



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

CITY OF LOGANVILLE, GEORGIA

AUDIT REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

CITY OF LOGANVILLE, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
City of Loganville, 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 the City of Loganville, Georgia as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Loganville, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Loganville, Georgia, as of June 30, 2011, and the respective changes in financial position, and where applicable cash flows, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

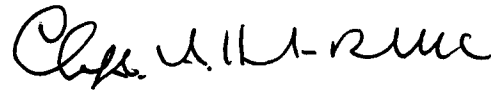
In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2011, on our consideration of the City of Loganville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Honorable Mayor and
Members of City Council
City of Loganville, Georgia
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The management's discussion and analysis and the schedule of funding progress are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Loganville, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and the schedules of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedules of projects constructed with special sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Macon, Georgia
September 12, 2011



MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF LOGANVILLE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

As management of the City of Loganville, Georgia we present management's analysis of the City's financial condition and activities for the fiscal year ended June 30, 2011. This information should be read and considered in conjunction with the financial statements.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2011 by \$23,582,189 (total net assets). Of this amount, \$8,996,418 (unrestricted net assets) was available for use to meet the City's ongoing obligations to its citizens and creditors.
- The City's total net assets increased by \$2,113,383.
- At the close of fiscal year 2011, the City's governmental funds reported combined ending fund balances of \$6,040,553. Of this amount, \$4,595,503 or 76 % is available for spending at the government's discretion (General unassigned fund balance). The balance of this amount, \$1,445,050 is available for spending according to the guidelines of the source of the funds.
- At the end of the fiscal year, the unassigned fund balance for the general fund was \$4,721,183.

Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) serves as an introduction to the City of Loganville's basic financial statements. The City's basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The MD&A should be read and considered with the basic audited financial statements and supplementary information.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the City's finances in a manner similar to commercial enterprises.

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

The statement of activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected property taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish between 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 include general government, judicial, public safety, public works, culture and recreation and housing and development. The business-type activities of the City include water and solid waste management.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

(CONTINUED)

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 local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into governmental funds and proprietary funds.

Governmental funds. Government funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. 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 governmental funds and governmental activities.

The City maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered a major fund. The data from the four other funds, the non major funds, is aggregated into a single presentation. The individual fund data for these funds is located in the combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the general fund and all special revenue funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget. The City does not have a debt service fund. The City adopted a project length budget for all Capital project funds. Budgetary comparisons for these non major funds are included as supplementary information.

Proprietary funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its solid waste operations, water and sewer system operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the Water and Sewer Fund, and the Solid Waste Fund. These two funds are considered to be major funds of the City.

Notes to the financial statements. The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes provide information about the City's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the City's obligation in funding pension benefits to its employees.

CITY OF LOGANVILLE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011
(CONTINUED)

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. The assets exceeded the liabilities at the close of fiscal year 2011 by \$23,582,189.

The largest component of net assets, which may be used to meet the City's ongoing obligations to its citizens and creditors, is unrestricted assets in the amount of \$8,996,418 or 38.2%. Another component of the City's net assets is investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding, which comprises \$14,299,356 or 60.6%. The City uses these capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City's investment in its 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.

An additional portion of the City's net assets, \$286,415 or 1.2%, represents resources that are subject to external restrictions on how they may be used. The \$273,900 represents water and sewer reserve accounts set aside as emergency funds for one year's obligation for the City's outstanding water and sewer revenue bonds.

City of Loganville Net Assets
June 30, 2011

	Governmental Activities		Business Type Activities		Totals	
	2010	2011	2010	2011	2010	2011
Assets:						
Current assets	\$ 5,775,874	\$ 6,562,891	\$ 4,477,679	\$ 4,022,997	\$ 10,253,553	\$ 10,585,888
Restricted assets	-	-	296,567	273,900	296,567	273,900
Capital assets	7,241,467	7,393,103	15,035,707	15,872,024	22,277,174	23,265,127
Total assets	13,017,341	13,955,994	19,809,953	20,168,921	32,827,294	34,124,915
Liabilities:						
Current and other liabilities	408,842	497,939	908,246	864,897	1,317,088	1,362,836
Noncurrent liabilities	776,923	631,676	9,264,477	8,548,214	10,041,400	9,179,890
Total liabilities	1,185,765	1,129,615	10,172,723	9,413,111	11,358,488	10,542,726
Net assets:						
Invested in capital assets, net of related debt	6,632,954	6,942,089	5,807,318	7,357,267	12,440,272	14,299,356
Restricted for Public safety	41,059	12,515	-	-	41,059	12,515
Debt service	-	-	296,567	273,900	296,567	273,900
Unrestricted	5,157,563	5,871,775	3,533,345	3,124,643	8,690,908	8,996,418
Total net assets	\$ 11,831,576	\$ 12,826,379	\$ 9,637,230	\$ 10,755,810	\$ 21,468,806	\$ 23,582,189

At the end of the current fiscal year, the City is able to report positive balances in all categories of net assets, both for the government as whole, as well as for its separate governmental and business-type activities.

CITY OF LOGANVILLE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011
(CONTINUED)

Revenues. Property Taxes of \$4,022,383 and sales tax of \$677,733 accounted for 75.7% of total general revenues.

