

CITY OF SNELLVILLE, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014

TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

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SNELLVILLE, GEORGIA 30078

**CITY OF SNELLVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Snellville, Georgia (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Snellville, Georgia, as of June 30, 2014 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Snellville, Georgia's basic financial statements. The introductory section, combining nonmajor and individual fund financial statements and budget schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Snellville, Georgia's basic financial statements for the year ended June 30, 2013, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That 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 as a whole. The individual fund financial statements, related to the 2013 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated December 29, 2014 on our consideration of City of Snellville, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 in considering City of Snellville, Georgia's internal control over financial reporting and compliance.

James A. Whitaker, P.C.

Snellville, Georgia
December 29, 2014

CITY OF SNELLVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended June 30, 2014

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, 2014. We encourage readers to consider the information presented in this analysis with their review of the financial statements.

Financial Highlights

- The assets and deferred outflows of the City of Snellville exceeded its liabilities at the close of the most recent fiscal year by \$43,518,933 (Net position). Of this amount unrestricted net position of \$6,344,653 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 position increased by \$3,159,033. This increase is due to an increase in net position of \$2,926,571 in governmental activities and an increase in business-type activities net position of \$232,462.
- As of the close of the current fiscal year, the City of Snellville's governmental funds reported combined ending fund balances of \$11,367,274, an increase of \$1,420,989 in comparison with the prior year. Of this amount \$5,711,281 is unassigned and available for spending, \$4,880,447 is restricted for SPLOST Capital Projects, \$443,671 is restricted for other Capital Projects, \$85,450 is restricted for Police Activities, \$110,881 is restricted for Tree Bank Projects, \$18,356 is restricted for Economic Development and \$99,730 is a nonspendable for Prepaid Items and \$17,458 has been assigned for redevelopment purposes.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,764,520 or 55.2% of total General Fund revenues.
- The City of Snellville's total debt obligations (including accrued compensated absences) decreased by the net of \$2,020,882. This decrease is due to repayment of \$319,000 in Revenue Bonds, \$53,114 in capital lease obligations, \$1,553,698 in Police Facilities Capital Lease, \$38,748 on the DDA Capital Lease, a reduction of \$30,224 in termination benefits due and a net decrease of \$26,098 in accrued compensated absences.

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

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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 six major governmental funds. The City's major governmental funds are the General Fund, the Urban Redevelopment Fund, the LCI Capital Project Fund, and the SPLOST I, II and III 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 five major funds.

The City of Snellville adopts an annual budget for its General Fund. On page 18 of this report a budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the FY 14 budget. A project length budget is presented for the City Center Capital Project Fund, the Police Facilities Fund, SPLOST I, II and III Capital Projects Funds and the LCI Fund in the supplementary information following the Basic Financial Statements.

Proprietary funds. The City of Snellville maintains two proprietary 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 Position 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 Position 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 position may serve over time as a useful indicator of a government's financial position. At June 30, 2014, the City's assets exceeded liabilities by \$43,518,933.

The largest portion of the City's net position (72.7%) 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 position, \$5,538,805 (12.7%) is restricted for Capital Projects, Police Activities, Economic Development and Tree Bank Projects and \$6,344,653 or (14.6%) is unassigned and may be used to meet the government's ongoing obligations to citizens and creditors.

City of Snellville's Net Position

	Governmental Activities		Business Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$12,692,293	\$10,662,691	\$916,753	\$1,175,487	\$ 13,609,046	\$ 11,838,178
Capital assets	33,613,355	34,183,353	2,632,710	2,343,092	36,246,065	36,526,445
Total assets	46,305,648	44,846,044	3,549,463	3,518,579	49,855,111	48,364,623
Defered Outflows	54,360	60,346	-	-	54,360	60,346
Current liabilities	1,070,337	575,522	184,269	332,733	1,254,606	908,255
Long-term liabilities	5,026,206	6,993,974	109,726	162,840	5,135,932	7,156,814
Total liabilities	6,096,543	7,569,496	293,995	495,573	6,390,538	8,065,069
Net Position:	40,263,465	37,336,894	3,255,468	3,023,006	43,518,933	40,359,900
Net investment in capital assets	29,112,491	27,777,028	2,522,984	2,180,252	31,635,475	29,957,280
Restricted	5,538,805	4,502,660	-	-	5,538,805	4,502,660
Unrestricted	5,612,169	5,057,206	732,484	842,754	6,344,653	5,899,960
Total net position	\$40,263,465	\$37,336,894	\$3,255,468	\$3,023,006	\$ 43,518,933	\$ 40,359,900

As of June 30, 2014, the City is able to report positive balances in all three categories of net position, both for the government as a whole and for each individual fund except the LCI Fund which negative fund balance of \$53,239 is expected to be financed through future revenues.

City of Snellville's Change in Net Position

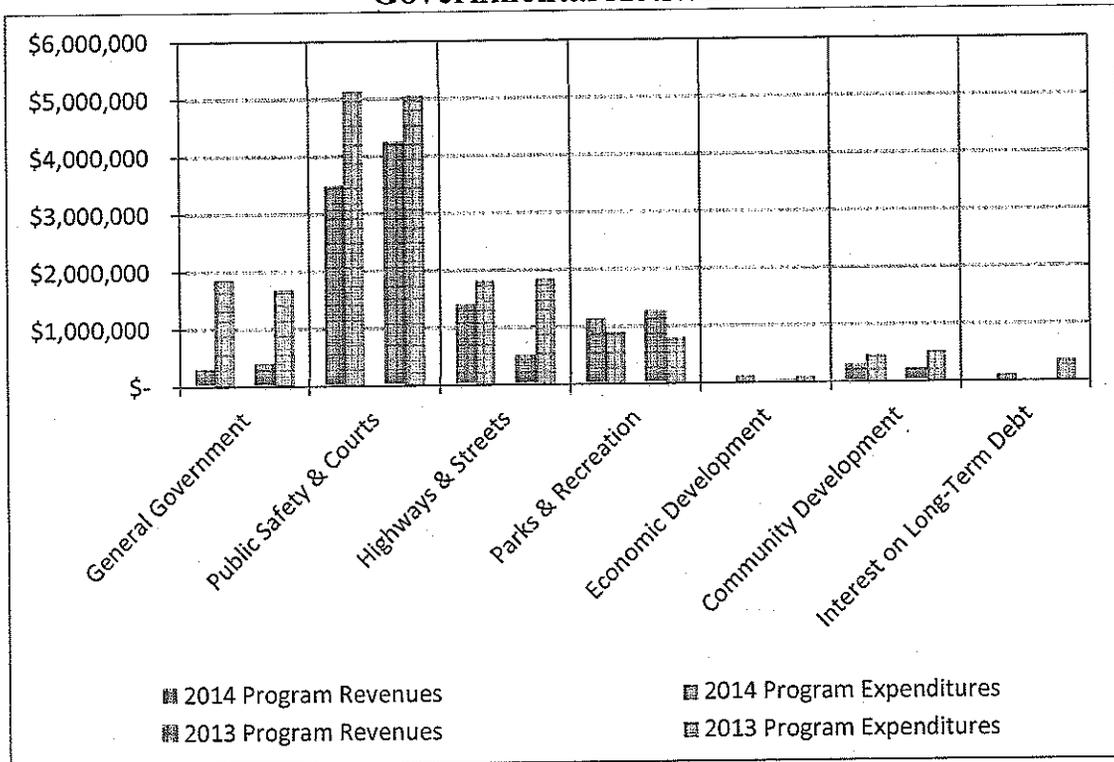
	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program Revenues - Charges for Services	\$3,508,326	\$3,240,594	\$2,003,812	\$2,086,024	\$5,512,138	\$5,546,847
Operating Grants and Contributions	\$1,000	\$306,231	\$ -	\$ -	\$1,000	\$ 86,002
Capital Grants and Contributions	\$3,089,782	\$2,999,096	\$ -	\$ -	\$3,089,782	\$2,999,096
General Revenues - Property Taxes	\$3,578,704	\$3,485,938	\$ -	\$ -	\$3,578,704	\$3,485,938
Other Taxes	\$3,554,814	\$3,513,711	\$ -	\$ -	\$3,554,814	\$3,513,711
Intergovernmental	\$220,229	\$ -	\$ -	\$ -	\$220,229	\$ -
Interest	\$5,208	\$5,204	\$439	\$761	\$5,647	\$5,965
Other	\$ 15,554	\$24,535	\$ -	\$ -	\$15,554	\$24,535
Total Revenues	\$13,973,617	\$13,575,309	\$2,004,251	\$2,086,785	\$15,977,868	\$15,662,094
Expenses:						
General Government	\$1,880,326	\$1,704,673			\$1,880,326	\$1,704,673
Public Safety and Courts	\$5,145,254	\$5,064,707			\$5,145,254	\$5,064,707
Parks and Recreation	\$910,532	\$810,698			\$910,532	\$810,698
Highways and Streets	\$1,841,592	\$1,855,443			\$1,841,592	\$1,855,443
Economic Development	\$133,949	\$119,632			\$133,949	\$119,632
Community Development	\$479,923	\$540,743			\$479,923	\$540,743
Interest on Long-term Debt	\$128,363	\$386,075			\$128,363	\$386,075
Solid Waste			\$2,033,611	\$2,069,324	\$2,033,611	\$2,069,324
Stormwater			\$265,285	\$223,919	\$265,285	\$223,919
Total Expenses	\$10,519,939	\$10,481,971	\$2,298,896	\$2,293,243	\$12,818,835	\$12,775,214
Increase (Decrease) in net position before transfers	\$3,453,678	\$3,093,338	-\$294,645	(\$206,458)	\$3,159,033	\$2,886,880
Transfers	(\$527,107)	(\$475,410)	\$527,107	\$475,410	\$ -	\$ -
Increase (Decrease) in Net Position	\$2,926,571	\$2,617,928	\$232,462	\$268,952	\$3,159,033	\$2,886,880
Net Position-Beginning of Year, Adjusted (1)	\$37,336,894	\$34,718,966	\$3,023,006	\$2,754,054	\$40,359,900	\$37,473,020
Net Position-End of Year	\$40,263,465	\$37,336,894	\$3,255,468	\$3,023,006	\$43,518,933	\$40,359,900

(1) Implementation of GASB Nos. 63 and 65 resulted in a prior period adjustment to the governmental activities net position of \$165,387 as of July 1, 2012.

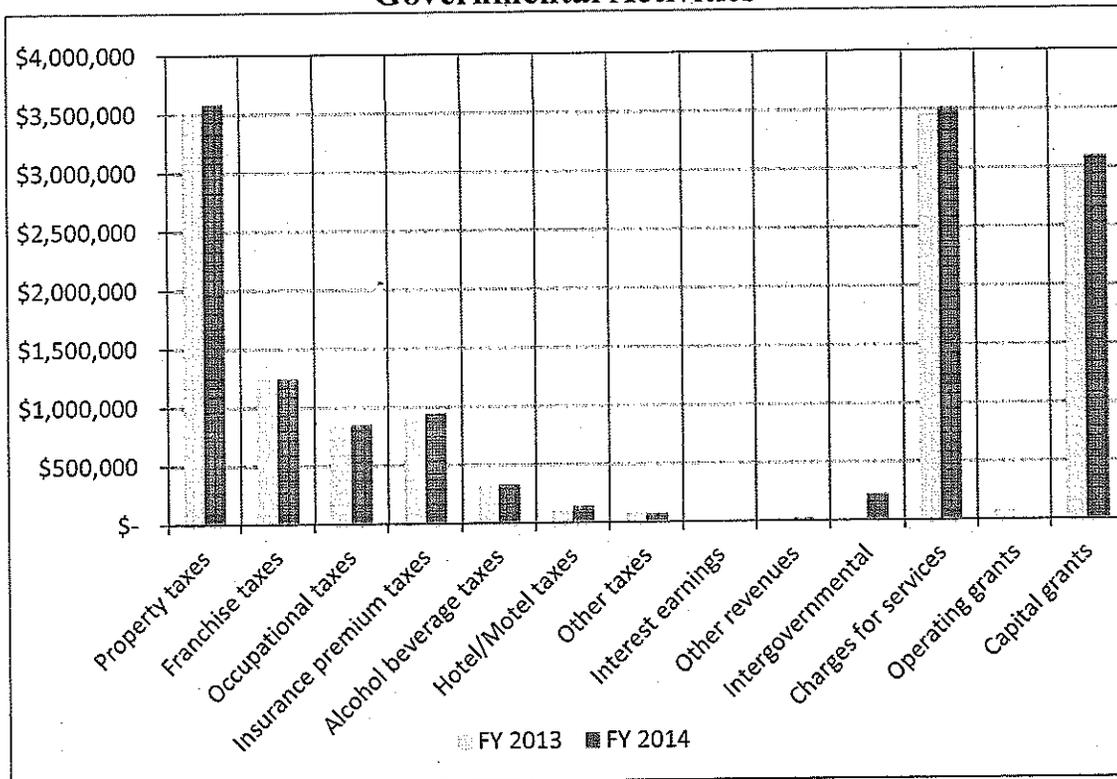
Governmental activities. Governmental activities increased the City's net position by \$2,926,571 accounting for 92.6% of the total growth in the NET POSITION. Key elements of this increase are as follows:

- Occupational taxes continue to increase which we believe is a positive sign of entrepreneurial growth in our community.
- Property tax revenue grew by 2.7% which is a great economic sign in that the mayor and council actually reduced our millage rate to 4.9 mills. This reduction in tax millage of one full mill over the last four years has been made possible by efficient departmental operations and income from the Service Delivery Strategy settlement in 2012.
- Proceeds from a county Special Purpose Local Option Sales Tax in a successful November 2013 vote extended through March 2017. These new proceeds totaled \$675,800 in FY14 SPLOST Collections..
- The City's LCI streetscape improvement project in the Town Center cleared all major obstacles toward construction in FY 14. This administrative progress will allow the City to continue cost reimbursement from the Georgia Department of Transportation. Construction of the project will begin in FY 15 and will be funded 80% by GDOT with 20% budgeted by the City.
- Rental income increased in FY 14 showing improved entrepreneurial efforts in our Park and Recreation Department.
- Our License and Permit revenue grew by 42% which is a clear indication of new building growth and bodes well for the overall economy.

