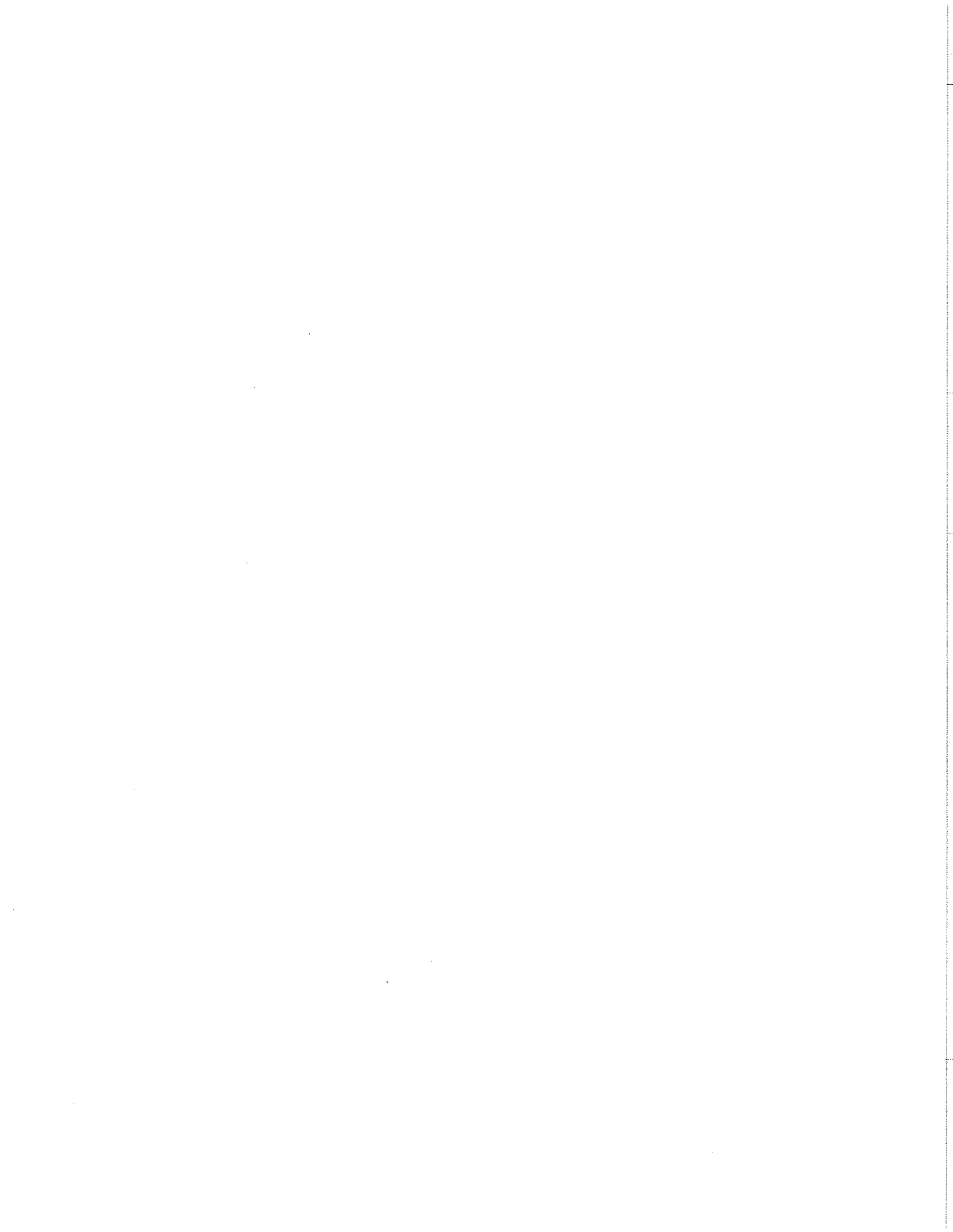




City of Snellville, Georgia

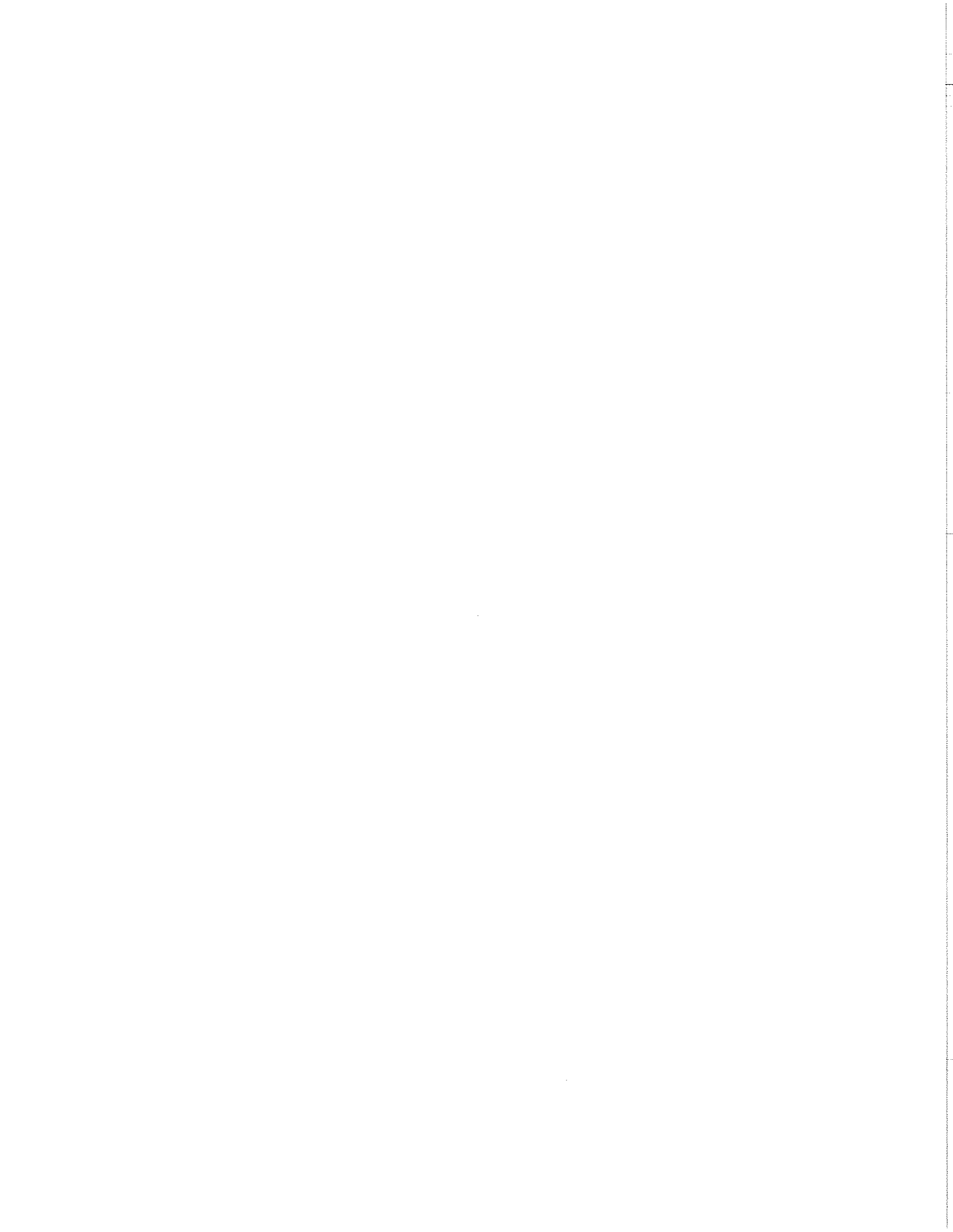
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2013





City of Snellville, Georgia

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2013
Prepared by Jan Burke, Controller, CPA



**CITY OF SNELLVILLE, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2013**

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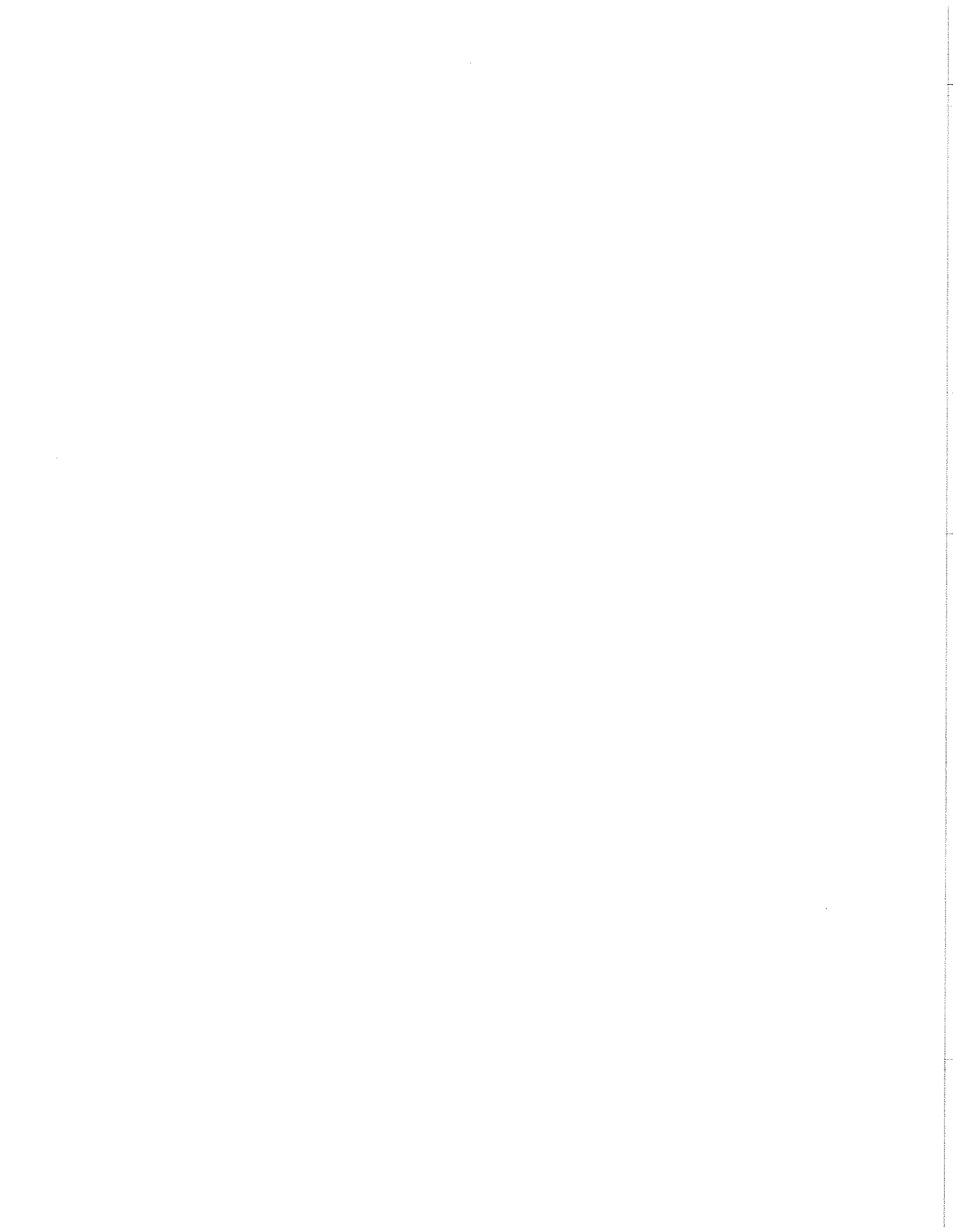
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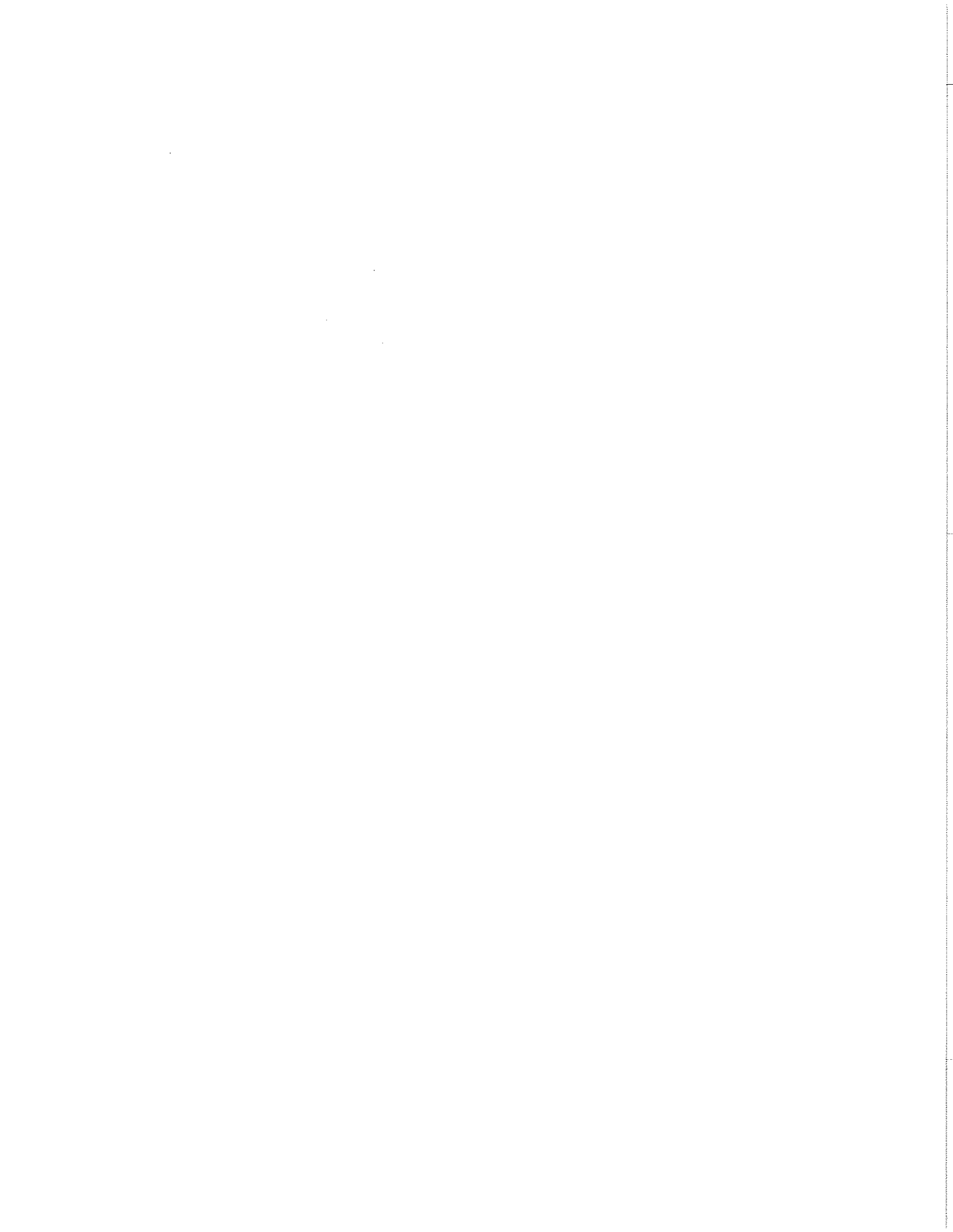




Introductory Section

Financial Section







December 30, 2013

To the Honorable Mayor, Distinguished Members of City Council
and the Citizens of Snellville, GA:

I am honored to hereby present the City of Snellville, GA's third Comprehensive Annual Financial Report. The report is as of and for the year ended June 30, 2013. Responsibility for both the accuracy and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City of Snellville. To provide a reasonable basis for making these representations, the City of Snellville has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in accordance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the objective is to present reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City of Snellville. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City of Snellville's financial statements have been audited by James L. Whitaker, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Snellville for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Snellville's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Government Auditing Standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. This report is available under a separate cover.

City of Snellville Administration Department

2342 Oak Road Snellville, GA 30078 770-985-3500 770-985-3525 Fax www.snellville.org

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Snellville was founded in 1874 and was incorporated in 1923. Snellville is located in the southern portion of Gwinnett County and is eighteen miles east of Atlanta. The City occupies 10.4 square miles and serves a population of 19,026. The City of Snellville is empowered to levy a property tax on both real and personal property located within its boundaries.

The City is a municipal corporation created under the laws of the state of Georgia and has its corporate name as "City of Snellville, Georgia." The affairs of the City are conducted by a mayor and a five-member City Council. The mayor and the City Council members are elected at large. The mayor and council members serve on a part-time basis and are elected to staggered terms of four years. The council is responsible for passing ordinances, adopting the budget, establishing tax rates, appointing committees and hiring the City Manager and City Clerk. The City Manager oversees the day-to-day operations of the City and ensures the smooth and efficient delivery of city services.

The City provides a full range of services including law enforcement; the construction and maintenance of buildings, parks, streets, storm water drainage facilities, and other associated infrastructure; park and recreational activities; elections; court system; building inspections; planning and zoning; recycling; sanitation; and general administrative and support activities.

This report includes all funds of the City, as well as one component unit and one blended component unit. The component unit, City of Snellville Downtown Development Authority, has been determined to meet the criteria for inclusion in the City's reporting entity. The Downtown Development Authority is reported in a separate column in the financial statements to emphasize that it is a legally separate entity and to differentiate its financial position from the City's. The blended component unit, The Urban Redevelopment Agency of Snellville (URA), was created to serve as a financing vehicle for certain community development projects. Although it is legally separate from the City of Snellville, the URA is reported as if it were a part of the primary government because its sole purpose is to oversee and participate in financing community development projects for the benefit of the City of Snellville.