Capital grants and contributions totaled \$740,237.

Expenses. The total expense for the governmental activities is \$7,818,369. The largest single expenditure activity is public safety. Public safety includes the police department and the fire department. The total public safety expense is \$4,409,902 or 56.4% of total governmental activity expense.

Total program revenues and general revenues exceeded expenses by \$994,803.

City of Loganville Changes in Net Assets
June 30, 2011

	Governmental Activities		Business Type Activities		Totals	
	2010	2011	2010	2011	2010	2011
Revenues:						
Program Revenues						
Charges for service	\$ 1,487,683	\$ 1,579,340	\$ 6,311,699	\$ 6,610,923	\$ 7,799,382	\$ 8,190,263
Operating grants and contributions	233,432	-	-	-	233,432	-
Capital grants and contributions	944,002	740,237	71,707	481,858	1,015,709	1,222,095
General revenues						
Property taxes	4,219,630	4,022,383	-	-	4,219,630	4,022,383
Sales tax	680,212	677,733	-	-	680,212	677,733
Other Taxes	1,467,176	1,506,875	-	-	1,467,176	1,506,875
Grants & Contributions						
(not restricted to specific programs)	11,982	4,959	-	-	-	4,959
Investment earnings	23,194	34,551	6,367	15,788	29,561	50,339
Transfers	334,632	150,000	(334,632)	(150,000)	-	-
Other	77,975	97,094	-	-	77,975	97,094
Total revenue	<u>9,479,918</u>	<u>8,813,172</u>	<u>6,055,141</u>	<u>6,958,569</u>	<u>15,535,059</u>	<u>15,771,741</u>
Expenses:						
General government	1,300,663	1,255,160	-	-	1,300,663	1,255,160
Judicial	481,889	432,741	-	-	481,889	432,741
Public safety	4,497,338	4,409,902	-	-	4,497,338	4,409,902
Public works	1,377,412	1,244,798	-	-	1,377,412	1,244,798
Culture and recreation	164,126	197,326	-	-	164,126	197,326
Housing and development	294,247	239,081	-	-	294,247	239,081
Interest and fiscal charges	37,232	39,361	-	-	37,232	39,361
Water and sewer	-	-	4,576,767	4,649,996	4,576,767	4,649,996
Solid waste	-	-	1,222,671	1,189,993	1,222,671	1,189,993
Total Expenses	<u>8,152,907</u>	<u>7,818,369</u>	<u>5,799,438</u>	<u>5,839,989</u>	<u>13,952,345</u>	<u>13,658,358</u>
Increase in net assets before transfers	<u>1,327,011</u>	<u>994,803</u>	<u>255,703</u>	<u>1,118,580</u>	<u>1,582,714</u>	<u>2,113,383</u>
Transfers	-	-	-	-	-	-
Increase in net assets	<u>1,327,011</u>	<u>994,803</u>	<u>255,703</u>	<u>1,118,580</u>	<u>1,582,714</u>	<u>2,113,383</u>
Net assets - beginning	<u>10,504,565</u>	<u>11,831,576</u>	<u>9,381,527</u>	<u>9,637,230</u>	<u>19,886,092</u>	<u>21,468,806</u>
Net assets - ending	<u>\$ 11,831,576</u>	<u>\$ 12,826,379</u>	<u>\$ 9,637,230</u>	<u>\$ 10,755,810</u>	<u>\$ 21,468,806</u>	<u>\$ 23,582,189</u>

Business-type activities. Business-type activities increased the City's net assets by \$1,118,580 or 52.9% of the increase in the government's net assets.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2011 (CONTINUED)

Revenues. Water and sewer revenue was \$5,252,348. Solid Waste revenue was \$1,358,575. Water and sewer revenue is derived from the sale of water and sewer services to the citizens of the City. Solid waste is garbage collection services.

Expenses. Water and sewer expense was \$4,649,996. Solid waste expense was \$1,189,993.

Financial Analysis of the Government's Funds

The City of Loganville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,040,553. Approximately 76% of this amount \$4,595,503 constitutes unassigned fund balance, which is available for spending at the government's discretion. Reserved fund balance in the amount of \$1,409,075 and \$23,460 are set aside for non spendable items an assigned, respectively. The remainder of the fund balance is reported in restricted funds. Although these funds are unreserved, the funds may only be used within the guidelines of each fund.

The general fund is the chief operating fund of the City. At the June 30, 2011, unreserved fund balance of the general fund was \$4,721,183. As a measure of the general fund's liquidity, it may be useful to compare both the unreserved balance and total fund balances to total fund expenditures. The total fund balance 83% and the unreserved balance 65%.

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

Unrestricted net assets of the Water and Sewer Fund at June 30, 2011 amounted to \$1,938,740 and those of the Solid Waste Fund amounted to \$1,185,903. The total change in Water and Sewer net assets was an increase of \$998,389 and the change in Solid Waste net assets was \$120,191.

General Fund Budgetary Highlights

There were no differences between the original budgeted expenditures and the final amended budgeted expenditures. Budgeted revenues and other financing sources did not increase from the original budget amounts. During the year revenues were over from budgetary estimates by \$155,009. The expenditures were under the budgetary estimates by \$683,655.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

(CONTINUED)

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2011 amounts to \$23,265,127 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, building and improvements, equipment and vehicles.

