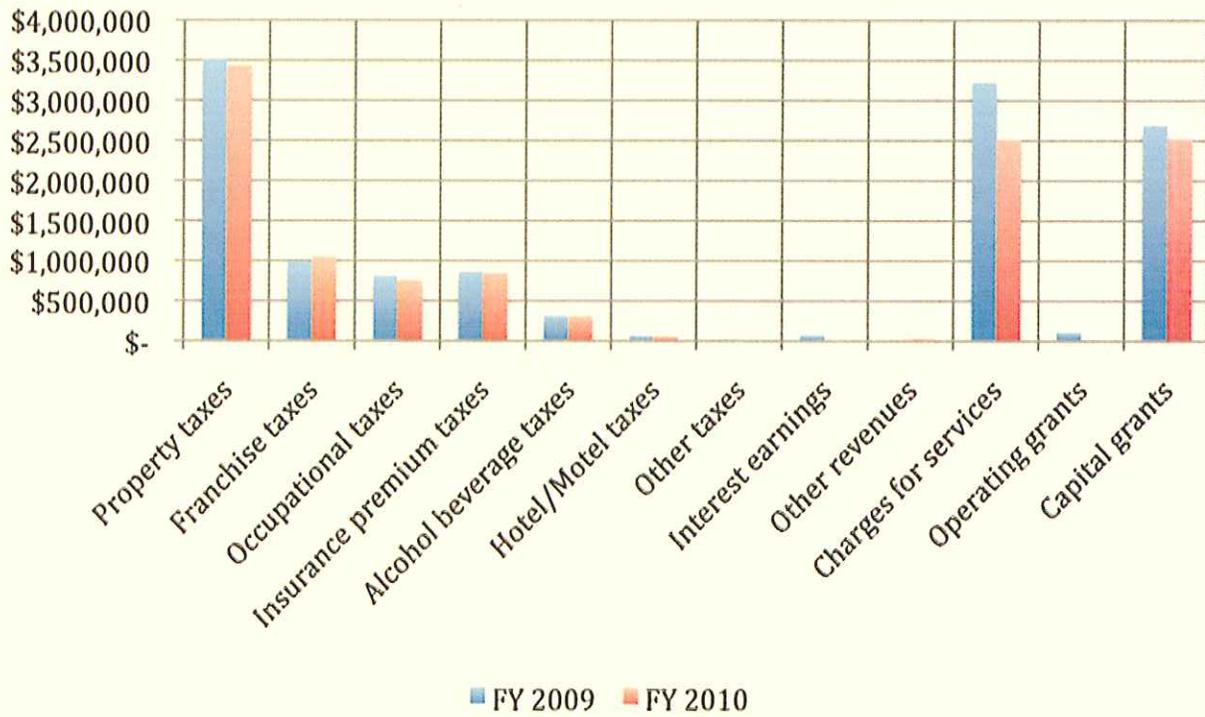
Governmental activities. Governmental activities increased the City's net assets by \$1,586,071 accounting for 78.0% of the total growth in the net assets. Key elements of this increase are as follows:

- Occupational taxes decreased by \$45,574 (-5.6%) for the year. The decrease was due to a weakening in the economy.
- Property taxes decreased by \$68,557 (2.0%) for the year. The decrease was due to lowered assessments due to decreases in property values.
- The City was a party to the issuance of Certificates of Participation (COPS) in the amount of \$6,795,000 issued under the name of Georgia Municipal Association, Inc. Leasing Program during fiscal year ending June 30, 2004. The proceeds have been used to finance the acquisition, construction and equipping of a new city hall. The land and building are pledged as security against the certificates. Repayment of the certificates is to be made under an annual renewable lease agreement. Interest rates associated with the certificates range from 2 % to 4.59 %.
- The City was a party to the issuance of Certificates of Participation (COPS) in the amount of \$7,505,000 issued under the name of Georgia Municipal Association, Inc. Leasing Program during fiscal year ending June 30, 2010. The proceeds have been used to finance the acquisition, construction and equipping of a new police facility. The land and building are pledged as security against the certificates. Repayment of the certificates is to be made under an annual renewable lease agreement. Interest rates associated with the certificates range are 2.842% for five years.
- Fines and forfeitures decreased by \$621,157 (-26.5%) for the year. This is due in part to the inability of some violators to pay assessed fines; therefore they are sentenced to community service. The City discontinued red light camera enforcement in March 2009.
- The City received proceeds from a special purpose local option sales tax. The voters of Gwinnett County passed a resolution in November 2008, which authorized the tax. Proceeds from the tax recognized by the City as revenue for the year amounted to \$2,436,432.

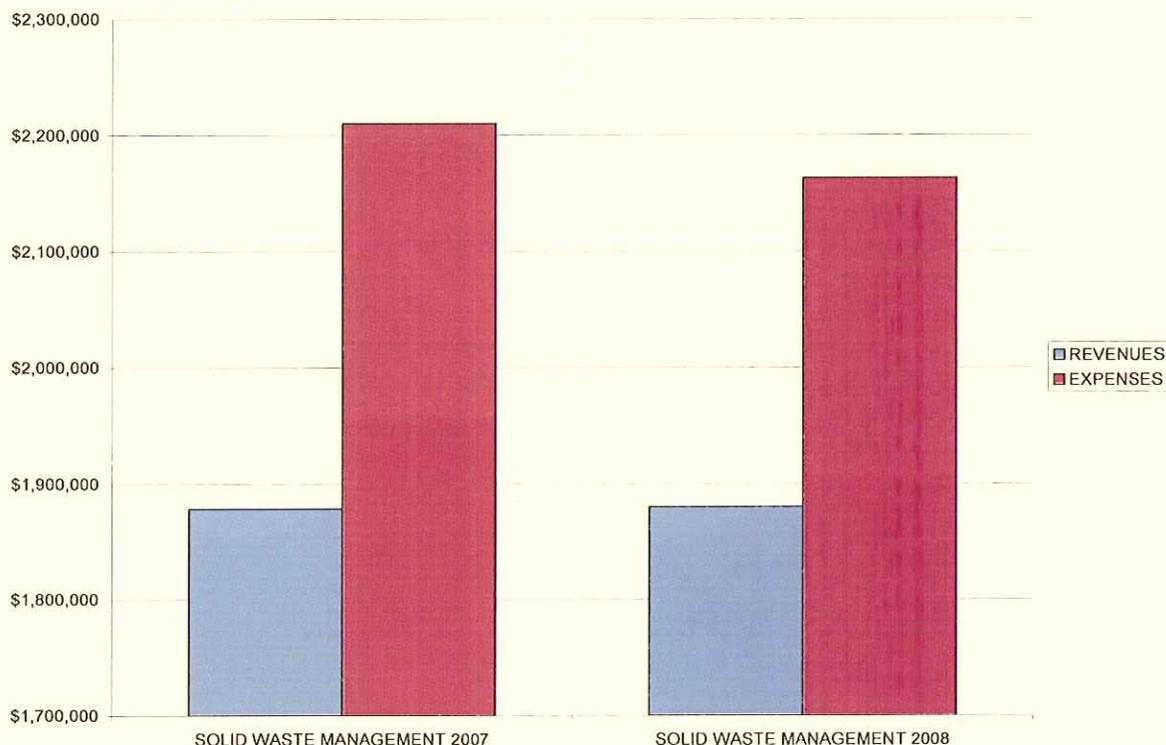
Program Revenues and Expenditures Governmental Activities



Revenues by Source - Governmental Activities



Business-type Activities: The Solid Waste Management Fund decreased the City's net assets by \$45,748. This was due to an operating loss for the year of \$430,801. However, the General Fund transferred \$385,053 to the Solid Waste Management Fund to supplement operations.



Financial Analysis of the Government's Funds

As noted earlier, the City of Snellville used fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The focus of the City of Snellville's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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.

At the end of the current fiscal year, the City of Snellville's governmental funds reported combined ending fund balances of \$13,252,180 an increase of \$5,333,599 in comparison to the prior year. Of this amount, \$1,303,974 (10.0%) is unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay for capital expansion most of which is funded by the proceeds of the Certificates of Participation (\$7,202,105), 2) for police activities (\$175,859), 3) 2005 SPLOST (\$2,388,339), 4) 2009 SPLOST (\$1,962,537), 5) Tree Bank (\$100,534), and 6) prepaid items (\$118,832).

The general fund is the City's chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,249,808 while the total fund balance totaled \$1,368,640. 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 revenues. Unreserved fund balance represents 14.1 % of the total general fund revenues, while total fund balance represents 15.4 % of that same amount.

During the current fiscal year, the fund balance of the City's general fund decreased by \$146,068. Revenues decreased by 9.7%, and there was a decrease of 8.0% in expenditures resulting in an excess of revenues over expenditures of \$685,028. The General Fund transferred \$496,043 to the City Center Capital Projects Fund to finance capital

expenditures and debt service requirements related to construction of the new City Administration Facilities. The General Fund also transferred \$385,053 to the Solid Waste Management Fund to finance the City's recycle facilities and to supplement operations.

The Police Facilities Capital Project Fund has a total fund balance of \$6,594,519 all of which is reserved for construction of the City's new police facilities..

Since being passed by referendum in November 2004, the proceeds from the 2005 SPLOST have generated \$11,810,432 for the City of Snellville's share. The proceeds are to be used exclusively for the following purposes: 1) roads, including stormwater, 2) cultural/historic/recreation and 3) public safety. Significant expenditures will be incurred during fiscal year 2011. The 2009 SPLOST has recognized \$3,065,489 in revenues since collection began in April 2009.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Solid Waste fund at the end of the year were \$1,465,739, of which \$1,500,192 was invested in capital assets. Other factors concerning the finances of the fund have already been addressed in the discussion of the City's business-type activities. The fund has unrestricted assets of (\$34,453) which is expected to be funded by future revenues and transfers from the General Fund.

Net assets of the Stormwater Management Fund at the end of the year were \$472,076, of which \$55,383 was invested in capital assets. The fund has unrestricted assets of \$416,693, which is expected to be used for future stormwater management related capital expenditures.

General Fund Budgetary Highlights

There were no significant variances between the final budget and the actual. No adjustments were made to the budget during fiscal year ended June 30, 2010.

Capital Asset and Debt Administration

Capital assets. The City of Snellville's investment in capital assets for its governmental and business-type activities as of June 30, 2010 amounts to \$26,885,487 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles and equipment, sidewalks, bridges and roads.

Major capital asset events during the current fiscal year included the following:

- \$23,146 was spent for vehicles, including related equipment, for the Police Department
- \$1,245,588 for drainage, street, and sidewalk improvements
- \$2,065,213 for land for Bakers Rock
- \$1,447,131 for construction in progress
- \$10,680 furniture and other equipment

Additional information on the City's capital assets can be found in note 8.

Long-term debt. At the end of the current fiscal year, the City had \$12,326,181 in outstanding debt consisting of Certificates of Participation net of unamortized discount, capital lease obligations, accrued compensated absences and termination benefits. Land and buildings secure the Certificates of Participation.

The City's total debt has increased by \$6,673,267. This is attributed to a payment on the Certificates of Participation in the amount of \$290,000 and payment of \$58,736 in capital lease obligations. New debt in the amount of \$7,505,000 was added for the Police Facilities lease. Additional information on the City's long-term debt can be found in note 10.

Status of the City of Snellville Economy

Economic activity in Snellville during the year reflects national and regional trends. The City has a thriving retail sector consisting of approximately 2.5 million square feet of commercial retail, with continued commercial growth.

The City also has a strong medical sector, with Emory Eastside Medical Center being its largest employer. Emory Eastside employs over 1,400 with a medical staff of over 400 physicians. They serve over 12,000 annual inpatients, over 55,000 annual E.D. visits, over 75,000 annual outpatient visits, and over 7,600 annual surgeries performed. They are planning a new 80,000 square foot medical office building in 2010. Emory Eastside plans a 78-bed expansion and will invest nearly \$70,000,000 in the Snellville facility nearly doubling the square footage of the existing campus.