The annual budget serves as the foundation for the City of Snellville's financial planning and control. All departments are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. This budget is then presented to the City Council for review. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the City of Snellville's fiscal year. The appropriated budget is prepared by fund and department. The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments and the appropriation of additional funds, however, require the approval of the City Council. Budget-to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For other governmental funds, this comparison is presented in the Individual Fund Statements subsection of this report.

Factors Affecting Financial Condition

The information in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Snellville operates.

Local Economy

The city of Snellville, Georgia, was settled and has continued to grow around the confluence of two major federal and state transportation arteries: U.S. Highway 78 and State Highway 124. As a non-interstate transportation hub, the City has attracted a large amount of retail and commercial interest over the years with the 124.Scenic Highway corridor now home to approximately 1.8 million square feet of retail, restaurant and entertainment businesses.

Thousands of visitors are attracted daily to our shopping area and we have also made great strides in other tourism and visitor related activities. Our June – September Farmers' Market has been voted the best in the nation and operates every Saturday during the growing season. We also have six major concerts/festivals throughout the year on our Town Green which brings huge groups of visitors to town.

These visiting consumers serve as a great foundation for our local economy by keeping our commercial tax base strong and supporting our City consumption tax line items. We have been encouraged lately with an uptick in commercial business licenses (Occupational Tax) and building permits. New restaurant and office/retail space construction, which had been dormant for the past five years, is starting to develop again and we feel that is a true sign of an economy that is beginning to grow locally.

Another positive sign for our local economic health is the growth of our largest employer: HCA/Eastside Medical Center. 2013 saw Eastside open a new, cutting edge patient tower. The new tower includes advanced robotic surgery technology in two new operating suites; one a hybrid suite for advanced testing procedures which can quickly transform into a fully functioning OR. This new technology, including 48 specially designed surgical beds, will only serve to strengthen Snellville as a "destination" community and add to our hospital's existing 1200 employees which includes 450 physicians.

Major Initiatives

Real improvement in the local economy will be a spur to our major initiatives which have been scaled back as has been the case in almost all local governments. Throughout the downturn, however, we have made progress in several key areas over the past year.

Briscoe Park - The City's main recreation facility, a true regional park attracting users from a multi-county area, continues to undergo improvements and upgrades. This year we replaced badly needed perimeter fencing, athletic field fencing, and tennis complex fencing. We made numerous drainage improvements and painted/repainted six outdoor pavilions and patron restrooms. The filling of the long vacant Park Supervisor position completes our preparation for planned major projects in 2013-14, including new softball fields and added parking.

Town Center – A revitalized Downtown Development Authority has published a RFP seeking developer proposals for City owned property in our Town Center area. That RFP has been very well received (surely another sign of economic recovery) and this bodes well for our public/private sector partnership hopes to create a City Center for Snellville.

Another City appointed Board, the Urban Redevelopment Agency, was also reenergized this year and served as the conduit for a very successful financial transaction. We refinanced outstanding COP debt and reached almost 11% in present value savings. That is phenomenal when the rule of thumb is to proceed if 3% savings can be attained. We lowered our payments by \$114,500 per year.

Capital Equipment

The City purchased its largest ever piece of Stormwater Department equipment with a new Vactor Jet/Vac truck bought through the Georgia Municipal Association Lease Pool. This technology will complete applicable stormwater work orders in 75% less time than current operations and will be a boon to citizenry and Public Works Department.

LCI Project – As in all projects where multi-levels of government are involved, schedules and plans are often delayed and that has certainly been the case with our local Livable Centers Initiative streetscape project. The good news is that this year saw the clearing away of all administrative obstacles from the project which was initiated almost ten years ago. With that accomplished, we then received Georgia DOT reimbursement of over \$1.1 million in ROW acquisition costs and a promise of certain project commencement in 2013-14.

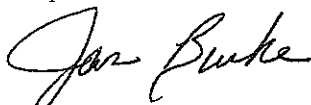
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Snellville for its comprehensive annual financial report for the fiscal years ended June 30, 2012. This was the second year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The active involvement and professional support of James L. Whitaker, P.C. has been instrumental to the prompt completion of the associated audit of this report. The cooperation of various elected officials and appointed management has been invaluable. We express our appreciation to all those who contributed to its preparation. Finally, we would like to thank the City Council for their leadership and support in conducting the financial affairs of the City of Snellville in a responsible and progressive manner.

Respectfully submitted,



Jan Burke, CPA

Controller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

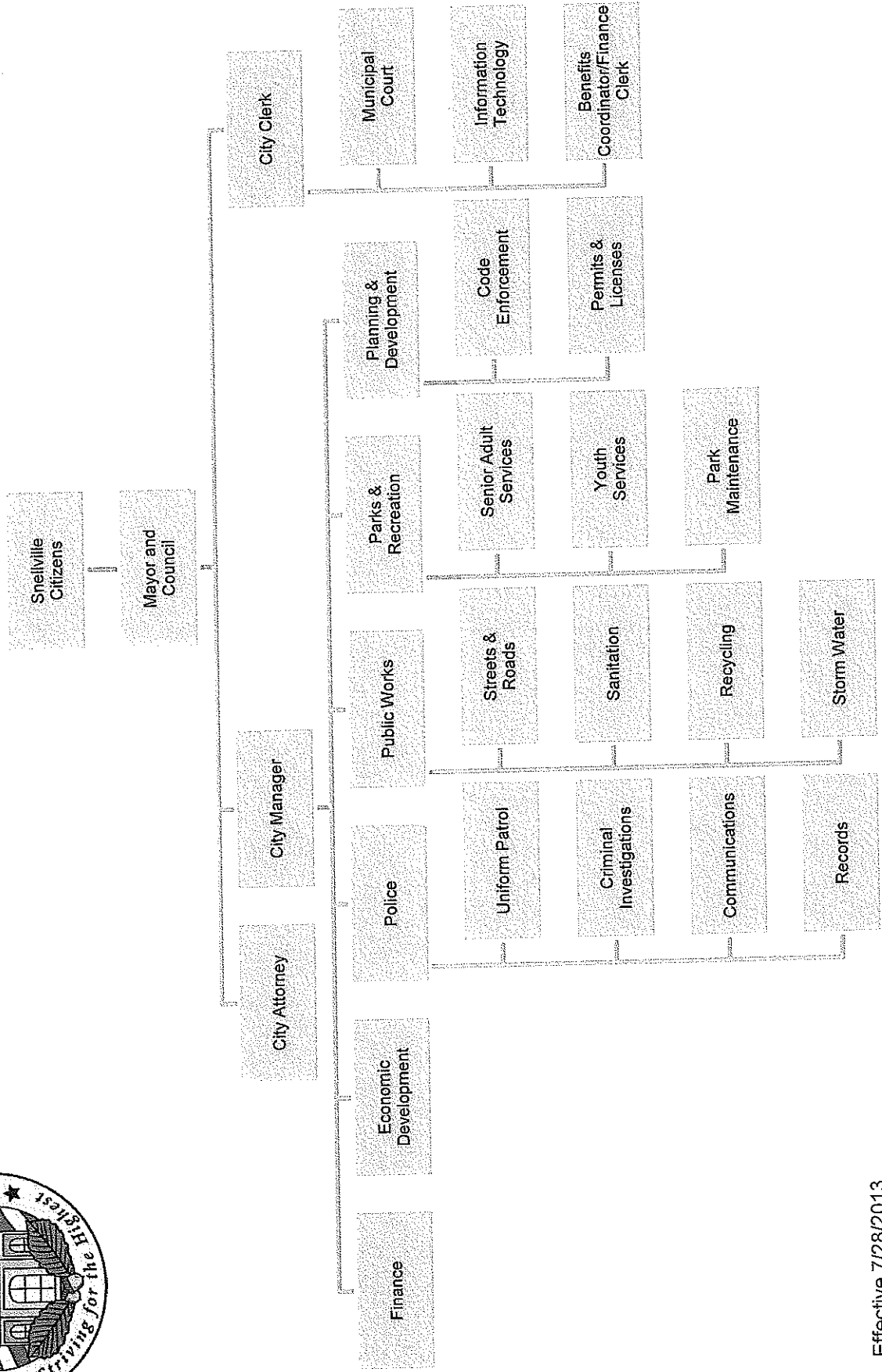
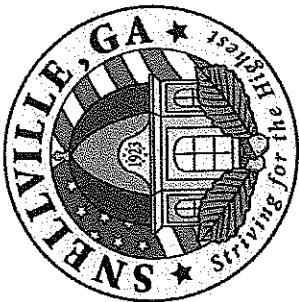
**City of Snellville
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

City of Snellville, GA Organizational Chart



OFFICIALS OF THE CITY OF SNELLVILLE

LEGISLATIVE BRANCH CITY COUNCIL

Kelly Kautz
Tom Witts
Dave Emanuel
Diane Krause
Bobby Howard
Mike Sabbagh

Mayor
Mayor Pro Tem
Council Member
Council Member
Council Member
Council Member

OFFICERS OF THE COUNCIL

Melisa Arnold
Tony Powell

City Clerk
City Attorney

JUDICIAL BRANCH

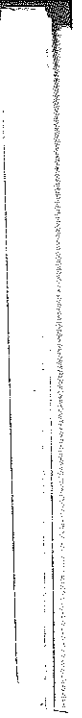
Mark Layng
Jennifer L. White
Gloria Savage

Municipal Court Judge
City Solicitor
Court Clerk

EXECUTIVE BRANCH CITY MANAGER, DIRECTORS AND ADMINISTRATIVE PERSONNEL

Butch Sanders
Lisa Platt
Jon Davis
Roy Whitehead
Gaye Johnson
Jan Burke
Karen McKay

City Manager
Parks and Recreation
Planning and Development
Public Safety
Public Works
Controller
Executive Assistant





JAMES L. WHITAKER, P.C.

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

Member of
The American Institute of
Certified Public Accountants

Member of
Georgia Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Snellville, Georgia (the City) as of and for the year ended June 30, 2013, 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, 2013 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, 2012, 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 2012 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 2012 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 2012 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 30, 2013 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 L. Whitaker, P.C.

Snellville, Georgia
December 30, 2013

CITY OF SNELLVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended June 30, 2013

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, 2013. 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 \$40,359,900 (Net position). Of this amount unrestricted net position of \$5,899,960 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 \$2,886,880. This increase is due to an increase in net position of \$2,617,928 in governmental activities and an increase in business-type activities net position of \$268,952.
- As of the close of the current fiscal year, the City of Snellville's governmental funds reported combined ending fund balances of \$9,946,285, an increase of \$913,133 in comparison with the prior year. Of this amount \$5,050,783 is unassigned and available for spending, \$3,779,912 is restricted for SPLOST Capital Projects, \$443,501 is restricted for other Capital Projects, \$122,688 is restricted for Police Activities, \$110,981 is restricted for Tree Bank Projects, \$18,340 is restricted for Economic Development, \$27,238 for LCI, \$273,837 has been assigned to help fund the FY2014 budget and \$99,005 is a nonspendable for Prepaid Items and \$20,000 has been assigned for redevelopment purposes.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,050,783 or 47.9% of total General Fund revenues.
- The City of Snellville's total debt obligations (including accrued compensated absences) decreased by the net of \$2,197,059. This decrease is due to the refunding of the City Hall Certificates of Participation and their replacement with Revenue Bond issuance which reduced the City's debt obligation by \$794,000, repayment of \$743 in capital lease obligations, \$1,510,463 in Police Facilities Capital Lease, \$37,428 on the DDA Capital Lease, a reduction of \$18,758 in termination benefits due, a net increase of \$1,493 in accrued compensated absences and the addition of \$162,840 in a Capital Lease obligation which will be liquidated by the Stormwater Management Fund.

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 five 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 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 13 budget. A project length budget is presented for the City Center Capital Project Fund, the Police Facilities Fund, SPLOST I & II 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, 2013, the City's assets exceeded liabilities by \$40,359,900.

The largest portion of the City's net position (74.2%) 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, \$4,502,660 (11.2%) is restricted for

Capital Projects, Police Activities, Economic Development and Tree Bank Projects and \$5,899,960 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	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$10,662,691	\$ 11,136,533	\$1,175,487	\$ 1,174,918	\$11,838,178	\$ 12,311,451
Capital assets	\$34,183,353	33,653,678	\$2,343,092	1,902,020	\$36,526,445	35,555,698
Total assets	\$44,846,044	44,790,211	\$3,518,579	3,076,938	\$48,364,623	47,867,149
Deferred Outflows	\$60,346	-	-	-	\$60,346	-
Current liabilities	\$575,522	618,318	\$332,733	322,884	\$908,255	941,202
Long-term liabilities	\$6,993,974	9,287,540	\$162,840	-	\$7,156,814	9,287,540
Total liabilities	\$7,569,496	9,905,858	\$495,573	322,884	\$8,065,069	10,228,742
Net Position:	\$37,336,894	\$ 34,884,353	\$3,023,006	\$ 2,754,054	\$40,359,900	\$ 37,638,407
Net investment in capital assets	\$27,777,028	24,844,375	\$2,180,252	1,902,020	\$29,957,280	26,746,395
Restricted	\$4,502,660	5,625,404	-	-	\$4,502,660	5,625,404
Unrestricted	\$5,057,206	4,414,574	\$842,754	852,034	\$5,899,960	5,266,608
Total net position	\$37,336,894	\$ 34,884,353	\$3,023,006	\$ 2,754,054	\$40,359,900	\$ 37,638,407

As of June 30, 2013, 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.

City of Snellville's Change in Net Position

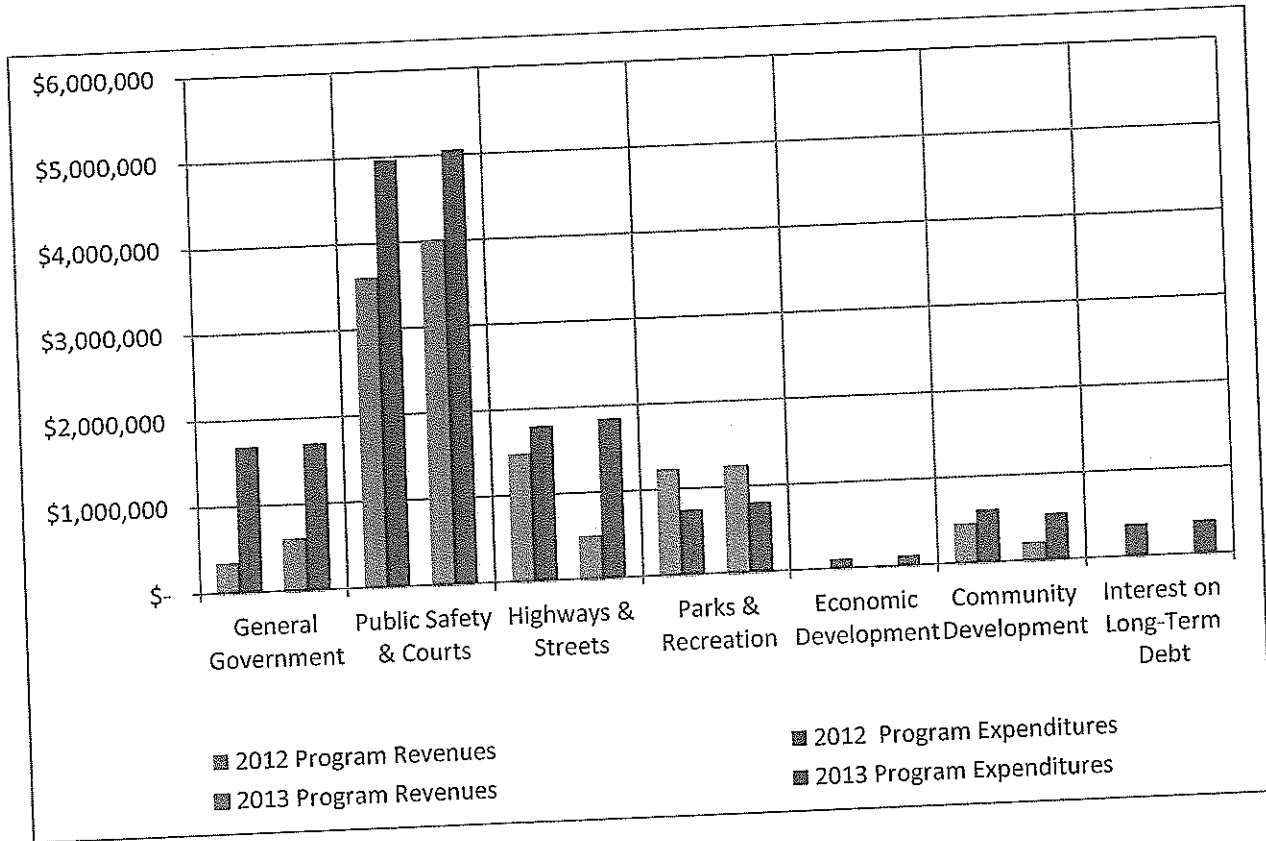
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues - Charges for Services	\$3,240,594	\$ 2,842,624	\$2,086,024	\$ 2,048,105	\$5,546,847	\$ 4,890,729
Operating Grants and Contributions	\$306,231	\$ 314,473	\$ -	\$ -	\$ 86,002	\$ 314,473
Capital Grants and Contributions	\$2,999,096	\$ 3,991,328	\$ -	\$ -	\$2,999,096	\$ 3,991,328
General Revenues - Property Taxes	\$3,485,938	\$ 3,853,386	\$ -	\$ -	\$3,485,938	\$ 3,853,386
Other Taxes	\$3,513,711	\$ 3,408,192	\$ -	\$ -	\$3,513,711	\$ 3,408,192
Intergovernmental	\$ -	\$ 1,331,008	\$ -	\$ -	\$ -	\$ 1,331,008
Interest	\$5,204	\$ 4,758	\$761	\$ 623	\$5,965	\$ 5,381
Other	\$24,535	\$ 19,905	\$ -	\$ -	\$24,535	\$ 19,905
Total Revenues	\$13,575,309	\$ 15,765,674	\$2,086,785	\$ 2,048,728	\$15,662,094	\$ 17,814,402
Expenses:						
General Government	\$1,704,673	\$ 1,690,722	\$ -	\$ -	\$ 1,690,722	\$ 1,690,722
Public Safety and Courts	\$5,064,707	\$ 4,966,217	\$ -	\$ -	\$ 4,966,217	\$ 4,966,217
Parks and Recreation	\$810,698	\$ 754,667	\$ -	\$ -	\$ 754,667	\$ 754,667
Highways and Streets	\$1,855,443	\$ 1,798,503	\$ -	\$ -	\$ 1,798,503	\$ 1,798,503
Economic Development	\$119,632	\$ 111,010	\$ -	\$ -	\$ 111,010	\$ 111,010
Community Development	\$540,743	\$ 612,699	\$ -	\$ -	\$ 612,699	\$ 612,699
Interest on Long-term Debt	\$386,095	\$ 373,687	\$ -	\$ -	\$ 373,687	\$ 373,687
Solid Waste	\$ -	\$ -	\$2,069,324	\$ 2,020,034	\$ 2,020,034	\$ 2,020,034
Stormwater	\$ -	\$ -	\$223,919	\$ 129,055	\$ 129,055	\$ 129,055
Total Expenses	\$10,481,991	\$ 10,307,505	\$2,293,243	\$ 2,149,089	\$12,775,214	\$ 12,456,594
Increase (Decrease) in net position before transfers	\$3,093,338	\$ 5,458,169	(\$206,458)	\$ (100,361)	\$2,886,880	\$ 5,357,808
Transfers	(\$475,410)	\$ (509,862)	\$475,410	\$ 509,862	\$ -	\$ -
Increase (Decrease) in Net Position	\$2,617,928	\$ 4,948,307	\$268,952	\$ 409,501	\$2,886,880	\$ 5,357,808
Net Position-Beginning of Year, Adjusted (1)	\$34,718,966	\$ 29,936,046	\$2,754,052	\$ 2,344,553	\$37,473,018	\$ 32,280,591
Net Position-End of Year	\$37,336,894	\$ 34,884,353	\$3,023,004	\$ 2,754,054	\$40,359,898	\$ 37,638,400

(1) Implementation of GASB Nos. 63 and 65 resulted in a prior period adjustment to the governmental activities net position of \$165,387. See Note 9 of the financial statements.