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

General Fund

• Public Works Building	\$ 180,203
• Rock Gym – Main Street – Improvements	29,274
• Furniture & Fixtures	19,960
• 2010 – 5 each Dodge Charger	142,625
• 2011 – 1 each Ford F150	17,221

**City of Loganville Capital Assets
(Net of Depreciation)**

	Governmental Activities	Business Type Activities	Totals
Land	\$ 1,475,521	\$ 1,000,000	\$ 2,475,521
Construction in progress	250,892	1,434,723	1,685,615
Building	2,093,604	9,541,600	11,635,204
Site Improvements	128,402	3,580,975	3,709,377
Equipment	196,440	304,013	500,453
Furniture & Fixtures	27,349	-	27,349
Vehicles	931,099	10,713	941,812
Infrastructure	2,289,796	-	2,289,796
Total	<u>\$ 7,393,103</u>	<u>\$ 15,872,024</u>	<u>\$ 23,265,127</u>

CITY OF LOGANVILLE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011
(CONTINUED)

Long-term debt.

City of Loganville Outstanding Debt

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Totals</u>
Revenue Bonds	\$ -	\$ 1,196,424	\$ 1,196,424
OPEB obligation	10,814		10,814
Notes & Capital Leases	451,014	7,318,332	7,769,346
Compensated Absences	169,848	33,457	203,305
	<u>\$ 631,676</u>	<u>\$ 8,548,213</u>	<u>\$ 9,179,889</u>

During the current fiscal year, the City's governmental funds incurred long-term debt totaling \$257,925 and retired debt totaling \$403,172. The City's enterprise funds incurred long-term debt totaling \$37,171 and retired debt totaling \$753,435.

Readers should refer to the notes to the financial statements for more detail on capital assets and long-term debt activity.

Economic Factors

The management of the City of Loganville is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position (net assets) of the City or results of operations (revenues, expenses, and other changes in net assets) of the City.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Clerk and Treasurer, City of Loganville, P. O. Box 39, Loganville, Georgia, 30052.

BASIC FINANCIAL STATEMENTS

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CITY OF LOGANVILLE, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	\$ 4,058,921	\$ 3,146,621	\$ 7,205,542	\$ 506
Investments	1,055,592	798,605	1,854,197	-
Receivables, net of allowance	64,403	826,973	891,376	-
Due from other governments	214,720	-	214,720	-
Internal balances	1,007,912	(1,007,912)	-	-
Prepaid items	161,343	58,553	219,896	-
Deferred charges	-	200,157	200,157	-
Restricted Assets:				
Cash and cash equivalents	-	273,900	273,900	-
Capital assets not being depreciated:				
Land, land improvements and easements	1,475,521	1,000,000	2,475,521	-
Construction in progress	250,892	1,434,723	1,685,615	-
Capital assets net of accumulated depreciation:				
Site improvements	128,402	3,580,975	3,709,377	-
Building and improvements	2,093,604	9,541,600	11,635,204	-
Infrastructure	2,289,796	-	2,289,796	-
Machinery and equipment	1,127,539	314,726	1,442,265	-
Furniture and fixtures	27,349	-	27,349	-
Total assets	<u>13,955,994</u>	<u>20,168,921</u>	<u>34,124,915</u>	<u>506</u>
LIABILITIES				
Accounts payable	139,284	324,349	463,633	-
Other accrued expenses	348,819	48,610	397,429	-
Accrued interest payable	9,836	-	9,836	-
Customer deposits	-	491,938	491,938	-
Noncurrent liabilities:				
Due within one year	327,741	784,039	1,111,780	-
Due in more than one year	303,935	7,764,175	8,068,110	-
Total liabilities	<u>1,129,615</u>	<u>9,413,111</u>	<u>10,542,726</u>	<u>-</u>
NET ASSETS				
Invested in capital assets, net of related debt	6,942,089	7,357,267	14,299,356	-
Restricted for:				
Public safety	12,515	-	12,515	-
Debt service	-	273,900	273,900	-
Unrestricted	<u>5,871,775</u>	<u>3,124,643</u>	<u>8,996,418</u>	<u>506</u>
Total net assets	<u>\$ 12,826,379</u>	<u>\$ 10,755,810</u>	<u>\$ 23,582,189</u>	<u>\$ 506</u>

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities				
General government	\$ 1,255,160	\$ 184,317	\$ -	\$ -
Judicial	432,741	-	-	-
Public safety	4,409,902	1,395,023	-	-
Public works	1,244,797	-	-	740,237
Culture and recreation	197,326	-	-	-
Housing and development	239,081	-	-	-
Interest on long-term debt	39,361	-	-	-
Total governmental activities	7,818,368	1,579,340	-	740,237
Business-type Activities				
Water and sewer	4,649,996	5,252,348	-	481,858
Solid Waste	1,189,993	1,358,575	-	-
Total business-type activities	5,839,989	6,610,923	-	481,858
Total primary government	\$ 13,658,357	\$ 8,190,263	\$ -	\$ 1,222,095
Component Units				
Downtown Development Authority	\$ 5	\$ -	\$ -	\$ -
Total component unit	\$ 5	\$ -	\$ -	\$ -