Program Revenue and Expenditures Governmental Activities

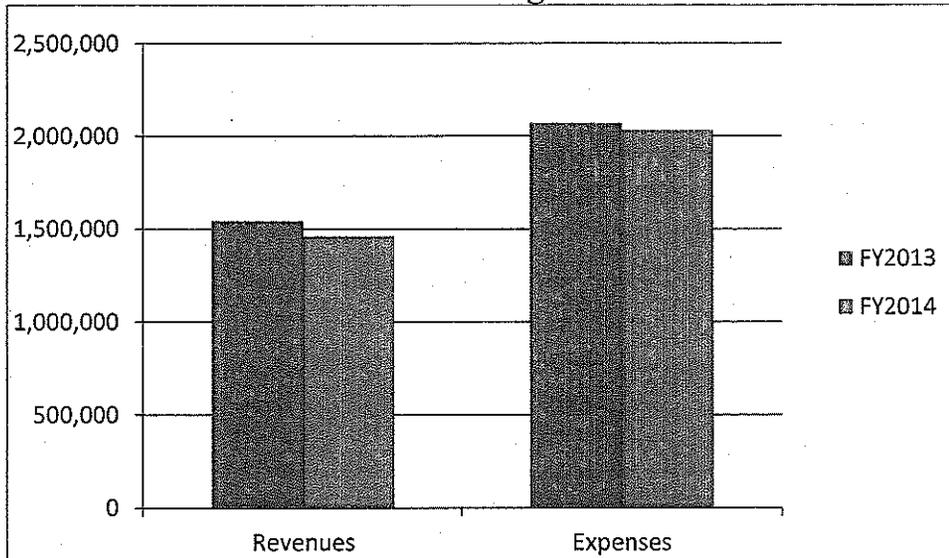


Program Revenues by Source Governmental Activities



Business-type Activities: The Solid Waste Management Fund decreased the City's net position by \$44,214. This was due to an operating loss for the year of \$571,402. However, the General Fund transferred \$527,107 to the Solid Waste Management Fund to supplement operations. The city does not charge for residential sanitation services.

Revenues & Expenses Solid Waste Management Fund



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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Snellville's governmental funds reported combined ending fund balances of \$11,367,274 an increase of \$1,420,989 in comparison to the prior year. Of this amount, \$5,711,281 (50.2%) is unassigned 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 police activities (\$85,450), 2) 2005 SPLOST (\$720,406), 3) 2009 SPLOST (\$3,484,250), 4) Tree Bank (\$110,881), 5) 2014 SPLOST (675,788), 6) Economic Development (\$18,356), 7) Prepaid Items (\$99,730) and 8) Other capital projects(LCI) (443,671). The city also has assigned fund balances for redevelopment purposes of \$17,458.

The general fund is the City's chief operating fund. At the end of the current fiscal year, unrestricted fund balance of the general fund was \$5,764,520 while the total fund balance totaled \$5,864,250. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund revenues. Unassigned fund balance represents 55.2 % of the total general fund revenues, while total fund balance represents 56.2% of that same amount.

During the current fiscal year, the fund balance of the City's general fund increased by \$440,625. Revenues decreased by 1.0%, and there was an increase of 6% in expenditures resulting in an excess of revenues over expenditures of \$1,344,158. The General Fund transferred \$381,015 to the Urban Redevelopment Authority for debt service requirements. The General Fund also transferred \$527,107 to the Solid Waste Management Fund to finance the City's recycling facilities and residential garbage service.

The LCI Grant Capital Project Fund has a negative fund balance of (53,239). This negative fund balance is due to cash flows from grant projects and is expected to be financed with future revenues.

Since being passed by referendum in November 2004, the proceeds from the 2005 SPLOST have generated \$11,688,581 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. The 2009 SPLOST has recognized \$13,708,477 in revenues since collection began in April 2009. These proceeds have been used for public safety improvements and improvement to roads, streets, bridges and our public works facility.

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

Net position of the Solid Waste fund at the end of the year was \$1,304,862. The net position decreased \$44,214 during FY2014 which was due to a reduced General Fund transfer and the fact that the city does not charge for residential sanitation services.

Net position of the Stormwater Management Fund at the end of the year was \$1,950,606, of which \$1,257,804 was invested in capital assets. The fund has unrestricted assets of \$692,802, which is expected to be used for stormwater management related capital expenditures.

General Fund Budgetary Highlights

The only significant variance between the final budget and the actual was a \$546,550 surplus in Ad Valorem/Title Tax which was due to a change in state law eliminating the sales tax on new vehicles and substituted a Title Tax.

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, 2014 amounts to \$36,246,065 (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:

- \$521,000 on transportation paving and maintenance projects
- \$393,737 in Stormwater Infrastructure
- \$189,810 on police vehicles

The city took physical inventory of capital assets and wrote off a net of \$54,127 in obsolete 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 \$5,135,932 in outstanding debt consisting of Revenue Bonds, capital lease obligations, accrued compensated absences and termination benefits, and land and buildings secured the Revenue Bonds.

The City's total debt has decreased by \$2,020,882. This is attributed to payment of \$1,553,698 on the Police Facilities Capital Lease, a payment of \$38,748 on the DDA capital lease and a \$30,224 reduction in termination benefits and a \$26,098 decrease in Accrued Compensated Absences. The city made principal payments on a jet vac truck lease of \$53,114. Additional information on the City's long-term debt can be found in Note 9.

Status of the City of Snellville Economy

Economic activity in Snellville during the year continued to reflect most national and regional trends. The City has a thriving retail sector consisting of approximately 2.9 million square feet of commercial retail with moderate commercial growth.

The City also has a strong medical sector, with HCA Eastside Medical Center being its largest employer. HCA Eastside employs over 1,200 total employees with a medical staff of over 500 physicians. They serve 11,000 annual inpatients, tally 60,000 annual E.D. visits, have over 75,000 annual outpatient visits, and perform more than 6100 surgeries annually. They opened a new 80,000 square foot medical office building in 2011 and new patient care facilities followed this year. The new tower will add 48 surgical beds and two new cutting edge surgical operating rooms.

A total of approximately 1,600 businesses contribute to the economic stability of the City. The value of our total taxable property increased by 9.1% in FY 2014. This is our first increase since 2008 and even though the mayor and council rolled back the millage rate, this still provides budgetary options if the growth trend continues. All figures are compiled by Gwinnett County's Appraisal Office.

The Evermore Community Improvement District, an association of property owners along U.S. Highway 78 that voluntarily taxes itself for corridor improvements, stretches from Snellville to Stone Mountain. About 16% of the CID is within Snellville. The CID is currently completing significant transportation improvements along the Highway 78 corridor, much of it in Snellville, that will help to revitalize the west end of the community and dress-up the Highway 78 approach into the City. The much needed continuous flow intersection improvement at the intersection US 78/GA 124 has now proceeded to the ROW acquisition phase.

The Downtown Development Authority (DDA) is continuing a planning process for the redevelopment of our Towne Center. Redevelopment of this area into a true downtown will greatly enhance our Central Business District and help create a sense of place that Snellville currently lacks. The City's ten acre purchase of property on Wisteria Drive will be a focal point of this redevelopment effort.

These redevelopment efforts are aimed at developing a walkable, exciting City Center where people want to live, work and play. We have gained private sector interest and partners in the last year and that bodes well for the public/private partnership necessary for success.

Our City Center redevelopment efforts and initiatives like the Wisteria property purchase and progressive DDA actions are important moves to secure new private dollars and can only help our overall financial condition as we look toward the future.

FY 2014 was a positive year for most, if not all, of our revenue items that we are grateful for, but we maintain a conservative stance toward expenditures and expansion of programs in order to both continue the strengthening of our financial status and to verify such growth will be sustained.

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

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CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>
Assets				
Cash and Cash Equivalents	\$ 5,728,833	\$ 837,672	\$ 6,566,505	\$ 32,507
Investments	215,838	-	215,838	59,929
Receivables (net of allowance for uncollectibles)				
Taxes	254,633	-	254,633	-
Fines	184,139	-	184,139	-
Intergovernmental	574,361	-	574,361	-
Accounts	12,893	194,691	207,584	-
Prepaid Items	99,730	-	99,730	-
Due from other funds	115,610	(115,610)	-	-
Restricted Assets -				
Cash	5,506,256	-	5,506,256	-
Non-Depreciable Capital Assets	9,447,978	-	9,447,978	-
Depreciable Capital Assets, Net	24,165,377	2,632,710	26,798,087	-
Due from primary government	-	-	-	604,810
Total Assets	<u>46,305,648</u>	<u>3,549,463</u>	<u>49,855,111</u>	<u>697,246</u>
Deferred Outflows				
Deferred Charge From Refunding	54,360	-	54,360	-
Total Assets and Deferred Outflows	<u>46,360,008</u>	<u>3,549,463</u>	<u>49,909,471</u>	<u>697,246</u>
Liabilities				
Accounts Payable	585,241	165,178	750,419	-
Accrued Liabilities -				
Wages	139,942	10,999	150,941	-
Customers and Developers Deposits	19,529	7,693	27,222	-
Police bonds and court fees	94,096	-	94,096	-
Interest	5,638	399	6,037	-
Due To Other Governments	216,434	-	216,434	-
Unearned Revenues	9,457	-	9,457	-
Long-Term Liabilities -				
Due Within One Year	896,391	54,272	950,663	39,727
Due In More Than One Year	4,129,815	55,454	4,185,269	565,083
Total Liabilities	<u>6,096,543</u>	<u>293,995</u>	<u>6,390,538</u>	<u>604,810</u>
Net Position				
Net Investment in Capital Assets	29,112,491	2,522,984	31,635,475	-
Restricted for -				
Capital Projects	5,324,118	-	5,324,118	-
Police Activities	85,450	-	85,450	-
Tree Bank	110,881	-	110,881	-
Economic Development	18,356	-	18,356	-
Unrestricted	5,612,169	732,484	6,344,653	92,436
Total Net Position	<u>\$ 40,263,465</u>	<u>\$ 3,255,468</u>	<u>\$ 43,518,933</u>	<u>\$ 92,436</u>

See accompanying notes to the basic financial statements.

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

<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	\$ 1,880,326	\$ 53,844	\$ 1,000	\$ 244,829
Public Safety and Courts	5,145,254	2,546,810	-	935,776
Public Works	1,841,592	424,158	-	973,762
Parks and Recreation	910,532	193,661	-	935,415
Economic Development	133,949	-	-	-
Community Development	479,923	289,853	-	-
Interest on Long-Term Debt	128,363	-	-	-
Total Governmental Activities	<u>10,519,939</u>	<u>3,508,326</u>	<u>1,000</u>	<u>3,089,782</u>
Business-Type Activities				
Solid Waste Management	1,782,754	1,369,243	-	-
Recycling	250,857	92,966	-	-
Stormwater	265,285	541,603	-	-
Total Business-Type Activities	<u>2,298,896</u>	<u>2,003,812</u>	<u>-</u>	<u>-</u>
Total	<u>12,818,835</u>	<u>5,512,138</u>	<u>1,000</u>	<u>3,089,782</u>
Component Units:				
Downtown Development Authority	<u>\$ 25,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property
Franchise
Occupational
Insurance premium
Alcohol beverage
Hotel / Motel
Other

Intergovernmental

Interest Earnings

Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, Adjusted

Net Position - End of Year

See accompanying notes to the basic financial statements.