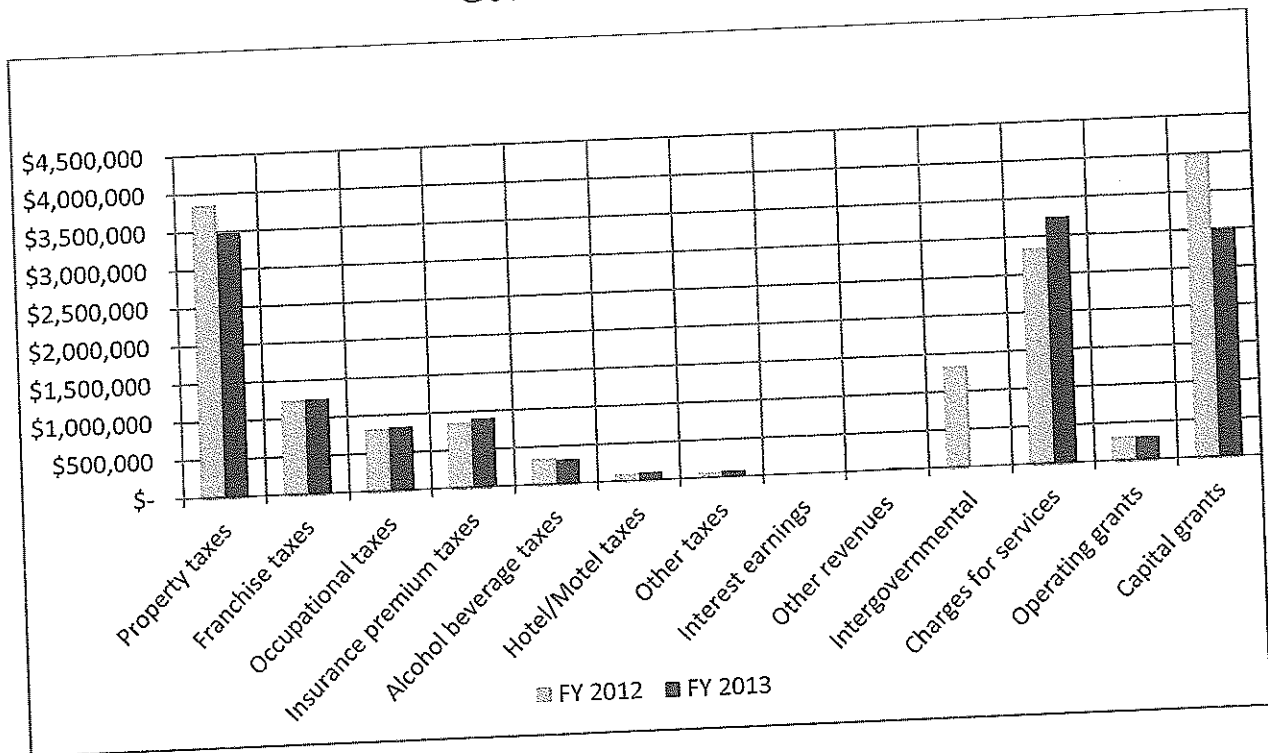
Governmental activities. Governmental activities increased the City's net position by \$2,617,928 accounting for 91.3% of the total growth in the NET POSITION. Key elements of this increase are as follows:

- Occupational taxes continue to increase which we believe is a positive sign of entrepreneurial growth in our community.
- Property tax revenue dropped by 9.5% which is a continuing trend spurred on by a policy decision by the Mayor and Council to provide some tax relief for our property owners in this difficult economy. 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.
- Intergovernmental revenue dropped in FY 13 due to the above mentioned SDS agreement which was the large, one-time transfer in FY12. The annual transfer, which will continue for the eight year life of the settlement, appears in and accounts for the substantial increase in the Public Safety and Courts Program Revenue Line Item.
- The City was active on the bond market this year and was able to refinance the COP's debt on City Hall construction and save \$794,000 in long term debt obligations. This helped to take the pressure off the General Fund as the debt is not funded through a millage.
- Proceeds from voter approved county Special Purpose Local Option Sales Tax totaled \$2,858,060 in FY 13 and, in a successful November 2013 vote, the tax will now be extended through March 2017. These proceeds are for capital expenditures only.
- General Fund expenditures were less in FY 13 than FY 12 which was due to good oversight and accountability. This occurred even though we were at full staff in all departments for most of the year allowing for better revenue and regulatory oversight.
- The City's LCI streetscape improvement project in the Town Center cleared all major obstacles toward construction in FY 13. This administrative progress allowed the City to obtain right-of-way acquisition cost reimbursement from the Georgia Department of Transportation of \$1,103,970. Construction of the project will begin in FY 14 and will be funded 80% by GDOT with 20% budgeted by the City.

Program Revenue and Expenditures Governmental Activities

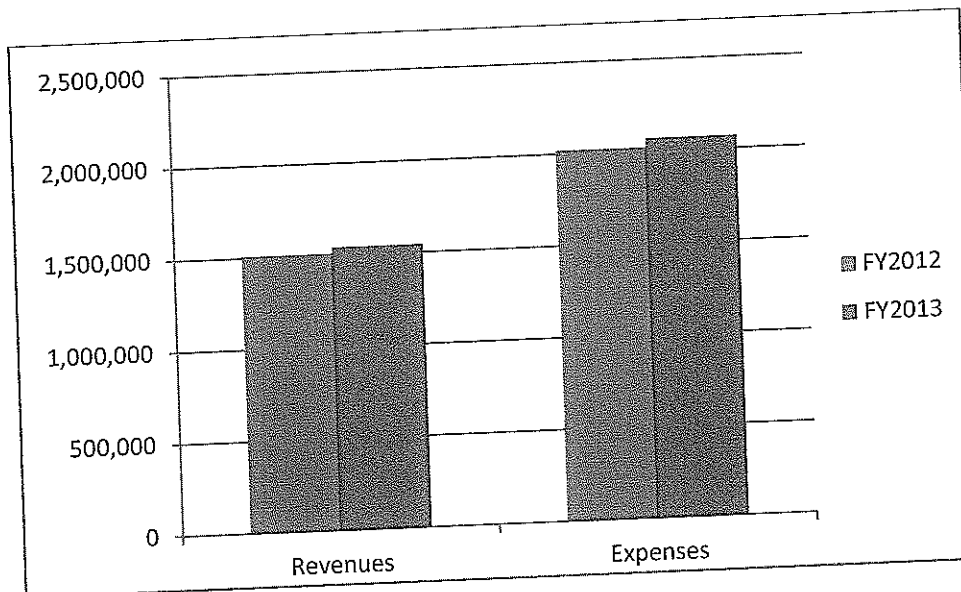


Program Revenues by Source Governmental Activities



Business-type Activities: The Solid Waste Management Fund decreased the City's net position by \$51,500. This was due to an operating loss for the year of \$527,005. However, the General Fund transferred \$475,410 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 \$9,946,285 an increase of \$913,133 in comparison to the prior year. Of this amount, \$5,050,783 (50.8%) 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 (\$122,688), 2) 2005 SPLOST (\$566,708), 3) 2009 SPLOST (\$3,213,204), 4) Tree Bank (\$110,981), 5) Economic Development (\$18,340) and 6) Prepaid Items (\$99,005). The city also has assigned fund balances for next year's budget of \$273,837 and for redevelopment purposes of \$20,000.

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 \$5,050,783 while the total fund balance totaled \$5,423,625. 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 47.9 % of the total general fund revenues, while total fund balance represents 51.4% of that same amount.

During the current fiscal year, the fund balance of the City's general fund increased by \$946,072. Revenues decreased by 9.8%, and there was a decrease of .5% in expenditures resulting in an excess of revenues over expenditures of \$1,925,833. The General Fund transferred \$495,930 to the City Center Capital Projects Fund to finance capital expenditures and debt service requirements related to construction of the City Administration Facilities. The General Fund also transferred \$475,410 to the Solid Waste Management Fund to finance the City's recycle facilities and \$20,000 to the URA to supplement operations.

The LCI Grant Capital Project Fund has a total fund balance of \$27,238.

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 \$11,593,104 in revenues since collection began in April 2009. These proceeds have been used for public safety improvements and improvement to roads, streets and bridges.

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 \$1,349,076. The net position decreased during FY2013 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 \$1,673,930, of which \$856,693 was invested in capital assets. The fund has unrestricted assets of \$817,237, 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 \$288,808 surplus in Service Charges which was due to FY 2013 reimbursements from the county for E911 fees.

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, 2013 amounts to \$36,526,445 (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:

- \$749,670 on transportation paving and maintenance projects.
- \$1,428,000 for improvements to Briscoe Park
- \$525,288 in Stormwater Infrastructure
- \$144,000 on police vehicles.

Long-term debt. At the end of the current fiscal year, the City had \$7,156,814 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 \$2,197,059. This is attributed to a refinancing on the COPS's in favor of lower debt Revenue Bonds, a payment of \$1,510,463 on the Police Facilities Capital Lease, a payment of \$743 in capital lease obligations, a payment of \$37,428 on the DDA capital lease and a \$18,758 reduction in termination benefits and a \$1,493 increase in Accrued Compensated Absences. The city also bought a stormwater jetvac truck with the proceeds from a capital lease in the amount of \$219,504. The city made principal payments on this lease of \$56,664. Additional information on the City's long-term debt can be found in Note 10.

Status of the City of Snellville Economy

Economic activity in Snellville during the year continued to reflect most national and regional trends. The City has a thriving retail sector consisting of approximately 2.7 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 1,500 businesses contribute to the economic stability of the City. The value of our total taxable property decreased slightly in 2013, but that was good news considering the precipitous drops in 2010 and 2011. 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 and 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 is scheduled for ROW acquisition in FY 2014.

The Downtown Development Authority (DDA) has initiated a planning process to be a catalyst for the redevelopment of the Snellville Oaks/Eastgate Place/Wisteria Village area near the center of town. Redevelopment of these first generation strip centers into a modern neo-urban center 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 will be a focal point of this redevelopment effort. The DDA has issued a creative RFP to seek a developer/partner to enhance our chances of success.

These redevelopment efforts go hand-in-hand with our "Towne Center @ Snellville" plans aimed at developing a walkable, exciting City Center where people want to live, work and play.

In these challenging economic times, we in government have to be very conservative where taxing and spending are concerned, but we cannot ignore our long term economic health. New investment on infrastructure must be made to maintain our foundation/platform for long term improvement. I feel we in Snellville are making this investment in a wise progression and we must also do all we can to attract private sector investment. Our City Center redevelopment efforts and initiatives like the Wisteria property purchase and DDA Request for Proposals are important moves to secure new private dollars and can only help our overall financial condition as we look toward the future.

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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BASIC FINANCIAL STATEMENTS

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>
Assets				
Cash and Cash Equivalents	\$ 4,804,830	\$ 1,039,139	\$ 5,843,969	\$ 35,682
Investments	215,676	-	215,676	59,462
Receivables (net of allowance for uncollectibles)				
Taxes	237,689	-	237,689	-
Fines	186,993	-	186,993	-
Intergovernmental	500,218	-	500,218	-
Accounts	21,422	225,153	246,575	-
Prepaid Items	99,005	-	99,005	-
Due from other funds	88,805	(88,805)	-	-
Restricted Assets -				
Cash	4,508,037	-	4,508,037	-
Investments	16	-	16	-
Non-Depreciable Capital Assets	9,188,246	-	9,188,246	-
Depreciable Capital Assets, Net	24,995,107	2,343,092	27,338,199	-
Due from primary government	-	-	-	642,889
Total Assets	<u>44,846,044</u>	<u>3,518,579</u>	<u>48,364,623</u>	<u>738,033</u>
Deferred Outflows				
Deferred Charge From Refunding	60,346	-	60,346	-
Total Assets and Deferred Outflows	<u>44,906,390</u>	<u>3,518,579</u>	<u>48,424,969</u>	<u>738,033</u>
Liabilities				
Accounts Payable	255,838	317,111	572,949	-
Accrued Liabilities -				
Wages	111,632	7,797	119,429	-
Customers and Developers Deposits	133,617	7,222	140,839	-
Police bonds and court fees	32,501	-	32,501	-
Interest	22,319	603	22,922	-
Unearned Revenues	19,615	-	19,615	-
Long-Term Liabilities -				
Due Within One Year	1,655,722	53,114	1,708,836	38,402
Due In More Than One Year	5,338,252	109,726	5,447,978	604,487
Total Liabilities	<u>7,569,496</u>	<u>495,573</u>	<u>8,065,069</u>	<u>642,889</u>
Net Position				
Net Investment in Capital Assets	27,777,028	2,180,252	29,957,280	-
Restricted for -				
Capital Projects	4,250,651	-	4,250,651	-
Police Activities	122,688	-	122,688	-
Tree Bank	110,981	-	110,981	-
Economic Development	18,340	-	18,340	-
Unrestricted	5,057,206	842,754	5,899,960	95,144
Total Net Position	<u>\$ 37,336,894</u>	<u>\$ 3,023,006</u>	<u>\$ 40,359,900</u>	<u>\$ 95,144</u>

See accompanying notes to the basic financial statements.