General revenues:

- Property taxes
- Sales taxes
- Occupational taxes
- Franchise taxes
- Hotel/Motel taxes
- Insurance premium taxes
- Other taxes
- Grants and contributions not restricted to specific programs
- Investment earnings
- Miscellaneous
- Transfers
- Total general revenues and transfers
- Change in net assets
- Net assets - beginning
- Net assets - ending

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
\$ (1,070,843)	\$ -	\$ (1,070,843)	\$ -
(432,741)	-	(432,741)	-
(3,014,879)	-	(3,014,879)	-
(504,560)	-	(504,560)	-
(197,326)	-	(197,326)	-
(239,081)	-	(239,081)	-
(39,361)	-	(39,361)	-
(5,498,791)	-	(5,498,791)	-
-	1,084,210	1,084,210	-
-	168,582	168,582	-
-	1,252,792	1,252,792	-
(5,498,791)	1,252,792	(4,245,999)	-
			(5)
			(5)
4,022,383	-	4,022,383	-
677,733	-	677,733	-
282,979	-	282,979	-
647,307	-	647,307	-
20,664	-	20,664	-
292,576	-	292,576	-
263,348	-	263,348	-
4,959	-	4,959	-
34,551	15,788	50,339	1
97,094	-	97,094	-
150,000	(150,000)	-	-
6,493,594	(134,212)	6,359,382	1
994,803	1,118,580	2,113,383	(4)
11,831,576	9,637,230	21,468,806	510
\$ 12,826,379	\$ 10,755,810	\$ 23,582,189	\$ 506

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

CITY OF LOGANVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,972,252	\$ 86,669	\$ 4,058,921
Investments	1,055,592	-	1,055,592
Taxes receivable	56,603	5,204	61,807
Due from other funds	19,819	-	19,819
Due from other governments	77,277	137,443	214,720
Other receivables	2,596	-	2,596
Prepaid items	161,343	-	161,343
Advances to other funds	1,247,732	-	1,247,732
Total assets	<u>\$ 6,593,214</u>	<u>\$ 229,316</u>	<u>\$ 6,822,530</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 55,961	\$ 83,323	\$ 139,284
Due to other funds	481	11,426	11,907
Deferred revenues	34,235	-	34,235
Other accrued liabilities	348,819	-	348,819
Advances from other funds	-	247,732	247,732
Total liabilities	<u>439,496</u>	<u>342,481</u>	<u>781,977</u>
Fund balances:			
Nonspendable	1,409,075	-	1,409,075
Restricted	-	12,515	12,515
Assigned	23,460	-	23,460
Unassigned	4,721,183	(125,680)	4,595,503
Total fund balances (deficits)	<u>6,153,718</u>	<u>(113,165)</u>	<u>6,040,553</u>
Total liabilities and fund balances	<u>\$ 6,593,214</u>	<u>\$ 229,316</u>	<u>\$ 6,822,530</u>

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

CITY OF LOGANVILLE, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2011

Total fund balances per balance sheet of governmental funds	\$ 6,040,553
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Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:

Capital Assets

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

Cost of the assets	11,291,337
Accumulated depreciation	(3,898,234)

Revenues

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

34,235

Long-term Liabilities

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

Accrued interest	(9,836)
Compensated absences	(169,848)
Capital leases	(451,014)
Other post employment benefits liability	<u>(10,814)</u>

Total net assets of governmental activities	<u><u>\$ 12,826,379</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	\$ 4,087,455	\$ -	\$ 4,087,455
Sales	677,733	-	677,733
Franchise	647,307	-	647,307
Insurance premium	292,576	-	292,576
Occupational	282,979	-	282,979
Hotel/motel	-	20,664	20,664
Alcoholic beverage	263,348	-	263,348
License and permits	110,308	-	110,308
Intergovernmental	204,654	686,385	891,039
Fines and forfeitures	1,199,554	44,667	1,244,221
Charges for services	74,009	-	74,009
Contributions from private sources	4,959	-	4,959
Investment earnings	34,551	-	34,551
Miscellaneous	94,127	2,967	97,094
Total revenues	7,973,560	754,683	8,728,243
EXPENDITURES			
Current:			
General government	964,616	1,610	966,226
Judicial	431,961	-	431,961
Public safety	4,340,740	15,488	4,356,228
Public works	987,166	502,495	1,489,661
Culture and recreation	148,528	10,595	159,123
Housing and development	234,861	-	234,861
Debt service:			
Principal	157,499	-	157,499
Interest and other charges	29,525	-	29,525
Capital outlay	-	280,331	280,331
Total expenditures	7,294,896	810,519	8,105,415
Excess (deficiency) of revenues over (under) expenditures	678,664	(55,836)	622,828
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(11,426)	(11,426)
Transfers in	161,426	-	161,426
Total other financing sources (uses)	161,426	(11,426)	150,000
Net change in fund balances	840,090	(67,262)	772,828
Fund balances - beginning	5,313,628	(45,903)	5,267,725
Fund balances (deficits) - ending	\$ 6,153,718	\$ (113,165)	\$ 6,040,553

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

CITY OF LOGANVILLE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses Per Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 772,828
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Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances due to the following:

Capital Assets

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

Total capital outlays	639,644
Total depreciation	(488,008)

Long-term Debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Repayment of principal	157,499
Interest on long-term debt	(9,836)
Other post employment benefits liability	(6,020)
Compensated absences	(6,232)

Revenues

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

(65,072)

Change in Net Assets of Governmental Activities

\$ 994,803

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes:				
Property	\$ 4,072,556	\$ 4,072,556	\$ 4,087,455	\$ 14,899
Sales	680,000	680,000	677,733	(2,267)
Franchise	631,000	631,000	647,307	16,307
Insurance premium	302,000	302,000	292,576	(9,424)
Occupational	250,000	250,000	282,979	32,979
Alcoholic beverage	273,301	273,301	263,348	(9,953)
License and permits	132,500	132,500	110,308	(22,192)
Intergovernmental	83,944	83,944	204,654	120,710
Fines and forfeitures	1,228,500	1,228,500	1,199,554	(28,946)
Charges for services	58,050	58,050	74,009	15,959
Contribution from private sources	-	-	4,959	4,959
Investment earnings	15,000	15,000	34,551	19,551
Miscellaneous	91,700	91,700	94,127	2,427
Total revenues	7,818,551	7,818,551	7,973,560	155,009
EXPENDITURES				
Current:				
General government:				
Executive	292,687	292,687	283,811	8,876
Council	115,784	115,784	102,993	12,791
Board of elections/registrations	3,175	3,175	1,277	1,898
Administration	864,711	675,604	374,296	301,308
Buildings and plant	188,276	253,276	202,239	51,037
Judicial:				
Municipal court	480,405	480,405	431,961	48,444
Public safety:				
Police	2,439,546	2,439,546	2,392,352	47,194
Fire administration	1,998,141	1,982,141	1,948,388	33,753
Public works:				
Administration	679,609	803,717	702,548	101,169
Highways and streets	351,661	350,661	284,618	66,043
Culture and recreation:				
Library	150,538	150,538	148,528	2,010
Housing and development:				
Protective inspection administration	242,060	243,059	234,861	8,198
Debt service:				
Principal	153,606	157,606	157,499	107
Interest and other charges	18,352	30,352	29,525	827
Total expenditures	7,978,551	7,978,551	7,294,896	683,655

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (CONTINUED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Excess (deficiency) of revenue over (under) expenditure	(160,000)	(160,000)	678,664	838,664
OTHER FINANCING SOURCES (USES)				
Transfers in	160,000	160,000	161,426	1,426
Total other financing sources (uses)	160,000	160,000	161,426	1,426
Net change in fund balances	-	-	840,090	840,090
Fund balances - beginning	3,912,749	3,912,749	5,313,628	1,400,879
Fund balances - ending	\$ 3,912,749	\$ 3,912,749	\$ 6,153,718	\$ 2,240,969

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,547,746	\$ 598,875	\$ 3,146,621
Investments	291,408	507,197	798,605
Accounts receivable, net	649,481	177,492	826,973
Due from other funds	-	481	481
Prepaid items	58,553	-	58,553
Total current assets	3,547,188	1,284,045	4,831,233
Noncurrent assets:			
Restricted cash and cash equivalents	273,900	-	273,900
Deferred charges	200,157	-	200,157
Capital assets:			
Land and easements	1,000,000	-	1,000,000
Structures, equipment and lines	19,430,498	-	19,430,498
Construction in progress	1,434,723	-	1,434,723
Less: accumulated depreciation	(5,993,197)	-	(5,993,197)
Total noncurrent assets	16,346,081	-	16,346,081
Total assets	19,893,269	1,284,045	21,177,314
LIABILITIES			
Current liabilities:			
Accounts payable	226,207	98,142	324,349
Salaries payable	48,610	-	48,610
Due to other funds	8,393	-	8,393
Accrued employee benefits	33,457	-	33,457
Customer deposits payable	491,938	-	491,938
Revenue bond payable-current	160,000	-	160,000
Capital leases and notes payable-current	590,582	-	590,582
Total current liabilities	1,559,187	98,142	1,657,329
Noncurrent liabilities:			
Capital leases and notes payable	6,727,751	-	6,727,751
Revenue bonds, net of unamortized refunding costs	1,036,424	-	1,036,424
Advances from other funds	1,000,000	-	1,000,000
Total noncurrent liabilities	8,764,175	-	8,764,175
Total liabilities	10,323,362	98,142	10,421,504
NET ASSETS			
Invested in capital assets, net of related debt	7,357,267	-	7,357,267
Restricted for debt service	273,900	-	273,900
Unrestricted	1,938,740	1,185,903	3,124,643
Total net assets	\$ 9,569,907	\$ 1,185,903	\$ 10,755,810