Changes in Net Position

<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>
\$ (1,580,653)	\$ -	\$ (1,580,653)	\$ -
(1,662,668)	-	(1,662,668)	-
(443,672)	-	(443,672)	-
218,544	-	218,544	-
(133,949)	-	(133,949)	-
(190,070)	-	(190,070)	-
(128,363)	-	(128,363)	-
<u>(3,920,831)</u>	<u>-</u>	<u>(3,920,831)</u>	<u>-</u>
-	(413,511)	(413,511)	-
-	(157,891)	(157,891)	-
-	276,318	276,318	-
<u>-</u>	<u>(295,084)</u>	<u>(295,084)</u>	<u>-</u>
<u>(3,920,831)</u>	<u>(295,084)</u>	<u>(4,215,915)</u>	<u>-</u>
-	-	-	(25,220)
3,578,704	-	3,578,704	-
1,237,933	-	1,237,933	-
845,741	-	845,741	-
940,995	-	940,995	-
325,193	-	325,193	-
133,949	-	133,949	-
71,003	-	71,003	-
220,229	-	220,229	-
5,208	439	5,647	22,512
15,554	-	15,554	-
<u>7,374,509</u>	<u>439</u>	<u>7,374,948</u>	<u>22,512</u>
(527,107)	527,107	-	-
<u>6,847,402</u>	<u>527,546</u>	<u>7,374,948</u>	<u>22,512</u>
2,926,571	232,462	3,159,033	(2,708)
<u>37,336,894</u>	<u>3,023,006</u>	<u>40,359,900</u>	<u>95,144</u>
<u>\$ 40,263,465</u>	<u>\$ 3,255,468</u>	<u>\$ 43,518,933</u>	<u>\$ 92,436</u>

CITY OF SNELLVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>GENERAL</u>	<u>LCI GRANT CAPITAL PROJECTS</u>	<u>SPLOST I CAPITAL PROJECTS</u>	<u>SPLOST II CAPITAL PROJECTS</u>
ASSETS				
Cash and Cash Equivalents	\$ 5,728,833	\$ 270,220	\$ 720,409	\$ 3,594,700
Investments	215,838	-	-	-
Receivables (net of allowance for uncollectibles)				
Taxes	241,941	-	-	-
Fines	184,139	-	-	-
Intergovernmental	-	107,145	-	-
Accounts	12,893	-	-	-
Due from other funds	118,110	-	-	-
Prepaid Items	99,730	-	-	-
Total Assets	<u>\$ 6,601,484</u>	<u>\$ 377,365</u>	<u>\$ 720,409</u>	<u>\$ 3,594,700</u>
LIABILITIES				
Accounts Payable	\$ 330,492	\$ 107,025	\$ -	\$ 110,450
Accrued Liabilities:				
Salaries and wages	139,942	-	-	-
Deposits	19,529	-	-	-
Police bonds and court fees	94,096	-	-	-
Due to other governments	-	216,434	-	-
Due to other funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>584,059</u>	<u>323,459</u>	<u>-</u>	<u>110,450</u>
DEFERRED INFLOWS				
Unavailable revenues	<u>153,175</u>	<u>107,145</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable -				
Prepaid items	99,730	-	-	-
Restricted -				
Capital Projects	-	-	720,409	3,484,250
Police Services	-	-	-	-
Tree Bank	-	-	-	-
Economic Development	-	-	-	-
Assigned -				
Redevelopment	-	-	-	-
Unassigned	<u>5,764,520</u>	<u>(53,239)</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>5,864,250</u>	<u>(53,239)</u>	<u>720,409</u>	<u>3,484,250</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 6,601,484</u>	<u>\$ 377,365</u>	<u>\$ 720,409</u>	<u>\$ 3,594,700</u>

See accompanying notes to the basic financial statements.

<u>SPLOST III CAPITAL PROJECTS</u>	<u>URBAN REDEVELOP- MENT</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 216,570	\$ 17,458	\$ 686,899	\$ 11,235,089
-	-	-	215,838
-	-	12,692	254,633
-	-	-	184,139
459,218	-	7,998	574,361
-	-	-	12,893
-	-	-	118,110
-	-	-	99,730
<u>\$ 675,788</u>	<u>\$ 17,458</u>	<u>\$ 707,589</u>	<u>\$ 12,694,793</u>
\$ -	\$ -	\$ 37,274	\$ 585,241
-	-	-	139,942
-	-	-	19,529
-	-	-	94,096
-	-	-	216,434
-	-	2,500	2,500
-	-	9,457	9,457
<u>-</u>	<u>-</u>	<u>49,231</u>	<u>1,067,199</u>
-	-	-	260,320
-	-	-	99,730
675,788	-	443,671	5,324,118
-	-	85,450	85,450
-	-	110,881	110,881
-	-	18,356	18,356
-	17,458	-	17,458
-	-	-	5,711,281
<u>675,788</u>	<u>17,458</u>	<u>658,358</u>	<u>11,367,274</u>
<u>\$ 675,788</u>	<u>\$ 17,458</u>	<u>\$ 707,589</u>	<u>\$ 12,694,793</u>

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CITY OF SNELLVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

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

Total fund balances -- total governmental funds	\$ 11,367,274
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	33,613,355
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: Unavailable revenues	260,320
Debt discounts, premiums and related deferred items are considered other financing uses in governmental funds in the year incurred but are deferred items and are amortized over the life of the related debt in the statement of net position: Deferred charge from refunding	54,360
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest	(5,638)
Revenue bonds	(3,177,000)
Capital lease obligation	(793,448)
Capital lease obligation - DDA	(584,776)
Long-term portion of termination benefits	(125,356)
Long-term portion of compensated absences	<u>(345,626)</u>
Net position of governmental activities.	<u>\$ 40,263,465</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, 2014

	<u>GENERAL</u>	<u>LCI GRANT CAPITAL PROJECTS</u>	<u>SPLOST I CAPITAL PROJECTS</u>	<u>SPLOST II CAPITAL PROJECTS</u>
REVENUES				
Taxes	\$ 6,994,922	\$ -	\$ -	\$ -
Licenses and permits	250,868	-	-	-
Intergovernmental	401,830	-	-	2,115,374
Charges for services	919,651	-	-	-
Fines and forfeitures	1,747,708	-	-	-
Tree Bank Bonds	-	-	-	-
Investment income	3,434	1,451	86	1,770
Rental income	96,583	-	-	-
Miscellaneous	23,548	270,542	153,615	-
Total Revenues	<u>10,438,544</u>	<u>271,993</u>	<u>153,701</u>	<u>2,117,144</u>
EXPENDITURES				
Current:				
General Government	1,523,638	-	-	-
Municipal Court	645,907	-	-	-
Public Safety	4,010,759	-	-	-
Public Works	933,838	-	-	-
Parks and Recreation	705,626	-	-	-
Tree Bank	-	-	-	-
Economic Development	-	-	-	-
Community Development	482,322	-	-	-
Capital:				
General Government	91,265	-	-	-
Public Safety	122,970	-	-	1,419
Public Works	446,464	352,470	-	102,930
Parks and Recreation	71,556	-	-	132,302
Community Development	-	-	-	-
Debt Service:				
Principal	38,748	-	-	1,553,698
Interest	21,293	-	-	55,749
Issue costs on debt	-	-	-	-
Total Expenditures	<u>9,094,386</u>	<u>352,470</u>	<u>-</u>	<u>1,846,098</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,344,158</u>	<u>(80,477)</u>	<u>153,701</u>	<u>271,046</u>
Other Financing Sources (Uses):				
Debt issue	-	-	-	-
Transfers	(908,106)	-	-	-
Sale of capital assets	4,573	-	-	-
Total	<u>(903,533)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	440,625	(80,477)	153,701	271,046
Fund Balance - Beginning of the year	5,423,625	27,238	566,708	3,213,204
Fund Balance - End of year	<u>\$ 5,864,250</u>	<u>\$ (53,239)</u>	<u>\$ 720,409</u>	<u>\$ 3,484,250</u>

See accompanying notes to the basic financial statements.

<u>SPLOST III CAPITAL PROJECTS</u>	<u>URBAN REDEVELOP- MENT</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ -	\$ -	\$ 133,949	\$ 7,128,871
-	-	-	250,868
675,800	-	7,998	3,201,002
-	-	-	919,651
-	-	60,445	1,808,153
-	-	-	-
8	8	317	7,074
-	-	-	96,583
-	64	-	447,769
<u>675,808</u>	<u>72</u>	<u>202,709</u>	<u>13,859,971</u>
20	-	-	1,523,658
-	-	-	645,907
-	-	9,410	4,020,169
-	-	-	933,838
-	-	-	705,626
-	-	159	159
-	2,614	133,949	136,563
-	-	-	482,322
-	-	-	91,265
-	-	96,327	220,716
-	-	-	901,864
-	-	-	203,858
-	-	-	-
-	319,000	-	1,911,446
-	62,015	-	139,057
-	-	-	-
<u>20</u>	<u>383,629</u>	<u>239,845</u>	<u>11,916,448</u>
<u>675,788</u>	<u>(383,557)</u>	<u>(37,136)</u>	<u>1,943,523</u>
-	-	-	-
-	381,015	(16)	(527,107)
-	-	-	4,573
-	<u>381,015</u>	<u>(16)</u>	<u>(522,534)</u>
675,788	(2,542)	(37,152)	1,420,989
-	20,000	695,510	9,946,285
<u>\$ 675,788</u>	<u>\$ 17,458</u>	<u>\$ 658,358</u>	<u>\$ 11,367,274</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, 2014

Net change in fund balances -- total governmental funds	1,420,989
<p>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:</p>	
Capital outlay	569,562
Depreciation	(1,084,756)
<p>The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. This is the amount of net book value of assets disposed of during the current period.</p>	
	(54,804)
<p>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.</p>	
	97,117
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:</p>	
Repayments	1,911,446
Proceeds	-
<p>Bond premiums, discounts and related deferred items are considered deferred costs in the statement of net position 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:</p>	
Amortization	(5,987)
<p>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:</p>	
Change in the long term portion of accrued compensated absences	26,098
Change in the long term portion of termination benefits	30,224
Change in accrued interest	16,682
	16,682
Change in net position of governmental activities.	\$ 2,926,571

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, 2014

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Taxes	\$ 6,703,753	\$ 6,703,753	\$ 6,994,922	\$ 291,169
Licenses and permits	206,800	206,800	250,868	44,068
Intergovernmental	378,000	378,000	401,830	23,830
Charges for services	767,739	767,739	919,651	151,912
Fines and forfeitures	1,800,000	1,800,000	1,747,708	(52,292)
Investment income	3,500	3,500	3,434	(66)
Rental income	77,980	77,980	96,583	18,603
Miscellaneous	27,300	27,300	23,548	(3,752)
Total Revenues	<u>9,965,072</u>	<u>9,965,072</u>	<u>10,438,544</u>	<u>473,472</u>
EXPENDITURES				
Current:				
General Government	1,457,908	1,510,808	1,523,638	(12,830)
Municipal Court	699,400	674,900	645,907	28,993
Public Safety	3,974,624	3,989,724	4,010,759	(21,035)
Public Works	981,705	959,205	933,838	25,367
Parks and Recreation	694,086	701,086	705,626	(4,540)
Community Development	530,147	502,147	482,322	19,825
Capital:				
General Government	38,500	38,500	91,265	(52,765)
Public Safety	176,800	176,800	122,970	53,830
Public Works	351,000	351,000	446,464	(95,464)
Parks and Recreation	15,700	15,700	71,556	(55,856)
Community Development	-	-	-	-
Debt Service:				
Principal	36,000	36,000	38,748	(2,748)
Interest	24,041	24,041	21,293	2,748
Total Expenditures	<u>8,979,911</u>	<u>8,979,911</u>	<u>9,094,386</u>	<u>(114,475)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>985,161</u>	<u>985,161</u>	<u>1,344,158</u>	<u>358,997</u>
Other Financing Sources (Uses):				
Transfers	(1,264,998)	(1,264,998)	(908,106)	356,892
Proceeds from sale of capital assets	6,000	6,000	4,573	(1,427)
Debt issue	-	-	-	-
Total Other Financing Sources (Uses)	<u>(1,258,998)</u>	<u>(1,258,998)</u>	<u>(903,533)</u>	<u>355,465</u>
Net Change in Fund Balances	<u>(273,837)</u>	<u>(273,837)</u>	<u>440,625</u>	<u>714,462</u>
Fund Balance - Beginning of year	<u>5,423,625</u>	<u>5,423,625</u>	<u>5,423,625</u>	<u>-</u>
End of year	<u>\$ 5,149,788</u>	<u>\$ 5,149,788</u>	<u>\$ 5,864,250</u>	<u>\$ 714,462</u>

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	<u>SOLID WASTE</u>	<u>STORMWATER</u>	<u>TOTAL</u>
ASSETS			
Current assets:			
Cash	\$ 23,034	\$ 814,638	\$ 837,672
Receivables			
Trade accounts	68,215	15,674	83,889
Unbilled sales	110,802	-	110,802
Prepaid items	-	-	-
Total Current Assets	<u>202,051</u>	<u>830,312</u>	<u>1,032,363</u>
Property, plant and equipment:			
Buildings	577,673	-	577,673
Machinery and equipment	227,846	243,089	470,935
Vehicles	21,118	-	21,118
Infrastructure	-	1,208,400	1,208,400
Land improvements	1,188,251	-	1,188,251
	<u>2,014,888</u>	<u>1,451,489</u>	<u>3,466,377</u>
Less accumulated depreciation	<u>(749,708)</u>	<u>(83,959)</u>	<u>(833,667)</u>
	<u>1,265,180</u>	<u>1,367,530</u>	<u>2,632,710</u>
Total Assets	<u>1,467,231</u>	<u>2,197,842</u>	<u>3,665,073</u>
LIABILITIES			
Current liabilities:			
Accounts payable	145,608	19,570	165,178
Customer deposits	7,693	-	7,693
Accrued liabilities -			
Interest	-	399	399
Payroll	9,068	1,931	10,999
Due to other funds	-	115,610	115,610
Capital lease payable	-	54,272	54,272
Total current liabilities (payable from current)	<u>162,369</u>	<u>191,782</u>	<u>354,151</u>
Long-term obligations	<u>-</u>	<u>55,454</u>	<u>55,454</u>
Total Liabilities	<u>162,369</u>	<u>247,236</u>	<u>409,605</u>
NET POSITION			
Net investment in capital assets	1,265,180	1,257,804	2,522,984
Unrestricted	<u>39,682</u>	<u>692,802</u>	<u>732,484</u>
Total Net Position	<u>\$ 1,304,862</u>	<u>\$ 1,950,606</u>	<u>\$ 3,255,468</u>

See accompanying notes to the basic financial statements.