A total of approximately 1400 businesses contribute to the economic stability of the City. The value of the total taxable property increased 5%, based on Gwinnett County's Gross Digest.

The Evermore Community Improvement District, an association of property owners along U.S. Highway 78 that voluntarily taxes itself, stretches from Snellville to Stone Mountain. About 20% of the CID is within Snellville. The CID is currently completing significant transportation improvements along the Highway 78 corridor, much of it in Snellville and will help to revitalize the west end of the community and dress-up the Highway 78 approach into the City.

The Downtown Development Authority (DDA) has initiated a planning process to be a catalyst for the redevelopment of the Snellville Oaks, Eastgate Place and Wisteria Village area near the center of town. Redevelopment of these first generation strip centers into a modern neo-urban center will greatly enhance the center of town and help create a sense of place that Snellville currently lacks.

The City retains a positive outlook even in these uncertain economic times. We continue to look for ways to encourage and facilitate economic development while exercising responsible stewardship over the city's resources and overall financial condition.

Requests for Information

This financial report is designed to provide a general overview of the City of Snellville's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 985-3500 or at the following address:

City of Snellville
Finance Department
2342 Oak Road
Snellville, GA 30078

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>
Assets				
Cash and Cash Equivalents	\$ 1,490,719	\$ 638,294	\$ 2,129,013	\$ 8,479
Investments	211,477	-	211,477	115,229
Receivables (net of allowance for uncollectibles)				
Taxes	302,109	-	302,109	-
Fines	155,803	-	155,803	-
Intergovernmental	588,065	-	588,065	-
Accounts	-	250,326	250,326	-
Donations	-	-	-	-
Interest	589	-	589	-
Prepaid Items	118,832	33,570	152,402	-
Due from other funds	45,845	(45,845)	-	-
Restricted Assets -				
Cash	11,434,222	-	11,434,222	-
Investments	561,539	-	561,539	-
Receivables	-	-	-	-
Non-Depreciable Capital Assets	8,279,216	-	8,279,216	-
Depreciable Capital Assets, Net	17,050,696	1,555,575	18,606,271	-
Deferred Cost, Net	215,220	-	215,220	-
Total Assets	<u>40,454,332</u>	<u>2,431,920</u>	<u>42,886,252</u>	<u>123,708</u>
Liabilities				
Accounts Payable	985,205	475,157	1,460,362	-
Accrued Liabilities -				
Wages	243,098	9,808	252,906	-
Customer Deposits	5,114	9,140	14,254	-
Police bonds and court fees	63,219	-	63,219	-
Interest	48,414	-	48,414	-
Other	87,333	-	87,333	-
Unearned Revenues	13,787	-	13,787	-
Long-Term Liabilities -				
Due Within One Year	1,978,784	-	1,978,784	-
Due In More Than One Year	10,347,397	-	10,347,397	-
Total Liabilities	<u>13,772,351</u>	<u>494,105</u>	<u>14,266,456</u>	<u>-</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	20,227,211	1,555,575	21,782,786	-
Restricted for -				
Capital Projects	4,958,462	-	4,958,462	-
Police Activities	175,859	-	175,859	-
Tree Bank	100,534	-	100,534	-
Unrestricted	1,219,915	382,240	1,602,155	123,708
Total Net Assets	<u>\$ 26,681,981</u>	<u>\$ 1,937,815</u>	<u>\$ 28,619,796</u>	<u>\$ 123,708</u>

See accompanying notes to the basic financial statements.

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General Government	\$ 1,573,221	\$ 97,737	\$ 2,450	\$ 243,829
Public Safety and Courts	5,277,044	1,830,610	-	1,020,330
Highways and Streets	1,045,251	-	-	321,331
Parks and Recreation	833,980	277,540	-	904,317
Economic Development	-	-	-	-
Community Development	516,531	313,518	-	13,467
Interest on Long-Term Debt	338,885	-	-	-
Total Governmental Activities	<u>9,584,912</u>	<u>2,519,405</u>	<u>2,450</u>	<u>2,503,274</u>
Business-Type Activities				
Solid Waste Management	1,815,392	1,469,561	-	-
Recycling	224,058	138,647	-	-
Stormwater	55,014	526,590	-	-
Total Business-Type Activities	<u>2,094,464</u>	<u>2,134,798</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,679,376</u>	<u>\$ 4,654,203</u>	<u>\$ 2,450</u>	<u>\$ 2,503,274</u>
Component Units:				
Downtown Development Authority	<u>\$ 8,868</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:
Property
Franchise
Occupational
Insurance premium
Alcohol beverage
Hotel / Motel
Other
Interest Earnings
Other
Total General Revenues
Transfers
Total General Revenues and Transfers
Change in Net Assets
Net Assets - Beginning of Year
Net Assets - End of Year

See accompanying notes to the basic financial statements.

Changes in Net Assets

<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>
\$ (1,229,205)	\$ -	\$ (1,229,205)	\$ -
(2,426,104)	-	(2,426,104)	-
(723,920)	-	(723,920)	-
347,877	-	347,877	-
-	-	-	-
(189,546)	-	(189,546)	-
(338,885)	-	(338,885)	-
<u>(4,559,783)</u>	<u>-</u>	<u>(4,559,783)</u>	<u>-</u>
-	(345,831)	(345,831)	-
-	(85,411)	(85,411)	-
<u>-</u>	<u>471,576</u>	<u>471,576</u>	<u>-</u>
<u>-</u>	<u>40,334</u>	<u>40,334</u>	<u>-</u>
<u>(4,559,783)</u>	<u>40,334</u>	<u>(4,519,449)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,868)</u>
3,438,809	-	3,438,809	-
1,057,012	-	1,057,012	-
762,654	-	762,654	-
851,107	-	851,107	-
313,390	-	313,390	-
62,022	-	62,022	-
34,247	-	34,247	-
11,666	941	12,607	2,308
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,530,907	941	6,531,848	2,308
(385,053)	385,053	-	-
<u>6,145,854</u>	<u>385,994</u>	<u>6,531,848</u>	<u>2,308</u>
1,586,071	426,328	2,012,399	(6,560)
<u>25,095,910</u>	<u>1,511,487</u>	<u>26,607,397</u>	<u>130,268</u>
<u>\$ 26,681,981</u>	<u>\$ 1,937,815</u>	<u>\$ 28,619,796</u>	<u>\$ 123,708</u>

**CITY OF SNELLVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	<u>GENERAL</u>	<u>POLICE FACILITIES CAPITAL PROJECTS</u>	<u>SPLOST I CAPITAL PROJECTS</u>	<u>SPLOST II CAPITAL PROJECTS</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,431,376	\$ 7,254,886	\$ 2,333,865	\$ 1,549,447
Investments	211,477	-	-	-
Receivables (net of allowance for uncollectibles)				
Taxes	292,016	-	-	-
Fines	155,803	-	-	-
Intergovernmental	-	-	113,039	447,225
Accounts	-	-	-	-
Donations	-	-	-	-
Interest	589	-	-	-
Miscellaneous	-	-	-	-
Due from other funds	79,980	-	-	-
Prepaid Items	118,832	-	-	-
Total Assets	<u>\$ 2,290,073</u>	<u>\$ 7,254,886</u>	<u>\$ 2,446,904</u>	<u>\$ 1,996,672</u>
LIABILITIES				
Accounts Payable	\$ 250,926	\$ 660,367	\$ 58,565	\$ -
Accrued Liabilities:				
Salaries and wages	243,098	-	-	-
Termination benefits	84,327	-	-	-
Deposits	5,114	-	-	-
Police bonds and court fees	63,219	-	-	-
Other	3,007	-	-	-
Due to other funds	12,038	-	-	34,135
Deferred Revenues	259,704	-	-	-
Total Liabilities	<u>921,433</u>	<u>660,367</u>	<u>58,565</u>	<u>34,135</u>
FUND BALANCES				
Reserved for:				
Capital Projects	-	6,594,519	2,388,339	1,962,537
Police services	-	-	-	-
Tree Bank	-	-	-	-
Prepaid Items	118,832	-	-	-
Unreserved - Special Revenue	-	-	-	-
Unreserved	1,249,808	-	-	-
Total Fund Balances	<u>1,368,640</u>	<u>6,594,519</u>	<u>2,388,339</u>	<u>1,962,537</u>
Total Liabilities and Fund Balances	<u>\$ 2,290,073</u>	<u>\$ 7,254,886</u>	<u>\$ 2,446,904</u>	<u>\$ 1,996,672</u>

See accompanying notes to the basic financial statements.

<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 355,367	\$ 12,924,941
561,539	773,016
10,093	302,109
-	155,803
27,802	588,066
-	-
-	-
-	589
-	-
12,038	92,018
-	118,832
<u>\$ 966,839</u>	<u>\$ 14,955,374</u>
\$ 15,347	\$ 985,205
-	243,098
-	84,327
-	5,114
-	63,219
-	3,007
-	46,173
13,347	273,051
<u>28,694</u>	<u>1,703,194</u>
607,586	11,552,981
175,859	175,859
100,534	100,534
-	118,832
54,166	54,166
-	1,249,808
<u>938,145</u>	<u>13,252,180</u>
<u>\$ 966,839</u>	<u>\$ 14,955,374</u>

CITY OF SNELLVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

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

Total fund balances -- total governmental funds	\$ 13,252,180
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,329,912
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Deferred revenues	259,264
Debt issuance cost and discounts are considered other financing uses in governmental funds in the year incurred but are deferred costs and are amortized over the life of the related debt in the statement of net assets:	
Deferred issue cost	215,220
Debt discount	78,305
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest	(48,414)
Certificates of participation	(4,900,000)
Capital lease obligation	(6,875,525)
Long-term portion of termination benefits	(258,159)
Long-term portion of compensated absences	<u>(370,802)</u>
Net assets of governmental activities.	<u>\$ 26,681,981</u>

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

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>GENERAL</u>	<u>POLICE FACILITIES CAPITAL PROJECTS</u>	<u>SPLOST I CAPITAL PROJECTS</u>	<u>SPLOST II CAPITAL PROJECTS</u>
REVENUES				
Taxes	\$ 6,355,802	\$ -	\$ -	\$ -
Licenses and permits	267,032	-	-	-
Intergovernmental	13,467	-	-	2,436,432
Charges for services	291,507	-	-	-
Fines and forfeitures	1,722,574	-	-	-
Tree Bank Bonds	-	-	-	-
Investment income	10,332	7,518	11,863	1,867
Rental income	90,993	-	-	-
Miscellaneous	124,996	-	-	-
Total Revenues	<u>8,876,703</u>	<u>7,518</u>	<u>11,863</u>	<u>2,438,299</u>
EXPENDITURES				
Current:				
General Government	1,250,068	-	-	-
Municipal Court	793,820	-	-	-
Public Safety	3,899,555	-	-	-
Highways and Streets	944,370	-	-	-
Parks and Recreation	746,899	-	-	-
Tree Bank	-	-	-	-
Economic Development	-	-	-	-
Community Development	486,681	-	-	-
Capital:				
General Government	-	-	-	-
Public Safety	-	858,457	255,221	9,254
Highways and Streets	-	-	124,329	-
Parks and Recreation	5,080	-	1,293,330	1,095,565
Debt Service:				
Principal	58,737	-	751,396	-
Interest	6,465	-	53,328	-
Issue costs on debt	-	59,542	-	-
Total Expenditures	<u>8,191,675</u>	<u>917,999</u>	<u>2,477,604</u>	<u>1,104,819</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>685,028</u>	<u>(910,481)</u>	<u>(2,465,741)</u>	<u>1,333,480</u>
Other Financing Sources (Uses):				
Proceeds from long-term debt	-	7,505,000	-	-
Transfers	(831,096)	-	-	-
Sale of capital assets	-	-	-	-
Total	<u>(831,096)</u>	<u>7,505,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(146,068)	6,594,519	(2,465,741)	1,333,480
Fund Balance - Beginning of the year	1,514,708	-	4,854,080	629,057
Fund Balance - End of year	<u>\$ 1,368,640</u>	<u>\$ 6,594,519</u>	<u>\$ 2,388,339</u>	<u>\$ 1,962,537</u>

See accompanying notes to the basic financial statements.

NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 62,022	\$ 6,417,824
-	267,032
32,127	2,482,026
-	291,507
39,634	1,762,208
7,500	7,500
1,333	32,913
-	90,993
-	124,996
<u>142,616</u>	<u>11,476,999</u>
-	1,250,068
-	793,820
7,258	3,906,813
-	944,370
-	746,899
2,625	2,625
26,248	26,248
-	486,681
-	-
39,076	1,162,008
-	124,329
-	2,393,975
290,000	1,100,133
206,043	265,836
-	59,542
<u>571,250</u>	<u>13,263,347</u>
<u>(428,634)</u>	<u>(1,786,348)</u>
-	7,505,000
446,043	(385,053)
-	-
<u>446,043</u>	<u>7,119,947</u>
17,409	5,333,599
920,736	7,918,581
<u>\$ 938,145</u>	<u>\$ 13,252,180</u>

**CITY OF SNELLVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

Net change in fund balances -- total governmental funds	5,333,599
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$3,662,600) exceeded depreciation expense (\$ 808,379) in the current period.	2,854,221
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. This is the amount of net book value of assets disposed of during the current period.	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending deferred revenue balances in the current period.	79,038
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments (\$ 1,100,133) exceeded proceeds (\$ 7,505,000).	(6,404,867)
Bond issue cost and discounts are considered deferred cost in the statement of net assets and are amortized over the life of the related debt while they are considered other financing uses in governmental funds in the year they are incurred. This is the amount by which bond issue and discount cost (\$ 59,542) exceeded amortization expense (\$ 24,635).	34,907
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Change in the long term portion of accrued compensated absences	(4,254)
Change in the long term portion of termination benefits	(258,159)
Change in accrued interest	(48,414)
Change in net assets of governmental activities.	\$ 1,586,071

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

**CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010**

REVENUES	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE
Taxes	\$ 6,427,200	\$ 6,355,802	\$ (71,398)
Licenses and permits	241,000	267,032	26,032
Intergovernmental	-	13,467	13,467
Charges for services	319,500	291,507	(27,993)
Fines and forfeitures	2,400,000	1,722,574	(677,426)
Investment income	50,000	10,332	(39,668)
Rental income	93,800	90,993	(2,807)
Miscellaneous	64,200	124,996	60,796
Total Revenues	<u>9,595,700</u>	<u>8,876,703</u>	<u>(718,997)</u>
EXPENDITURES			
Current:			
General Government	1,298,870	1,250,068	48,802
Municipal Court	882,245	793,820	88,425
Public Safety	3,884,986	3,899,555	(14,569)
Highways and Streets	963,222	944,370	18,852
Parks and Recreation	824,101	746,899	77,202
Community Development	555,868	486,681	69,187
Capital:			
Public Safety	11,000	-	11,000
Highways and Streets	200,000	-	200,000
Parks and Recreation	50,500	5,080	45,420
Planning and Zoning	3,500	-	3,500
Debt Service:			
Principal	58,900	58,737	163
Interest	6,590	6,465	125
Total Expenditures	<u>8,739,782</u>	<u>8,191,675</u>	<u>548,107</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>855,918</u>	<u>685,028</u>	<u>(170,890)</u>
Other Financing Sources (Uses):			
Transfers	(928,739)	(831,096)	97,643
Proceeds from capital asset deletions	-	-	-
Total Other Financing Sources (Uses)	<u>(928,739)</u>	<u>(831,096)</u>	<u>97,643</u>
Net Change in Fund Balances	(72,821)	(146,068)	(73,247)
Fund Balance -			
Beginning of year	1,514,708	1,514,708	-
End of year	<u>\$ 1,441,887</u>	<u>\$ 1,368,640</u>	<u>\$ (73,247)</u>

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	<u>SOLID WASTE</u>	<u>STORMWATER</u>	<u>TOTAL</u>
ASSETS			
Current assets:			
Cash	\$ 226,419	\$ 411,875	\$ 638,294
Receivables			
Trade accounts	109,367	21,793	131,160
Unbilled sales	119,166	-	119,166
Prepaid items	-	33,570	33,570
Total Current Assets	<u>454,952</u>	<u>467,238</u>	<u>922,190</u>
Property, plant and equipment:			
Buildings	577,673	-	577,673
Machinery and equipment	227,846	-	227,846
Vehicles	21,118	-	21,118
Infrastructure	-	55,475	55,475
Land improvements	<u>1,188,251</u>	<u>-</u>	<u>1,188,251</u>
	2,014,888	55,475	2,070,363
Less accumulated depreciation	<u>(514,696)</u>	<u>(92)</u>	<u>(514,788)</u>
	<u>1,500,192</u>	<u>55,383</u>	<u>1,555,575</u>
Total Assets	<u>1,955,144</u>	<u>522,621</u>	<u>2,477,765</u>
LIABILITIES			
Current liabilities:			
Accounts payable	470,457	4,700	475,157
Customer deposits	9,140	-	9,140
Accrued liabilities -			
Payroll	9,808	-	9,808
Due to other funds	<u>-</u>	<u>45,845</u>	<u>45,845</u>
Total current liabilities (payable from current)	<u>489,405</u>	<u>50,545</u>	<u>539,950</u>
Long-term obligations	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>489,405</u>	<u>50,545</u>	<u>539,950</u>
NET ASSETS			
Invested in capital assets	1,500,192	55,383	1,555,575
Unrestricted	<u>(34,453)</u>	<u>416,693</u>	<u>382,240</u>
Total Net Assets	<u>\$ 1,465,739</u>	<u>\$ 472,076</u>	<u>\$ 1,937,815</u>

See accompanying notes to the basic financial statements.

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>SOLID WASTE</u>	<u>STORMWATER</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for services:			
Solid waste	\$ 1,444,698	\$ -	\$ 1,444,698
Recycling	138,647	-	138,647
Stormwater utility	-	525,591	525,591
Penalties	19,911	999	20,910
Miscellaneous	4,952	-	4,952
Total Operating Revenues	<u>1,608,208</u>	<u>526,590</u>	<u>2,134,798</u>
OPERATING EXPENSES:			
Purchases of product/service	1,770,967	-	1,770,967
Salaries and benefits	125,965	-	125,965
Contracted / purchased services	56,464	54,922	111,386
Supplies	10,363	-	10,363
Bad debt expense	8,000	-	8,000
Depreciation	67,691	92	67,783
Total Operating Expenses	<u>2,039,450</u>	<u>55,014</u>	<u>2,094,464</u>
Operating Income (Loss)	(431,242)	471,576	40,334
NON-OPERATING INCOME (EXPENSES):			
Interest revenue	<u>441</u>	<u>500</u>	<u>941</u>
Net income (loss) before transfers and capital contributions	(430,801)	472,076	41,275
Transfers in	385,053	-	385,053
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME	(45,748)	472,076	426,328
NET ASSETS - BEGINNING	<u>1,511,487</u>	<u>-</u>	<u>1,511,487</u>
NET ASSETS - ENDING	<u>\$ 1,465,739</u>	<u>\$ 472,076</u>	<u>\$ 1,937,815</u>

See accompanying notes to the basic financial statements.

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>SOLID WASTE</u>	<u>STORMWATER</u>	<u>TOTAL</u>
Cash flows from operating activities:			
Cash received from customers and users	\$ 1,616,661	\$ 504,797	\$ 2,121,458
Cash paid to suppliers	(1,849,406)	(83,792)	(1,933,198)
Cash paid to employees	(100,871)	-	(100,871)
Net Cash Provided by Operating Activities	<u>(333,616)</u>	<u>421,005</u>	<u>87,389</u>
Cash flows from investing activities:			
Interest received	441	500	941
Net Cash Used in Investing Activities	<u>441</u>	<u>500</u>	<u>941</u>
Cash flows from non-capital financing activities:			
Increase (decrease) in due to other funds	-	45,845	45,845
Transfers	385,053	-	385,053
Net Cash Provided by Non-capital Financing Activities	<u>385,053</u>	<u>45,845</u>	<u>430,898</u>
Cash flows from capital financing activities:			
Purchase and construction of capital assets	-	(55,475)	(55,475)
Net Cash Provided by (Used in) Capital Financing Activities	<u>-</u>	<u>(55,475)</u>	<u>(55,475)</u>
Net increase in cash and cash equivalents	51,878	411,875	463,753
Cash and cash equivalents - Beginning of Year	<u>174,541</u>	<u>-</u>	<u>174,541</u>
Cash and cash equivalents - End of Year	<u>\$ 226,419</u>	<u>\$ 411,875</u>	<u>\$ 638,294</u>

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Reconciliation of Net Income to Net Cash Provided
By Operating Activities

	<u>SOLID WASTE</u>	<u>STORMWATER</u>	<u>TOTAL</u>
Operating income (loss)	\$ (431,242)	\$ 471,576	\$ 40,334
Adjustments to reconcile net income to net cash provided			
by operating activities:			
Depreciation and amortization	67,691	92	67,783
(Increase) decrease in receivables	14,892	(21,793)	(6,901)
(Increase) decrease in prepaid items	-	(33,570)	(33,570)
Increase (decrease) in accounts payable	12,399	4,700	17,099
Increase (decrease) in customer deposits	1,561	-	1,561
Increase (decrease) in accrued liabilities	1,083	-	1,083
Total Adjustments	<u>97,626</u>	<u>(50,571)</u>	<u>47,055</u>
Net Cash Provided by Operating Activities	<u>\$ (333,616)</u>	<u>\$ 421,005</u>	<u>\$ 87,389</u>

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities, if applicable, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

B. The Reporting Entity

The City of Snellville, Georgia (the "City") was incorporated in 1923 under the provisions of the State of Georgia. A Mayor and City Council, composed of five members, govern and direct the legislative affairs of the City. In a manner consistent with the principles and practices of a Council-Manager form of government, the legislative policies and daily operations of the City are executed and/or administered by an appointed City Manager. The City Manager is vested with the authority and responsibility to provide for effective and efficient delivery of municipal services and to attend to the management of municipal affairs within legislative and legal parameters established by federal, state and local laws and regulations. The City provides the following services: police, highways and streets, sanitation, recycling, stormwater, parks and recreation, planning and zoning, and general and administrative services. The City's annual financial report includes the accounts of all City operations and its component unit. Water, sewer, and fire protection services are provided by Gwinnett County.

Governmental Accounting Standards Board Statement No. 14 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. The City reports the City of Snellville's Downtown Development Authority as a component unit.

Discretely Presented Component Unit –

The component unit column in the Government – Wide Financial Statements includes the financial data of City of Snellville, Georgia Downtown Development Authority. This component unit is reported in a separate column to emphasize that it is legally separate from the City. The City of Snellville, Georgia Downtown Development Authority was organized to develop and promote commerce, industry, and general welfare within the City. The City appoints the Authority's board members and reviews the annual budget. Funding of the Authority is provided by the City's General Fund and contributions from individuals and private companies. Separate financial statements for the Authority are not issued. The Authority's fiscal year is from January 1 to December 31.

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

C. Basic Financial Statements—Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide Statement of Net Assets presents the financial condition of the governmental and business-type activities of the City at year end. The statement is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The City does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

The net costs (by function) are normally covered by general revenue (property, sales or use taxes, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The City considers the General Fund and the Police Facilities Fund, SPLOST I, and SPLOST II Capital Projects Funds to be major funds. The Hotel/Motel Fund, Confiscated Assets Fund, Tree Bank Fund, City Center Fund, and the LCI Grant Fund are considered non-major funds. The various funds are grouped, in the financial statements in this report, into the following fund types:

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basic Financial Statements-Fund Financial Statements – (Continued):

Governmental Fund Types – Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Police Facilities Capital Projects Fund – The Police Facilities Capital Projects Fund accounts for the proceeds from the issuance of a long-term capital lease. The proceeds from the debt issue are to be used for financing the construction of the new Public Safety Facility.