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

<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	\$ 1,704,673	\$ 91,749	\$ 220,229	\$ 286,017
Public Safety and Courts	5,064,707	2,763,436	83,452	1,161,680
Public Works	1,855,443	-	-	493,098
Parks and Recreation	810,698	181,303	1,050	1,058,301
Economic Development	119,632	-	1,500	-
Community Development	540,743	204,106	-	-
Interest on Long-Term Debt	386,075	-	-	-
Total Governmental Activities	<u>10,481,971</u>	<u>3,240,594</u>	<u>306,231</u>	<u>2,999,096</u>
Business-Type Activities				
Solid Waste Management	1,838,082	1,437,701	-	-
Recycling	231,242	104,618	-	-
Stormwater	223,919	543,705	-	-
Total Business-Type Activities	<u>2,293,243</u>	<u>2,086,024</u>	<u>-</u>	<u>-</u>
Total	<u>12,775,214</u>	<u>5,326,618</u>	<u>306,231</u>	<u>2,999,096</u>
Component Units:				
Downtown Development Authority	<u>\$ 23,524</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>
\$ (1,106,678)	\$ -	\$ (1,106,678)	\$ -
(1,056,139)	-	(1,056,139)	-
(1,362,345)	-	(1,362,345)	-
429,956	-	429,956	-
(118,132)	-	(118,132)	-
(336,637)	-	(336,637)	-
(386,075)	-	(386,075)	-
<u>(3,936,050)</u>	<u>-</u>	<u>(3,936,050)</u>	<u>-</u>
-	(400,381)	(400,381)	-
-	(126,624)	(126,624)	-
<u>-</u>	<u>319,786</u>	<u>319,786</u>	<u>-</u>
<u>-</u>	<u>(207,219)</u>	<u>(207,219)</u>	<u>-</u>
<u>(3,936,050)</u>	<u>(207,219)</u>	<u>(4,143,269)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,524)</u>
3,485,938	-	3,485,938	-
1,247,976	-	1,247,976	-
840,630	-	840,630	-
908,818	-	908,818	-
325,267	-	325,267	-
106,627	-	106,627	-
84,393	-	84,393	-
-	-	-	-
5,204	761	5,965	23,700
<u>24,535</u>	<u>-</u>	<u>24,535</u>	<u>-</u>
7,029,388	761	7,030,149	23,700
(475,410)	475,410	-	-
<u>6,553,978</u>	<u>476,171</u>	<u>7,030,149</u>	<u>23,700</u>
2,617,928	268,952	2,886,880	176
<u>34,718,966</u>	<u>2,754,054</u>	<u>37,473,020</u>	<u>94,968</u>
<u>\$ 37,336,894</u>	<u>\$ 3,023,006</u>	<u>\$ 40,359,900</u>	<u>\$ 95,144</u>

**CITY OF SNELLVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>GENERAL</u>	<u>URBAN REDEVELOP- MENT</u>	<u>LCI GRANT CAPITAL PROJECTS</u>	<u>SPLOST I CAPITAL PROJECTS</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,804,830	\$ 20,000	\$ 1,108,686	\$ 71
Investments	215,676	-	-	-
Receivables (net of allowance for uncollectibles)				
Taxes	225,992	-	-	-
Fines	186,993	-	-	-
Intergovernmental	22,620	-	-	-
Accounts	21,422	-	-	-
Due from other fnds	516,878	-	-	566,637
Prepaid Items	99,005	-	-	-
Total Assets	<u>\$ 6,093,416</u>	<u>\$ 20,000</u>	<u>\$ 1,108,686</u>	<u>\$ 566,708</u>
LIABILITIES				
Accounts Payable	\$ 228,838	\$ -	\$ 1,238	\$ -
Accrued Liabilities:				
Salaries and wages	111,632	-	-	-
Deposits	133,617	-	-	-
Police bonds and court fees	32,501	-	-	-
Due to other funds	-	-	1,080,210	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>506,588</u>	<u>-</u>	<u>1,081,448</u>	<u>-</u>
DEFERRED INFLOWS				
Unavailable revenues	163,203	-	-	-
FUND BALANCES				
Nonspendable -				
Prepaid items	99,005	-	-	-
Restricted -				
Capital Projects	-	-	27,238	566,708
Police Services	-	-	-	-
Tree Bank	-	-	-	-
Economic Development	-	-	-	-
Assigned -				
Redevelopment	-	20,000	-	-
Appropriation for 2014 budget	273,837	-	-	-
Unassigned	5,050,783	-	-	-
Total Fund Balances	<u>5,423,625</u>	<u>20,000</u>	<u>27,238</u>	<u>566,708</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 6,093,416</u>	<u>\$ 20,000</u>	<u>\$ 1,108,686</u>	<u>\$ 566,708</u>

See accompanying notes to the basic financial statements.

<u>SPLOST II CAPITAL PROJECTS</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 2,663,521	\$ 715,759	\$ 9,312,867
-	16	215,692
-	11,697	237,689
-	-	186,993
461,683	15,915	500,218
-	-	21,422
88,000	-	1,171,515
-	-	99,005
<u>\$ 3,213,204</u>	<u>\$ 743,387</u>	<u>\$ 11,745,401</u>
\$ -	\$ 25,762	\$ 255,838
-	-	111,632
-	-	133,617
-	-	32,501
-	2,500	1,082,710
-	19,615	19,615
<u>-</u>	<u>47,877</u>	<u>1,635,913</u>
-	-	163,203
-	-	99,005
3,213,204	443,501	4,250,651
-	122,688	122,688
-	110,981	110,981
-	18,340	18,340
-	-	20,000
-	-	273,837
-	-	5,050,783
<u>3,213,204</u>	<u>695,510</u>	<u>9,946,285</u>
<u>\$ 3,213,204</u>	<u>\$ 743,387</u>	<u>\$ 11,745,401</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, 2013

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

Total fund balances -- total governmental funds	\$ 9,946,285
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	34,183,353
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: Unavailable revenues	163,203
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	60,346
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest	(22,319)
Revenue bonds	(3,496,000)
Capital lease obligation	(2,347,146)
Capital lease obligation - DDA	(623,524)
Long-term portion of termination benefits	(155,580)
Long-term portion of compensated absences	(371,724)
Net position of governmental activities.	\$ 37,336,894

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, 2013

	<u>GENERAL</u>	<u>URBAN REDEVELOP- MENT</u>	<u>LCI GRANT CAPITAL PROJECTS</u>	<u>SPLOST I CAPITAL PROJECTS</u>
REVENUES				
Taxes	\$ 6,930,535	\$ -	\$ -	\$ -
Licenses and permits	176,123	-	-	-
Intergovernmental	431,066	-	1,103,970	-
Charges for services	988,472	-	-	-
Fines and forfeitures	1,834,775	-	-	-
Tree Bank Bonds	-	-	-	-
Investment income	4,587	-	11	211
Rental income	78,370	-	-	-
Miscellaneous	91,974	-	-	-
Total Revenues	<u>10,535,902</u>	<u>-</u>	<u>1,103,981</u>	<u>211</u>
EXPENDITURES				
Current:				
General Government	1,330,196	-	-	-
Municipal Court	683,873	-	-	-
Public Safety	3,856,149	-	-	-
Public Works	924,156	-	6,938	-
Parks and Recreation	656,203	-	-	-
Tree Bank	-	-	-	-
Economic Development	-	-	-	-
Community Development	538,824	-	-	-
Capital:				
General Government	28,988	-	-	-
Public Safety	159,303	-	-	-
Public Works	336,275	-	-	-
Parks and Recreation	23,888	-	-	923,921
Community Development	11,427	-	-	-
Debt Service:				
Principal	38,171	-	-	-
Interest	22,616	-	-	-
Issue costs on debt	-	87,652	-	-
Total Expenditures	<u>8,610,069</u>	<u>87,652</u>	<u>6,938</u>	<u>923,921</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,925,833</u>	<u>(87,652)</u>	<u>1,097,043</u>	<u>(923,710)</u>
Other Financing Sources (Uses):				
Debt issue	-	3,496,000	-	-
Payment to refunded debt agent	-	(3,408,348)	-	-
Transfers	(991,340)	20,000	-	-
Sale of capital assets	11,579	-	-	-
Total	<u>(979,761)</u>	<u>107,652</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	946,072	20,000	1,097,043	(923,710)
Fund Balance - Beginning of the year	4,477,553	-	(1,069,805)	1,490,418
Fund Balance - End of year	<u>\$ 5,423,625</u>	<u>\$ 20,000</u>	<u>\$ 27,238</u>	<u>\$ 566,708</u>

See accompanying notes to the basic financial statements.

<u>SPLOST II CAPITAL PROJECTS</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ -	\$ 106,627	\$ 7,037,162
-	-	176,123
2,858,060	37,511	4,430,607
-	-	988,472
-	105,145	1,939,920
-	-	-
2,109	607	7,525
-	-	78,370
-	-	91,974
<u>2,860,169</u>	<u>249,890</u>	<u>14,750,153</u>
-	-	1,330,196
-	-	683,873
-	14,354	3,870,503
-	-	931,094
-	-	656,203
-	2,675	2,675
-	119,632	119,632
-	-	538,824
-	-	28,988
-	87,830	247,133
413,395	-	749,670
527,346	-	1,475,155
-	-	11,427
1,510,462	881,652	2,430,285
98,985	175,930	297,531
-	-	87,652
<u>2,550,188</u>	<u>1,282,073</u>	<u>13,460,841</u>
<u>309,981</u>	<u>(1,032,183)</u>	<u>1,289,312</u>
-	-	3,496,000
-	-	(3,408,348)
-	495,930	(475,410)
-	-	11,579
<u>-</u>	<u>495,930</u>	<u>(376,179)</u>
309,981	(536,253)	913,133
2,903,223	1,231,763	9,033,152
<u>\$ 3,213,204</u>	<u>\$ 695,510</u>	<u>\$ 9,946,285</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, 2013**

Net change in fund balances -- total governmental funds	913,133
<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	1,649,346
Depreciation	(1,046,733)
<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>	
	(72,939)
<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>	
	(1,183,885)
<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	5,838,633
Proceeds	(3,496,000)
<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	(1,492)
Change in the long term portion of termination benefits	18,758
Change in accrued interest	5,094
Change in accrued interest	<u>5,094</u>
Change in net position of governmental activities.	<u>\$ 2,617,928</u>

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, 2013**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Taxes	\$ 6,614,744	\$ 6,614,744	\$ 6,930,535	\$ 315,791
Licenses and permits	272,500	272,500	176,123	(96,377)
Intergovernmental	333,000	333,000	431,066	98,066
Charges for services	699,664	699,664	988,472	288,808
Fines and forfeitures	1,800,000	1,800,000	1,834,775	34,775
Investment income	2,000	2,000	4,587	2,587
Rental income	77,980	83,980	78,370	(5,610)
Miscellaneous	24,500	24,500	91,974	67,474
Total Revenues	<u>9,824,388</u>	<u>9,830,388</u>	<u>10,535,902</u>	<u>705,514</u>
EXPENDITURES				
Current:				
General Government	1,435,434	1,395,434	1,330,196	65,238
Municipal Court	703,614	703,614	683,873	19,741
Public Safety	3,836,450	3,876,450	3,856,149	20,301
Public Works	978,045	978,045	924,156	53,889
Parks and Recreation	680,609	680,609	656,203	24,406
Community Development	600,408	600,408	538,824	61,584
Capital:				
General Government	60,000	60,000	28,988	31,012
Public Safety	159,000	159,000	159,303	(303)
Public Works	636,022	636,022	336,275	299,747
Parks and Recreation	23,100	23,100	23,888	(788)
Community Development	18,000	18,000	11,427	6,573
Debt Service:				
Principal	36,000	36,000	38,171	(2,171)
Interest	24,041	24,041	22,616	1,425
Total Expenditures	<u>9,190,723</u>	<u>9,190,723</u>	<u>8,610,069</u>	<u>580,654</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>633,665</u>	<u>639,665</u>	<u>1,925,833</u>	<u>1,286,168</u>
Other Financing Sources (Uses):				
Transfers	(879,478)	(971,003)	(991,340)	(20,337)
Proceeds from sale of capital assets	6,000	6,000	11,579	5,579
Debt issue	-	-	-	-
Total Other Financing Sources (Uses)	<u>(873,478)</u>	<u>(965,003)</u>	<u>(979,761)</u>	<u>(14,758)</u>
Net Change in Fund Balances	<u>(239,813)</u>	<u>(325,338)</u>	<u>946,072</u>	<u>1,271,410</u>
Fund Balance -				
Beginning of year	4,477,553	4,477,553	4,477,553	-
End of year	<u>\$ 4,237,740</u>	<u>\$ 4,152,215</u>	<u>\$ 5,423,625</u>	<u>\$ 1,271,410</u>

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	<u>SOLID WASTE</u>	<u>STORMWATER</u>	<u>TOTAL</u>
ASSETS			
Current assets:			
Cash	\$ 121,797	\$ 917,342	\$ 1,039,139
Receivables			
Trade accounts	97,317	13,312	110,629
Unbilled sales	114,524	-	114,524
Prepaid items	-	-	-
Total Current Assets	<u>333,638</u>	<u>930,654</u>	<u>1,264,292</u>
Property, plant and equipment:			
Buildings	577,673	-	577,673
Machinery and equipment	227,846	228,089	455,935
Vehicles	21,118	-	21,118
Infrastructure	-	829,663	829,663
Land improvements	<u>1,188,251</u>	<u>-</u>	<u>1,188,251</u>
	2,014,888	1,057,752	3,072,640
Less accumulated depreciation	<u>(691,329)</u>	<u>(38,219)</u>	<u>(729,548)</u>
	<u>1,323,559</u>	<u>1,019,533</u>	<u>2,343,092</u>
Total Assets	<u>1,657,197</u>	<u>1,950,187</u>	<u>3,607,384</u>
LIABILITIES			
Current liabilities:			
Accounts payable	294,447	22,664	317,111
Customer deposits	7,222	-	7,222
Accrued liabilities -			
Interest	-	603	603
Payroll	6,452	1,345	7,797
Due to other funds	-	88,805	88,805
Capital lease payable	-	53,114	53,114
Total current liabilities (payable from current	<u>308,121</u>	<u>166,531</u>	<u>474,652</u>
Long-term obligations	<u>-</u>	<u>109,726</u>	<u>109,726</u>
Total Liabilities	<u>308,121</u>	<u>276,257</u>	<u>584,378</u>
NET POSITION			
Net investment in capital assets	1,323,559	856,693	2,180,252
Unrestricted	<u>25,517</u>	<u>817,237</u>	<u>842,754</u>
Total Net Position	<u>\$ 1,349,076</u>	<u>\$ 1,673,930</u>	<u>\$ 3,023,006</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, 2013**

	<u>SOLID WASTE</u>	<u>STORMWATER</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for services:			
Solid waste	\$ 1,407,765	\$ -	\$ 1,407,765
Recycling	104,618	-	104,618
Stormwater utility	-	536,259	536,259
Penalties	24,873	7,446	32,319
Miscellaneous	5,063	-	5,063
Total Operating Revenues	<u>1,542,319</u>	<u>543,705</u>	<u>2,086,024</u>
OPERATING EXPENSES:			
Purchases of product/service	1,784,998	-	1,784,998
Salaries and benefits	128,103	91,578	219,681
Contracted / purchased services	82,393	102,942	185,335
Supplies	7,651	2,960	10,611
Bad debt expense	7,800	-	7,800
Depreciation	58,379	25,836	84,215
Total Operating Expenses	<u>2,069,324</u>	<u>223,316</u>	<u>2,292,640</u>
Operating Income (Loss)	(527,005)	320,389	(206,616)
NON-OPERATING INCOME (EXPENSES):			
Interest expense	-	(603)	(603)
Interest revenue	95	666	761
Net income (loss) before transfers and capital contributions	(526,910)	320,452	(206,458)
Transfers in	475,410	-	475,410
Capital contributions	-	-	-
NET INCOME	(51,500)	320,452	268,952
NET POSITION - BEGINNING	<u>1,400,576</u>	<u>1,353,478</u>	<u>2,754,054</u>
NET POSITION - ENDING	<u>\$ 1,349,076</u>	<u>\$ 1,673,930</u>	<u>\$ 3,023,006</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, 2013**

	<u>SOLID WASTE</u>	<u>STORMWATER</u>	<u>TOTAL</u>
Cash flows from operating activities:			
Cash received from customers and users	\$ 1,554,450	\$ 554,222	\$ 2,108,672
Cash paid to suppliers	(1,913,123)	(113,904)	(2,027,027)
Cash paid to employees	(104,979)	(68,587)	(173,566)
Net Cash Provided by Operating Activities	<u>(463,652)</u>	<u>371,731</u>	<u>(91,921)</u>
Cash flows from investing activities:			
Interest received	96	666	762
Net Cash Used in Investing Activities	<u>96</u>	<u>666</u>	<u>762</u>
Cash flows from non-capital financing activities:			
Increase (decrease) in due to other funds	-	89,088	89,088
Transfers	475,410	-	475,410
Net Cash Provided by Non-capital Financing Activities	<u>475,410</u>	<u>89,088</u>	<u>564,498</u>
Cash flows from capital financing activities:			
Proceeds from debt issue	-	219,504	219,504
Principal payments	-	(56,664)	(56,664)
Purchase and construction of capital assets	-	(525,288)	(525,288)
Net Cash Provided by (Used in) Capital Financing Activities	<u>-</u>	<u>(362,448)</u>	<u>(362,448)</u>
Net increase in cash and cash equivalents	11,854	99,037	110,891
Cash and cash equivalents - Beginning of Year	<u>109,943</u>	<u>818,305</u>	<u>928,248</u>
Cash and cash equivalents - End of Year	<u>\$ 121,797</u>	<u>\$ 917,342</u>	<u>\$ 1,039,139</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)	\$ (527,005)	\$ 320,389	\$ (206,616)
Adjustments to reconcile net income to net cash provided			
by operating activities:			
Depreciation and amortization	58,379	25,836	84,215
(Increase) decrease in receivables	10,717	10,517	21,234
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in accounts payable	(5,089)	13,644	8,555
Increase (decrease) in customer deposits	1,414	-	1,414
Increase (decrease) in accrued liabilities	(2,068)	1,345	(723)
Total Adjustments	<u>63,353</u>	<u>51,342</u>	<u>114,695</u>
Net Cash Provided by Operating Activities	<u>\$ (463,652)</u>	<u>\$ 371,731</u>	<u>\$ (91,921)</u>

See accompanying notes to the basic financial statements.

**CITY OF SNELLVILLE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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 special revenue 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—invested in capital assets, net of related debt; 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 Urban Redevelopment Fund and the LCI Grant Fund, SPLOST I, and SPLOST II Capital Projects Funds to be major funds. The Hotel/Motel Fund, Confiscated Assets Fund, Tree Bank Fund, City Center Fund, and the 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.

Urban Redevelopment Agency Fund – This fund is used to account for the proceeds for the issuance of bonds to finance or refinance urban improvement projects.

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

Proprietary Fund Type – Proprietary fund reporting focuses on the determination of operating income, changes in net 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, 2013 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, 2013 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)

I. 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, 2013. 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, 2013 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, 2013. 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 \$4,502,660 of restricted net position, of which \$4,031,921 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, 2013, 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, 2013, fund balances are composed of the following:

	General	URA	LCI Grant	SPLOST Funds	Nonmajor Funds	Total
Nonspendable:						
Prepays	\$ 99,005	\$ -	\$ -	\$ -	\$ -	\$ 99,005
Restricted:						
Capital Projects	-	-	27,238	3,779,912	443,501	4,250,651
Police Services	-	-	-	-	122,688	122,688
Tree Bank	-	-	-	-	110,981	110,981
Economic Development	-	-	-	-	18,340	18,340
Committed	-	-	-	-	-	-
Assigned	273,837	20,000	-	-	-	293,837
Unassigned	5,050,783	-	-	-	-	5,050,783
Total Fund Balances	\$ 5,423,625	\$ 20,000	\$ 27,238	\$ 3,779,912	\$ 695,510	\$ 9,946,285

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, 2013, \$10,047,431 of the City’s bank balances of \$10,763,123 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
Uninsured and collateral held by pledging bank's agent	<u>10,047,431</u>
 Total	 <u>\$10,047,431</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.