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>SOLID WASTE</u>	<u>STORMWATER</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for services:			
Solid waste	\$ 1,346,967	\$ -	\$ 1,346,967
Recycling	92,966	-	92,966
Stormwater utility	-	538,136	538,136
Penalties	16,770	3,467	20,237
Miscellaneous	5,506	-	5,506
Total Operating Revenues	<u>1,462,209</u>	<u>541,603</u>	<u>2,003,812</u>
OPERATING EXPENSES:			
Purchases of product/service	1,735,563	-	1,735,563
Salaries and benefits	139,642	100,744	240,386
Contracted / purchased services	86,221	110,558	196,779
Supplies	8,306	4,898	13,204
Bad debt expense	5,500	-	5,500
Depreciation	58,379	45,740	104,119
Total Operating Expenses	<u>2,033,611</u>	<u>261,940</u>	<u>2,295,551</u>
Operating Income (Loss)	(571,402)	279,663	(291,739)
NON-OPERATING INCOME (EXPENSES):			
Interest expense	-	(3,345)	(3,345)
Interest revenue	81	358	439
Net income (loss) before transfers and capital contributions	(571,321)	276,676	(294,645)
Transfers in	527,107	-	527,107
Capital contributions	-	-	-
NET INCOME	(44,214)	276,676	232,462
NET POSITION - BEGINNING	<u>1,349,076</u>	<u>1,673,930</u>	<u>3,023,006</u>
NET POSITION - ENDING	<u>\$ 1,304,862</u>	<u>\$ 1,950,606</u>	<u>\$ 3,255,468</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, 2014**

	<u>SOLID WASTE</u>	<u>STORMWATER</u>	<u>TOTAL</u>
Cash flows from operating activities:			
Cash received from customers and users	\$ 1,495,504	\$ 539,241	\$ 2,034,745
Cash paid to suppliers	(2,019,921)	(148,598)	(2,168,519)
Cash paid to employees	<u>(101,534)</u>	<u>(70,110)</u>	<u>(171,644)</u>
Net Cash Provided by Operating Activities	<u>(625,951)</u>	<u>320,533</u>	<u>(305,418)</u>
Cash flows from investing activities:			
Interest received	<u>81</u>	<u>358</u>	<u>439</u>
Net Cash Used in Investing Activities	<u>81</u>	<u>358</u>	<u>439</u>
Cash flows from non-capital financing activities:			
Increase (decrease) in due to other funds	-	26,805	26,805
Transfers	<u>527,107</u>	<u>-</u>	<u>527,107</u>
Net Cash Provided by Non-capital Financing Activities	<u>527,107</u>	<u>26,805</u>	<u>553,912</u>
Cash flows from capital financing activities:			
Proceeds from debt issue	-	-	-
Principal payments	-	(53,114)	(53,114)
Interest payments	-	(3,549)	(3,549)
Purchase and construction of capital assets	<u>-</u>	<u>(393,737)</u>	<u>(393,737)</u>
Net Cash Provided by (Used in) Capital Financing Activities	<u>-</u>	<u>(450,400)</u>	<u>(450,400)</u>
Net increase in cash and cash equivalents	(98,763)	(102,704)	(201,467)
Cash and cash equivalents - Beginning of Year	<u>121,797</u>	<u>917,342</u>	<u>1,039,139</u>
Cash and cash equivalents - End of Year	<u>\$ 23,034</u>	<u>\$ 814,638</u>	<u>\$ 837,672</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)	\$ (571,402)	\$ 279,663	\$ (291,739)
Adjustments to reconcile net income to net cash provided			
by operating activities:			
Depreciation and amortization	58,379	45,740	104,119
(Increase) decrease in receivables	32,824	(2,362)	30,462
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in accounts payable	(148,839)	(3,094)	(151,933)
Increase (decrease) in customer deposits	471	-	471
Increase (decrease) in accrued liabilities	2,616	586	3,202
Total Adjustments	<u>(54,549)</u>	<u>40,870</u>	<u>(13,679)</u>
Net Cash Provided by Operating Activities	<u>\$ (625,951)</u>	<u>\$ 320,533</u>	<u>\$ (305,418)</u>

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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). 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 (GASB) No. 14, as amended by GASB No. 61 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on organization's for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit. 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 regardless of whether the organization has a separate elected or appointed governing board. Blended component units, although legally separate entities, are, in substance part of the government's operations and are reported with similar funds of the primary government. The City reports the City of Snellville's Downtown Development Authority as a component unit. The Urban Redevelopment Agency of Snellville is considered a blended component unit of the City.

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):

B. The Reporting Entity – (Continued)

Blended Component Unit –

The Urban Redevelopment Agency of Snellville (URA) was created in 2010 by the City to serve as a financing vehicle for certain community development projects. The URA is a legally separate organization governed by a board that is appointed by the mayor and city council of the City of Snellville. Although it is legally separate from the City, the URA is reported as if it were a part of the primary government because its sole purpose is to oversee and participate, if necessary, in financing community development projects for the benefit of the City and its citizens. Furthermore, the URA is included as a component unit as the URA has no ability to issue debt or otherwise carry out its activities without the participation and agreement of the City or appropriation of funds by the city council. The operations of the URA are included in the governmental activities of the government-wide financial statements as a separate debt service fund. Separate financial statements are not published for the URA which follows the same accounting policies as the City of Snellville.

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 Position 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 position are reported in three parts—net investment in capital assets; restricted net position; and unrestricted net position. 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 position resulting from the current year's activities.

(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

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, the LCI Grant Fund, all SPLOST Capital Projects Funds and the Urban Redevelopment Agency Fund to be major funds. The Hotel/Motel Fund, Confiscated Assets Fund, Tree Bank Fund, City Center Fund, and the Police Facilities Fund are considered non-major funds. The various funds are grouped, in the financial statements in this report, into the following fund types:

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.

LCI Grant Capital Projects Fund – The LCI Grant Capital Projects Fund accounts for the proceeds from a grant from the U. S. Department of Transportation. The proceeds from the grant are to be used to finance improvements to the City's Town Center streetscapes.

The SPLOST Capital Projects Funds – The SPLOST 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.

Urban Redevelopment Agency Fund – This fund was originally used as a special revenue fund to account for the proceeds for the issuance of bonds to finance or refinance urban improvement projects. It is currently being used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on the City's Refunding Revenue Bond Obligation.

Proprietary Fund Type – Proprietary fund reporting focuses on the determination of operating income, changes in net position, 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.

(See Independent Auditor's Report)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Position.

Fund Financial Statements – All governmental funds and the Snellville Downtown Development Authority 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 Position. The Statement of Changes in Revenues, Expenses, and Changes in Fund Net Position 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.

(See Independent Auditor's Report)

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

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

F. Basis of Accounting – (Continued)

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.

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, 2014 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, 2014 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 position 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 position and in the respective funds.

(See Independent Auditor's Report)

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

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

K. Capital Assets – (Continued)

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, 2014. 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.

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.

(See Independent Auditor's Report)

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

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

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, 2014 there were no encumbrances outstanding.

R. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditures) until then. The government has one items that qualifies for reporting in this category as of June 30, 2014. The item, deferred charge from refunding, is reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, probation fines, and intergovernmental revenues.

S. Net Position

Net Position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position invested in capital asset 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 position is 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 position reports \$5,538,805 of restricted net position, of which \$5,095,134 is restricted by enabling legislation.

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

(See Independent Auditor's Report).

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

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

T. Fund Equity – Governmental Funds

As of June 30, 2014, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of City of Snellville’s Council. Snellville’s Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances approved by City Council prior to end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the City Council may assign amounts for specific purposes through passage of a resolution. Unlike commitments, assignments generally only exist temporarily and do not normally have to have an additional action taken for their removal.

Unassigned – all other spendable amounts.

As of June 30, 2014, fund balances are composed of the following:

	General	LCI Grant	SPLOST Funds	URA	Nonmajor Funds	Total
Nonspendable:						
Prepays	\$ 99,730	\$ -	\$ -	\$ -	\$ -	\$ 99,730
Restricted:						
Capital Projects	-	-	4,880,447	-	443,671	5,324,118
Police Services	-	-	-	-	85,450	85,450
Tree Bank	-	-	-	-	110,881	110,881
Economic Development	-	-	-	-	18,356	18,356
Committed	-	-	-	-	-	-
Assigned	-	-	-	17,458	-	17,458
Unassigned	5,764,520	(53,239)	-	-	-	5,711,281
Total Fund Balances	\$ 5,864,250	\$ (53,239)	\$ 4,880,447	\$ 17,458	\$ 658,358	\$ 11,367,274

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditures is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

(See Independent Auditor’s Report)

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

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

U. 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.

V. 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.

W. Budgets and Budgetary Accounting

Prior to May 1, the City Manager submits 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 or as last amended. 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, 2014, \$11,915,630 of the City's bank balances of \$12,631,484 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
Uninsured and collateral held by pledging bank's agent	<u>11,915,630</u>
Total	<u>\$11,915,630</u>

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.

The City's investment as of June 30, 2014 consisted of a certificate of deposit in the amount of \$215,838.

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.

(See Independent Auditor's Report)

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

3. PROPERTY TAX

The City's property taxes are billed and collected by Gwinnett County through an intergovernmental agreement. The taxes were levied July 8, 2013 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 yearend, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross</u>	Allowance for <u>Bad Debts</u>	<u>Net</u>
Governmental Funds			
Taxes	\$ 254,633	\$ -	\$ 254,633
Fines	593,997	409,858	184,139
Intergovernmental	574,361	-	574,361
Accounts	12,893	-	12,893
Solid Waste Management Fund			
Accounts	292,317	113,300	179,017
Stormwater Management Fund			
Accounts	15,674	-	15,674
Total	<u>\$ 1,743,875</u>	<u>\$ 523,158</u>	<u>\$ 1,220,717</u>

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues for the year ended June 30, 2014 consist of the following:

Governmental Funds -	
Gwinnett County - SPLOST Projects, See Note 10	\$ 2,791,174
Georgia Office of Highway Safety - Equipment	7,998
U. S. Dept. of Justice - COPS Grant	43,037
Gwinnett County - Annual Appropriation	220,229
State of Georgia - DOT, LMIG Program	138,564
State of Georgia - Department of Transportation LCI Grant	-
Total Intergovernmental Revenues	<u>\$ 3,201,002</u>

Intergovernmental receivables as of June 30, 2014 consist of the following:

Georgia Office of Highway Safety - Equipment	\$ 7,998
Gwinnett County - SPLOST	459,218
State of Georgia - Department of Transportation LCI Grant	107,145
Total Intergovernmental Receivables	<u>\$ 574,361</u>

(See Independent Auditor's Report)

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

6. INTER-FUND TRANSACTIONS

Inter-fund payables and receivables as of June 30, 2014 were as follows.

Due From	Due To				
	General	SPLOST I	SPLOST II	Stormwater	Total
Stormwater	\$ 115,610	\$ -	\$ -	\$ -	\$ 115,610
LCI Grant	-	-	-	-	-
Confiscated Assets	2,500	-	-	-	2,500
Total	<u>\$ 118,110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,110</u>

The Stormwater Fund and the Confiscated Assets Fund owed the General Fund \$115,610 and \$2,500, respectively, for items expended from the General Fund's operating bank account that were related to Stormwater and Confiscated Assets and had not been reimbursed as of June 30, 2014.

Individual inter-fund transfers for the year ended June 30, 2014 were as follows:

Transfer From	Transfer to			
	General	URA	Sanitation	Total
General	\$ -	\$ 381,015	\$ 527,107	\$ 908,122
Nonmajor	16	-	-	16
	<u>\$ 16</u>	<u>\$ 381,015</u>	<u>\$ 527,107</u>	<u>\$ 908,138</u>

During the fiscal year ended June 30, 2014, the General Fund transferred \$908,122 to the various governmental and proprietary funds, including \$527,107 to the Solid Waste Management Fund to help fund utility operations and \$381,015 to the Urban Redevelopment Agency Fund to help finance debt service requirements of the refunding revenue bonds payable. The City Center Fund (a nonmajor fund) transferred \$16 to the General Fund to close out this fund since its purpose had been accomplished.