The SPLOST I and II Capital Projects Funds – The SPLOST I and II Capital Projects Funds are used by the City to account for acquisition and construction of major capital facilities that were approved by the voters of Gwinnett County, Georgia through the special purpose local option sales tax referendums.

Proprietary Fund Type – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary funds are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major proprietary funds:

Solid Waste Management Enterprise Fund - The Solid Waste Management Enterprise Fund is used to account for the revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City.

Stormwater Management Enterprise Fund - The Stormwater Management Enterprise Fund is used to account for the charges generated from stormwater services provided to citizens of the City of Snellville, Georgia.

E. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Measurement Focus – (Continued)

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of government-wide financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Assets. The Statement of Changes in Revenues, Expenses, and Changes in Fund Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

F. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Government-wide financial statements are presented on the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Those revenues susceptible to accrual are taxes, state and federal grants, fines, interest revenue and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, penalties and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as deferred revenues.

(See Independent Auditor’s Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

G. Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

H. Investments

Investments are stated at cost or amortized cost with accrued interest shown under a separate caption on the balance sheet. All investments of the City as of June 30, 2010 consisted of non-participating interest-earning investment contracts, certificates of deposit, and money market mutual funds.

I. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General Fund consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used, rather than in the period purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

J. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond June 30, 2010 are recorded as prepaid items and are expensed during the period benefited.

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

Capital assets purchased or acquired with an original cost of \$3,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during fiscal year ended June 30, 2010. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	30-40 years
Land improvements	30-40 years
Furniture and equipment	7-10 years
Vehicles	5-10 years
Infrastructure	40-50 years
Improvements other than buildings	40-50 years

The City only reports infrastructure assets purchased subsequent to June 30, 2003.

(See Independent Auditor’s Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

N. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

O. Compensated Absences

The City accrues accumulated unpaid vacation leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

P. Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Q. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the City. At June 30, 2010 there were no encumbrances outstanding.

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

R. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The City's government-wide statement of net assets reports \$5,234,855 of restricted net assets, of which \$4,673,316 is restricted by enabling legislation.

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted net assets are available.

S. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

T. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

U. Budgets and Budgetary Accounting

Prior to July 1, the Mayor and department heads submit to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. During June, the mayor and council legally enact the budget through passage of an ordinance. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) except that proprietary funds expense capital outlay instead of depreciation. The legal level of control (the level at which the City Council must approve expenditures in excess of appropriations) for each legally adopted annual operating budget is at the department level. Budget amounts are as originally adopted and as last amended in June, 2009. Unexpended budget appropriations lapse at year-end.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City follows the State investment policies which require all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of June 30, 2010, all of the City's deposits were insured by the FDIC.

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

2. CASH AND INVESTMENTS, (Continued)

In accordance with state law, the City of Snellville can invest in: 1) Obligations issued by the U.S. Government, any state, any political subdivision of the State of Georgia, or Local Government Investment Pool established by state law; 2) Prime bankers' acceptances; and 3) Repurchase agreements.

A portion of the City's investments as of June 30, 2010 consisted of certificates of deposit in the amount of \$211,477. Other investments as of June 30, 2010 consist of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg Maturity</u>
Columbia Treasury Shares	\$ 561,539	1 days

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 1 year.

Credit Risk. State law limits investments in debt issues to the top two ratings issued by nationally recognized statistical ratings organizations. The City's investment in Columbia Treasury Reserves is rated Aaa by Moody's Investors Services and AAAM by Standard and Poor's.

3. PROPERTY TAX

The City's property taxes are billed and collected by Gwinnett County through an intergovernmental agreement. The taxes were levied July 27, 2009 and are due and payable October 15th and November 15th. All taxes unpaid after the October 15th and November 15th due dates are considered delinquent. Property taxes attach as an enforceable lien on the property the following January 1st. Delinquent taxes are considered fully collectable.

4. RECEIVABLES

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross</u>	<u>Allowance for Bad Debts</u>	<u>Net</u>
Governmental Funds			
Taxes	\$ 302,109	\$ -	\$ 302,109
Fines	502,589	346,786	155,803
Intergovernmental	588,065	-	588,065
Accounts	-	-	-
Interest	589	-	589
Miscellaneous			
Solid Waste Management Fund			
Accounts	298,533	70,000	228,533
Stormwater Management Fund			
Accounts	21,793	-	21,793
Total	<u>\$ 1,713,678</u>	<u>\$ 416,786</u>	<u>\$ 1,296,892</u>

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues for the year ended June 30, 2010 consist of the following:

Governmental Funds -	
Gwinnett County - SPLOST Projects, See Note 10	\$ 2,436,432
U. S. Dept. of Justice - Byrne Grant	32,127
Signature Cities Grant	<u>13,467</u>
 Total Intergovernmental Revenues	 <u>\$ 2,482,026</u>

Intergovernmental receivables as of June 30, 2010 consist of the following:

US Department of Justice Grant	\$ 27,589
Gwinnett County - SPLOST	447,225
Gwinnett County - County's share of sidewalk project	113,039
Atlanta Regional Commission - LCI Grant	<u>213</u>
 Total Intergovernmental Receivables	 <u>\$ 588,066</u>

6. INTER-FUND TRANSACTIONS

Inter-fund payables and receivables as of June 30, 2010 were as follows.

Due From	Due To		
	General	Nonmajor	Total
General	\$ -	\$ 12,038	\$ 12,038
SPLOST II	34,135	-	34,135
Stormwater	45,845	-	45,845
Nonmajor	-	-	-
	<u>\$ 79,980</u>	<u>\$ 12,038</u>	<u>\$ 92,018</u>

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

6. INTER-FUND TRANSACTIONS – (Continued)

Individual inter-fund transfers for the year ended June 30, 2010 were as follows:

Transfer To	Transfer From		
	General	Nonmajor	Total
General	\$ -	\$ 50,000	\$ 50,000
Solid Waste Management	385,053	-	385,053
Nonmajor	496,043	-	496,043
	<u>\$ 881,096</u>	<u>\$ 50,000</u>	<u>\$ 931,096</u>

During the fiscal year ended June 30, 2010, the General Fund transferred \$881,096 to the various governmental and proprietary funds, including \$385,053 to the Solid Waste Management Fund to help fund utility operations and \$496,043 to the City Center Capital Projects Fund to help finance debt service requirements of the Certificates of Participation. The Hotel / Motel Tax Fund transferred \$50,000 to the General Fund to help finance General Fund operations.

7. LITIGATION:

The City is a defendant in several lawsuits as of June 30, 2010. The outcome of these lawsuits and other possible claims are not yet determinable but are not expected to materially effect the financial situation of the City.

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

8. PROPERTY, PLANT AND EQUIPMENT – (Continued)

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 4,806,466	\$ 2,065,213	\$ -	\$ 6,871,679
Construction in progress	1,089,564	1,447,131	(1,129,158)	1,407,537
Total	<u>5,896,030</u>	<u>3,512,344</u>	<u>(1,129,158)</u>	<u>8,279,216</u>
Capital assets being depreciated:				
Buildings	11,428,252	-	-	11,428,252
Improvements other than buildings	1,109,449	-	-	1,109,449
Infrastructure	2,644,741	1,245,588	-	3,890,329
Vehicles, including related equipment	2,440,197	23,146	-	2,463,343
Furniture and other equipment	3,382,604	10,680	-	3,393,284
Total capital assets being depreciated	<u>21,005,243</u>	<u>1,279,414</u>	<u>-</u>	<u>22,284,657</u>
Less accumulated depreciation for:				
Buildings	1,428,751	285,706	-	1,714,457
Improvements other than buildings	252,950	31,513	-	284,463
Infrastructure	132,386	71,834	-	204,220
Vehicles, including related equipment	1,308,439	190,447	-	1,498,886
Furniture and other equipment	1,303,056	228,879	-	1,531,935
Total accumulated depreciation	<u>4,425,582</u>	<u>808,379</u>	<u>-</u>	<u>5,233,961</u>
Total capital assets being depreciated, net	<u>16,579,661</u>	<u>471,035</u>	<u>-</u>	<u>17,050,696</u>
Governmental capital assets, net	<u>\$22,475,691</u>	<u>\$ 3,983,379</u>	<u>\$ (1,129,158)</u>	<u>\$25,329,912</u>

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

Administrative	\$ 306,595
Police and Court	307,041
Highways and Streets	98,499
Parks	89,972
Community Development	<u>6,272</u>
Total depreciation expense	<u>\$ 808,379</u>

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

8. PROPERTY, PLANT AND EQUIPMENT, (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated:				
Buildings	577,673	-	-	577,673
Improvements other than buildings	1,188,251	-	-	1,188,251
Infrastructure	-	55,475	-	55,475
Vehicles, including related equipment	21,118	-	-	21,118
Furniture and other equipment	227,846	-	-	227,846
Total capital assets being depreciated	<u>2,014,888</u>	<u>55,475</u>	<u>-</u>	<u>2,070,363</u>
Less accumulated depreciation for:				
Buildings	63,579	14,446	-	78,025
Improvements other than buildings	168,336	39,608	-	207,944
Infrastructure	-	92	-	92
Vehicles, including related equipment	21,118	-	-	21,118
Furniture and other equipment	193,972	13,637	-	207,609
Total accumulated depreciation	<u>447,005</u>	<u>67,783</u>	<u>-</u>	<u>514,788</u>
Total capital assets being depreciated, net	<u>1,567,883</u>	<u>(12,308)</u>	<u>-</u>	<u>1,555,575</u>
Business-Type Activities capital assets, net	<u>\$ 1,567,883</u>	<u>\$ (12,308)</u>	<u>\$ -</u>	<u>\$ 1,555,575</u>

Depreciation expense of \$67,691 was recorded in the Solid Waste Management Fund and \$92 was recorded in the Stormwater Management Fund.

9. DEFERRED COST

Deferred cost as of June 30, 2010 consists of the following:

Debt issuance cost, net of accumulated amortization of \$91,945	<u>\$ 215,220</u>
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Debt issuance cost are considered other financing uses in governmental funds in the year incurred but are deferred costs and are amortized over the life of the related debt in the Statement of Net Assets. Debt issuance costs are being amortized using the straight line method over the life of the related debt issue.

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

10. LONG-TERM DEBT

Changes in General Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2010:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
Certificates of Participation	\$ 5,190,000	\$ -	\$ (290,000)	\$ 4,900,000	\$ 300,000
Unamortized COP's Discount	(84,292)	-	5,987	(78,305)	(5,988)
Capital Lease Obligation	180,657		(58,736)	121,921	61,256
Police Facilities Capital Lease	-	7,505,000	(751,396)	6,753,604	1,427,566
Termination Benefits	-	258,159	-	258,159	145,950
Accrued Compensated Absences	366,549	403,350	(399,097)	370,802	50,000
Total	\$ 5,652,914	\$ 8,166,509	\$(1,493,242)	\$ 12,326,181	\$ 1,978,784

The General Fund typically has been used to liquidate long-term liabilities. However, SPLOST I and II will be used to liquidate the police facilities capital lease.

CERTIFICATES OF PARTICIPATION

In July 2003, the City was a party to the issuance of Certificates of Participation in the amount of \$6,795,000. The certificates were issued under the name of Georgia Municipal Association, Inc. Leasing Program. Proceeds from the certificates are to be used to (1) finance the acquisition, construction and equipping of the new city hall and related facilities and improvements and (2) to pay cost and fund reserves related to the execution and delivery of the certificates.

Funding for the repayment of the certificates are to be made under an annual renewable lease agreement between Georgia Municipal Association and the City of Snellville. The lease is for an initial term commencing July 1, 2003 through December 31, 2023 and shall, subject to the City's right to terminate the lease each year, be extended annually thereafter for additional one year renewable terms with a final renewable term commencing January 1, 2023. The land and building are pledged as security against the certificates. Interest rates associated with the certificates range between 2.0% and 4.59%.

The certificates were issued at a discount of \$119,733. Debt discounts are considered other financing uses in governmental funds in the year incurred but are deferred costs and are amortized over the life of the related debt in the Statement of Net Assets. The discount is being amortized over the life of the certificates using the effective interest method and is reported as a contra account to the certificates, net of accumulated amortization of \$41,428.