A portion of the City’s investments as of June 30, 2013 consisted of certificates of deposit in the amount of \$215,676. Other investments as of June 30, 2013 consist of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg Maturity</u>
Columbia Treasury Shares	\$ <u>16</u>	1 day(s)

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

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

(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 9, 2012 and are due and payable October 15th and November 15th. All taxes unpaid after the October 15th and November 15th due dates are considered delinquent. Property taxes attach as an enforceable lien on the property the following January 1st. Delinquent taxes are considered fully collectable.

4. RECEIVABLES

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

	<u>Gross</u>	Allowance for <u>Bad Debts</u>	<u>Net</u>
Governmental Funds			
Taxes	\$ 237,689	\$ -	\$ 237,689
Fines	603,202	416,209	186,993
Intergovernmental	500,218	-	500,218
Accounts	21,422	-	21,422
Solid Waste Management Fund			
Accounts	319,641	107,800	211,841
Stormwater Management Fund			
Accounts	13,312	-	13,312
Total	<u>\$ 1,695,484</u>	<u>\$ 524,009</u>	<u>\$ 1,171,475</u>

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues for the year ended June 30, 2013 consist of the following:

Governmental Funds -	
Gwinnett County - SPLOST Projects, See Note 10	\$ 2,858,060
Georgia Office of Highway Safety - Police Computers	15,915
U. S. Dept. of Justice - COPS Grant	83,452
State of Georgia - GEMA, Rapid ID	21,596
State of Georgia - DOT, LMIG Program	127,385
State of Georgia - Department of Transportation LCI Grant	<u>1,103,970</u>
Total Intergovernmental Revenues	<u>\$ 4,210,378</u>

Intergovernmental receivables as of June 30, 2013 consist of the following:

US Department of Justice Grant	\$ 22,620
Gwinnett County - SPLOST	461,683
Georgia Office of Highway Safety	<u>15,915</u>
Total Intergovernmental Receivables	<u>\$ 500,218</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, 2013 were as follows.

Due From	Due To				
	General	SPLOST I	SPLOST II	Stormwater	Total
Stormwater	\$ 88,805	\$ -	\$ -	\$ -	\$ 88,805
LCI Grant	425,573	566,637	88,000	-	1,080,210
Confiscated Assets	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Total	<u>\$ 516,878</u>	<u>\$ 566,637</u>	<u>\$ 88,000</u>	<u>\$ -</u>	<u>\$ 1,171,515</u>

The Stormwater Fund and the Confiscated Assets Fund owed the General Fund \$88,805 and \$2,500, respectively, for items expenditures 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, 2013. During the fiscal year ended June 30, 2012 the General Fund and the SPLOST Funds financed the purchase of a significant amount of land that is to be used for the Town Center streetscape project which is being financed with an LCI grant from the U.S. Department of Transportation. The LCI Grant Fund will reimburse these Funds in fiscal year 2014 since the grant proceeds were received in June 2013. The expenditures made from the SPLOST Funds were eligible expenditures under the SPLOST referendums.

Individual inter-fund transfers for the year ended June 30, 2013 were as follows:

Transfer From	Transfer to			
	URA	Nonmajor	Sanitation	Total
General	<u>\$ 20,000</u>	<u>\$ 495,930</u>	<u>\$ 475,410</u>	<u>\$ 991,340</u>

During the fiscal year ended June 30, 2013, the General Fund transferred \$991,340 to the various governmental and proprietary funds, including \$475,410 to the Solid Waste Management Fund to help fund utility operations and \$495,930 to the City Center Capital Projects Fund to help finance debt service requirements of the Certificates of Participation and \$20,000 to the Urban Redevelopment Agency Fund to set up the Fund's operating bank account..

7. LITIGATION:

The City is a defendant in several lawsuits as of June 30, 2013. The outcome of these lawsuits and other possible claims are not yet determinable but are not expected to materially effect the financial situation of the City.

(See Independent Auditor's Report)

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

8. PROPERTY, PLANT AND EQUIPMENT – (Continued)

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 9,146,300	\$ 41,946	\$ -	\$ 9,188,246
Construction in progress	182,212	1,428,017	(1,610,229)	-
Total	<u>9,328,512</u>	<u>1,469,963</u>	<u>(1,610,229)</u>	<u>9,188,246</u>
Capital assets being depreciated:				
Buildings	19,040,400	-	-	19,040,400
Improvements other than buildings	1,112,843	1,601,540	-	2,714,383
Infrastructure	4,785,141	7,793	-	4,792,934
Vehicles, including related equipment	2,736,691	153,547	(364,668)	2,525,570
Furniture and other equipment	3,712,511	26,732	(715,814)	3,023,429
Total capital assets being depreciated	<u>31,387,586</u>	<u>1,789,612</u>	<u>(1,080,482)</u>	<u>32,096,716</u>
Less accumulated depreciation for:				
Buildings	2,477,550	476,739	-	2,954,289
Improvements other than buildings	347,581	48,523	-	396,104
Infrastructure	418,723	114,832	-	533,555
Vehicles, including related equipment	1,852,058	177,616	(350,728)	1,678,946
Furniture and other equipment	1,966,508	229,022	(656,815)	1,538,715
Total accumulated depreciation	<u>7,062,420</u>	<u>1,046,732</u>	<u>(1,007,543)</u>	<u>7,101,609</u>
Total capital assets being depreciated, net	<u>24,325,166</u>	<u>742,880</u>	<u>(72,939)</u>	<u>24,995,107</u>
Governmental capital assets, net	<u>\$ 33,653,678</u>	<u>\$ 2,212,843</u>	<u>\$ (1,683,168)</u>	<u>\$34,183,353</u>

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

Administrative	\$ 297,416
Police and Court	460,933
Public Works	158,483
Parks	129,299
Community Development	<u>601</u>
Total depreciation expense	<u>\$ 1,046,732</u>

(See Independent Auditor's Report)

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

8. PROPERTY, PLANT AND EQUIPMENT, (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated:				
Buildings	577,673	-	-	577,673
Improvements other than buildings	1,399,092	-	(210,841)	1,188,251
Infrastructure	321,623	508,040	-	829,663
Vehicles, including related equipment	21,118	-	-	21,118
Furniture and other equipment	<u>227,846</u>	<u>228,089</u>	<u>-</u>	<u>455,935</u>
Total capital assets being depreciated	<u>2,547,352</u>	<u>736,129</u>	<u>(210,841)</u>	<u>3,072,640</u>
Less accumulated depreciation for:				
Buildings	106,917	14,446	-	121,363
Improvements other than buildings	287,160	39,609	-	326,769
Infrastructure	12,383	13,032	-	25,415
Vehicles, including related equipment	21,118	-	-	21,118
Furniture and other equipment	<u>217,754</u>	<u>17,129</u>	<u>-</u>	<u>234,883</u>
Total accumulated depreciation	<u>645,332</u>	<u>84,216</u>	<u>-</u>	<u>729,548</u>
Total capital assets being depreciated, net	<u>1,902,020</u>	<u>651,913</u>	<u>(210,841)</u>	<u>2,343,092</u>
Business-Type Activities capital assets, net	<u>\$ 1,902,020</u>	<u>\$ 651,913</u>	<u>\$ (210,841)</u>	<u>\$ 2,343,092</u>

Depreciation expense of \$58,379 was recorded in the Solid Waste Management Fund and \$25,836 was recorded in the Stormwater Management Fund.

9. PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2013 the City adopted Governmental Accounting Standard Board's Statements No. 63 *Financial Reporting of Deferred Outflow of Resources, Deferred Inflows of Resources, and Net Position* and No. 65 *Items Previously Reported as Assets and Liabilities*. These Statements provide guidance for reporting deferred outflows of resources and deferred inflows of resources balances which are distinguished from assets and liabilities. The Statements changes the terminology of the residual of all other elements presented in a statement of financial position to *net position* from net assets. The Statements provide guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities along with defining items previously reported as assets and liabilities.

(See Independent Auditor's Report)

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

9. PRIOR PERIOD ADJUSTMENT – (Continued)

As a result of the adoption of the Statements, the City was required to make a prior period adjustment to its previously reported Net Position (Net Assets) since debt issuance cost is no longer considered an asset. The Statements changed the reporting requirement for debt issuance costs so that these cost are now recognized as an expense in the period incurred. The City made the following prior period adjustment as a result of the adoption of these Statements:

Net Position (Net Assets) -	<u>Governmental Activities</u>
Beginning of the year	\$34,884,353
Adjustment to write-off debt issuance cost, net of accumulated amortization	<u>(165,387)</u>
Beginning of the year, adjusted	<u>\$34,718,966</u>

10. LONG-TERM DEBT

Changes in General Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2013:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities					
Certificates of Participation	\$ 4,290,000	\$ -	\$ (4,290,000)	\$ -	\$ -
Revenue Bonds	-	3,496,000	-	3,496,000	-
Capital Lease Obligation	743	-	(743)	-	-
Police Facilities Capital Lease	3,857,609	-	(1,510,463)	2,347,146	1,553,698
Intergovernmental Agreement - DDA Capital Lease	660,952	-	(37,428)	623,524	39,059
Termination Benefits	174,338	-	(18,758)	155,580	12,965
Accrued Compensated Absences	<u>370,231</u>	<u>333,185</u>	<u>(331,692)</u>	<u>371,724</u>	<u>50,000</u>
Total	<u>\$ 9,353,873</u>	<u>\$ 3,829,185</u>	<u>\$ (6,189,084)</u>	<u>\$ 6,993,974</u>	<u>\$ 1,655,722</u>
Business-Type Activities					
Capital Lease Obligation	<u>\$ -</u>	<u>\$ 219,504</u>	<u>\$ (56,664)</u>	<u>\$ 162,840</u>	<u>\$ 53,114</u>

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.

(See Independent Auditor's Report)

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

10. LONG-TERM DEBT (Continued)

GOVERNMENTAL ACTIVITIES DEBT ISSUES -

CERTIFICATES OF PARTICIPATION

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

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

The certificates were issued at a discount of \$119,733. Debt discounts are considered other financing uses in governmental funds in the year incurred but are deferred costs and are amortized over the life of the related debt in the Statement of Net Position. The discount is being amortized over the life of the certificates using the effective interest method and is reported as a contra account to the certificates, net of accumulated amortization of \$59,387.

This debt was refunded (paid-off) during fiscal year ended June 30, 2013 with the issuance of revenue bonds.

CAPITAL LEASE OBLIGATIONS

Vehicle and Equipment –

In prior years, the City entered into various lease-purchase and security agreements with private corporations for several vehicles with an original cost of \$92,567 and computer equipment with an original cost of \$201,439. The interest rates under the terms of the lease agreements range between 4.04% and 4.59%. Since the City intends to continue to abide by the terms of these lease agreements and eventually own the vehicles and computer equipment, the assets and the related liabilities were recorded at the present value of the future payments due under the lease. All of these obligation had been retired as of June 30, 2013.

Police and Public Works Facilities –

In December 2010 the City entered into an installment sale agreement with the Georgia Municipal Association to construct new police and public works facilities. The fixed interest rate is 2.842% for five years. Since the City intends to continue to abide by the terms of these lease agreements and eventually own the new facilities, the assets and the related liabilities were recorded at the present value of the future payments due under the lease. Under the terms of the installment sale agreement, the City pledged future SPLOST revenues to pay the principal and interest outstanding. SPLOST revenues were projected to produce \$16.027 million of which \$6.4 million has been budgeted for public safety facilities related expenditures. Total principal and interest remaining on the installment sale agreement is \$2,414,171. For the year ended June 30, 2013, principal and interest payments were \$1,510,462 and \$98,985, respectively.

(See Independent Auditor's Report)

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

10. 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 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	
	2014	\$ -	\$ 34,921	\$ 1,592,757	
2015	319,000	51,716	833,855	30,911	1,235,482
2016	332,000	46,671	544,058	18,241	940,970
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	<u>\$ 3,496,000</u>	<u>\$ 313,237</u>	<u>\$ 2,970,670</u>	<u>\$ 125,883</u>	<u>\$ 6,905,790</u>

(See Independent Auditor's Report)

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

10. LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES DEBT ISSUE

In April 2013 the City entered into a lease purchase and security agreement with a financial institution for the purchase of a 2013 Vactor Sewer Jetter Combo Truck in the amount of \$219,504. Depreciation on the machine for fiscal year ended June 30, 2013 amounted to \$12,804. 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	
2014	\$ 53,114	\$ 3,550	\$ 56,664
2015	54,272	2,392	56,664
2016	55,454	1,209	56,663
TOTALS	<u>\$ 162,840</u>	<u>\$ 7,151</u>	<u>\$ 169,991</u>

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.

11. UNAVAILABLE REVENUES

Unavailable revenues as of June 30, 2013, 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	\$ 64,352
Fines and forfeitures	<u>98,851</u>
Total	<u>\$ 163,203</u>

(See Independent Auditor’s Report)

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

12. RISK MANAGEMENT

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

As part of these risks pools, the City is obligated to pay all contributions and assessments as prescribed by the funds, 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.

13. 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, 2013, the City's collections and related remittances were as follows:

	<u>Amount</u>	<u>Percent</u>
Total Collections	\$ 106,627	100%
Total Remittances	\$ 106,627	100%

The City was in compliance with the state laws regulating hotel/motel taxes and the related expenditures as of June 30, 2013.

(See Independent Auditor's Report)

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

14. JOINT VENTURE

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

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

15. EMPLOYEE BENEFIT PLANS

Money Purchase Pension Plan -

On March 1, 2002 the City converted its defined benefit pension plan and adopted the City of Snellville, Georgia Employee Pension Plan (a defined contribution plan). The City now uses the money purchase pension plan to provide pension benefits to most of its full-time employees. The plan is being administered by Pension Financial Services, a private corporation. The pension plan is authorized by city council through the passage of an ordinance. 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, 2013, amounted to approximately \$3,506,300. Gross payroll for the year was \$4,157,724.

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, 2013, amounted to \$210,377 which is 6% of covered payroll.

(See Independent Auditor's Report)

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

15. 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 (superceded plan). The Public Retirement Systems Standard Law (Georgia Code Section 47-20-10) assigns the authority to establish and amend the plan to the City of Snellville. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street, S.W., Atlanta, Georgia 30303.

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

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

(See Independent Auditor's Report)

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

15. EMPLOYEE BENEFIT PLANS, (Continued)

Defined Benefit Plan, Continued

For 2013, 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 \$8,158. The required contribution was determined as part of the January 1, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included 8.0% investment rate of return (net of administrative expenses) which includes an inflation rate of 5%. There were no active employees and therefore no projected salary increases were used. The value of SRP assets was determined using market values. The actuarial accrued liability as of January 1, 2013 was \$843,606. The annual pension contribution for 2013 was calculated as follows:

Total actuarial accrued liability (as of 1/1/13)	\$ 843,606
10% of actuarial accrued liability (margin)	<u>84,361</u>
Target asset value	927,967
Actual market value of assets	<u>1,517,374</u>
Difference or contribution to fund plan	<u>\$ (589,407)</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
6/30/2013	\$ -	N/A	\$ -
6/30/2012	\$ -	N/A	\$ -
6/30/2011	\$ -	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)
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
2004	\$ 1,337,348	\$ 1,123,518	\$ (213,830)	119.0%	n/a	n/a

(See Independent Auditor's Report)

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

16. EARLY RETIREMENT PLAN

2010 Early Retirement Incentive –

In 2010 the City put together offers for employees as an early retirement incentive. To be eligible for the early retirement incentives, employees must (1) have attained the age of 55; (2) have worked for the City at least ten years; (3) have worked a minimum of 100 days during the year; and (4) have not received an official notice of layoff or termination. Employees could choose between 5 different plans, some of which offered pension contributions as a percentage of salary per year until age 65, health insurance premiums covered by the City until age 65, 6 months payout of salary, and payouts of vacation and sick leave benefits. The total liability to the City 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>6/30/12</u>	<u>6/30/13</u>
Salary, vacation and sick leave payouts	\$ -	\$ -
Pension contributions	-	-
Medical insurance benefits	<u>174,338</u>	<u>155,580</u>
	174,338	155,580
Amounts already accrued for selected employees in compensated absences, etc	<u>-</u>	<u>-</u>
Net termination benefits to accrue	174,338	155,580
Amounts payable with expendable available resources - fund level	<u>-</u>	<u>-</u>
Long-term obligation	<u>\$ 174,338</u>	<u>\$ 155,580</u>

(See Independent Auditor's Report)

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

17. 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, 2012 (the DDA’s fiscal year end) are as follows:

F/Y/E DECEMBER 31,	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2013	\$ 38,402	\$ 21,639	\$ 60,041
2014	39,727	20,315	60,042
2015	41,097	18,944	60,041
2016	<u>523,663</u>	<u>8,943</u>	<u>532,606</u>
TOTALS	<u>\$ 642,889</u>	<u>\$ 69,841</u>	<u>\$ 712,730</u>

18. 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. The agreement also requires a semi-annual payment of \$211,761 designated to offset 911 Dispatch expenses. Annual payment for Police / 911 services in the amount of approximately \$433,000 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.

19. 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 –None of the City’s individual funds at June 30, 2013 had a deficit fund balance.
- B. Excess of expenditures over appropriations in individual funds are as follows:

The City’s Hotel / Motel Tax Fund had expenditures of \$119,632 which exceeded its corresponding appropriations of \$80,000. In addition, management failed to prepare a budget for the Urban Redevelopment Agency Fund, which is a special revenue fund. All special revenue funds are required by state law to have legally adopted annual budgets.