7. LITIGATION AND CONTINGENCIES:

The City is a defendant in several lawsuits as of June 30, 2014 including a lawsuit brought by the Mayor of Snellville against the City Council, City Manager and City Clerk. This lawsuit pertains to the issue of the authority to appoint a city manager and a city clerk. The City has incurred approximately \$160,000 in legal fees for the representation of the City Council and the City's manager and clerk. The Mayor is seeking restitution for her legal fees of approximately \$225,000. Although a settlement was reached regarding the authority issue as of June 30, 2014, the Mayor's legal fees issue has yet to be resolved. The outcome of other lawsuits and other possible claims are not yet determinable but are not expected to materially affect 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, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 9,188,246	\$ -	\$ -	\$ 9,188,246
Construction in progress	-	259,732	-	259,732
Total	<u>9,188,246</u>	<u>259,732</u>	<u>-</u>	<u>9,447,978</u>
Capital assets being depreciated:				
Buildings	19,040,400	-	-	19,040,400
Improvements other than buildings	2,714,383	19,794	-	2,734,177
Infrastructure	4,792,934	-	-	4,792,934
Vehicles, including related equipment	2,525,570	189,810	(650,841)	2,064,539
Furniture and other equipment	3,023,429	100,226	(280,706)	2,842,949
Total capital assets being depreciated	<u>32,096,716</u>	<u>309,830</u>	<u>(931,547)</u>	<u>31,474,999</u>
Less accumulated depreciation for:				
Buildings	2,954,289	476,739	-	3,431,028
Improvements other than buildings	396,104	67,243	-	463,347
Infrastructure	533,555	114,832	-	648,387
Vehicles, including related equipment	1,678,946	191,565	(625,427)	1,245,084
Furniture and other equipment	1,538,715	234,377	(251,316)	1,521,776
Total accumulated depreciation	<u>7,101,609</u>	<u>1,084,756</u>	<u>(876,743)</u>	<u>7,309,622</u>
Total capital assets being depreciated, net	<u>24,995,107</u>	<u>(774,926)</u>	<u>(54,804)</u>	<u>24,165,377</u>
Governmental capital assets, net	<u>\$ 34,183,353</u>	<u>\$ (515,194)</u>	<u>\$ (54,804)</u>	<u>\$33,613,355</u>

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

Administrative	\$ 301,632
Police and Court	476,570
Public Works	159,010
Parks	146,776
Community Development	768
Total depreciation expense	<u>\$ 1,084,756</u>

(See Independent Auditor's Report)

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

8. PROPERTY, PLANT AND EQUIPMENT. (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total	-	-	-	-
Capital assets being depreciated:				
Buildings	577,673	-	-	577,673
Improvements other than buildings	1,188,251	-	-	1,188,251
Infrastructure	829,663	378,737	-	1,208,400
Vehicles, including related equipment	21,118	-	-	21,118
Furniture and other equipment	455,935	15,000	-	470,935
Total capital assets being depreciated	3,072,640	393,737	-	3,466,377
Less accumulated depreciation for:				
Buildings	121,363	14,446	-	135,809
Improvements other than buildings	326,769	39,608	-	366,377
Infrastructure	25,415	21,697	-	47,112
Vehicles, including related equipment	21,118	-	-	21,118
Furniture and other equipment	234,883	28,368	-	263,251
Total accumulated depreciation	729,548	104,119	-	833,667
Total capital assets being depreciated, net	2,343,092	289,618	-	2,632,710
Business-Type Activities capital assets, net	\$ 2,343,092	\$ 289,618	\$ -	\$ 2,632,710

Depreciation expense of \$58,379 was recorded in the Solid Waste Management Fund and \$45,740 was recorded in the Stormwater Management Fund.

CONSTRUCTION COMMITMENT-

The City has entered into contracts for street improvements such as sidewalks, streetscapes and utility relocation in the downtown area of the city. Estimated cost for these improvements is estimated to be \$2,527,910. Financing for the project is to be provided through a grant from the Georgia Department of Transportation in the amount of \$2,022,328 with the remaining \$505,582 to be paid out of the City's SPLOST Funds. Cost of the project incurred through June 30, 2014 amounted to approximately \$133,000.

(See Independent Auditor's Report)

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

9. 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, 2014:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
Revenue Bonds	\$ 3,496,000	\$ -	\$ (319,000)	\$ 3,177,000	\$ -
Police Facilities Capital Lease	2,347,146	-	(1,553,698)	793,448	793,448
Intergovernmental Agreement - DDA Capital Lease	623,524	-	(38,748)	584,776	40,406
Termination Benefits	155,580	-	(30,224)	125,356	12,537
Accrued Compensated Absences	371,724	311,838	(337,936)	345,626	50,000
Total	\$ 6,993,974	\$ 311,838	\$ (2,279,606)	\$ 5,026,206	\$ 896,391
Business-Type Activities					
Capital Lease Obligation	\$ 162,840	\$ -	\$ (53,114)	\$ 109,726	\$ 54,272

The General Fund typically has been used to liquidate long-term liabilities. However, SPLOST II will be used to liquidate the police facilities capital lease. The Stormwater Management Fund will be used to liquidate the business-type activity long-term liabilities.

GOVERNMENTAL ACTIVITIES DEBT ISSUES -

CAPITAL LEASE OBLIGATION

Police and Public Works Facilities -

In December 2010 the City entered into an installment sale agreement in the amount of \$7,505,000 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 \$804,724. For the year ended June 30, 2014, principal and interest payments were \$1,553,698 and \$55,749, respectively. Depreciation on the two buildings for the fiscal year ended June 30, 2014 amounted to \$189,866 and accumulated depreciation as of June 30, 2014 amounted to \$569,599.

(See Independent Auditor's Report)

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

9. LONG-TERM DEBT (Continued)

GOVERNMENTAL ACTIVITIES DEBT ISSUES – (Continued)

CAPITAL LEASE OBLIGATIONS – (Continued)

Land Purchase –

In June 2012 the Snellville Downtown Development Authority (DDA) obtained financing from a bank for the purchase of approximately 10 acres of land in the City’s Town Center Area. The City and the DDA did enter into an intergovernmental agreement whereby the City has guaranteed funding of the debt service of the note through a capital lease obligation. At the end of the capital lease the City will own the land. As a result the DDA recorded a liability for the note payable and an amount due from the City in the amount of \$697,450 and reduces the balance as the City pays the debt service on the lease. The City has also recorded a liability in the governmental-wide financial statements for the amount due under the intergovernmental agreement.

REVENUE BONDS

In May 2013 the Urban Redevelopment Agency of Snellville issued revenue bonds in the amount of \$3,496,000 to refinance the Certificates of Participation (originally used to finance the acquisition of the new city hall) and to pay cost associated with the issuance of the bonds. Interest is being charged at 1.55% and the debt is secured by the city administrative facilities. The bonds mature in July 2023.

Annual repayment requirements under the revenue bonds and capital lease agreements are as follows:

F/Y/E JUNE 30,	REVENUE BONDS		CAPITAL LEASE LAND AND BUILDINGS		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
	2015	\$ -	\$ 24,622	\$ 833,854	
2016	332,000	46,671	544,370	18,241	941,282
2017	337,000	41,486	-	-	378,486
2018	342,000	36,223	-	-	378,223
2019	347,000	30,883	-	-	377,883
2020	353,000	25,458	-	-	378,458
2021	358,000	19,948	-	-	377,948
2022	364,000	14,353	-	-	378,353
2023	369,000	8,672	-	-	377,672
2024	375,000	2,906	-	-	377,906
TOTALS	\$ 3,177,000	\$ 251,222	\$ 1,378,224	\$ 49,152	\$ 4,855,598

(See Independent Auditor’s Report)

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

9. LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES DEBT ISSUE

In April 2014 the City entered into a lease purchase and security agreement with a financial institution for the purchase of a 2014 Vactor Sewer Jetter Combo Truck in the amount of \$219,504. Depreciation on the machine for fiscal year ended June 30, 2014 amounted to \$21,950 and accumulated depreciation at June 30, 2014 amounted to \$34,755. The interest rate under the terms of the lease agreement is 2.18%. Since the City intends to continue to abide by the terms of these lease agreements and eventually own the equipment, the asset and the related liability were recorded at the present value of the future payments due under the lease.

Annual repayment requirements under the capital lease agreement are as follows:

F/Y/E JUNE 30,	CAPITAL LEASE		TOTAL
	PRINCIPAL	INTEREST	
2015	\$ 54,272	\$ 2,392	\$ 56,664
2016	55,454	1,209	56,663
TOTALS	\$ 109,726	\$ 3,601	\$ 113,327

Advanced Refunding –

As indicated earlier in this note, the Urban Redevelopment Agency issued \$3,496,000 of revenue bonds in May 2013. The proceeds of the issue provided resources to purchase U.S. Government and State and Local Government Securities that were placed in an irrevocable trust for a short period of time for the purpose of generating resources to pay off the principal balance and interest due on the certificates of participation as of July 1, 2013. As a result, the refunded debt is considered defeased and the liability has been removed from the Governmental Type Activities in the statement of net position.

The refunding was undertaken to reduce future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$60,346. This amount is reported as a “deferred charge from refunding” and will be amortized over the old debt’s life, which is to July 1, 2023. The transaction also resulted in a net present value savings of \$464,413 and a reduction of \$1,145,501 in future debt service payments.

10. UNAVAILABLE REVENUES

Unavailable revenues as of June 30, 2014, reported in the Governmental Fund’s balance sheet, consisted of the following 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	\$ 61,012
Fines and forfeitures	92,163
LCI Fund	
Intergovernmental	107,145
Total	<u>\$ 260,320</u>

(See Independent Auditor’s Report)

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

11. 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.

12. HOTEL / MOTEL TAX

The City levies a 8% 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 100% of monies collected under this provision for tourism and promotional purposes by contracting with the Snellville Tourism and Trade Association. During the year ended June 30, 2014, the City's collections and related remittances were as follows:

	<u>Amount</u>	<u>Percent</u>
Total Collections	\$ 133,949	100%
Total Remittances	\$ 133,949	100%

The City was in compliance with the state laws regulating hotel/motel taxes and the related expenditures as of June 30, 2014.

(See Independent Auditor's Report)

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

13. 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

14. 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. The city council is responsible for establishing and amending the plan's provision and for establishing and amending contribution requirements.

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, 2014, amounted to approximately \$3,651,000. Gross payroll for the year was \$4,341,906.

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, 2014, amounted to \$219,065 which is 6% of covered payroll.

(See Independent Auditor's Report)

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

14. EMPLOYEE BENEFIT PLANS, (Continued)

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 (superseded 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 superseded 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)

14. EMPLOYEE BENEFIT PLANS, (Continued)

Defined Benefit Plan, Continued

For 2014, 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 \$8,254. The required contribution was determined as part of the January 1, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included 7.5% investment rate of return and a cost of living adjustment of 3.5%... 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, 2014 was \$898,648. The annual pension contribution for 2014 was calculated as follows:

Total actuarial accrued liability (as of 1/1/14)	\$ 898,648
10% of actuarial accrued liability (margin)	<u>89,865</u>
Target asset value	988,513
Actual market value of assets	<u>1,704,087</u>
Difference or contribution to fund plan	<u>\$ (715,574)</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
6/30/2014	\$ -	N/A	\$ -
6/30/2013	\$ -	N/A	\$ -
6/30/2012	\$ -	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)
2014	\$ 1,704,087	\$ 898,648	\$ (805,439)	189.6%	n/a	n/a
2013	\$ 1,517,374	\$ 843,606	\$ (673,768)	179.9%	n/a	n/a
2012	\$ 1,321,417	\$ 846,748	\$ (474,669)	156.1%	n/a	n/a
2011	\$ 1,381,112	\$ 892,450	\$ (488,662)	154.8%	n/a	n/a
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

(See Independent Auditor's Report)

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

15. 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 at the start of the program was \$399,327. Of this total liability for termination benefits, \$84,327 was paid with expendable available financial resources and was therefore recognized in the fund financial statements in fiscal year ended June 30, 2010. 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.

	<u>6/30/14</u>	<u>6/30/13</u>
Salary, vacation and sick leave payouts	\$ -	\$ -
Pension contributions	-	-
Medical insurance benefits	<u>125,356</u>	<u>155,580</u>
	125,356	155,580
Amounts already accrued for selected employees in compensated absences, etc	<u>-</u>	<u>-</u>
Net termination benefits to accrue	125,356	155,580
Amounts payable with expendable available resources - fund level	<u>-</u>	<u>-</u>
Long-term obligation	<u>\$ 125,356</u>	<u>\$ 155,580</u>

(See Independent Auditor's Report)

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

16. DOWNTOWN DEVELOPMENT AUTHORITY NOTE PAYABLE

In June 2011 the Snellville Downtown Development Authority (DDA) obtained financing from a bank for the purchase of approximately 10 acres of land in the City's Town Center Area. The City and the DDA did enter into an intergovernmental agreement whereby the City has guaranteed funding of the debt service of the note through a capital lease obligation. At the end of the capital lease the City will own the land. As a result the DDA has recorded a liability for the note payable and an amount due from the City in the amount of \$697,450. The City has also recorded a liability in the governmental-wide financial statements for the amount due under the intergovernmental agreement. The remaining annual debt service requirements to maturity for the note payable as of December 31, 2013 (the DDA's fiscal year end) are as follows:

F/Y/E DECEMBER 31,	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2014	\$ 39,727	\$ 20,315	\$ 60,042
2015	41,097	18,944	60,041
2016	<u>523,986</u>	<u>8,943</u>	<u>532,929</u>
TOTALS	<u>\$ 604,810</u>	<u>\$ 48,202</u>	<u>\$ 653,012</u>

17. SETTLEMENT OF SERVICE DELIVERY STRATEGY LAWSUIT

On February 7, 2012 the City, along with 14 other Gwinnett municipalities, signed a Final Consent Order settling legal action against Gwinnett County in the Service Delivery Strategy (SDS) matter. With the signing of the Order, the County recognized the value of the City provision of certain services (Police, Planning, 911 Dispatch) within the City's boundaries and agreed to a monetary settlement for such provision. The financial impact for F/Y – 12 amounted to a one-time payment in the amount of \$1,331,000 which can be used for General Fund purposes. Annual payment for Police / 911 services in the amount of approximately \$500,000 will be received for the next six years according to the final agreement. The City will also receive an annual payment of approximately \$220,000 from the County that the City may use to finance operations.