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
Operating revenues:			
Charges for sales and services	\$ 5,252,348	1,358,575	\$ 6,610,923
Total operating revenues	5,252,348	1,358,575	6,610,923
Operating expenses:			
Salaries and benefits	1,440,745	3,863	1,444,608
Purchased/contracted services	1,105,795	1,185,687	2,291,482
Supplies and materials	1,145,175	-	1,145,175
Other costs	-	443	443
Amortization	29,140	-	29,140
Depreciation	579,127	-	579,127
Total operating expenses	4,299,982	1,189,993	5,489,975
Operating income (loss)	952,366	168,582	1,120,948
Nonoperating revenues (expenses):			
Interest income - nonrestricted assets	14,179	1,609	15,788
Interest expense	(350,014)	-	(350,014)
Total nonoperating revenues (expenses)	(335,835)	1,609	(334,226)
Income before contributions and transfers	616,531	170,191	786,722
Capital contributions	481,858	-	481,858
Transfers out	(100,000)	(50,000)	(150,000)
Total other financing (uses)	381,858	(50,000)	331,858
Change in net assets	998,389	120,191	1,118,580
Total net assets - beginning	8,571,518	1,065,712	9,637,230
Total net assets - ending	\$ 9,569,907	\$ 1,185,903	\$ 10,755,810

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Solid Waste	
	Fund	Fund	Total
<u>Cash Flows from Operating Activities:</u>			
Receipts from customers and users	\$ 5,145,358	\$ 1,396,939	\$ 6,542,297
Payments to vendors for goods and services	(2,308,285)	(1,198,135)	(3,506,420)
Payments to employees	(1,438,696)	(3,863)	(1,442,559)
Net Cash Provided by (Used for)			
Operating Activities	1,398,377	194,941	1,593,318
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers to other funds	(100,000)	(50,000)	(150,000)
Advances from other funds	1,000,000	-	1,000,000
Net Cash Provided by (Used for)			
Noncapital Financing Activities	900,000	(50,000)	850,000
<u>Cash Flows from Capital and Related</u>			
<u>Financing Activities:</u>			
Principal paid on capital debt	(718,746)	-	(718,746)
Interest paid on capital debt	(350,014)	-	(350,014)
Capital contributions	481,858	-	481,858
Acquisition and construction of capital assets	(1,415,444)	-	(1,415,444)
Net Cash Provided by (Used for)			
Capital and Related Financing Activities	(2,002,346)	-	(2,002,346)
<u>Cash Flows for Investing Activities:</u>			
Interest received	14,179	1,609	15,788
Proceeds from sales and maturities of investments	1,340,290	-	1,340,290
Purchases of investments	-	(905)	(905)
Net Cash Provided (Used) in Investing Activities	1,354,469	704	1,355,173
Net increase (decrease) in cash and cash equivalents	1,650,500	145,645	1,796,144
Cash and cash equivalents - beginning	1,171,146	453,230	1,624,376
Cash and cash equivalents - ending	\$ 2,821,646	\$ 598,875	\$ 3,420,520
Classified as			
Current assets	\$ 2,547,746	\$ 598,875	\$ 3,146,621
Restricted assets	273,900	-	273,900
Total cash and cash equivalents	\$ 2,821,646	\$ 598,875	\$ 3,420,521

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (CONTINUED)

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 952,366	\$ 168,582	\$ 1,120,948
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	579,127	-	579,127
Change In			
Accounts receivable, net	(136,130)	38,364	(97,766)
Due from other funds	13,158	1,964	15,122
Prepaid items	8,913	-	8,913
Deferred charges	24,027	-	24,027
Accounts payable	(62,413)	(811)	(63,224)
Due to other funds	2,085		2,085
Accrued employee benefits	2,048	(13,158)	(11,110)
Customers' meter deposits	15,196	-	15,196
	446,011	26,359	472,370
Net cash provided (used) by operating activities	\$ 1,398,377	\$ 194,941	\$ 1,593,318
Noncash investing, capital and financing activities:			
Capital Contributions	\$ 481,858	\$ -	\$ 481,858

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

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF LOGANVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting entity

The City of Loganville, Georgia (hereinafter the “City”) was incorporated under the laws of the State of Georgia in 1887 and operates under a mayor-council form of government. The City provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, general and administrative services, and water utilities.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements presents the City and its discretely presented component units, entities for which the City is considered to be financially accountable. The criteria used to determine financial accountability is evidenced by the following:

1. Ability to impose will on an organization by being able to significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization.
2. Financial benefit to or burden on the primary government including responsibility for financing debts, entitlements to surpluses and guarantees or moral responsibility for debt.
3. Fiscal dependency for matters including authority over funds and budgetary appropriations.
4. Ability of the primary government to appoint a voting majority of an organization’s governing body.

Each discretely presented component unit is reported in a separate column in the government-wide financial statements and is accountable under all the criteria listed.

Discretely Presented Component Units

The Downtown Development Authority of Loganville, Inc. (the “Authority”) was created to revitalize and redevelop the central business district of the City. The Authority’s governing board is appointed by the City Council. The Authority’s financial statements consist of a general fund only and the Authority does not issue separate financial statements. The Authority is reported as a governmental fund type.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

B. Government-wide and fund financial statements

The government-wide financial statements (Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

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

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

Property taxes, local option sales taxes, franchise taxes, other taxes, licenses and permits, intergovernmental revenues, interest and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental fund:

General Fund – The general fund is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

Water and Sewer Fund – accounts for the operations of maintenance of the City’s water and wastewater services to the residents and businesses of the City.