(See Independent Auditor’s Report)

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NONMAJOR FUNDS

CITY OF SNELLVILLE, GEORGIA
JUNE 30, 2013
NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Confiscated Assets Fund - to account for the assets confiscated from investigations into illegal drug activities. These assets are legally restricted to expenditures for law enforcement purposes.

Tree Bank Fund - to account for proceeds of fees charged under the City's tree bank ordinance.

Hotel / Motel Tax Fund - this fund is used by the City to account for proceeds from the City's Hotel / Motel Tax and the required 40% payment to a non-profit organization for promotional services.

Capital Project Funds

City Center Fund - This fund accounts for the proceeds from the issuance of Certificates of Participation. The proceeds from the debt issue are to be used for financing the construction of the new City Administration Offices and the related debt service.

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

CITY OF SNELLVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013

	SPECIAL REVENUE FUNDS		
	CONFISCATED ASSETS FUND	TREE BANK FUND	HOTEL/MOTEL FUND
ASSETS			
Cash	\$ 132,223	\$ 110,981	\$ 29,070
Investments	-	-	-
Receivables-			
Taxes	-	-	11,697
Accounts	-	-	-
Grants	15,915	-	-
Due from other funds	-	-	-
	-	-	-
Total Assets	\$ 148,138	\$ 110,981	\$ 40,767
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 3,335	\$ -	\$ 22,427
Due from other funds	2,500		
Unearned revenues	19,615	-	-
	25,450	-	22,427
Total Liabilities	25,450	-	22,427
Fund Balance			
Restricted -			
Police Activities	122,688	-	-
Tree Bank Activities	-	110,981	-
Economic Development	-	-	18,340
Capital Projects	-	-	-
Unassigned	-	-	-
	-	-	-
Total Fund Balance	122,688	110,981	18,340
Total Liabilities and Fund Balance	\$ 148,138	\$ 110,981	\$ 40,767

CAPITAL PROJECTS FUNDS		TOTAL NON-MAJOR GOVERNMENTAL FUNDS
CITY CENTER FUND	POLICE FACILITIES FUND	
\$ -	\$ 443,485	\$ 715,759
16	-	16
-	-	11,697
-	-	-
-	-	15,915
-	-	-
<u>\$ 16</u>	<u>\$ 443,485</u>	<u>\$ 743,387</u>

\$ -	\$ -	\$ 25,762
-	-	2,500
-	-	19,615
-	-	47,877
-	-	122,688
-	-	110,981
-	-	18,340
16	443,485	443,501
-	-	-
<u>16</u>	<u>443,485</u>	<u>695,510</u>
<u>\$ 16</u>	<u>\$ 443,485</u>	<u>\$ 743,387</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, 2013**

	SPECIAL REVENUE FUNDS		
	CONFISCATED ASSETS FUND	TREE BANK FUND	HOTEL / MOTEL TAX FUND
REVENUES			
Confiscations	\$ 105,145	\$ -	\$ -
Tree Bank Bonds	-	-	-
Taxes	-	-	106,627
Intergovernmental	37,511	-	-
Interest	80	93	29
Miscellaneous	-	-	-
Total Operating Revenues	<u>142,736</u>	<u>93</u>	<u>106,656</u>
EXPENDITURES			
Current -			
Police Activities	14,354	-	-
Tree Bank	-	2,675	-
Economic Development	-	-	118,427
Tourism and Promotion	-	-	1,205
Highways and Streets	-	-	-
Capital -			
Police	87,830	-	-
Highways and Streets	-	-	-
Debt service -			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>102,184</u>	<u>2,675</u>	<u>119,632</u>
Excess (Deficiency) of Revenues over Expenditures	40,552	(2,582)	(12,976)
Other Financing Sources (Uses): Transfers	-	-	-
Net Changes in Fund Balances	40,552	(2,582)	(12,976)
Fund Balance - Beginning of year	<u>82,136</u>	<u>113,563</u>	<u>31,316</u>
Fund Balance - End of year	<u>\$ 122,688</u>	<u>\$ 110,981</u>	<u>\$ 18,340</u>

<u>CAPITAL PROJECTS FUNDS</u>		<u>TOTAL</u>
<u>CITY</u>	<u>POLICE</u>	<u>NON-MAJOR</u>
<u>CENTER</u>	<u>FACILITIES</u>	<u>GOVERNMENTAL</u>
<u>FUND</u>	<u>FUND</u>	<u>FUNDS</u>
\$ -	\$ -	\$ 105,145
-	-	-
-	-	106,627
-	-	37,511
82	323	607
-	-	-
<u>82</u>	<u>323</u>	<u>249,890</u>
-	-	14,354
-	-	2,675
-	-	118,427
-	-	1,205
-	-	-
-	-	87,830
-	-	-
881,652	-	881,652
<u>175,930</u>	<u>-</u>	<u>175,930</u>
<u>1,057,582</u>	<u>-</u>	<u>1,282,073</u>
(1,057,500)	323	(1,032,183)
<u>495,930</u>	<u>-</u>	<u>495,930</u>
(561,570)	323	(536,253)
<u>561,586</u>	<u>443,162</u>	<u>1,231,763</u>
<u>\$ 16</u>	<u>\$ 443,485</u>	<u>\$ 695,510</u>

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**CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2013 AND 2012**

	2013	2012
<u>ASSETS</u>		
Cash	\$ 4,804,830	\$ 3,917,249
Investments	215,676	215,407
Receivables (net of allowance for uncollectibles)		
Taxes	225,992	281,556
Fines	186,993	182,644
Accounts	21,422	32,836
Intergovernmental	22,620	21,448
Due from other funds	516,878	425,573
Prepaid items	99,005	126,825
TOTAL ASSETS	\$ 6,093,416	\$ 5,203,538
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ 228,838	\$ 211,741
Accrued expenses -		
Salaries	111,632	98,380
Deposits	133,617	143,775
Police bonds and court fees	32,501	54,215
Other	-	-
Due to other funds	-	283
TOTAL LIABILITIES	506,588	508,394
Deferred Inflows:		
Unavailable revenues	163,203	217,591
Fund Equity:		
Fund Balance		
Nonspendable -		
Prepays	99,005	126,825
Assigned -		
Appropriations for nex year's budget	273,837	496,022
Unassigned	5,050,783	3,854,706
Total Fund Equity	5,423,625	4,477,553
TOTAL LIABILITIES, DEFEERED INFLOWS, AND FUND EQUITY	\$ 6,093,416	\$ 5,203,538

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	<u>JUNE 30, 2013</u>			<u>ACTUAL JUNE 30, 2012</u>
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	
REVENUES:				
Taxes -				
Property	\$ 3,198,744	\$ 3,155,486	\$ (43,258)	\$ 3,675,089
Motor vehicle	175,000	186,557	11,557	200,074
Title advalorem	-	203,289	203,289	-
Franchise	1,255,000	1,247,976	(7,024)	1,238,386
Alcohol beverage	300,000	325,737	25,737	339,794
Insurance premium	860,000	908,818	48,818	855,626
Business occupational	707,000	756,072	49,072	727,152
Intangible	30,000	52,890	22,890	52,178
Transfer	9,000	9,152	152	13,745
Financial institution	80,000	84,558	4,558	83,983
Total Taxes	<u>6,614,744</u>	<u>6,930,535</u>	<u>315,791</u>	<u>7,186,027</u>
Business Licenses and Permits -				
Alcohol licenses	77,500	73,841	(3,659)	85,908
Other business licenses	30,000	32,700	2,700	34,762
Building permits	132,500	48,104	(84,396)	268,425
Inspection permits	15,000	10,845	(4,155)	14,372
Sign permits	6,000	4,500	(1,500)	8,315
Site development	6,000	921	(5,079)	3,070
Other permits	5,500	5,212	(288)	5,798
Total Business Licenses and Permits	<u>272,500</u>	<u>176,123</u>	<u>(96,377)</u>	<u>420,650</u>
Intergovernmental -				
County E-911 assistance	-	-	-	211,761
County SDS Settlement	225,000	220,229	(4,771)	1,331,008
COPS Grant	108,000	83,452	(24,548)	101,361
LMIG program	-	127,385	127,385	-
Other	-	-	-	-
Total Intergovernmental	<u>333,000</u>	<u>431,066</u>	<u>98,066</u>	<u>1,644,130</u>

**CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	<u>JUNE 30, 2013</u>			<u>ACTUAL JUNE 30, 2012</u>
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	
REVENUES - Continued:				
Charges for Services -				
Recreational activities	\$ 132,000	\$ 140,022	\$ 8,022	\$ 140,308
E911 fees	480,164	749,475	269,311	\$ -
Public safety fees	51,500	69,771	18,271	72,267
Planning and zoning fees	36,000	27,983	(8,017)	40,120
Other	-	1,221	1,221	745
Total Charges for Services	<u>699,664</u>	<u>988,472</u>	<u>288,808</u>	<u>253,440</u>
Fines and Forfeitures	1,800,000	1,834,775	34,775	2,008,435
Investment Income	2,000	4,587	2,587	4,216
Rental Income	83,980	78,370	(5,610)	76,195
Other -				
Reimbursements	-	3,130	3,130	-
Donations	-	2,550	2,550	-
Penalties and interest	-	31,707	31,707	34,903
Miscellaneous	24,500	54,587	30,087	51,821
Total Other	<u>24,500</u>	<u>91,974</u>	<u>67,474</u>	<u>86,724</u>
TOTAL REVENUES	<u>\$ 9,830,388</u>	<u>\$ 10,535,902</u>	<u>\$ 705,514</u>	<u>\$ 11,679,817</u>

**CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	<u>JUNE 30, 2013</u>			
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL JUNE 30, 2012</u>
CURRENT EXPENDITURES:				
GENERAL GOVERNMENT				
Governing Body	\$ 40,377	\$ 32,373	\$ 8,004	\$ 26,163
City Clerk	81,179	80,849	330	77,101
Mayor	14,231	11,475	2,756	7,085
City Manager	130,681	126,322	4,359	145,652
Elections	-	-	-	3,737
General Administration	901,998	850,690	51,308	909,201
Accounting	74,169	77,981	(3,812)	76,042
IT Administration	65,201	64,547	654	64,125
Purchasing	-	-	-	-
Human Resources	87,598	85,959	1,639	84,748
Total General Government	<u>1,395,434</u>	<u>1,330,196</u>	<u>65,238</u>	<u>1,393,854</u>
MUNICIPAL COURT				
Judicial	<u>703,614</u>	<u>683,873</u>	<u>19,741</u>	<u>720,132</u>
POLICE				
Administration	676,318	692,525	(16,207)	1,196,156
Criminal Investigation	562,254	449,091	113,163	402,582
Patrol	2,043,045	2,120,321	(77,276)	2,034,237
Records	103,254	103,522	(268)	103,289
Dispatch	491,579	490,690	889	-
Public Relations	-	-	-	-
Total Police	<u>3,876,450</u>	<u>3,856,149</u>	<u>20,301</u>	<u>3,736,264</u>
PUBLIC WORKS				
Highways and Streets	726,504	696,139	30,365	668,667
Paved Streets	199,976	176,706	23,270	221,507
Maintenance	51,565	51,311	254	52,003
Total Public Works	<u>978,045</u>	<u>924,156</u>	<u>53,889</u>	<u>942,177</u>

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 2013
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	<u>JUNE 30, 2013</u>			
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL JUNE 30, 2012</u>
CURRENT EXPENDITURES - Continued				
PARKS AND RECREATION				
Administration	\$ 348,480	\$ 307,633	\$ 40,847	\$ 276,389
Participant Recreation	49,246	43,834	5,412	39,916
Park Areas	150,876	164,821	(13,945)	196,811
Senior Participants	132,007	139,915	(7,908)	132,310
Total Parks and Recreation	<u>680,609</u>	<u>656,203</u>	<u>24,406</u>	<u>645,426</u>
COMMUNITY DEVELOPMENT				
Planning and Zoning	404,000	404,578	(578)	411,384
Building Inspection	196,408	134,246	62,162	199,611
Total Community Development	<u>600,408</u>	<u>538,824</u>	<u>61,584</u>	<u>610,995</u>
TOTAL CURRENT EXPENDITURES	<u>8,234,560</u>	<u>7,989,401</u>	<u>245,159</u>	<u>8,048,848</u>
CAPITAL OUTLAY				
General Government	60,000	28,988	31,012	58,694
Police	159,000	159,303	(303)	13,714
Public Works	636,022	336,275	299,747	368,004
Parks and Recreation	23,100	23,888	(788)	44,984
Court	-	-	-	-
Community Development	18,000	11,427	6,573	-
TOTAL CAPITAL OUTLAY	<u>896,122</u>	<u>559,881</u>	<u>336,241</u>	<u>485,396</u>
DEBT SERVICE				
Principal	36,000	38,171	(2,171)	96,905
Interest	24,041	22,616	1,425	25,144
TOTAL DEBT SERVICE	<u>60,041</u>	<u>60,787</u>	<u>(746)</u>	<u>122,049</u>
TOTAL EXPENDITURES	<u>\$ 9,190,723</u>	<u>\$ 8,610,069</u>	<u>\$ 580,654</u>	<u>\$ 8,656,293</u>

CITY OF SNELLVILLE, GEORGIA
CONFISCATED ASSETS FUND
BALANCE SHEET
JUNE 30, 2013 AND 2012

ASSETS	<u>2013</u>	<u>2012</u>
Cash	\$ 132,223	\$ 95,735
Grant receivable	15,915	19,994
Due from other funds	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 148,138</u>	<u>\$ 115,729</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 3,335	\$ 3,551
Due to other funds	2,500	-
Unearned revenues	<u>19,615</u>	<u>30,042</u>
Total Liabilities	<u>25,450</u>	<u>33,593</u>
Fund Balance		
Restricted for police activities	<u>122,688</u>	<u>82,136</u>
Total Fund Balance	<u>122,688</u>	<u>82,136</u>
Total Liabilities and Fund Balance	<u>\$ 148,138</u>	<u>\$ 115,729</u>

CITY OF SNELLVILLE, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	JUNE 30, 2013				
	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL JUNE 30, 2012
	ORIGINAL	FINAL			
REVENUES					
Confiscations	\$ -	\$ -	\$ 105,145	\$ 105,145	\$ 55,915
Interest	-	-	80	80	86
Grants	-	-	37,511	37,511	18,953
Total Revenues	<u>-</u>	<u>-</u>	<u>142,736</u>	<u>142,736</u>	<u>74,954</u>
EXPENDITURES					
Police Activities -					
Current	25,500	25,500	14,354	11,146	7,281
Capital	80,000	80,000	87,830	(7,830)	60,110
Total Expenditures	<u>105,500</u>	<u>105,500</u>	<u>102,184</u>	<u>3,316</u>	<u>67,391</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(105,500)</u>	<u>(105,500)</u>	<u>40,552</u>	<u>146,052</u>	<u>7,563</u>
Other Financing Sources (Uses):					
Transfers	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(105,500)	(105,500)	40,552	146,052	7,563
Fund Balance - Beginning of year	<u>82,136</u>	<u>82,136</u>	<u>82,136</u>	<u>-</u>	<u>74,573</u>
Fund Balance - End of year	<u>\$ (23,364)</u>	<u>\$ (23,364)</u>	<u>\$ 122,688</u>	<u>\$ 146,052</u>	<u>\$ 82,136</u>

**CITY OF SNELLVILLE, GEORGIA
TREE BANK FUND
BALANCE SHEET
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash	\$ 110,981	\$ 113,563
Accounts receivable	-	-
Due from other funds	-	-
Total Assets	<u>\$ 110,981</u>	<u>\$ 113,563</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Fund Balance		
Restricted for Tree Bank activities	110,981	113,563
Total Fund Balance	<u>110,981</u>	<u>113,563</u>
Total Liabilities and Fund Balance	<u>\$ 110,981</u>	<u>\$ 113,563</u>

CITY OF SNELLVILLE, GEORGIA
TREE BANK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	JUNE 30, 2013				
	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL JUNE 30, 2012
	ORIGINAL	FINAL			
REVENUES					
Tree Bank bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	93	93	89
Miscellaneous	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>93</u>	<u>93</u>	<u>89</u>
EXPENDITURES					
Current -					
Community Development -					
Tree Bank	25,000	25,000	2,675	22,325	-
Capital -					
City Center	-	-	-	-	-
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>2,675</u>	<u>22,325</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>(2,582)</u>	<u>22,418</u>	<u>89</u>
Other Financing Sources (Uses):					
Transfers	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(25,000)	(25,000)	(2,582)	22,418	89
Fund Balance - Beginning of Year	<u>113,563</u>	<u>113,563</u>	<u>113,563</u>	<u>-</u>	<u>113,474</u>
Fund Balance - End of Year	<u>\$ 88,563</u>	<u>\$ 88,563</u>	<u>\$ 110,981</u>	<u>\$ 22,418</u>	<u>\$ 113,563</u>

**CITY OF SNELLVILLE, GEORGIA
HOTEL/MOTEL TAX FUND
BALANCE SHEET
JUNE 30, 2013 AND 2012**

	2013	2012
ASSETS		
Cash	\$ 29,070	\$ 31,316
Receivables - Taxes	11,697	10,002
Total Assets	\$ 40,767	\$ 41,318
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 22,427	\$ 10,002
Total Liabilities	22,427	10,002
Fund balance		
Restricted for economic development	18,340	31,316
Total Fund Balance	18,340	31,316
Total Liabilities and Fund Balance	\$ 40,767	\$ 41,318