18. 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 –The City's LCI Fund at June 30, 2014 had a deficit fund balance of \$53,239. Management expects to finance the deficit through future intergovernmental revenues of the fund.
- B. Excess of expenditures over appropriations in individual funds are as follows:

The City's General Fund had two departmental expenditures which materially (if both over 5% and greater than \$10,000) exceeded their corresponding appropriations as follow:

	<u>Budget</u>		Variance
	Final	Actual	
General Fund -			
Public Works	\$ 1,310,205	\$ 1,380,302	\$ (70,097)
Parks	716,786	777,182	(60,396)

(See Independent Auditor's Report)

**CITY OF SNELLVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014**

	SPECIAL REVENUE FUNDS		
	CONFISCATED ASSETS FUND	TREE BANK FUND	HOTEL/MOTEL FUND
ASSETS			
Cash	\$ 99,477	\$ 110,881	\$ 32,870
Investments	-	-	-
Receivables-			
Taxes	-	-	12,692
Accounts	-	-	-
Grants	7,998	-	-
Due from other funds	-	-	-
	-	-	-
Total Assets	\$ 107,475	\$ 110,881	\$ 45,562
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 10,068	\$ -	\$ 27,206
Due from other funds	2,500	-	-
Unearned revenues	9,457	-	-
	22,025	-	27,206
Total Liabilities	22,025	-	27,206
Fund Balance			
Restricted -			
Police Activities	85,450	-	-
Tree Bank Activities	-	110,881	-
Economic Development	-	-	18,356
Capital Projects	-	-	-
Unassigned	-	-	-
	85,450	110,881	18,356
Total Fund Balance	85,450	110,881	18,356
Total Liabilities and Fund Balance	\$ 107,475	\$ 110,881	\$ 45,562

CAPITAL PROJECTS FUNDS		TOTAL NON-MAJOR GOVERNMENTAL FUNDS
CITY CENTER FUND	POLICE FACILITIES FUND	
\$ -	\$ 443,671	\$ 686,899
-	-	-
-	-	12,692
-	-	-
-	-	7,998
-	-	-
<u>\$ -</u>	<u>\$ 443,671</u>	<u>\$ 707,589</u>
\$ -	\$ -	\$ 37,274
-	-	2,500
-	-	9,457
-	-	-
-	-	49,231
-	-	-
-	-	85,450
-	-	110,881
-	-	18,356
-	443,671	443,671
-	-	-
-	443,671	658,358
<u>\$ -</u>	<u>\$ 443,671</u>	<u>\$ 707,589</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, 2014**

	SPECIAL REVENUE FUNDS		
	CONFISCATED ASSETS FUND	TREE BANK FUND	HOTEL / MOTEL TAX FUND
REVENUES			
Confiscations	\$ 60,445	\$ -	\$ -
Tree Bank Bonds	-	-	-
Taxes	-	-	133,949
Intergovernmental	7,998	-	-
Interest	56	59	16
Miscellaneous	-	-	-
Total Operating Revenues	<u>68,499</u>	<u>59</u>	<u>133,965</u>
EXPENDITURES			
Current -			
Police Activities	9,410	-	-
Tree Bank	-	159	-
Economic Development	-	-	133,949
Tourism and Promotion	-	-	-
Highways and Streets	-	-	-
Capital -			
Police	96,327	-	-
Highways and Streets	-	-	-
Debt service -			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>105,737</u>	<u>159</u>	<u>133,949</u>
Excess (Deficiency) of Revenues over Expenditures	(37,238)	(100)	16
Other Financing Sources (Uses): Transfers	-	-	-
Net Changes in Fund Balances	(37,238)	(100)	16
Fund Balance - Beginning of year	<u>122,688</u>	<u>110,981</u>	<u>18,340</u>
Fund Balance - End of year	<u>\$ 85,450</u>	<u>\$ 110,881</u>	<u>\$ 18,356</u>

CAPITAL PROJECTS FUNDS		TOTAL
CITY	POLICE	NON-MAJOR
CENTER	FACILITIES	GOVERNMENTAL
FUND	FUND	FUNDS
\$ -	\$ -	\$ 60,445
-	-	-
-	-	133,949
-	-	7,998
-	186	317
-	-	-
-	186	202,709
-	-	9,410
-	-	159
-	-	133,949
-	-	-
-	-	-
-	-	96,327
-	-	-
-	-	-
-	-	239,845
-	186	(37,136)
(16)	-	(16)
(16)	186	(37,152)
16	443,485	695,510
\$ -	\$ 443,671	\$ 658,358

**CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2014 AND 2013**

	2014	2013
<u>ASSETS</u>		
Cash	\$ 5,728,833	\$ 4,804,830
Investments	215,838	215,676
Receivables (net of allowance for uncollectibles)		
Taxes	241,941	225,992
Fines	184,139	186,993
Accounts	12,893	21,422
Intergovernmental	-	22,620
Due from other funds	118,110	516,878
Prepaid items	99,730	99,005
 TOTAL ASSETS	\$ 6,601,484	\$ 6,093,416
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ 330,492	\$ 228,838
Accrued expenses -		
Salaries	139,942	111,632
Deposits	19,529	133,617
Police bonds and court fees	94,096	32,501
Other	-	-
Due to other funds	-	-
 TOTAL LIABILITIES	584,059	506,588
 Deferred Inflows:		
Unavailable revenues	153,175	163,203
 Fund Equity:		
Fund Balance		
Nonspendable -		
Prepays	99,730	99,005
Assigned -		
Appropriations for nex year's budget	-	273,837
Unassigned	5,764,520	5,050,783
 Total Fund Equity	5,864,250	5,423,625
 TOTAL LIABILITIES, DEFEERED INFLOWS, AND FUND EQUITY	\$ 6,601,484	\$ 6,093,416

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CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	JUNE 30, 2014			
	FINAL BUDGET	ACTUAL	VARIANCE	ACTUAL JUNE 30, 2013
REVENUES:				
Taxes -				
Property	\$ 3,180,753	\$ 2,906,834	\$ (273,919)	\$ 3,155,486
Motor vehicle	170,000	128,660	(41,340)	186,557
Title advalorem	-	546,550	546,550	203,289
Franchise	1,270,000	1,237,933	(32,067)	1,247,976
Alcohol beverage	330,000	325,193	(4,807)	325,737
Insurance premium	920,000	940,995	20,995	908,818
Business occupational	700,000	770,014	70,014	756,072
Excise	-	2,298	2,298	-
Intangible	40,000	44,188	4,188	52,890
Transfer	8,000	16,530	8,530	9,152
Financial institution	85,000	75,727	(9,273)	84,558
Total Taxes	<u>6,703,753</u>	<u>6,994,922</u>	<u>291,169</u>	<u>6,930,535</u>
Business Licenses and Permits -				
Alcohol licenses	80,000	86,422	6,422	73,841
Other business licenses	35,000	32,850	(2,150)	32,700
Building permits	67,500	101,734	34,234	48,104
Inspection permits	12,000	15,360	3,360	10,845
Sign permits	5,000	6,290	1,290	4,500
Site development	2,000	1,230	(770)	921
Other permits	5,300	6,982	1,682	5,212
Total Business Licenses and Permits	<u>206,800</u>	<u>250,868</u>	<u>44,068</u>	<u>176,123</u>
Intergovernmental -				
County E-911 assistance	-	-	-	-
County SDS Settlement	221,000	220,229	(771)	220,229
COPS Grant	27,000	43,037	16,037	83,452
LMIG program	130,000	138,564	8,564	127,385
Other	-	-	-	-
Total Intergovernmental	<u>378,000</u>	<u>401,830</u>	<u>23,830</u>	<u>431,066</u>

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	JUNE 30, 2014			ACTUAL JUNE 30, 2013
	FINAL BUDGET	ACTUAL	VARIANCE	
REVENUES - Continued:				
Charges for Services -				
Recreational activities	\$ 152,725	\$ 148,010	\$ (4,715)	\$ 140,022
E911 fees	523,064	655,276	132,212	749,475
Public safety fees	63,000	74,569	11,569	69,771
Planning and zoning fees	26,250	41,076	14,826	27,983
Other	2,700	720	(1,980)	1,221
Total Charges for Services	<u>767,739</u>	<u>919,651</u>	<u>151,912</u>	<u>988,472</u>
Fines and Forfeitures	1,800,000	1,747,708	(52,292)	1,834,775
Investment Income	3,500	3,434	(66)	4,587
Rental Income	77,980	96,583	18,603	78,370
Other -				
Reimbursements	-	4,390	4,390	3,130
Donations	-	1,000	1,000	2,550
Penalties and interest	25,000	16,648	(8,352)	31,707
Miscellaneous	2,300	1,510	(790)	54,587
Total Other	<u>27,300</u>	<u>23,548</u>	<u>(3,752)</u>	<u>91,974</u>
 TOTAL REVENUES	 <u>\$ 9,965,072</u>	 <u>\$ 10,438,544</u>	 <u>\$ 473,472</u>	 <u>\$ 10,535,902</u>

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	<u>JUNE 30, 2014</u>			
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL JUNE 30, 2013</u>
CURRENT EXPENDITURES:				
GENERAL GOVERNMENT				
Governing Body	\$ 30,602	\$ 30,368	\$ 234	\$ 32,373
City Clerk	84,514	93,102	(8,588)	80,849
Mayor	11,231	9,701	1,530	11,475
City Manager	155,570	161,039	(5,469)	126,322
Elections	5,760	4,414	1,346	-
General Administration	977,950	978,110	(160)	850,690
Accounting	80,382	79,981	401	77,981
IT Administration	66,695	66,321	374	64,547
Public Information Officer	22,500	27,110	(4,610)	-
Human Resources	75,604	73,492	2,112	85,959
Total General Government	<u>1,510,808</u>	<u>1,523,638</u>	<u>(12,830)</u>	<u>1,330,196</u>
MUNICIPAL COURT				
Judicial	<u>674,900</u>	<u>645,907</u>	<u>28,993</u>	<u>683,873</u>
POLICE				
Administration	694,295	690,363	3,932	692,525
Criminal Investigation	439,767	474,160	(34,393)	449,091
Patrol	2,247,826	2,225,062	22,764	2,120,321
Records	104,772	104,468	304	103,522
Dispatch	503,064	516,706	(13,642)	490,690
Public Relations	-	-	-	-
Total Police	<u>3,989,724</u>	<u>4,010,759</u>	<u>(21,035)</u>	<u>3,856,149</u>
PUBLIC WORKS				
Highways and Streets	699,264	684,614	14,650	696,139
Paved Streets	207,250	196,764	10,486	176,706
Maintenance	52,691	52,460	231	51,311
Total Public Works	<u>959,205</u>	<u>933,838</u>	<u>25,367</u>	<u>924,156</u>

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 2014
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	<u>JUNE 30, 2014</u>			
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL JUNE 30, 2013</u>
CURRENT EXPENDITURES - Continued				
PARKS AND RECREATION				
Administration	\$ 287,094	\$ 303,863	\$ (16,769)	\$ 307,633
Participant Recreation	59,051	44,656	14,395	43,834
Park Areas	209,976	206,290	3,686	164,821
Senior Participants	144,965	150,817	(5,852)	139,915
Total Parks and Recreation	<u>701,086</u>	<u>705,626</u>	<u>(4,540)</u>	<u>656,203</u>
COMMUNITY DEVELOPMENT				
Planning and Zoning	383,596	380,647	2,949	404,578
Building Inspection	118,551	101,675	16,876	134,246
Total Community Development	<u>502,147</u>	<u>482,322</u>	<u>19,825</u>	<u>538,824</u>
TOTAL CURRENT EXPENDITURES	<u>8,337,870</u>	<u>8,302,090</u>	<u>35,780</u>	<u>7,989,401</u>
CAPITAL OUTLAY				
General Government	38,500	91,265	(52,765)	28,988
Police	176,800	122,970	53,830	159,303
Public Works	351,000	446,464	(95,464)	336,275
Parks and Recreation	15,700	71,556	(55,856)	23,888
Court	-	-	-	-
Community Development	-	-	-	11,427
TOTAL CAPITAL OUTLAY	<u>582,000</u>	<u>732,255</u>	<u>(150,255)</u>	<u>559,881</u>
DEBT SERVICE				
Principal	36,000	38,748	(2,748)	38,171
Interest	24,041	21,293	2,748	22,616
TOTAL DEBT SERVICE	<u>60,041</u>	<u>60,041</u>	<u>-</u>	<u>60,787</u>
TOTAL EXPENDITURES	<u>\$ 8,979,911</u>	<u>\$ 9,094,386</u>	<u>\$ (114,475)</u>	<u>\$ 8,610,069</u>

CITY OF SNELLVILLE, GEORGIA
CONFISCATED ASSETS FUND
BALANCE SHEET
JUNE 30, 2014 AND 2013

ASSETS	2014	2013
Cash	\$ 99,477	\$ 132,223
Grant receivable	7,998	15,915
Due from other funds	-	-
Total Assets	\$ 107,475	\$ 148,138
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 10,068	\$ 3,335
Due to other funds	2,500	2,500
Unearned revenues	9,457	19,615
Total Liabilities	22,025	25,450
 Fund Balance		
Restricted for police activities	85,450	122,688
Total Fund Balance	85,450	122,688
Total Liabilities and Fund Balance	\$ 107,475	\$ 148,138