CAPITAL LEASE OBLIGATION

In prior years, the City entered into various lease-purchase and security agreements with private corporations for several vehicles with an original cost of \$92,567 and computer equipment with an original cost of \$201,439. Accumulated depreciation as of June 30, 2010 amounted to \$32,398 and \$20,144 respectively. The interest rates under the terms of the lease agreements range between 4.04% and 4.59%. Since the City intends to continue to abide by the terms of these lease agreements and eventually own the vehicles and computer equipment, the assets and the related liabilities were recorded at the present value of the future payments due under the lease.

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

10. LONG-TERM DEBT (Continued)

In December 2009 the City entered into an installment sale agreement with the Georgia Municipal Association to construct new police and public works facilities. The fixed interest rate is 2.842% for five years. Since the City intends to continue to abide by the terms of these lease agreements and eventually own the new facilities, the assets and the related liabilities were recorded at the present value of the future payments due under the lease. Under the terms of the installment sale agreement, the City pledged future SPLOST revenues to pay the principal and interest outstanding. SPLOST revenues were projected to produce \$16.027 million of which \$6.4 million has been budgeted for public safety facilities related expenditures. Total principal and interest remaining on the installment sale agreement is \$7,242,512. For the year ended June 30, 2010, principal and interest payments were \$751,396 and \$53,327, respectively. Construction and engineering costs of the new police facilities are expected to total \$6,080,000. Costs incurred as of June 30, 2010 amounted to \$1,139,000.

Annual repayment requirements under the certificate of participation and capital lease agreements are as follows:

F/Y/E JUNE 30,	CERTIFICATES OF PARTICIPATION		CAPITAL LEASE OBLIGATIONS				TOTAL
	PRINCIPAL	INTEREST	VEHICLES & EQUIP		NEW FACILITIES		
			PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2011	300,000	196,980	61,256	3,946	1,427,566	181,881	2,171,629
2012	310,000	186,780	59,922	3,043	1,468,429	141,018	2,169,192
2013	320,000	175,930	743	2	1,510,462	98,985	2,106,122
2014	330,000	164,090	-	-	1,553,698	55,749	2,103,537
2015	345,000	151,880	-	-	793,449	11,276	1,301,605
2016	355,000	138,770	-	-	-	-	493,770
2017	370,000	124,925	-	-	-	-	494,925
2018	385,000	110,125	-	-	-	-	495,125
2019	400,000	94,340	-	-	-	-	494,340
2020	420,000	77,740	-	-	-	-	497,740
2021	435,000	60,100	-	-	-	-	495,100
2022	455,000	41,395	-	-	-	-	496,395
2023	475,000	21,375	-	-	-	-	496,375
TOTALS	<u>\$4,900,000</u>	<u>\$ 1,544,430</u>	<u>\$ 121,921</u>	<u>\$ 6,991</u>	<u>\$ 6,753,604</u>	<u>\$ 488,909</u>	<u>\$ 13,815,855</u>

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

11. DEFERRED REVENUES

Deferred revenues as of June 30, 2010, reported in the Governmental Fund’s balance sheet, consisted of the following unearned items and revenue items which had been earned and were measurable but were not received within 60 days after year end and therefore were not considered available:

General Fund		
Property taxes	\$	167,706
Fines and forfeitures		91,345
Grants		653
Non-Major Funds		
Grants		213
Confiscated assets		13,134
		<hr/>
Total	\$	<u>273,051</u>

12. RISK MANAGEMENT

The City of Snellville is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for property and liability insurance and the Workers’ Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risks pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools’ agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools’ agent and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The City pays an annual premium to GIRMA for its general insurance and has coverage of \$1,000,000 for the risks discussed above, except for buildings, which are covered at 100% of the value of the City’s holdings. The City’s coverage for worker’s compensation claims is statutory.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments’ contracts and in accordance with the workers’ compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City continues to carry commercial insurance for all other risks of loss, employee health and accident insurance. Settled claims in the past three years have not exceeded the commercial insurance coverage.

(See Independent Auditor’s Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

13. HOTEL / MOTEL TAX

The City levies a 5% hotel/motel tax in accordance with the provisions of OCGA 48-13-51. In order to comply with the expenditures provisions of this code section, the City expends 40% of monies collected under this provision for tourism and promotional purposes by contracting with the Gwinnett Visitor's Center and the Snellville Tourism and Trade Association. During the year ended June 30, 2010, the City's collections and related remittances were as follows:

	<u>Amount</u>	<u>Percent</u>
Total Collections	62,022	100%
Total Remittances	24,808	40%

The City was in compliance with the state laws regulating hotel/motel taxes and the related expenditures as of June 30, 2010.

14. JOINT VENTURE

Under Georgia law, the city, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). Membership in this organization is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The ARC Board membership includes the chief elected official of each county, one representative for all the cities in a member county and 15 citizen representatives. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from:

Atlanta Regional Commission
3715 Northside Parkway
Building 200, Suite 300
Atlanta, Georgia 30327

15. EMPLOYEE BENEFIT PLANS

Money Purchase Pension Plan -

On March 1, 2002 the City converted its defined benefit pension plan and adopted the City of Snellville, Georgia Employee Pension Plan (a defined contribution plan). The City now uses the money purchase pension plan to provide pension benefits to most of its full-time employees. The plan is being administered by Pension Financial Services, a private corporation. The pension plan is authorized by city council through the passage of an ordinance.

Under the terms of the plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after completing one year of service. The City's contribution to the plan depends upon each participant's base salary. The City will contribute 6% of each eligible employee's base monthly salary to the plan. Employees are not required to make any contributions to the plan. The amount of payroll covered under the plan for the year ended June 30, 2010, amounted to approximately \$3,931,987. Gross payroll for the year was \$4,275,373.

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

15. EMPLOYEE BENEFIT PLANS, (Continued)

The City’s contribution for each employee vests in accordance with the following schedule:

<u>Completed years of Services</u>	<u>Vested Percentage</u>
3	50%
5	100%

Contributions made by the City to the money purchase pension plan for the year ended June 30, 2010, amounted to \$238,419, 6% of covered payroll.

Deferred Compensation Plan –

Under the terms of the deferred compensation plan, any employee can voluntarily defer receipt of up to 25% of gross compensation, not to exceed \$15,000 per year. Each participant selects one of various options to administer the investment of the deferred funds. All administration costs of the plan are deducted from the participants’ accounts. The deferred amounts may be distributed to the employee upon retirement or other termination of employment, disability, death, or financial hardship (as defined).

Defined Benefit Plan –

In prior years the City contributed to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association. The City of Snellville Retirement Plan was a defined benefit plan that provided retirement and disability benefits and death benefits to plan members and beneficiaries (superceded plan). The Public Retirement Systems Standard Law (Georgia Code Section 47-20-10) assigns the authority to establish and amend the plan to the City of Snellville. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street, S.W., Atlanta, Georgia 30303.

As mentioned under the caption “Money Purchase Pension Plan” the defined benefit plan was converted to a defined contribution plan (successor defined contribution plan) on March 1, 2002. GMEBS was authorized to continue making monthly retirement and death benefit payments after March 1, 2002 to retirees and beneficiaries who were in pay status under the superceded plan on or before such date and to provide future benefits for any vested terminated participant as of February 28, 2002. In order to ensure adequate funding for benefits to be provided to retirees, beneficiaries and vested terminated participants, the City Council approved an ordinance that provides for the following:

1. Retention of assets in the City’s GMEBS administered trust fund in an amount equal to 110% of the combined present value of accrued benefits payable to retirees and beneficiaries.
2. The assets in the trust fund shall share in any investment gains or losses of the GMEBS Retirement Trust Fund.
3. Subsequent valuations of the trust fund’s liabilities shall be made annually and any gains or losses will be amortized over five years.
4. The City shall make an annual contribution to the trust fund equal to 110% of the recommended contribution amount reflected in each annual valuation plus administration fees.

(See Independent Auditor’s Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

15. EMPLOYEE BENEFIT PLANS, (Continued)

Defined Benefit Plan, Continued

For 2010, the City's annual pension cost was \$ -0- for SRP as calculated under the above mentioned City ordinance. However, the City did pay administrative fees of \$8,102. The required contribution was determined as part of the January 1, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included 8.0% investment rate of return (net of administrative expenses) which includes an inflation rate of 5%. There were no active employees and therefore no projected salary increases were used. The value of SRP assets was determined using market values. The actuarial accrued liability as of January 1, 2010 was \$869,934. The annual pension contribution for 2010 was calculated as follows:

Total actuarial accrued liability (as of 1/1/10)	\$ 869,934
10% of actuarial accrued liability (margin)	<u>86,993</u>
Target asset value	956,927
Actual market value of assets	<u>1,310,888</u>
Difference or contribution to fund plan	<u>\$ (353,961)</u>

The City was not required to make any contribution to the plan during the year except for administrative fees as mentioned above. The Plan amortizes actuarial gains and losses using the level dollar cost method.

Three-Year Trend Information for SRP

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ -	N/A	\$ -
6/30/2009	\$ -	N/A	\$ -
6/30/2008	\$ -	N/A	\$ -

Supplementary Information - The schedule of funding progress for the Plan is presented below:

Actuarial Valuation Date	Market Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	\$ 1,467,511	\$ 869,934	\$ (597,577)	168.7%	n/a	n/a
2009	\$ 1,150,137	\$ 938,524	\$ (211,613)	122.5%	n/a	n/a
2008	\$ 1,745,345	\$ 905,730	\$ (839,615)	192.7%	n/a	n/a
2007	\$ 1,569,157	\$ 1,044,393	\$ (524,764)	150.2%	n/a	n/a
2006	\$ 1,440,198	\$ 1,053,431	\$ (386,767)	136.7%	n/a	n/a
2005	\$ 1,358,153	\$ 1,026,138	\$ (332,015)	132.4%	n/a	n/a
2004	\$ 1,337,348	\$ 1,123,518	\$ (213,830)	119.0%	n/a	n/a
2003	\$ 1,236,266	\$ 1,227,825	\$ (8,441)	100.7%	n/a	n/a
2002	\$ 1,461,963	\$ 1,329,057	\$ (132,906)	110.0%	n/a	n/a
2001	\$ 3,601,004	\$ 2,831,471	\$ (769,533)	127.2%	\$ 2,115,445	-36.4%

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

16. EARLY RETIREMENT PLAN

2010 Early Retirement Incentive –

In 2010 the City put together offers for employees as an early retirement incentive. To be eligible for the early retirement incentives, employees must (1) have attained the age of 55; (2) have worked for the City at least ten years; (3) have worked a minimum of 100 days during the year; and (4) have not received an official notice of layoff or termination. Employees could choose between 5 different plans, some of which offered pension contributions as a percentage of salary per year until age 65, health insurance premiums covered by the City until age 65, 6 months payout of salary, and payouts of vacation and sick leave benefits. The total liability to the City is \$399,327. Of this total liability for termination benefits, \$84,327 will be paid with expendable available financial resources and was therefore recognized in the fund financial statements. The remainder was reported in the government-wide financial statements as a long term obligation. Termination benefits are expected to be paid through 2025. Benefits have been calculated using a 6% discount rate of future benefit payments and a 6% inflation rate, if applicable.

Salary, vacation and sick leave payouts	\$ 198,550
Pension contributions	52,258
Medical insurance benefits	<u>148,519</u>
	399,327
Amounts already accrued for selected employees in compensated absences, etc	<u>(56,840)</u>
Net termination benefits to accrue	342,487
Amounts payable with expendable available resources - fund level	<u>(84,328)</u>
Long-term obligation	<u>\$ 258,159</u>

17. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as a part of the combined statements - overview, of certain information concerning individual funds including-

- A. Deficit fund balances or retained earnings balances of individual funds – No funds reflected such balances at June 30, 2010.
- B. Excess of expenditures over appropriations in individual funds are as follows:

None of the City's funds expenditures materially exceeded their corresponding appropriations for the fiscal year ended June 30, 2010. However, the General Fund's police – criminal investigation department's expenditures exceeded its appropriations by \$49,269. This was due to the expenditures incurred through the voluntary termination plan approved by City Council. Material excesses exist if a department's expenditures exceed its appropriations by 5 percent and are greater than \$10,000. Management will continue to monitor the City's budget to insure appropriations are not exceeded in future years.