Solid Waste Fund – accounts for the operation and maintenance of the City’s trash collection, leaf and limb collection and recycling.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

Amounts reported as program revenues include 1) charges for services or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Other revenue sources not properly included with program revenues are reported as general revenues of the City.

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

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

D. Deposits and Investments

Deposits

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

Investments

Investments for the City are reported at fair value.

E. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received including property taxes, amounts due from other funds and grants.

In the fund financial statements, deferred revenue accounts are used to offset receivables to the extent revenue is not recognized under the City's policy.

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

F. Interfund Receivables, Payables, Advances and Transfers

In the fund financial statements balances that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/interfund payables." or "advances to/from other funds." In the government-wide financial statements these balances are netted and reported as "internal balances."

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Restricted Assets and Reserves

Resources set aside in proprietary funds for repayment of bonds, emergency uses and renewal or extension in the amounts of \$273,900 are classified as restricted assets because their use is limited by bond covenants. A corresponding portion of net assets is segregated by its classification as "restricted for other purposes."

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Infrastructure with an individual cost that is equal to or exceeds \$25,000 is recorded as a capital asset. General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003. Capital assets are valued at historical costs or estimated historical cost if actual cost is not available. Donated capital assets are valued at their fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Preliminary and interim costs incurred by governmental funds for capital projects are reported as "construction in progress." Cost related to abandoned projects are expensed when the project is abandoned.

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed, if material.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated over their estimated useful lives using the straight-line method. These estimated useful lives are as follows:

<u>Asset Class</u>	<u>Years</u>
Computer equipment and heavy machinery	5
Furniture and Fixtures	10
Vehicles	4-10
Lines and Mains	20-50
Buildings	20-50
Land Improvements	10-25
Infrastructure	15-99

J. Compensated Absences

Annual leave is earned by all permanent City employees and may be accumulated and carried over to a maximum of 240 hours per employee. In accordance with GASB Statement 16, the City accrues the cost of annual leave when the leave is earned. This cost is accrued in the government-wide and proprietary fund financial statements.

Sick leave is earned by all full-time City employees and 720 hours may be accumulated. Employees leaving the City are not entitled to payment for accumulated sick leave. In accordance with GASB Statement 16, the City does not accrue sick leave because employees do not receive "termination payments" upon leaving the City.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

K. Deferred Revenue

In the fund financial statements, deferred revenue consists of property tax receivable not collected within 60 days after the end of the fiscal year.

L. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets.

The costs related to long-term debt (whose proceeds are used for purposes other than refunding) are shown as deferred charges. The costs related to long-term debt (whose proceeds are used for refunding) are characterized as deferred refunding costs and are netted against outstanding long-term debt. Deferred charges are amortized over the life of the debt, and deferred refunding costs are amortized over the shorter of the remaining life of the refunded debt or the life of the new debt. Deferred issuance and refunding costs are amortized using the effective interest method.

M. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of Mayor and Council. Mayor and Council approve committed resources through a motion and vote during the voting session of Council meetings.
- Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The intent is expressed by Mayor and Council.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

The City does not have a formal minimum fund balance policy.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

The following is a summary of the fund balance classifications as of June 30, 2011:

	General Fund	Nonmajor Governmental Funds	Total
Fund Balances:			
Nonspendable			
Prepays	\$ 161,343	\$ -	\$ 161,343
Advances	1,247,732	-	1,247,732
Restricted for:			
Public safety	-	12,515	12,515
Assigned:			
Public safety	5,485	-	5,485
Drug awareness	13,476	-	13,476
Veterans Memorial	1,499	-	1,499
Recreation	3,000	-	3,000
Unassigned	4,721,183	(125,680)	4,595,503
Total fund balances	\$ 6,153,718	\$ (113,165)	\$ 6,040,553

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

An annual appropriated budget is adopted by ordinance for all fund types. Budgets are prepared on the modified accrual basis for governmental fund types and on the accrual basis for proprietary fund types and are consistent with generally accepted accounting principles. All annual appropriations lapse at the end of the fiscal year with the exception of the Capital Projects Funds.

Prior to the first of July of each year, all department heads submit a request for appropriations to the city manager so that a budget may be prepared. Appropriated budgets are compiled by the city manager, finance officer and department heads. Before the first day of June, the proposed budget is presented to the mayor and council for review. After holding a public hearing, a final budget is prepared and adopted no later than June 30.

Budgetary control is maintained at the department level. Department heads, with the approval of the city manager, may transfer appropriations within their department. Interdepartmental transfers require the approval of city council.

Deficit fund equity

The 2009 SPLOST Construction Fund had a deficit fund balance of \$125,680. The fund incurred expenditures prior to the receipt of SPLOST revenues. The City plans to eliminate this deficit with future SPLOST revenues.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

As of June 30, 2011, the City had the following investments:

<u>Investment Type</u>	<u>Maturities (Days)</u>	<u>Fair Value</u>
Office of the State Treasurer	24	\$ 1,854,197
Portfolio Weighted Average Maturity	24	

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

Credit Risk. Georgia laws (O.C.G.A. 36-83-4 and 36-82-7) limit investments of the City. The city has no investment policy that would further limit its investment choices. As of June 30, 2011, the City's investment in the Office of the State Treasurer was rated AAAM by Standard and Poor's.