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, 2014
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	JUNE 30, 2014				
	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL JUNE 30, 2013
	ORIGINAL	FINAL			
REVENUES					
Confiscations	\$ -	\$ -	\$ 60,445	\$ 60,445	\$ 105,145
Interest	-	-	56	56	80
Grants	-	-	7,998	7,998	37,511
Total Revenues	<u>-</u>	<u>-</u>	<u>68,499</u>	<u>68,499</u>	<u>142,736</u>
EXPENDITURES					
Police Activities -					
Current	43,500	43,500	9,410	34,090	14,354
Capital	107,500	107,500	96,327	11,173	87,830
Total Expenditures	<u>151,000</u>	<u>151,000</u>	<u>105,737</u>	<u>45,263</u>	<u>102,184</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(151,000)</u>	<u>(151,000)</u>	<u>(37,238)</u>	<u>113,762</u>	<u>40,552</u>
Other Financing Sources (Uses):					
Transfers	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(151,000)	(151,000)	(37,238)	113,762	40,552
Fund Balance - Beginning of year	122,688	122,688	122,688	-	82,136
Fund Balance - End of year	<u>\$ (28,312)</u>	<u>\$ (28,312)</u>	<u>\$ 85,450</u>	<u>\$ 113,762</u>	<u>\$ 122,688</u>

**CITY OF SNELLVILLE, GEORGIA
 TREE BANK FUND
 BALANCE SHEET
 JUNE 30, 2014 AND 2013**

	2014	2013
ASSETS		
Cash	\$ 110,881	\$ 110,981
Accounts receivable	-	-
Due from other funds	-	-
Total Assets	\$ 110,881	\$ 110,981
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Fund Balance		
Restricted for Tree Bank activities	110,881	110,981
Total Fund Balance	110,881	110,981
Total Liabilities and Fund Balance	\$ 110,881	\$ 110,981

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, 2014
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	JUNE 30, 2014				
	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL JUNE 30, 2013
	ORIGINAL	FINAL			
REVENUES					
Tree Bank bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	50	50	59	9	93
Miscellaneous	-	-	-	-	-
Total Revenues	<u>50</u>	<u>50</u>	<u>59</u>	<u>9</u>	<u>93</u>
EXPENDITURES					
Current -					
Community Development -					
Tree Bank	10,000	10,000	159	9,841	2,675
Capital -					
City Center	-	-	-	-	-
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>159</u>	<u>9,841</u>	<u>2,675</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,950)</u>	<u>(9,950)</u>	<u>(100)</u>	<u>9,850</u>	<u>(2,582)</u>
Other Financing Sources (Uses):					
Transfers	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(9,950)	(9,950)	(100)	9,850	(2,582)
Fund Balance - Beginning of Year	<u>110,981</u>	<u>110,981</u>	<u>110,981</u>	<u>-</u>	<u>113,563</u>
Fund Balance - End of Year	<u>\$ 101,031</u>	<u>\$ 101,031</u>	<u>\$ 110,881</u>	<u>\$ 9,850</u>	<u>\$ 110,981</u>

**CITY OF SNELLVILLE, GEORGIA
HOTEL/MOTEL TAX FUND
BALANCE SHEET
JUNE 30, 2014 AND 2013**

	2014	2013
ASSETS		
Cash	\$ 32,870	\$ 29,070
Receivables - Taxes	12,692	11,697
Total Assets	\$ 45,562	\$ 40,767
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 27,206	\$ 22,427
Total Liabilities	27,206	22,427
Fund balance		
Restricted for economic development	18,356	18,340
Total Fund Balance	18,356	18,340
Total Liabilities and Fund Balance	\$ 45,562	\$ 40,767

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, 2014
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	JUNE 30, 2014				
	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL JUNE 30, 2013
	ORIGINAL	FINAL			
REVENUES					
Taxes	\$ 90,000	\$ 133,949	\$ 133,949	\$ -	\$ 106,627
Interest	25	25	16	(9)	29
Donations	-	-	-	-	-
Total Revenues	<u>90,025</u>	<u>133,974</u>	<u>133,965</u>	<u>(9)</u>	<u>106,656</u>
EXPENDITURES					
Current -					
Economic Development-					
Contracted services	6,000	12,000	12,000	-	11,800
Payments to others	84,025	121,949	121,949	-	106,627
Tourism and Promotion-					
Contracted services	-	-	-	-	1,205
Cemetery Fence	-	-	-	-	-
Total Expenditures	<u>90,025</u>	<u>133,949</u>	<u>133,949</u>	<u>-</u>	<u>119,632</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>25</u>	<u>16</u>	<u>(9)</u>	<u>(12,976)</u>
Other Financing Sources (Uses):					
Transfers	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	25	16	(9)	(12,976)
Fund Balance - Beginning of Year	<u>18,340</u>	<u>18,340</u>	<u>18,340</u>	<u>-</u>	<u>31,316</u>
Fund Balance - End of Year	<u>\$ 18,340</u>	<u>\$ 18,365</u>	<u>\$ 18,356</u>	<u>\$ (9)</u>	<u>\$ 18,340</u>

CITY OF SNELLVILLE, GEORGIA
CITY CENTER CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
Cash	\$ -	\$ -
Investment	-	16
Accrued interest receivable	-	-
	-	-
Total Assets	\$ -	\$ 16
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
	-	-
Total Liabilities	-	-
Fund balance		
Restricted for capital projects	-	16
	-	16
Total Fund Balance	-	16
Total Liabilities and Fund Balance	\$ -	\$ 16

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, 2014

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>PROJECT AUTHORIZATION</u>
REVENUES				
Investment income	\$ 213,201	\$ -	\$ 213,201	\$ 100,000
Miscellaneous income	<u>62,000</u>	<u>-</u>	<u>62,000</u>	<u>-</u>
Total Revenues	<u>275,201</u>	<u>-</u>	<u>275,201</u>	<u>100,000</u>
EXPENDITURES				
Capital				
General Government	7,984,468	-	7,984,468	7,406,548
Debt Service				
Principal	3,386,652	-	3,386,652	6,795,000
Interest	<u>2,136,402</u>	<u>-</u>	<u>2,136,402</u>	<u>3,121,142</u>
Total Expenditures	<u>13,507,522</u>	<u>-</u>	<u>13,507,522</u>	<u>17,322,690</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,232,321)	-	(13,232,321)	(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>6,804,693</u>	<u>(16)</u>	<u>6,804,677</u>	<u>10,795,046</u>
Total Other Financing Sources (Uses)	<u>13,232,337</u>	<u>(16)</u>	<u>13,232,321</u>	<u>17,222,690</u>
Net Change in Fund Balance	<u>\$ 16</u>	<u>\$ (16)</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE				
Beginning of year		<u>16</u>		
End of year		<u>\$ -</u>		

**CITY OF SNELLVILLE, GEORGIA
LCI GRANT FUND
BALANCE SHEET
JUNE 30, 2014 AND 2013**

	2014	2013
ASSETS		
Cash	\$ 270,220	\$ 1,108,686
Accounts receivable	-	-
Grant receivable	107,145	-
Total Assets	\$ 377,365	\$ 1,108,686
 LIABILITIES AND FUND BALANCE		
Liabilities	\$ 107,025	\$ 1,238
Accounts payable	216,434	-
Due to other governments	-	1,080,210
Due to other funds	-	-
Total Liabilities	323,459	1,081,448
Deferred Inflows	107,145	-
Unavailable grant revenues	-	-
Fund Balance	(53,239)	27,238
Restricted for capital projects	-	-
Unassigned	-	-
Total Fund Balance	(53,239)	27,238
Total Liabilities, Deferred Inflows and Fund Balance	\$ 377,365	\$ 1,108,686

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, 2014

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
LCI grant	\$ 1,735,080	\$ 1,735,080	\$ -	\$ (1,735,080)
Interest	-	-	1,451	1,451
Reimbursements	-	-	270,542	270,542
Total Revenues	<u>1,735,080</u>	<u>1,735,080</u>	<u>271,993</u>	<u>(1,463,087)</u>
EXPENDITURES				
Current -				
Contract services	-	-	-	-
Capital -				
Construction	2,155,080	2,155,080	136,036	2,019,044
Reimbursements	-	-	216,434	(216,434)
Total Expenditures	<u>2,155,080</u>	<u>2,155,080</u>	<u>352,470</u>	<u>1,802,610</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(420,000)</u>	<u>(420,000)</u>	<u>(80,477)</u>	<u>339,523</u>
Other Financing Sources (Uses):				
Transfers	<u>420,000</u>	<u>420,000</u>	<u>-</u>	<u>(420,000)</u>
Total	<u>420,000</u>	<u>420,000</u>	<u>-</u>	<u>(420,000)</u>
Net Change in Fund Balance	-	-	(80,477)	(80,477)
Fund Balance - Beginning of Year	<u>27,238</u>	<u>27,238</u>	<u>27,238</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 27,238</u>	<u>\$ 27,238</u>	<u>\$ (53,239)</u>	<u>\$ (80,477)</u>

**CITY OF SNELLVILLE, GEORGIA
POLICE FACILITIES FUND
BALANCE SHEET
JUNE 30, 2014 AND 2013**

	2014	2013
ASSETS		
Cash	\$ 443,671	\$ 443,485
Accrued interest receivable	-	-
Total Assets	\$ 443,671	\$ 443,485
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Fund balance		
Restricted for capital projects	443,671	443,485
Total Fund Balance	443,671	443,485
Total Liabilities and Fund Balance	\$ 443,671	\$ 443,485

**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, 2014**

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>PROJECT AUTHORIZATION</u>
REVENUES				
Investment income	\$ 16,505	\$ 186	\$ 16,691	\$ -
Miscellaneous income	-	-	-	-
Total Revenues	<u>16,505</u>	<u>186</u>	<u>16,691</u>	<u>-</u>
EXPENDITURES				
Capital				
Police facilities	5,827,044	-	5,827,044	6,245,458
Public works facilities	1,201,434	-	1,201,434	1,200,000
Debt Service	-	-	-	-
Issue cost on debt	59,542	-	59,542	59,542
Total Expenditures	<u>7,088,020</u>	<u>-</u>	<u>7,088,020</u>	<u>7,505,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,071,515)</u>	<u>186</u>	<u>(7,071,329)</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	10,000	-	10,000	-
Total Other Financing Sources (Uses)	<u>7,515,000</u>	<u>-</u>	<u>7,515,000</u>	<u>7,505,000</u>
Net Change in Fund Balance	<u>\$ 443,485</u>	<u>186</u>	<u>\$ 443,671</u>	<u>\$ -</u>
FUND BALANCE				
Beginning of year		<u>443,485</u>		
End of year		<u>\$ 443,671</u>		

CITY OF SNELLVILLE, GEORGIA
SPLOST I CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
Cash	\$ 720,409	\$ 71
Taxes receivable	-	-
Due from other funds	-	566,637
Total Assets	\$ 720,409	\$ 566,708
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Fund Balance		
Restricted for capital outlay	720,409	566,708
Total Fund Balance	720,409	566,708
Total Liabilities and Fund Balance	\$ 720,409	\$ 566,708

**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, 2014**

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL TO DATE</u>	<u>PROJECT AUTHORIZATION</u>
REVENUES				
Intergovernmental	\$ 11,688,581	\$ -	\$ 11,688,581	\$ 11,056,158
Interest	299,132	86	299,218	
Reimbursements	-	153,615	153,615	-
Total Revenues	<u>11,987,713</u>	<u>153,701</u>	<u>12,141,414</u>	<u>11,056,158</u>
EXPENDITURES				
Capital Outlay				
Transportation	3,593,532	-	3,593,532	4,056,158
Public Safety	4,162,723	-	4,162,723	5,000,000
Cultural, Historic, & Recreation	3,357,304	-	3,357,304	2,000,000
Debt Service				
Principal	1,236,926	-	1,236,926	-
Interest	53,328	-	53,328	-
Total Expenditures	<u>12,403,813</u>	<u>-</u>	<u>12,403,813</u>	<u>11,056,158</u>
Excess of revenues over (under) expenditures	(416,100)	153,701	(262,399)	-
Other financing sources (uses)				
Transfers	982,808	-	982,808	-
Excess (deficiency) of revenues and other financing sources over (under) other financing uses	<u>\$ 566,708</u>	153,701	<u>\$ 720,409</u>	<u>\$ -</u>
FUND BALANCE				
Beginning		<u>566,708</u>		
Ending		<u>\$ 720,409</u>		

CITY OF SNELLVILLE, GEORGIA
SPLOST II CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
Cash	\$ 3,594,700	\$ 2,663,521
Intergovernmental receivable	-	461,683
Due from other funds	-	88,000
Total Assets	\$ 3,594,700	\$ 3,213,204
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 110,450	\$ -
Due to other funds	-	-
Total Liabilities	110,450	-
Fund Balance		
Restricted for capital outlay	3,484,250	3,213,204
Total Fund Balance	3,484,250	3,213,204
Total Liabilities and Fund Balance	\$ 3,594,700	\$ 3,213,204

**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, 2014**

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL TO DATE</u>	<u>PROJECT AUTHORIZATION</u>
REVENUES				
Intergovernmental	\$ 11,593,103	\$ 2,115,374	\$ 13,708,477	\$ 16,027,928
Interest	8,697	1,770	10,467	-
Total Revenues	<u>11,601,800</u>	<u>2,117,144</u>	<u>13,718,944</u>	<u>16,027,928</u>
EXPENDITURES				
Capital Outlay -				
Road, Streets and Bridges	1,052,754	102,930	1,155,684	2,083,631
Public Safety Facilities and Equipment	329,634	1,419	331,053	6,411,172
Recreational Facilities	1,673,089	132,302	1,805,391	5,930,332
Administrative Facilities	-	-	-	1,602,793
Debt Service - Public Safety				
Principal	3,920,927	1,553,698	5,474,625	-
Interest	421,884	55,749	477,633	-
Total Expenditures	<u>7,398,288</u>	<u>1,846,098</u>	<u>9,244,386</u>	<u>16,027,928</u>
Excess of revenues over (under) expenditures	4,203,512	271,046	4,474,558	-
Other financing sources (uses)				
Transfers	(990,308)	-	(990,308)	-
Excess (deficiency) of revenues and other financing sources over (under) other financing uses	<u>\$ 3,213,204</u>	271,046	<u>\$ 3,484,250</u>	<u>\$ -</u>
FUND BALANCE				
Beginning		<u>3,213,204</u>		
Ending		<u>\$ 3,484,250</u>		