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	SPECIAL REVENUE FUNDS		
	CONFISCATED ASSETS FUND	TREE BANK FUND	HOTEL/MOTEL FUND
ASSETS			
Cash	\$ 156,942	\$ 93,034	\$ 59,344
Investments	-	-	-
Receivables-			
Taxes	-	-	10,093
Grants	27,589	-	-
Due from other funds	4,538	7,500	-
Total Assets	\$ 189,069	\$ 100,534	\$ 69,437
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 76	\$ -	\$ 15,271
Deferred revenues	13,134	-	-
Total Liabilities	13,210	-	15,271
Fund Balance			
Reserved -			
Police Activities	175,859	-	-
Tree Bank Activities	-	100,534	-
Capital Projects	-	-	-
Unreserved	-	-	54,166
Total Fund Balance	175,859	100,534	54,166
Total Liabilities and Fund Balance	\$ 189,069	\$ 100,534	\$ 69,437

CAPITAL PROJECTS FUNDS		TOTAL NON-MAJOR GOVERNMENTAL FUNDS
CITY CENTER FUND	LCI GRANT FUND	
\$ -	\$ 46,047	\$ 355,367
561,539	-	561,539
-	-	10,093
-	213	27,802
-	-	12,038
<u>\$ 561,539</u>	<u>\$ 46,260</u>	<u>\$ 966,839</u>
\$ -	\$ -	\$ 15,347
-	213	13,347
-	213	28,694
-	-	175,859
-	-	100,534
561,539	46,047	607,586
-	-	54,166
<u>561,539</u>	<u>46,047</u>	<u>938,145</u>
<u>\$ 561,539</u>	<u>\$ 46,260</u>	<u>\$ 966,839</u>

**CITY OF SNELLVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2010**

	SPECIAL REVENUE FUNDS		
	CONFISCATED ASSETS FUND	TREE BANK FUND	HOTEL/MOTEL FUND
REVENUES			
Confiscations	\$ 39,634	\$ -	\$ -
Tree Bank Bonds	-	7,500	-
Taxes	-	-	62,022
Intergovernmental	32,127	-	-
Interest	535	299	284
Miscellaneous	-	-	-
Total Operating Revenues	<u>72,296</u>	<u>7,799</u>	<u>62,306</u>
EXPENDITURES			
Current -			
Police Activities	7,258	-	-
Tree Bank	-	2,625	-
Economic Development	-	-	24,808
Tourism and Promotion	-	-	1,440
Capital -			
Police	39,076	-	-
Debt service -			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>46,334</u>	<u>2,625</u>	<u>26,248</u>
Excess (Deficiency) of Revenues over Expenditures	25,962	5,174	36,058
Other Financing Sources (Uses): Transfers	-	-	(50,000)
Net Changes in Fund Balances	25,962	5,174	(13,942)
Fund Balance - Beginning of year	<u>149,897</u>	<u>95,360</u>	<u>68,108</u>
Fund Balance - End of year	<u>\$ 175,859</u>	<u>\$ 100,534</u>	<u>\$ 54,166</u>

<u>CAPITAL PROJECTS FUNDS</u>		<u>TOTAL</u>
<u>CITY</u>		<u>NON-MAJOR</u>
<u>CENTER</u>	<u>LCI GRANT</u>	<u>GOVERNMENTAL</u>
<u>FUND</u>	<u>FUND</u>	<u>FUNDS</u>
\$ -	\$ -	\$ 39,634
-	-	7,500
-	-	62,022
-	-	32,127
70	145	1,333
-	-	-
<u>70</u>	<u>145</u>	<u>142,616</u>
-	-	7,258
-	-	2,625
-	-	24,808
-	-	1,440
-	-	39,076
290,000	-	290,000
<u>206,043</u>	<u>-</u>	<u>206,043</u>
<u>496,043</u>	<u>-</u>	<u>571,250</u>
(495,973)	145	(428,634)
<u>496,043</u>	<u>-</u>	<u>446,043</u>
70	145	17,409
<u>561,469</u>	<u>45,902</u>	<u>920,736</u>
<u>\$ 561,539</u>	<u>\$ 46,047</u>	<u>\$ 938,145</u>

**CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2010 AND 2009**

	2010	2009
<u>ASSETS</u>		
Cash	\$ 1,431,376	\$ 1,464,021
Investments	211,477	207,331
Receivables (net of allowance for uncollectibles)		
Taxes	292,016	248,375
Fines	155,803	163,126
Accounts	-	21,000
Accrued interest	589	684
Due from other funds	79,980	-
Prepaid items	118,832	117,282
TOTAL ASSETS	\$ 2,290,073	\$ 2,221,819
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ 250,926	\$ 210,737
Accrued expenses -		
Salaries	243,098	222,917
Termination benefits	84,327	-
Deposits	5,114	5,114
Police bonds and court fees	63,219	73,000
Other	3,007	1,211
Due to other funds	12,038	-
Deferred revenues	259,704	194,132
TOTAL LIABILITIES	921,433	707,111
Fund Equity:		
Fund Balance		
Reserved for prepaid items	118,832	117,282
Unreserved	1,249,808	1,397,426
Total Fund Equity	1,368,640	1,514,708
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,290,073	\$ 2,221,819

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	JUNE 30, 2010			ACTUAL JUNE 30, 2009
	FINAL BUDGET	ACTUAL	VARIANCE	
REVENUES:				
Taxes -				
Property	\$ 3,308,000	\$ 3,229,704	\$ (78,296)	\$ 3,379,548
Motor vehicle	125,000	128,803	3,803	134,417
Franchise	950,000	1,057,012	107,012	986,343
Alcohol beverage	330,000	313,390	(16,610)	314,496
Insurance premium	875,000	851,107	(23,893)	859,168
Business occupational	740,200	695,930	(44,270)	747,510
Intangible	15,000	15,581	581	16,106
Transfer	4,000	4,337	337	3,619
Financial institution	80,000	59,938	(20,062)	60,719
Total Taxes	<u>6,427,200</u>	<u>6,355,802</u>	<u>(71,398)</u>	<u>6,501,926</u>
Business Licenses and Permits -				
Alcohol licenses	61,000	69,725	8,725	61,550
Other business licenses	30,000	34,238	4,238	33,925
Building permits	120,000	134,736	14,736	103,585
Inspection permits	15,000	14,730	(270)	13,655
Sign permits	5,000	5,735	735	4,125
Site development	5,000	558	(4,442)	12,379
Other permits	5,000	7,310	2,310	7,952
Total Business Licenses and Permits	<u>241,000</u>	<u>267,032</u>	<u>26,032</u>	<u>237,171</u>
Intergovernmental -				
Signature Cities Grant	-	13,467	13,467	-
Gwinnett Co. Splost	-	-	-	28,363
Community Dev. Block Grant	-	-	-	90,686
Other	-	-	-	14,950
Total Intergovernmental	<u>-</u>	<u>13,467</u>	<u>13,467</u>	<u>133,999</u>

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	JUNE 30, 2010			ACTUAL JUNE 30, 2009
	FINAL BUDGET	ACTUAL	VARIANCE	
REVENUES - Continued:				
Charges for Services -				
Recreational activities	\$ 231,500	\$ 181,930	\$ (49,570)	\$ 220,948
Public safety fees	53,000	53,289	289	56,682
Planning and zoning fees	29,000	56,288	27,288	33,479
Other	6,000	-	(6,000)	-
Total Charges for Services	<u>319,500</u>	<u>291,507</u>	<u>(27,993)</u>	<u>311,109</u>
Fines and Forfeitures	2,400,000	1,722,574	(677,426)	2,343,725
Investment Income	50,000	10,332	(39,668)	23,988
Rental Income	93,800	90,993	(2,807)	165,003
Other -				
Snellville Days	50,000	53,953	3,953	47,336
Reimbursements	-	-	-	44,038
Donations	-	2,450	2,450	-
Penalties and interest	500	21,116	20,616	14,288
Miscellaneous	13,700	47,477	33,777	7,090
Total Other	<u>64,200</u>	<u>124,996</u>	<u>60,796</u>	<u>112,752</u>
 TOTAL REVENUES	 <u>\$ 9,595,700</u>	 <u>\$ 8,876,703</u>	 <u>\$ (718,998)</u>	 <u>\$ 9,829,673</u>

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	JUNE 30, 2010			
	FINAL BUDGET	ACTUAL	VARIANCE	ACTUAL JUNE 30, 2009
CURRENT EXPENDITURES:				
GENERAL GOVERNMENT				
Governing Body	\$ 21,599	\$ 26,614	\$ (5,015)	\$ 32,449
City Clerk	70,767	71,951	(1,184)	104,793
Mayor	6,480	8,095	(1,615)	8,787
City Manager	173,608	167,676	5,932	182,993
Elections	5,260	2,530	2,730	-
General Administration	805,554	760,378	45,176	766,711
Accounting	72,161	69,798	2,363	71,599
IT Administration	61,622	61,447	175	60,861
Purchasing	-	-	-	33,446
Human Resources	81,819	81,579	240	81,012
Total General Government	<u>1,298,870</u>	<u>1,250,068</u>	<u>48,802</u>	<u>1,342,651</u>
MUNICIPAL COURT				
Judicial	<u>882,245</u>	<u>793,820</u>	<u>88,425</u>	<u>903,543</u>
POLICE				
Administration	1,156,474	1,184,719	(28,245)	1,294,206
Criminal Investigation	369,252	418,521	(49,269)	382,181
Patrol	2,264,485	2,202,237	62,248	2,354,094
Records	94,675	94,078	597	91,458
Bike Patrol	100	-	100	-
Public Relations	-	-	-	2,235
Total Police	<u>3,884,986</u>	<u>3,899,555</u>	<u>(14,569)</u>	<u>4,124,174</u>
PUBLIC WORKS				
Highways and Streets	704,593	681,278	23,315	628,746
Paved Streets	201,805	203,576	(1,771)	196,044
Maintenance	56,824	59,516	(2,692)	57,299
Total Public Works	<u>963,222</u>	<u>944,370</u>	<u>18,852</u>	<u>882,089</u>

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 2010
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>JUNE 30, 2010</u>			
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL JUNE 30, 2009</u>
CURRENT EXPENDITURES - Continued				
PARKS AND RECREATION				
Administration	\$ 275,966	\$ 285,786	\$ (9,820)	\$ 267,282
Participant Recreation	181,792	126,776	55,016	172,922
Park Areas	234,409	204,484	29,925	240,301
Senior Participants	131,934	129,853	2,081	120,331
Total Parks and Recreation	<u>824,101</u>	<u>746,899</u>	<u>77,202</u>	<u>800,836</u>
COMMUNITY DEVELOPMENT				
Planning and Zoning	555,868	486,681	69,187	566,472
Total Community Development	<u>555,868</u>	<u>486,681</u>	<u>69,187</u>	<u>566,472</u>
TOTAL CURRENT EXPENDITURES	<u>8,409,292</u>	<u>8,121,393</u>	<u>287,899</u>	<u>8,619,765</u>
CAPITAL OUTLAY				
General Government	-	-	-	27,381
Police	11,000	-	11,000	5,926
Public Works	200,000	-	200,000	161,056
Parks and Recreation	50,500	5,080	45,420	109,045
Court	-	-	-	7,022
Planning and Zoning	3,500	-	3,500	-
TOTAL CAPITAL OUTLAY	<u>265,000</u>	<u>5,080</u>	<u>259,920</u>	<u>310,430</u>
DEBT SERVICE				
Principal	58,900	58,737	163	56,321
Interest	6,590	6,465	125	8,881
TOTAL DEBT SERVICE	<u>65,490</u>	<u>65,202</u>	<u>288</u>	<u>65,202</u>
TOTAL EXPENDITURES	<u>\$ 8,739,782</u>	<u>\$ 8,191,675</u>	<u>\$ 548,107</u>	<u>\$ 8,995,397</u>