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, 2013
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	JUNE 30, 2013				
	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL JUNE 30, 2012
	ORIGINAL	FINAL			
REVENUES					
Taxes	\$ 80,000	\$ 80,000	\$ 106,627	\$ 26,627	\$ 90,622
Interest	40	40	29	(11)	35
Donations	-	-	-	-	-
Total Revenues	<u>80,040</u>	<u>80,040</u>	<u>106,656</u>	<u>26,616</u>	<u>90,657</u>
EXPENDITURES					
Current -					
Economic Development-					
Contracted services	-	-	11,800	(11,800)	-
Payments to others	80,000	80,000	106,627	(26,627)	90,622
Tourism and Promotion-					
Contracted services	-	-	1,205	(1,205)	20,389
Cemetery Fence	-	-	-	-	-
Total Expenditures	<u>80,000</u>	<u>80,000</u>	<u>119,632</u>	<u>(39,632)</u>	<u>111,011</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>40</u>	<u>40</u>	<u>(12,976)</u>	<u>(13,016)</u>	<u>(20,354)</u>
Other Financing Sources (Uses):					
Transfers	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	40	40	(12,976)	(13,016)	(20,354)
Fund Balance - Beginning of Year	<u>31,316</u>	<u>31,316</u>	<u>31,316</u>	<u>-</u>	<u>51,670</u>
Fund Balance - End of Year	<u>\$ 31,356</u>	<u>\$ 31,356</u>	<u>\$ 18,340</u>	<u>\$ (13,016)</u>	<u>\$ 31,316</u>

URBAN REDEVELOPMENT AGENCY OF SNELLVILLE
BALANCE SHEET
JUNE 30, 2013

ASSETS

Cash	\$	20,000
Investment		<u> -</u>
Total Assets	\$	<u> 20,000</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$	<u> -</u>
Total Liabilities		<u> -</u>
Fund balance		
Assigned - Redevelopment		<u> 20,000</u>
Total Fund Balance		<u> 20,000</u>
Total Liabilities and Fund Balance	\$	<u> 20,000</u>

**URBAN REDEVELOPMENT AGENCY OF SNELLVILLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013**

REVENUES	
Contributions	\$ -
Interest	-
	-
Total Revenues	-
 EXPENDITURES	
Current-	
Consultant	-
Debt service -	
Principal	-
Interest	-
Cost of issuance	87,652
	87,652
Total Expenditures	87,652
Excess (deficiency) of revenues over expenditures	(87,652)
 OTHER FINANCING SOURCES (USES)	
Debt issue - refunding bonds	3,496,000
Payment to refunded debt escrow agent	(3,408,348)
Transfers	20,000
	20,000
Net change in fund balance	20,000
Fund Balance - Beginning of Year	-
Fund Balance - End of Year	\$ 20,000

**CITY OF SNELLVILLE, GEORGIA
CITY CENTER CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2013 AND 2012**

	2013	2012
ASSETS		
Cash	\$ -	\$ -
Investment	16	561,586
Accrued interest receivable	-	-
Total Assets	\$ 16	\$ 561,586
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Fund balance		
Restricted for capital projects	16	561,586
Total Fund Balance	16	561,586
Total Liabilities and Fund Balance	\$ 16	\$ 561,586

**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, 2013**

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>PROJECT AUTHORIZATION</u>
REVENUES				
Investment income	\$ 213,119	\$ 82	\$ 213,201	\$ 100,000
Miscellaneous income	<u>62,000</u>	<u>-</u>	<u>62,000</u>	<u>-</u>
Total Revenues	<u>275,119</u>	<u>82</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	2,505,000	881,652	3,386,652	6,795,000
Interest	<u>1,960,472</u>	<u>175,930</u>	<u>2,136,402</u>	<u>3,121,142</u>
Total Expenditures	<u>12,449,940</u>	<u>1,057,582</u>	<u>13,507,522</u>	<u>17,322,690</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,174,821)	(1,057,500)	(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>6,308,763</u>	<u>495,930</u>	<u>6,804,693</u>	<u>10,795,046</u>
Total Other Financing Sources (Uses)	<u>12,736,407</u>	<u>495,930</u>	<u>13,232,337</u>	<u>17,222,690</u>
Net Change in Fund Balance	<u>\$ 561,586</u>	<u>\$ (561,570)</u>	<u>\$ 16</u>	<u>\$ -</u>
FUND BALANCE				
Beginning of year		<u>561,586</u>		
End of year		<u>\$ 16</u>		

**CITY OF SNELLVILLE, GEORGIA
 LCI GRANT FUND
 BALANCE SHEET
 JUNE 30, 2013 AND 2012**

	2013	2012
ASSETS		
Cash	\$ 1,108,686	\$ 6,505
Accounts receivable	-	3,900
Grant receivable	-	1,110,156
Total Assets	\$ 1,108,686	\$ 1,120,561
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,238	\$ -
Due to other funds	1,080,210	1,080,210
Total Liabilities	1,081,448	1,080,210
Deferred Inflows		
Unavailable grant revenues	-	1,110,156
Fund Balance		
Restricted for capital projects	27,238	-
Unassigned	-	40,351
Total Fund Balance	27,238	40,351
Total Liabilities, Deferred Inflows and Fund Balance	\$ 1,108,686	\$ 2,230,717

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, 2013

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
LCI grant	\$ -	\$ -	\$ 1,103,970	\$ 1,103,970
Interest	-	-	11	11
Total Revenues	<u>-</u>	<u>-</u>	<u>1,103,981</u>	<u>1,103,981</u>
EXPENDITURES				
Current -				
Contract services	-	-	6,938	(6,938)
Capital -				
Construction	<u>359,000</u>	<u>359,000</u>	<u>-</u>	<u>359,000</u>
Total Expenditures	<u>359,000</u>	<u>359,000</u>	<u>6,938</u>	<u>352,062</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(359,000)</u>	<u>(359,000)</u>	<u>1,097,043</u>	<u>1,456,043</u>
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(359,000)	(359,000)	1,097,043	1,456,043
Fund Balance - Beginning of Year	<u>(1,069,805)</u>	<u>(1,069,805)</u>	<u>(1,069,805)</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ (1,428,805)</u>	<u>\$ (1,428,805)</u>	<u>\$ 27,238</u>	<u>\$ 1,456,043</u>

**CITY OF SNELLVILLE, GEORGIA
POLICE FACILITIES FUND
BALANCE SHEET
JUNE 30, 2013 AND 2012**

	2013	2012
ASSETS		
Cash	\$ 443,485	\$ 443,162
Accrued interest receivable	-	-
Total Assets	\$ 443,485	\$ 443,162
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Fund balance		
Restricted for capital projects	443,485	443,162
Total Fund Balance	443,485	443,162
Total Liabilities and Fund Balance	\$ 443,485	\$ 443,162

**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, 2013**

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>PROJECT AUTHORIZATION</u>
REVENUES				
Investment income	\$ 16,182	\$ 323	\$ 16,505	\$ -
Miscellaneous income	-	-	-	-
Total Revenues	<u>16,182</u>	<u>323</u>	<u>16,505</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	<u>59,542</u>	<u>-</u>	<u>59,542</u>	<u>59,542</u>
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>(7,071,838)</u>	<u>323</u>	<u>(7,071,515)</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	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
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>\$ 443,162</u>	<u>323</u>	<u>\$ 443,485</u>	<u>\$ -</u>
FUND BALANCE				
Beginning of year		<u>443,162</u>		
End of year		<u>\$ 443,485</u>		

CITY OF SNELLVILLE, GEORGIA
 SPLOST I CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 2013 AND 2012

	2013	2012
ASSETS		
Cash	\$ 71	\$ 982,322
Taxes receivable	-	-
Due from other funds	566,637	566,637
Total Assets	\$ 566,708	\$ 1,548,959
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 58,541
Total Liabilities	-	58,541
Fund Balance		
Restricted for capital outlay	566,708	1,490,418
Total Fund Balance	566,708	1,490,418
Total Liabilities and Fund Balance	\$ 566,708	\$ 1,548,959

**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, 2013**

	<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	<u>298,921</u>	<u>211</u>	<u>299,132</u>	<u>-</u>
Total Revenues	<u>11,987,502</u>	<u>211</u>	<u>11,987,713</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	2,433,383	923,921	3,357,304	2,000,000
Debt Service				
Principal	1,236,926	-	1,236,926	-
Interest	<u>53,328</u>	<u>-</u>	<u>53,328</u>	<u>-</u>
Total Expenditures	<u>11,479,892</u>	<u>923,921</u>	<u>12,403,813</u>	<u>11,056,158</u>
Excess of revenues over (under) expenditures	507,610	(923,710)	(416,100)	-
Other financing sources (uses) Transfers	<u>982,808</u>	<u>-</u>	<u>982,808</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) other financing uses	<u>\$ 1,490,418</u>	<u>\$ (923,710)</u>	<u>\$ 566,708</u>	<u>\$ -</u>
FUND BALANCE				
Beginning		<u>1,490,418</u>		
Ending		<u>\$ 566,708</u>		

CITY OF SNELLVILLE, GEORGIA
SPLOST II CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2013 AND 2012

ASSETS	2013	2012
Cash	\$ 2,663,521	\$ 2,317,914
Intergovernmental receivable	461,683	497,309
Due from other funds	88,000	88,000
Total Assets	\$ 3,213,204	\$ 2,903,223
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Due to other funds	-	-
Total Liabilities	-	-
Fund Balance		
Restricted for capital outlay	3,213,204	2,903,223
Total Fund Balance	3,213,204	2,903,223
Total Liabilities and Fund Balance	\$ 3,213,204	\$ 2,903,223

**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, 2013**

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL TO DATE</u>	<u>PROJECT AUTHORIZATION</u>
REVENUES				
Intergovernmental	\$ 8,735,043	\$ 2,858,060	\$ 11,593,103	\$ 16,027,928
Interest	6,588	2,109	8,697	-
Total Revenues	<u>8,741,631</u>	<u>2,860,169</u>	<u>11,601,800</u>	<u>16,027,928</u>
EXPENDITURES				
Capital Outlay -				
Road, Streets and Bridges	639,359	413,395	1,052,754	2,083,631
Public Safety Facilities and Equipment	329,634	-	329,634	6,411,172
Recreational Facilities	1,145,743	527,346	1,673,089	5,930,332
Administrative Facilities	-	-	-	1,602,793
Debt Service - Public Safety				
Principal	2,410,465	1,510,462	3,920,927	-
Interest	322,899	98,985	421,884	-
Total Expenditures	<u>4,848,100</u>	<u>2,550,188</u>	<u>7,398,288</u>	<u>16,027,928</u>
Excess of revenues over (under) expenditures	3,893,531	309,981	4,203,512	-
Other financing sources (uses)				
Transfers	(990,308)	-	(990,308)	-
Excess (deficiency) of revenues and other financing sources over (under) other financing uses	<u>\$ 2,903,223</u>	309,981	<u>\$ 3,213,204</u>	<u>\$ -</u>
FUND BALANCE				
Beginning		<u>2,903,223</u>		
Ending		<u>\$ 3,213,204</u>		

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET POSITION
SOLID WASTE MANAGEMENT ENTERPRISE FUND
JUNE 30, 2013 AND 2012

	2013	2012
ASSETS		
Current assets:		
Cash	\$ 121,797	\$ 109,943
Receivables (net of reserve for doubtful accounts of \$107,800 in 2013 and \$100,000 in 2012)		
Trade accounts	97,317	108,748
Unbilled sales	114,524	113,810
Total Current Assets	333,638	332,501
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	(691,329)	(632,949)
	1,323,559	1,381,939
Total Assets	1,657,197	1,714,440
LIABILITIES		
Current liabilities:		
Accounts payable	294,447	299,536
Customer deposits	7,222	5,808
Accrued liabilities - Payroll	6,452	8,520
	308,121	313,864
Total current liabilities (payable from current assets)	308,121	313,864
Long-term obligations	-	-
Total Liabilities	308,121	313,864
NET POSITION		
Net invested in capital assets	1,323,559	1,381,939
Unrestricted	25,517	18,637
	1,349,076	1,400,576
Total Net Position	\$ 1,349,076	\$ 1,400,576

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, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES		
Charges for services:		
Solid waste	\$ 1,407,765	\$ 1,349,220
Recycling	104,618	135,586
Penalties	24,873	19,306
Miscellaneous	5,063	5,090
Total Operating Revenues	<u>1,542,319</u>	<u>1,509,202</u>
OPERATING EXPENSES:		
Solid waste operations -		
Purchases of product/service	1,784,998	1,723,503
Salaries and benefits	32,836	37,989
Contracted / purchased services	12,448	5,025
Bad debt expense	7,800	15,000
Recycling operations -		
Salaries and benefits	95,267	98,855
Contracted / purchased services	69,945	66,185
Supplies	7,651	15,098
Depreciation	58,379	58,379
Total Operating Expenses	<u>2,069,324</u>	<u>2,020,034</u>
Operating Income (Loss)	(527,005)	(510,832)
NON-OPERATING INCOME (EXPENSES):		
Interest revenue	<u>95</u>	<u>87</u>
Net income (loss) before transfers and capital contributions	(526,910)	(510,745)
Transfers in	475,410	509,862
Capital contributions	<u>-</u>	<u>-</u>
NET INCOME	(51,500)	(883)
NET POSITION - BEGINNING	<u>1,400,576</u>	<u>1,401,459</u>
NET POSITION - ENDING	<u>\$ 1,349,076</u>	<u>\$ 1,400,576</u>

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 1,554,450	\$ 1,485,223
Cash paid to suppliers	(1,913,123)	(2,030,433)
Cash paid to employees	<u>(104,979)</u>	<u>(107,315)</u>
Net Cash Provided by Operating Activities	<u>(463,652)</u>	<u>(652,525)</u>
Cash flows from investing activities:		
Interest received	<u>96</u>	<u>87</u>
Net Cash Used in Investing Activities	<u>96</u>	<u>87</u>
Cash flows from non-capital financing activities:		
Transfers	<u>475,410</u>	<u>509,862</u>
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>475,410</u>	<u>509,862</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	11,854	(142,576)
Cash and cash equivalents - Beginning of Year	<u>109,943</u>	<u>252,519</u>
Cash and cash equivalents - End of Year	<u>\$ 121,797</u>	<u>\$ 109,943</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>2013</u>	<u>2012</u>
Operating income (loss)	\$ (527,005)	\$ (510,832)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	58,379	58,379
(Increase) decrease in receivables	10,717	(20,145)
Increase (decrease) in accounts payable	(5,089)	(173,351)
Increase (decrease) in customer deposits	1,414	(3,834)
Increase (decrease) in accrued liabilities	<u>(2,068)</u>	<u>(2,742)</u>
Total Adjustments	<u>63,353</u>	<u>(141,693)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (463,652)</u>	<u>\$ (652,525)</u>

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET POSITION
STORMWATER MANAGEMENT ENTERPRISE FUND
JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current Assets		
Cash	\$ 917,342	\$ 818,305
Receivables		
Trade accounts	13,312	23,829
Due from other funds	-	283
Prepaid tax billing fees	-	-
Total Current Assets	<u>930,654</u>	<u>842,417</u>
Property, Plant and Equipment		
Infrastructure	829,663	532,464
Equipment	228,089	-
Less: Accumulated depreciation	<u>(38,219)</u>	<u>(12,383)</u>
Net Property, Plant and Equipment	<u>1,019,533</u>	<u>520,081</u>
Total Assets	<u>1,950,187</u>	<u>1,362,498</u>
LIABILITIES		
Current Liabilities		
Accounts payable	22,664	9,020
Accrued expenses -		
Salaries	1,345	-
Interest	603	-
Due to other funds	88,805	-
Capital lease payable	<u>53,114</u>	<u>-</u>
Total Current Liabilities	<u>166,531</u>	<u>9,020</u>
Long-term Obligations	<u>109,726</u>	<u>-</u>
Total Liabilities	<u>276,257</u>	<u>9,020</u>
NET POSITION		
Net invested in capital assets	856,693	520,081
Unrestricted	<u>817,237</u>	<u>833,397</u>
Total Net Position	<u>\$ 1,673,930</u>	<u>\$ 1,353,478</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, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES		
Charges for services:		
Stormwater utility fees	\$ 536,259	\$ 533,491
Penalties	7,446	5,412
Miscellaneous	-	-
Total Operating Revenues	<u>543,705</u>	<u>538,903</u>
OPERATING EXPENSES:		
Salaries and benefits	91,578	-
Contracted / purchased services	102,942	120,097
Supplies	2,960	-
Depreciation	<u>25,836</u>	<u>8,958</u>
Total Operating Expenses	<u>223,316</u>	<u>129,055</u>
Operating Income (Loss)	320,389	409,848
NON-OPERATING INCOME (EXPENSES):		
Interest revenue	666	536
Interest expense	<u>(603)</u>	<u>-</u>
Net income (loss) before transfers and capital contributions	320,452	410,384
Transfers	-	-
NET INCOME	320,452	410,384
NET POSITION - BEGINNING	<u>1,353,478</u>	<u>943,094</u>
NET POSITION - ENDING	<u>\$ 1,673,930</u>	<u>\$ 1,353,478</u>