CITY OF SNELLVILLE, GEORGIA
 SPLOST III CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2014

	2014
ASSETS	
Cash	\$ 216,570
Intergovernmental receivable	459,218
Due from other funds	-
Total Assets	\$ 675,788
LIABILITIES AND FUND BALANCE	
Liabilities	\$ -
Accounts payable	-
Due to other funds	-
Total Liabilities	-
Fund Balance	675,788
Restricted for capital outlay	675,788
Total Fund Balance	675,788
Total Liabilities and Fund Balance	\$ 675,788

CITY OF SNELLVILLE, GEORGIA
 SPLOST III 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, 2014

	PRIOR YEARS	CURRENT YEAR	TOTAL TO DATE	PROJECT AUTHORIZATION
REVENUES				
Intergovernmental	\$ -	\$ 675,800	\$ 675,800	\$ 9,556,219
Interest	-	8	8	-
Total Revenues	<u>-</u>	<u>675,808</u>	<u>675,808</u>	<u>9,556,219</u>
EXPENDITURES				
Current -				
Administrative	-	20	20	-
Capital Outlay -				
Administrative facilities	-	-	-	449,143
Voting equipment	-	-	-	19,112
Public safety facilities & equipment	-	-	-	535,148
Recreational facilities & equipment	-	-	-	2,150,149
Roads, streets, bridges, drainage, sidewalks and related facilities	-	-	-	6,402,667
Total Expenditures	<u>-</u>	<u>20</u>	<u>20</u>	<u>9,556,219</u>
Excess of revenues over (under) expenditures	-	675,788	675,788	-
Other financing sources (uses)				
Transfers	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) other financing uses	<u>\$ -</u>	<u>675,788</u>	<u>\$ 675,788</u>	<u>\$ -</u>
FUND BALANCE				
Beginning		<u>-</u>		
Ending		<u>\$ 675,788</u>		

URBAN REDEVELOPMENT AGENCY OF SNELLVILLE
BALANCE SHEET
JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
Cash	\$ 17,458	\$ 20,000
Investment	-	-
Total Assets	\$ 17,458	\$ 20,000
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Fund balance		
Assigned - Redevelopment	17,458	20,000
Total Fund Balance	17,458	20,000
Total Liabilities and Fund Balance	\$ 17,458	\$ 20,000

CITY OF SNELLVILLE, GEORGIA
 URBAN REDEVELOPMENT AGENCY OF SNELLVILLE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	JUNE 30, 2014				
	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL JUNE 30, 2013
	ORIGINAL	FINAL			
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	8	8	-
Miscellaneous	-	-	64	64	-
Total Revenues	<u>-</u>	<u>-</u>	<u>72</u>	<u>72</u>	<u>-</u>
EXPENDITURES					
Current -					
Economic Development-					
Contracted services	-	-	2,614	(2,614)	-
Debt Service-					
Principal	319,000	319,000	319,000	-	-
Interest	62,015	62,015	62,015	-	-
Bond issue cost	-	-	-	-	87,652
Total Expenditures	<u>381,015</u>	<u>381,015</u>	<u>383,629</u>	<u>(2,614)</u>	<u>87,652</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(381,015)</u>	<u>(381,015)</u>	<u>(383,557)</u>	<u>(2,542)</u>	<u>(87,652)</u>
Other Financing Sources (Uses):					
Debt issue	-	-	-	-	3,496,000
Payment to refunded debt agent	-	-	-	-	(3,408,348)
Transfers	381,015	381,015	381,015	-	20,000
Total	<u>381,015</u>	<u>381,015</u>	<u>381,015</u>	<u>-</u>	<u>107,652</u>
Net Change in Fund Balance	-	-	(2,542)	(2,542)	20,000
Fund Balance - Beginning of Year	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 17,458</u>	<u>\$ (2,542)</u>	<u>\$ 20,000</u>

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET POSITION
SOLID WASTE MANAGEMENT ENTERPRISE FUND
JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
Current assets:		
Cash	\$ 23,034	\$ 121,797
Receivables (net of reserve for doubtful accounts of \$113,300 in 2014 and \$107,800 in 2013)		
Trade accounts	68,215	97,317
Unbilled sales	110,802	114,524
Total Current Assets	202,051	333,638
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	(749,708)	(691,329)
	1,265,180	1,323,559
 Total Assets	 1,467,231	 1,657,197
 LIABILITIES		
Current liabilities:		
Accounts payable	145,608	294,447
Customer deposits	7,693	7,222
Accrued liabilities - Payroll	9,068	6,452
Total current liabilities (payable from current assets)	162,369	308,121
Long-term obligations	-	-
Total Liabilities	162,369	308,121
 NET POSITION		
Net invested in capital assets	1,265,180	1,323,559
Unrestricted	39,682	25,517
 Total Net Position	 \$ 1,304,862	 \$ 1,349,076

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
SOLID WASTE MANAGEMENT ENTERPRISE FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
OPERATING REVENUES		
Charges for services:		
Solid waste	\$ 1,346,967	\$ 1,407,765
Recycling	92,966	104,618
Penalties	16,770	24,873
Miscellaneous	5,506	5,063
Total Operating Revenues	1,462,209	1,542,319
OPERATING EXPENSES:		
Solid waste operations -		
Purchases of product/service	1,735,563	1,784,998
Salaries and benefits	34,365	32,836
Contracted / purchased services	7,326	12,448
Bad debt expense	5,500	7,800
Recycling operations -	-	
Salaries and benefits	105,277	95,267
Contracted / purchased services	78,895	69,945
Supplies	8,306	7,651
Depreciation	58,379	58,379
Total Operating Expenses	2,033,611	2,069,324
Operating Income (Loss)	(571,402)	(527,005)
NON-OPERATING INCOME (EXPENSES):		
Interest revenue	81	95
Net income (loss) before transfers and capital contributions	(571,321)	(526,910)
Transfers in	527,107	475,410
Capital contributions	-	-
NET INCOME	(44,214)	(51,500)
NET POSITION - BEGINNING	1,349,076	1,400,576
NET POSITION - ENDING	\$ 1,304,862	\$ 1,349,076

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 1,495,504	\$ 1,554,450
Cash paid to suppliers	(2,019,921)	(1,913,123)
Cash paid to employees	<u>(101,534)</u>	<u>(104,979)</u>
Net Cash Provided by Operating Activities	<u>(625,951)</u>	<u>(463,652)</u>
Cash flows from investing activities:		
Interest received	<u>81</u>	<u>96</u>
Net Cash Used in Investing Activities	<u>81</u>	<u>96</u>
Cash flows from non-capital financing activities:		
Transfers	<u>527,107</u>	<u>475,410</u>
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>527,107</u>	<u>475,410</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	(98,763)	11,854
Cash and cash equivalents - Beginning of Year	<u>121,797</u>	<u>109,943</u>
Cash and cash equivalents - End of Year	<u>\$ 23,034</u>	<u>\$ 121,797</u>

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>2014</u>	<u>2013</u>
Operating income (loss)	\$ (571,402)	\$ (527,005)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	58,379	58,379
(Increase) decrease in receivables	32,824	10,717
Increase (decrease) in accounts payable	(148,839)	(5,089)
Increase (decrease) in customer deposits	471	1,414
Increase (decrease) in accrued liabilities	<u>2,616</u>	<u>(2,068)</u>
Total Adjustments	<u>(54,549)</u>	<u>63,353</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (625,951)</u>	<u>\$ (463,652)</u>

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET POSITION
STORMWATER MANAGEMENT ENTERPRISE FUND
JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Cash	\$ 814,638	\$ 917,342
Receivables		
Trade accounts	15,674	13,312
Due from other funds	-	-
Prepaid tax billing fees	-	-
Total Current Assets	<u>830,312</u>	<u>930,654</u>
Property, Plant and Equipment		
Infrastructure	1,208,400	829,663
Equipment	243,089	228,089
Less: Accumulated depreciation	<u>(83,959)</u>	<u>(38,219)</u>
Net Property, Plant and Equipment	<u>1,367,530</u>	<u>1,019,533</u>
Total Assets	<u>2,197,842</u>	<u>1,950,187</u>
LIABILITIES		
Current Liabilities		
Accounts payable	19,570	22,664
Accrued expenses -		
Salaries	1,931	1,345
Interest	399	603
Due to other funds	115,610	88,805
Capital lease payable	<u>54,272</u>	<u>53,114</u>
Total Current Liabilities	<u>191,782</u>	<u>166,531</u>
Long-term Obligations	<u>55,454</u>	<u>109,726</u>
Total Liabilities	<u>247,236</u>	<u>276,257</u>
NET POSITION		
Net invested in capital assets	1,257,804	856,693
Unrestricted	<u>692,802</u>	<u>817,237</u>
Total Net Position	<u>\$ 1,950,606</u>	<u>\$ 1,673,930</u>

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
STORMWATER MANAGEMENT ENTERPRISE FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Charges for services:		
Stormwater utility fees	\$ 538,136	\$ 536,259
Penalties	3,467	7,446
Miscellaneous	-	-
Total Operating Revenues	<u>541,603</u>	<u>543,705</u>
OPERATING EXPENSES:		
Salaries and benefits	100,744	91,578
Contracted / purchased services	110,558	102,942
Supplies	4,898	2,960
Depreciation	45,740	25,836
Total Operating Expenses	<u>261,940</u>	<u>223,316</u>
Operating Income (Loss)	279,663	320,389
NON-OPERATING INCOME (EXPENSES):		
Interest revenue	358	666
Interest expense	<u>(3,345)</u>	<u>(603)</u>
Net income (loss) before transfers and capital contributions	276,676	320,452
Transfers	-	-
NET INCOME	276,676	320,452
NET POSITION - BEGINNING	<u>1,673,930</u>	<u>1,353,478</u>
NET POSITION - ENDING	<u>\$ 1,950,606</u>	<u>\$ 1,673,930</u>

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
STORMWATER MANAGEMENT ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 539,241	\$ 554,222
Cash paid to suppliers	(148,598)	(113,904)
Cash paid to employees	<u>(70,110)</u>	<u>(68,587)</u>
Net Cash Provided by Operating Activities	<u>320,533</u>	<u>371,731</u>
Cash flows from investing activities:		
Interest received	<u>358</u>	<u>666</u>
Net Cash Used in Investing Activities	<u>358</u>	<u>666</u>
Cash flows from non-capital financing activities:		
Increase (decrease) in due to other funds	26,805	89,088
Transfers	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>26,805</u>	<u>89,088</u>
Cash flows from capital financing activities:		
Proceeds from debt issue	-	219,504
Principal payments	(53,114)	(56,664)
Interest payments	(3,549)	-
Purchase and construction of capital assets	<u>(393,737)</u>	<u>(525,288)</u>
Net Cash Provided by (Used in) Capital Financing Activities	<u>(450,400)</u>	<u>(362,448)</u>
Net increase in cash and cash equivalents	(102,704)	99,037
Cash and cash equivalents - Beginning of Year	<u>917,342</u>	<u>818,305</u>
Cash and cash equivalents - End of Year	<u>\$ 814,638</u>	<u>\$ 917,342</u>

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

Reconciliation of Net Income to Net Cash Provided
By Operating Activities

	<u>2014</u>	<u>2013</u>
Operating income (loss)	\$ 279,663	\$ 320,389
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	45,740	25,836
(Increase) decrease in receivables	(2,362)	10,517
(Increase) decrease in prepaid expenses	-	-
Increase (decrease) in accounts payable	(3,094)	13,644
Increase (decrease) in customer deposits	-	-
Increase (decrease) in accrued liabilities	586	1,345
Total Adjustments	<u>40,870</u>	<u>51,342</u>
Net Cash Provided by Operating Activities	<u>\$ 320,533</u>	<u>\$ 371,731</u>

SNELLVILLE DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS		
Cash	\$ 32,507	\$ 35,682
Investment	59,929	59,462
Due from primary government - long term	604,810	642,889
Total Assets	\$ 697,246	\$ 738,033
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Fund balance		
Nonspendable -		
Long-term portion of amount due from primary government	604,810	642,889
Unrestricted	92,436	95,144
Total Fund Balance	697,246	738,033
Total Liabilities and Fund Balance	\$ 697,246	\$ 738,033

**SNELLVILLE DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013	2012
REVENUES		
Contributions	\$ -	\$ -
Interest	22,512	23,700
	22,512	23,700
Total Revenues	22,512	23,700
EXPENDITURES		
Current-		
Consultant	3,258	-
Promotion	-	-
Training	-	215
Capital-		
Land purchase	-	-
Debt service -		
Principal	38,079	36,732
Interest	21,962	23,309
	63,299	60,256
Total Expenditures	63,299	60,256
Excess (deficiency) of revenues over expenditures	(40,787)	(36,556)
OTHER FINANCING SOURCES (USES)		
Proceeds from debt issuance	-	-
Sale of capital assets	-	-
	-	-
Net change in fund balance	(40,787)	(36,556)
Fund Balance - Beginning of Year	738,033	774,589
Fund Balance - End of Year	\$ 697,246	\$ 738,033