**CITY OF SNELLVILLE, GEORGIA
CONFISCATED ASSETS FUND
BALANCE SHEET
JUNE 30, 2010 AND 2009**

ASSETS	<u>2010</u>	<u>2009</u>
Cash	\$ 156,942	\$ 170,651
Grant receivable	27,589	-
Due from other funds	<u>4,538</u>	<u>-</u>
Total Assets	<u>\$ 189,069</u>	<u>\$ 170,651</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 76	\$ 2,779
Deferred revenues	<u>13,134</u>	<u>17,975</u>
Total Liabilities	<u>13,210</u>	<u>20,754</u>
Fund Balance		
Reserved for police activities	<u>175,859</u>	<u>149,897</u>
Total Fund Balance	<u>175,859</u>	<u>149,897</u>
Total Liabilities and Fund Balance	<u>\$ 189,069</u>	<u>\$ 170,651</u>

CITY OF SNELLVILLE, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	JUNE 30, 2010				
	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL JUNE 30, 2009
	ORIGINAL	FINAL			
REVENUES					
Confiscations	\$ 10,000	\$ 10,000	\$ 39,634	\$ 29,634	\$ 55,091
Interest	1,200	1,200	535	(665)	1,450
Grants	-	-	32,127	32,127	-
Total Revenues	<u>11,200</u>	<u>11,200</u>	<u>72,296</u>	<u>61,096</u>	<u>56,541</u>
EXPENDITURES					
Police Activities -					
Current	73,500	73,500	7,258	66,242	38,007
Capital	86,500	86,500	39,076	47,424	23,991
Total Expenditures	<u>160,000</u>	<u>160,000</u>	<u>46,334</u>	<u>113,666</u>	<u>61,998</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(148,800)</u>	<u>(148,800)</u>	<u>25,962</u>	<u>174,762</u>	<u>(5,457)</u>
Other Financing Sources (Uses):					
Transfers	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(148,800)	(148,800)	25,962	174,762	(5,457)
Fund Balance - Beginning of year	<u>149,897</u>	<u>149,897</u>	<u>149,897</u>	<u>-</u>	<u>155,354</u>
Fund Balance - End of year	<u>\$ 1,097</u>	<u>\$ 1,097</u>	<u>\$ 175,859</u>	<u>\$ 174,762</u>	<u>\$ 149,897</u>

CITY OF SNELLVILLE, GEORGIA
 TREE BANK FUND
 BALANCE SHEET
 JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash	\$ 93,034	\$ 95,360
Due from other funds	<u>7,500</u>	<u>-</u>
Total Assets	<u><u>\$ 100,534</u></u>	<u><u>\$ 95,360</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balance		
Reserved for Tree Bank activities	<u>100,534</u>	<u>95,360</u>
Total Fund Balance	<u>100,534</u>	<u>95,360</u>
Total Liabilities and Fund Balance	<u><u>\$ 100,534</u></u>	<u><u>\$ 95,360</u></u>

CITY OF SNELLVILLE, GEORGIA
TREE BANK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	JUNE 30, 2010				
	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL JUNE 30, 2009
	ORIGINAL	FINAL			
REVENUES					
Tree Bank bonds	\$ 1,000	\$ 1,000	\$ 7,500	\$ 6,500	\$ -
Interest	750	750	299	(451)	806
Miscellaneous	-	-	-	-	-
Total Revenues	<u>1,750</u>	<u>1,750</u>	<u>7,799</u>	<u>6,049</u>	<u>806</u>
EXPENDITURES					
Current -					
Community Development -					
Tree Bank	23,669	23,669	2,625	21,044	22
Capital -					
City Center	-	-	-	-	-
Total Expenditures	<u>23,669</u>	<u>23,669</u>	<u>2,625</u>	<u>21,044</u>	<u>22</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(21,919)</u>	<u>(21,919)</u>	<u>5,174</u>	<u>27,093</u>	<u>784</u>
Other Financing Sources (Uses):					
Transfers	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(21,919)	(21,919)	5,174	27,093	784
Fund Balance - Beginning of Year	<u>995,360</u>	<u>95,360</u>	<u>95,360</u>	<u>-</u>	<u>94,576</u>
Fund Balance - End of Year	<u>\$ 973,441</u>	<u>\$ 73,441</u>	<u>\$ 100,534</u>	<u>\$ 27,093</u>	<u>\$ 95,360</u>

CITY OF SNELLVILLE, GEORGIA
HOTEL/MOTEL TAX FUND
BALANCE SHEET
JUNE 30, 2010 AND 2009

	2010	2009
ASSETS		
Cash	\$ 59,344	\$ 88,399
Receivables - Taxes	10,093	5,690
Total Assets	\$ 69,437	\$ 94,089
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 15,271	\$ 25,981
Total Liabilities	15,271	25,981
Fund balance		
Unreserved	54,166	68,108
Total Fund Balance	54,166	68,108
Total Liabilities and Fund Balance	\$ 69,437	\$ 94,089

CITY OF SNELLVILLE, GEORGIA
HOTEL / MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	JUNE 30, 2010				
	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL JUNE 30, 2009
	ORIGINAL	FINAL			
REVENUES					
Taxes	\$ 68,000	\$ 68,000	\$ 62,022	\$ (5,978)	\$ 62,794
Interest	1,300	1,300	284	(1,016)	939
Donations	-	-	-	-	-
Total Revenues	<u>69,300</u>	<u>69,300</u>	<u>62,306</u>	<u>(6,994)</u>	<u>63,733</u>
EXPENDITURES					
Current -					
Economic Development-					
Payments to others	27,200	27,200	24,808	2,392	25,118
Tourism and Promotion-					
Contracted services	60,000	60,000	1,440	58,560	51,435
Cemetery Fence	-	-	-	-	-
Total Expenditures	<u>87,200</u>	<u>87,200</u>	<u>26,248</u>	<u>60,952</u>	<u>76,553</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,900)</u>	<u>(17,900)</u>	<u>36,058</u>	<u>53,958</u>	<u>(12,820)</u>
Other Financing Sources (Uses):					
Transfers	-	-	(50,000)	(50,000)	(17,100)
Total	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(17,100)</u>
Net Change in Fund Balance	(17,900)	(17,900)	(13,942)	3,958	(29,920)
Fund Balance - Beginning of Year	<u>68,108</u>	<u>68,108</u>	<u>68,108</u>	<u>-</u>	<u>98,028</u>
Fund Balance - End of Year	<u>\$ 50,208</u>	<u>\$ 50,208</u>	<u>\$ 54,166</u>	<u>\$ 3,958</u>	<u>\$ 68,108</u>

CITY OF SNELLVILLE, GEORGIA
 CITY CENTER CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2010 AND 2009

ASSETS	<u>2010</u>	<u>2009</u>
Cash	\$ -	\$ -
Investment	561,369	561,369
Accrued interest receivable	<u>-</u>	<u>100</u>
Total Assets	<u>\$ 561,369</u>	<u>\$ 561,469</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>
Fund balance		
Reserved for capital projects	<u>561,539</u>	<u>561,469</u>
Total Fund Balance	<u>561,539</u>	<u>561,469</u>
Total Liabilities and Fund Balance	<u>\$ 561,539</u>	<u>\$ 561,469</u>

CITY OF SNELLVILLE, GEORGIA
CITY CENTER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - FROM INCEPTION
FOR THE YEAR ENDED JUNE 30, 2010

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>PROJECT AUTHORIZATION</u>
REVENUES				
Investment income	\$ 213,002	\$ 70	\$ 213,072	\$ 100,000
Miscellaneous income	<u>62,000</u>	<u>-</u>	<u>62,000</u>	<u>-</u>
Total Revenues	<u>275,002</u>	<u>70</u>	<u>275,072</u>	<u>100,000</u>
EXPENDITURES				
Capital				
General Government	7,984,468	-	7,984,468	7,406,548
Debt Service				
Principal	1,605,000	290,000	1,895,000	6,795,000
Interest	<u>1,370,669</u>	<u>206,043</u>	<u>1,576,712</u>	<u>3,121,142</u>
Total Expenditures	<u>10,960,137</u>	<u>496,043</u>	<u>11,456,180</u>	<u>17,322,690</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,685,135)	(495,973)	(11,181,108)	(17,222,690)
Other Financing Sources (Uses):				
Proceeds from long-term debt	6,795,000	-	6,795,000	6,795,000
Discount on debt issue	(119,733)	-	(119,733)	(119,733)
Issue cost on debt	(247,623)	-	(247,623)	(247,623)
Transfers	<u>4,818,960</u>	<u>496,043</u>	<u>5,315,003</u>	<u>10,795,046</u>
Total Other Financing Sources (Uses)	<u>11,246,604</u>	<u>496,043</u>	<u>11,742,647</u>	<u>17,222,690</u>
Net Change in Fund Balance	<u>\$ 561,469</u>	70	<u>\$ 561,539</u>	<u>\$ -</u>
FUND BALANCE				
Beginning of year		<u>561,469</u>		
End of year		<u>\$ 561,539</u>		

CITY OF SNELLVILLE, GEORGIA
LCI GRANT FUND
BALANCE SHEET
JUNE 30, 2010 AND 2009

	2010	2009
ASSETS		
Cash	\$ 46,047	\$ 46,168
Grant receivable	213	213
Total Assets	\$ 46,260	\$ 46,381
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 266
Deferred revenue	213	213
Total Liabilities	213	479
Fund Balance		
Reserved for capital projects	46,047	45,902
Total Fund Balance	46,047	45,902
Total Liabilities and Fund Balance	\$ 46,260	\$ 46,381

**CITY OF SNELLVILLE, GEORGIA
LCI GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
LCI grant	\$ 398,000	\$ 398,000	\$ -	\$ (398,000)
Interest	<u>250</u>	<u>250</u>	<u>145</u>	<u>(105)</u>
Total Revenues	<u>398,250</u>	<u>398,250</u>	<u>145</u>	<u>(398,105)</u>
EXPENDITURES				
Current -				
Contract services	10,000	10,000	-	10,000
Capital -				
Land acquisition	<u>487,500</u>	<u>487,500</u>	<u>-</u>	<u>487,500</u>
Total Expenditures	<u>497,500</u>	<u>497,500</u>	<u>-</u>	<u>497,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(99,250)</u>	<u>(99,250)</u>	<u>145</u>	<u>99,395</u>
Other Financing Sources (Uses):				
Transfers	<u>59,250</u>	<u>59,250</u>	<u>-</u>	<u>(59,250)</u>
Total	<u>59,250</u>	<u>59,250</u>	<u>-</u>	<u>(59,250)</u>
Net Change in Fund Balance	(40,000)	(40,000)	145	40,145
Fund Balance - Beginning of Year	<u>45,902</u>	<u>45,902</u>	<u>45,902</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 5,902</u>	<u>\$ 5,902</u>	<u>\$ 46,047</u>	<u>\$ 40,145</u>

CITY OF SNELLVILLE, GEORGIA
POLICE FACILITIES FUND
BALANCE SHEET
JUNE 30, 2010

	2010
ASSETS	
Cash	\$ 7,254,886
Accrued interest receivable	-
Total Assets	\$ 7,254,886
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 660,367
Total Liabilities	660,367
Fund balance	
Reserved for capital projects	6,594,519
Total Fund Balance	6,594,519
Total Liabilities and Fund Balance	\$ 7,254,886

CITY OF SNELLVILLE, GEORGIA
POLICE FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - FROM INCEPTION
FOR THE YEAR ENDED JUNE 30, 2010