**CITY OF SNELLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
STORMWATER MANAGEMENT ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 554,222	\$ 540,553
Cash paid to suppliers	(113,904)	(121,356)
Cash paid to employees	<u>(68,587)</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>371,731</u>	<u>419,197</u>
Cash flows from investing activities:		
Interest received	<u>666</u>	<u>536</u>
Net Cash Used in Investing Activities	<u>666</u>	<u>536</u>
Cash flows from non-capital financing activities:		
Increase (decrease) in due to other funds	89,088	(48)
Transfers	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>89,088</u>	<u>(48)</u>
Cash flows from capital financing activities:		
Proceeds from debt issue	219,504	-
Principal payments	(56,664)	-
Purchase and construction of capital assets	<u>(525,288)</u>	<u>(210,841)</u>
Net Cash Provided by (Used in) Capital Financing Activities	<u>(362,448)</u>	<u>(210,841)</u>
Net increase in cash and cash equivalents	99,037	208,844
Cash and cash equivalents - Beginning of Year	<u>818,305</u>	<u>609,461</u>
Cash and cash equivalents - End of Year	<u>\$ 917,342</u>	<u>\$ 818,305</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>2013</u>	<u>2012</u>
Operating income (loss)	\$ 320,389	\$ 409,848
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	25,836	8,958
(Increase) decrease in receivables	10,517	1,650
(Increase) decrease in prepaid expenses	-	-
Increase (decrease) in accounts payable	13,644	(1,259)
Increase (decrease) in customer deposits	-	-
Increase (decrease) in accrued liabilities	1,345	-
Total Adjustments	<u>51,342</u>	<u>9,349</u>
Net Cash Provided by Operating Activities	<u>\$ 371,731</u>	<u>\$ 419,197</u>

SNELLVILLE DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
Cash	\$ 35,682	\$ 35,802
Investment	59,462	59,166
Due from primary government - long term	642,889	679,621
Total Assets	\$ 738,033	\$ 774,589
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Fund balance		
Nonspendable -		
Long-term portion of amount due from primary government	642,889	679,621
Unrestricted	95,144	94,968
Total Fund Balance	738,033	774,589
Total Liabilities and Fund Balance	\$ 738,033	\$ 774,589

**SNELLVILLE DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
REVENUES		
Contributions	\$ -	\$ -
Interest	23,700	13,029
Total Revenues	23,700	13,029
EXPENDITURES		
Current-		
Consultant	-	7,603
Promotion	-	5,000
Training	215	-
Capital-		
Land purchase	-	697,450
Debt service -		
Principal	36,732	17,829
Interest	23,309	12,191
Total Expenditures	60,256	740,073
Excess (deficiency) of revenues over expenditures	(36,556)	(727,044)
OTHER FINANCING SOURCES (USES)		
Proceeds from debt issuance	-	697,450
Sale of capital assets	-	697,450
Net change in fund balance	(36,556)	667,856
Fund Balance - Beginning of Year	774,589	106,733
Fund Balance - End of Year	\$ 738,033	\$ 774,589

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CITY OF SNELLVILLE, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF ALL TAXABLE PROPERTY

Last Ten Fiscal Years

Tax Digest Year	Real Property			Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Motor Vehicles	Other					
2003	355,319,410	240,123,940	44,241,430	44,241,430	33,860	16,915,840	622,802,800	3.750	1,557,007,000	40.00%
2004	385,891,380	253,249,110	42,257,340	42,257,340	86,650	17,134,000	664,350,480	3.650	1,660,876,200	40.00%
2005	407,247,211	264,642,360	39,936,790	39,936,790	239,890	18,290,540	693,775,711	3.650	1,734,439,278	40.00%
2006	435,996,438	307,578,536	36,936,770	36,936,770	840	17,434,840	763,077,744	3.650	1,907,694,360	40.00%
2007	472,489,482	329,873,241	38,477,090	38,477,090	5,400	19,225,791	821,619,422	3.650	2,054,048,555	40.00%
2008	488,590,082	343,172,382	38,628,940	38,628,940	4,560	19,160,640	851,235,324	4.150	2,128,088,310	40.00%
2009	483,824,820	334,371,428	38,550,920	38,550,920	597,680	18,120,000	839,224,848	4.150	2,098,062,120	40.00%
2010	415,928,984	318,011,258	31,946,200	31,946,200	6,160	18,357,560	747,535,042	5.900	1,868,837,605	40.00%
2011	361,997,014	296,893,380	33,004,330	33,004,330	-	18,392,920	673,501,804	5.700	1,683,754,510	40.00%
2012	345,489,780	308,657,349	33,169,790	33,169,790	-	18,107,440	669,209,479	5.000	1,673,023,698	40.00%
2013	315,605,530	313,434,920	36,585,400	36,585,400	-	18,495,720	647,130,130	4.900	1,617,825,325	40.00%

Source: Gwinnett County Tax Assessors Office

CITY OF SNELLVILLE, GEORGIA

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

Digest Year	Overlapping Rates														Total Direct & Overlapping Rates
	City of Snellville				County				School District				State of Georgia		
	Operating Millage	Operating Millage	Debt Service Millage	Fire Protection	Recreation	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Operating Millage	Debt Service Millage	Total School Millage	Operating Millage	Debt Service Millage	
2003	3.75	8.29	0.49	1.87	0.85	11.50	18.87	1.43	20.30	0.25	35.80				
2004	3.65	8.27	0.49	1.87	0.84	11.47	18.87	1.43	20.30	0.25	35.67				
2005	3.65	10.14	0.49	-	0.84	11.47	19.25	1.30	20.55	0.25	35.92				
2006	3.65	10.00	0.48	-	0.82	11.30	19.25	1.30	20.55	0.25	35.75				
2007	3.65	9.81	0.47	-	0.80	11.08	19.25	1.30	20.55	0.25	35.53				
2008	4.15	9.72	0.46	-	0.79	10.97	19.25	1.30	20.55	0.25	35.92				
2009	4.15	11.78	0.47	-	1.00	13.25	19.25	1.30	20.55	0.25	38.20				
2010	5.90	11.78	0.47	-	1.00	13.25	19.25	1.30	20.55	0.25	39.95				
2011	5.70	11.78	0.24	-	1.00	13.02	19.25	1.30	20.55	0.25	39.52				
2012	5.00	11.78	0.24	-	1.00	13.02	19.25	1.30	20.55	0.20	38.77				
2013	4.90	11.78	0.24	-	1.00	13.02	19.25	1.30	20.55	0.20	38.67				

Source: Gwinnett County Tax Assessors Office

CITY OF SNELLVILLE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Ten Years Ago

Taxpayer	Nature of Business	2012			2002		
		Rank	Assessed Valuation	% of Total City Taxes Levied	Rank	Assessed Valuation	% of Total City Taxes Levied
Atlanta Healthcare Management	Hospital	1	\$15,600,000	2.41%			
DDR Southeast Snellville LLC	Real Estate	2	\$11,400,000	1.76%			
KIR Snellville LP	Real Estate	3	9,600,000	1.48%	3	10,923,160	1.94%
GRL-EOY (Presidential Markets) LLC	Real Estate	4	7,526,850	1.16%			
Ventas Center MOB LLC	Medical Facilities	5	6,916,000	1.07%			
Wal-Mart Real Estate Business Trust	Retail Services	6	5,421,000	0.84%	5	5,706,320	1.01%
Lowe's Home Centers Inc	Retail Services	7	4,090,240	0.63%			
Ventas Plaza MOB LLC	Medical Facilities	8	3,600,000	0.56%			
GRL-EOY (Presidential Markets) LLC	Real Estate	9	3,544,670	0.55%			
Sam's Real Estate Business Trust	Retail Services	10	3,420,000	0.53%			
Cousins Properties	Real Estate				1	13,293,720	2.36%
Snellville Associates Limited	Real Estate				2	12,030,120	2.13%
Atlanta Healthcare Management	Medical Facilities				4	10,000,000	1.77%
KR Snellville Inc.	Real Estate				6	4,783,180	0.85%
Eastside Physicians Center LP	Medical Facilities				7	4,640,000	0.82%
Sams Real Estate Business Trust	Retail Services				8	3,913,280	0.69%
Excel Realty Partners LP	Real Estate				9	3,799,880	0.67%
Dayton Hudson Corp	Retail Services				10	3,150,280	0.56%
Totals			\$71,118,760	10.61%		\$72,239,940	12.80%

Source: Gwinnett County Tax Commissioner

CITY OF SNELLVILLE, GEORGIA
PROPERTY TAXES LEVIES AND COLLECTIONS

Last Eight Fiscal Years

Fiscal Year	Collected Within the Fiscal Year of the Levy		Percent of Levy	Collections in Subsequent Years	Total Collections to Date	
	Levy	Collected Amount			Amount	Percent of Levy
2006	2,476,074	2,432,384	98.24%	43,281	2,475,665	99.98%
2007	2,920,726	2,864,490	98.07%	54,659	2,919,149	99.95%
2008	3,233,410	3,179,067	98.32%	53,512	3,232,579	99.97%
2009	3,370,193	3,297,749	97.85%	70,870	3,368,619	99.95%
2010	3,318,877	3,175,502	95.68%	139,349	3,314,851	99.88%
2011	4,206,021	4,064,465	96.63%	129,155	4,193,620	99.71%
2012	3,626,730	3,540,122	97.61%	73,919	3,614,041	99.65%
2013	3,086,698	3,053,019	98.91%	-	3,053,019	98.91%

Source: City's Finance Department

CITY OF SNELLVILLE, GEORGIA

Sales Tax Rates and Taxable Sales

Last Nine Fiscal Years

Fiscal Year	(1)(2) Taxable Sales Within Gwinnett County	Special Purpose			State	Total
		(3) City/ County	School System	School System		
2005	3,567,915,700	1%	0%	4%	5%	
2006	14,926,321,100	1%	0%	4%	5%	
2007	15,321,175,400	1%	0%	4%	5%	
2008	14,784,942,900	1%	1%	4%	6%	
2009	15,321,175,400	1%	1%	4%	6%	
2010	14,784,942,900	1%	1%	4%	6%	
2011	13,186,936,300	1%	1%	4%	6%	
2012	14,007,686,200	1%	1%	4%	6%	
2013	14,205,650,628	1%	1%	4%	6%	

(1) Prescription drugs and services are not taxable.

(2) Calculated based on sales taxes collected by the city.

(3) The City of Snellville receives 2.04% of Special Purpose Local Option Sales Taxes collected for the 2009 SPLOST and 2.01% for the 2005 SPLOST.

CITY OF SNELLVILLE, GEORGIA

City Debt

Last Nine Fiscal Years

Fiscal Year	Governmental Activities							Total Primary Government	% of Personal Income (1)	Per Capita (1)
	Certificates of Participation	Capital Leases	Revenue Bonds	Business Type Activities						
2005	6,280,000	-	-	-	-	-	6,280,000	1.20%	335.04	
2006	6,015,000	-	-	-	-	-	6,015,000	1.10%	307.39	
2007	5,745,000	48,766	-	-	-	-	5,793,766	1.06%	296.08	
2008	5,470,000	236,978	-	-	-	-	5,706,978	1.04%	289.74	
2009	5,190,000	180,657	-	-	-	-	5,370,657	0.93%	260.28	
2010	4,900,000	6,875,525	-	-	-	-	11,775,525	2.57%	645.52	
2011	4,600,000	6,084,153	-	-	-	-	10,684,153	2.25%	585.69	
2012	4,290,000	4,519,304	-	-	-	-	8,809,304	1.86%	482.91	
2013	-	2,970,670	3,496,000	162,840	-	-	6,629,510	1.40%	348.44	

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

CITY OF SNELLVILLE, GEORGIA

LEGAL DEBT MARGIN TABLE

Last Ten Fiscal Years

Year	Assessed Value	Percentage	Debt Limit	Net Amount Applicable	Legal Debt Margin	Total Net Applicable to Limit as Percentage of Debt Limit
2004	664,350,480	10.00%	66,435,048	-	66,435,048	0.00%
2005	693,775,711	10.00%	69,377,571	-	69,377,571	0.00%
2006	763,077,744	10.00%	76,307,774	-	76,307,774	0.00%
2007	821,619,422	10.00%	82,161,942	-	82,161,942	0.00%
2008	851,235,324	10.00%	85,123,532	-	85,123,532	0.00%
2009	839,224,848	10.00%	83,922,485	-	83,922,485	0.00%
2010	747,535,042	10.00%	74,753,504	-	74,753,504	0.00%
2011	673,501,804	10.00%	67,350,180	-	67,350,180	0.00%
2012	669,209,479	10.00%	66,920,948	-	66,920,948	0.00%
2013	647,130,130	10.00%	64,713,013	-	64,713,013	0.00%

City of Snellville, Georgia

Summary of Direct and Overlapping Debt

As of June 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable(1)	Estimated Share of Overlapping Debt
Direct Debt:			
Bonds Payable	\$3,496,000	100%	\$3,496,000
Capital Leases Payable	<u>2,970,670</u>	100%	<u>\$2,970,670</u>
Total Direct Debt	<u>\$6,466,670</u>		<u>\$6,466,670</u>
Overlapping Debt:			
Gwinnett County	\$46,385,000	2.70%	\$1,252,395
Gwinnett County School District	<u>912,695,000</u>	2.70%	<u>24,642,765</u>
Total Overlapping Debt	<u>\$959,080,000</u>		<u>\$25,895,160</u>
Total Direct and Overlapping Debt	<u>\$965,546,670</u>		<u>\$32,361,830</u>

Source: Assessed value data used to estimate applicable percentages and debt outstanding obtained from Gwinnett County's finance department.

Note: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

CITY OF SNELLVILLE, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Income (1)	Personal Income	Median Age (1)	School Enrollment	Unemployment Rate
2004	17,611 (7)	\$27,445 (7)	\$483,333,895	40.2 (7)	5,099 (2)	4.20% (3)
2005	18,744 (5)	\$27,940 (4)	\$523,707,360	40.6 (4)	5,581 (2)	4.60% (3)
2006	19,568 (4)	\$27,940 (4)	\$546,729,920	40.6 (4)	5,986 (2)	4.20% (3)
2007	19,568 (4)	\$27,940 (4)	\$546,729,920	40.6 (4)	5,993 (2)	4.10% (3)
2008	19,697 (5)	\$27,940 (4)	\$550,334,180	40.6 (4)	5,897 (2)	5.70% (3)
2009	20,634 (1)	\$27,940 (4)	\$576,513,960	40.6 (4)	5,866 (2)	8.80% (3)
2010	18,242 (1)	\$25,083 (1)	\$457,564,086	41.2 (1)	3,764 (2)	9.20% (3)
2011	18,242 (1)	\$25,992 (7)	\$474,146,064	41.2 (7)	3,764 (2)	10.30% (3)
2012	18,242 (1)	\$25,992 (7)	\$474,146,064	41.2 (7)	4,596 (2)	9.00% (3)
2013	19,026 (7)	\$24,874 (7)	\$473,252,724	41.2 (7)	4,588 (2)	8.50% (3)

(1) Bureau of Census

(2) Gwinnett County Board of Education

(3) US Bureau of Labor Statistics (Gwinnett County)

(4) Averaged by US Census American Community Survey

(5) Atlanta Regional Commission Estimates

(6) Gwinnett County Chamber of Commerce

(7) City of Snellville Estimates

CITY OF SNELLVILLE, GEORGIA

PRINCIPAL EMPLOYERS

As Available from City of Snellville Public Records

Employer	2013			2006 (2)		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Eastside Medical Center	1,194	1	NA (1)	1,190	1	NA (1)
Wal-Mart	355	2	NA (1)	600	2	NA (1)
E.R. Snell	267	3	NA (1)	470	3	NA (1)
Sam's East	175	4	NA (1)	166	4	NA (1)
Lowe's	160	5	NA (1)	160	5	NA (1)
Target	157	6	NA (1)	160	6	NA (1)
England Associates, LP	145	7	NA (1)	150	7	NA (1)
TOMCO	125	8	NA (1)	115	8	NA (1)
Kroger	124	9	NA (1)	109	9	NA (1)
GMRI, INC.	122	10	NA (1)	94	10	NA (1)
Total Principal Employers	3,185		NA (1)			
Total Employees	NA (1)					

Source: City of Snellville Community Development

(1) Total employment numbers have not been recorded in the past. Employment data will be collected in the future.

(2) City of Snellville Comprehensive Plan

CITY OF SNELLVILLE, GEORGIA

FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION

Full-time Equivalent Employees as of June 30

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2103
General Government	12.5	13.0	14.0	18.0	14.5	11.5	14.0	14.0	13.0	13.0
Public Safety	53.0	53.0	58.0	57.0	60.0	56.0	53.0	53.0	52.0	56.0
Public Works	7.0	7.0	9.0	9.0	10.0	9.0	9.0	9.0	9.0	12.0
Parks and Recreation	11.0	11.0	11.0	12.0	12.0	8.0	8.0	8.0	8.0	7.0
Community Development	6.0	6.0	7.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0
Sanitation	4.5	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0	3.0
Stormwater Utility	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
Total	94.0	94.5	103.5	106.5	106.5	95.5	94.0	94.0	92.0	97.0

Source: Various City Departments

CITY OF SNELLVILLE, GEORGIA

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical Arrests	1,337	1,413	1,724	1,844	2,018	1,775	1,868	1,999	2,336	2,298
Parking Violations	33	51	45	47	15	13	76	385	237	144
Traffic Violations	6,541	10,057	10,472	11,214	14,008	11,514	14,211	14,266	14,522	13,178
Red Light Camera Tickets	-	5,844	18,708	15,811	11,207	974	-	-	-	-
Sanitation Tonnage	*	24,385	24,126	25,758	25,905	24,492	24,675	24,238	16,452	18,901
Recycling Center Revenue	88,904	122,940	101,779	155,545	229,806	119,016	140,811	139,256	139,186	132,852
Recycling Center Tonnage	2,303	2,248	2,306	2,815	1,944	1,582	1,443	1,549	1,458	1,487

Sources: Various City Departments.

Note 1: No operating indicators are available for the General Government Functions.

* Data not available

CITY OF SNELLVILLE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

<u>Function</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	35	40	40	40	46	41	41	41	54	59
Parks and Culture										
Passive Parks	1	1	1	1	1	2	2	2	2	2
Active Parks	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1	1	1
Recycling Center	1	1	1	1	1	1	1	1	1	1

Sources: Various City Departments.