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>PROJECT AUTHORIZATION</u>
REVENUES				
Investment income	\$ -	\$ 7,518	\$ 7,518	\$ -
Miscellaneous income	-	-	-	-
Total Revenues	<u>-</u>	<u>7,518</u>	<u>7,518</u>	<u>-</u>
EXPENDITURES				
Capital				
Police facilities	-	858,457	858,457	7,445,458
Debt Service				
Issue cost on debt	-	59,542	59,542	59,542
Total Expenditures	<u>-</u>	<u>917,999</u>	<u>917,999</u>	<u>7,505,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(910,481)</u>	<u>(910,481)</u>	<u>(7,505,000)</u>
Other Financing Sources (Uses):				
Proceeds from long-term debt	-	7,505,000	7,505,000	7,505,000
Transfers	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,505,000</u>	<u>7,505,000</u>	<u>7,505,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>6,594,519</u>	<u>\$ 6,594,519</u>	<u>\$ -</u>
FUND BALANCE				
Beginning of year		<u>-</u>		
End of year		<u>\$ 6,594,519</u>		

CITY OF SNELLVILLE, GEORGIA
 SPLOST I CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2010 AND 2009

	2010	2009
ASSETS		
Cash	\$ 2,333,865	\$ 5,280,822
Taxes receivable	-	-
Miscellaneous receivable	113,039	3,750
Total Assets	\$ 2,446,904	\$ 5,284,572
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 58,565	\$ 430,492
Total Liabilities	58,565	430,492
Fund Balance		
Reserved for capital outlay	2,388,339	4,854,080
Total Fund Balance	2,388,339	4,854,080
Total Liabilities and Fund Balance	\$ 2,446,904	\$ 5,284,572

CITY OF SNELLVILLE, GEORGIA
 SPLOST I CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL - FROM INCEPTION
 FOR THE YEARS ENDED JUNE 30, 2010

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL TO DATE</u>	<u>PROJECT AUTHORIZATION</u>
REVENUES				
Taxes	\$ 11,810,432	\$ -	\$ 11,810,432	\$ 11,056,158
Interest	<u>281,518</u>	<u>11,863</u>	<u>293,381</u>	<u>-</u>
Total Revenues	<u>12,091,950</u>	<u>11,863</u>	<u>12,103,813</u>	<u>11,056,158</u>
EXPENDITURES				
Capital Outlay				
Transportation	2,525,106	124,329	2,649,435	4,056,158
Public Safety	3,882,316	255,221	4,137,537	5,000,000
Cultural, Historic, & Recreation	832,948	1,293,330	2,126,278	2,000,000
Debt Service				
Principal	-	751,396	751,396	-
Interest	<u>-</u>	<u>53,328</u>	<u>53,328</u>	<u>-</u>
Total Expenditures	<u>7,240,370</u>	<u>2,477,604</u>	<u>9,717,974</u>	<u>11,056,158</u>
Excess of revenues over (under) expenditures	4,851,580	(2,465,741)	2,385,839	-
Other financing sources (uses)				
Transfers	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) other financing uses	<u>\$ 4,854,080</u>	<u>(2,465,741)</u>	<u>\$ 2,388,339</u>	<u>\$ -</u>
FUND BALANCE				
Beginning		<u>4,854,080</u>		
Ending		<u>\$ 2,388,339</u>		

CITY OF SNELLVILLE, GEORGIA
 SPLOST II CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2010 AND 2009

ASSETS	2010	2009
Cash	\$ 1,549,447	\$ -
Intergovernmental receivable	447,225	629,057
Total Assets	\$ 1,996,672	\$ 629,057
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Due to other funds	34,135	-
Total Liabilities	34,135	-
Fund Balance		
Reserved for capital outlay	1,962,537	629,057
Total Fund Balance	1,962,537	629,057
Total Liabilities and Fund Balance	\$ 1,996,672	\$ 629,057

CITY OF SNELLVILLE, GEORGIA
 SPLOST II CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL - FROM INCEPTION
 FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR YEARS	CURRENT YEAR	TOTAL TO DATE	PROJECT AUTHORIZATION
REVENUES				
Intergovernmental	\$ 629,057	\$ 2,436,432	\$ 3,065,489	\$ 16,027,928
Interest	-	1,867	1,867	-
Total Revenues	<u>629,057</u>	<u>2,438,299</u>	<u>3,067,356</u>	<u>16,027,928</u>
EXPENDITURES				
Capital Outlay -				
Road, Streets and Bridges	-	-	-	2,083,631
Public Safety Facilities and Equipment	-	9,254	9,254	6,411,172
Recreational Facilities	-	1,095,565	1,095,565	5,930,332
Administrative Facilities	-	-	-	1,602,793
Total Expenditures	<u>-</u>	<u>1,104,819</u>	<u>1,104,819</u>	<u>16,027,928</u>
Excess of revenues over (under) expenditures	629,057	1,333,480	1,962,537	-
Other financing sources (uses)				
Transfers	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) other financing uses	<u>\$ 629,057</u>	1,333,480	<u>\$ 1,962,537</u>	<u>\$ -</u>
FUND BALANCE				
Beginning		<u>629,057</u>		
Ending		<u>\$ 1,962,537</u>		

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET ASSETS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
JUNE 30, 2010 AND 2009

	2010	2009
ASSETS		
Current assets:		
Cash	\$ 226,419	\$ 174,541
Receivables (net of reserve for doubtful accounts of \$70,000 in 2010 and \$62,000 in 2009)		
Trade accounts	109,367	119,141
Unbilled sales	119,166	124,284
Total Current Assets	454,952	417,966
Property, plant and equipment:		
Buildings	577,673	577,673
Machinery and equipment	227,846	227,846
Vehicles	21,118	21,118
Land improvements	1,188,251	1,188,251
	2,014,888	2,014,888
Less accumulated depreciation	(514,696)	(447,005)
	1,500,192	1,567,883
Total Assets	1,955,144	1,985,849
LIABILITIES		
Current liabilities:		
Accounts payable	470,457	458,058
Customer deposits	9,140	7,579
Accrued liabilities - Payroll	9,808	8,725
Total current liabilities (payable from current assets)	489,405	474,362
Long-term obligations	-	-
Total Liabilities	489,405	474,362
NET ASSETS		
Invested in capital assets	1,500,192	1,567,883
Unrestricted	(34,453)	(56,396)
Total Net Assets	\$ 1,465,739	\$ 1,511,487

See accompanying notes to the basic financial statements.

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services:		
Solid waste	\$ 1,444,698	\$ 1,504,912
Recycling	138,647	115,436
Penalties	19,911	29,548
Miscellaneous	4,952	5,264
Total Operating Revenues	<u>1,608,208</u>	<u>1,655,160</u>
OPERATING EXPENSES:		
Solid waste operations -		
Purchases of product/service	1,770,967	1,845,894
Salaries and benefits	32,091	34,097
Contracted / purchased services	4,334	3,036
Bad debt expense	8,000	22,000
Recycling operations -		
Salaries and benefits	93,874	95,960
Contracted / purchased services	52,130	67,093
Supplies	10,363	9,101
Depreciation	67,691	69,600
Total Operating Expenses	<u>2,039,450</u>	<u>2,146,781</u>
Operating Income (Loss)	(431,242)	(491,621)
NON-OPERATING INCOME (EXPENSES):		
Interest revenue	441	1,092
Net income (loss) before transfers and capital contributions	(430,801)	(490,529)
Transfers in	385,053	331,985
Capital contributions	-	-
NET INCOME	(45,748)	(158,544)
NET ASSETS - BEGINNING	<u>1,511,487</u>	<u>1,670,031</u>
NET ASSETS - ENDING	<u>\$ 1,465,739</u>	<u>\$ 1,511,487</u>

See accompanying notes to the basic financial statements.

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 1,616,661	\$ 1,643,824
Cash paid to suppliers	(1,849,406)	(1,821,219)
Cash paid to employees	<u>(100,871)</u>	<u>(101,960)</u>
Net Cash Provided by Operating Activities	<u>(333,616)</u>	<u>(279,355)</u>
Cash flows from investing activities:		
Interest received	<u>441</u>	<u>1,092</u>
Net Cash Used in Investing Activities	<u>441</u>	<u>1,092</u>
Cash flows from non-capital financing activities:		
Transfers	<u>385,053</u>	<u>331,985</u>
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>385,053</u>	<u>331,985</u>
Cash flows from capital financing activities:		
Purchase and construction of capital assets	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Capital Financing Activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	51,878	53,722
Cash and cash equivalents - Beginning of Year	<u>174,541</u>	<u>120,819</u>
Cash and cash equivalents - End of Year	<u>\$ 226,419</u>	<u>\$ 174,541</u>

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
SOLID WASTE MANAGEMENT ENTERPRISE FUND - CONTINUED

Reconciliation of Net Income to Net Cash Provided
By Operating Activities

	<u>2010</u>	<u>2009</u>
Operating income (loss)	\$ (431,242)	\$ (491,621)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	67,691	69,600
(Increase) decrease in receivables	14,892	(10,244)
Increase (decrease) in accounts payable	12,399	153,060
Increase (decrease) in customer deposits	1,561	(1,092)
Increase (decrease) in accrued liabilities	<u>1,083</u>	<u>942</u>
Total Adjustments	<u>97,626</u>	<u>212,266</u>
Net Cash Provided by Operating Activities	<u>\$ (333,616)</u>	<u>\$ (279,355)</u>

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET ASSETS
STORMWATER MANAGEMENT ENTERPRISE FUND
JUNE 30, 2010

	2010
ASSETS	
Current Assets	
Cash	\$ 411,875
Receivables	
Trade accounts	21,793
Prepaid tax billing fees	33,570
Total Current Assets	467,238
Property, Plant and Equipment	
Infrastructure	55,475
Less: Accumulated depreciation	(92)
Net Property, Plant and Equipment	55,383
Total Assets	522,621
LIABILITIES	
Current Liabilities	
Accounts payable	4,700
Due to other funds	45,845
Total Current Liabilities	50,545
Long-term Obligations	-
Total Liabilities	50,545
NET ASSETS	
Invested in capital assets	55,383
Unrestricted	416,693
Total Net Assets	\$ 472,076

See accompanying notes to the basic financial statements.

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
STORMWATER MANAGEMENT ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	2010
OPERATING REVENUES	
Charges for services:	
Stormwater utility fees	\$ 525,591
Penalties	999
Miscellaneous	-
Total Operating Revenues	526,590
OPERATING EXPENSES:	
Salaries and benefits	-
Contracted / purchased services	54,922
Bad debt expense	-
Depreciation	92
Total Operating Expenses	55,014
Operating Income (Loss)	471,576
NON-OPERATING INCOME (EXPENSES):	
Interest revenue	500
Net income (loss) before transfers and capital contributions	472,076
Transfers	-
NET INCOME	472,076
NET ASSETS - BEGINNING	-
NET ASSETS - ENDING	\$ 472,076

See accompanying notes to the basic financial statements.

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
STORMWATER MANAGEMENT ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	2010
Cash flows from operating activities:	
Cash received from customers and users	\$ 504,797
Cash paid to suppliers	(83,792)
Cash paid to employees	-
Net Cash Provided by Operating Activities	421,005
Cash flows from investing activities:	
Interest received	500
Net Cash Used in Investing Activities	500
Cash flows from non-capital financing activities:	
Increase (decrease) in due to other funds	45,845
Transfers	-
Net Cash Provided by (Used in) Non-capital Financing Activities	45,845
Cash flows from capital financing activities:	
Purchase and construction of capital assets	(55,475)
Net Cash Provided by (Used in) Capital Financing Activities	(55,475)
Net increase in cash and cash equivalents	411,875
Cash and cash equivalents - Beginning of Year	-
Cash and cash equivalents - End of Year	\$ 411,875

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
 STATEMENT OF CASH FLOWS
 STORMWATER MANAGEMENT ENTERPRISE FUND - CONTINUED

Reconciliation of Net Income to Net Cash Provided
By Operating Activities

	2009
Operating income (loss)	\$ 471,576
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	92
(Increase) decrease in receivables	(21,793)
(Increase) decrease in prepaid expenses	(33,570)
Increase (decrease) in accounts payable	4,700
Increase (decrease) in customer deposits	-
Increase (decrease) in accrued liabilities	-
Total Adjustments	(50,571)
Net Cash Provided by Operating Activities	\$ 421,005

See accompanying notes to the basic financial statements.