Custodial Credit Risk – Deposits. The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered.

The City's bank balances of deposits as of June 30, 2011, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

B. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Sites and site improvements	\$ 1,475,521	\$ -	\$ -	\$ -	\$ 1,475,521
Construction in progress	50,719	250,892	-	(50,719)	250,892
Total capital assets, not being depreciated	1,526,240	250,892	-	(50,719)	1,726,413
Capital assets, being depreciated:					
Buildings	2,611,280	209,477	-	-	2,820,757
Site improvements	168,275	-	-	-	168,275
Machinery and equipment	610,990	-	(1,297)	-	609,693
Furniture and fixtures	21,977	19,960	-	-	41,937
Vehicles	2,356,730	159,315	(143,728)	-	2,372,317
Infrastructure	3,501,226	-	-	50,719	3,551,945
Total capital assets, being depreciated	9,270,478	388,752	(145,025)	50,719	9,564,924
Less accumulated depreciation for:					
Buildings	(671,229)	(55,924)	-	-	(727,153)
Site improvements	(31,046)	(8,827)	-	-	(39,873)
Machinery and equipment	(372,143)	(42,407)	1,297	-	(413,253)
Furniture and fixtures	(10,973)	(3,615)	-	-	(14,588)
Vehicles	(1,387,818)	(197,128)	143,728	-	(1,441,218)
Infrastructure	(1,082,042)	(180,107)	-	-	(1,262,149)
Total accumulated depreciation	(3,555,251)	(488,008)	145,025	-	(3,898,234)
Total capital assets, being depreciated, net	5,715,227	(99,256)	-	-	5,615,971
Governmental activities capital assets, net	\$ 7,241,467	\$ 151,636	\$ -	\$ -	\$ 7,393,103

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Construction in progress	86,707	1,348,016	-	1,434,723
Total capital assets, not being depreciated	1,086,707	1,348,016	-	2,434,723
Capital assets, being depreciated				
Site improvements	4,536,822	56,428	-	4,593,250
Buildings	13,532,778	-	-	13,532,778
Machinery and equipment	801,534	11,000	-	812,534
Vehicles	537,632	-	(45,696)	491,936
Total capital assets being depreciated	19,408,766	67,428	(45,696)	19,430,498
Less accumulated depreciation for:				
Site improvements	(850,788)	(161,487)	-	(1,012,275)
Buildings	(3,653,742)	(337,436)	-	(3,991,178)
Machinery and equipment	(460,644)	(47,877)	-	(508,521)
Vehicles	(494,592)	(32,327)	45,696	(481,223)
Total accumulated depreciation	(5,459,766)	(579,127)	45,696	(5,993,197)
Total capital assets, being depreciated, net	13,949,000	(511,699)	-	13,437,301
Business-type activities capital assets, net	\$ 15,035,707	\$ 836,317	\$ -	\$ 15,872,024

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental Activities

General government	\$ 34,762
Judicial	780
Public safety	210,908
Public works	199,135
Culture and recreation	38,203
Housing and development	4,220
Total governmental activities depreciation expense	<u>\$ 488,008</u>

Business-Type Activities

Water and Sewerage System	\$ 579,127
Solid Waste Fund	-
Total business-type activities depreciation expense	<u>\$ 579,127</u>

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

C. Interfund receivables, payables, advances and transfers

The composition of interfund balances as of June 30, 2011, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water and Sewer Fund	\$ 8,393
General Fund	Nonmajor special revenue funds	11,426
Solid Waste Fund	General Fund	481
Total		<u>\$ 20,300</u>

The outstanding balances between funds results mainly from the timing difference between the dates that reimbursable expenditures occur and the date payments between funds are made.

The composition of the advances balances as of June 30, 2011, is as follows:

<u>Advances From:</u>	<u>Advances to:</u>	<u>Amount</u>
General Fund	Nonmajor capital project fund	\$ 247,732
General Fund	Water and Sewer Fund	1,000,000
Total		<u>\$ 1,247,732</u>

During fiscal year 2009, the City's 2009 SPLOST Construction Fund purchased a fire truck in the amount of \$395,081, with advances from the general fund. As of June 30, 2011, the advance balance was \$247,732.

During fiscal year 2011, the City's General Fund advanced the Water and Sewer Fund \$1,000,000 to begin construction on a new water tower.

<u>Transfers out:</u>	<u>Transfers in:</u>
	<u>General Fund</u>
Water and Sewer Fund	\$ 100,000
Solid Waste Fund	50,000
Nonmajor special revenue funds	11,426
	<u>\$ 161,426</u>

The Water and Sewer Fund and the Solid Waste Fund transferred \$100,000 and \$50,000 respectively, to the General Fund to assist with general administrative costs.

The Hotel/Motel Tax special revenue fund transferred \$11,426 to the General Fund for amounts owed relative to hotel/motel tax revenues collected by the special revenue fund.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

D. Long-term debt

Primary Government

Capital Leases

The City has entered into lease agreements as lessee for financing asset acquisitions. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease date as of the date of their inception. Interest rates vary from 3.28% to 6.5%. Total costs of assets acquired under these capital leases as of June 30, 2011 is \$1,245,649. Cost of equipment included in the governmental activities statement of net assets is \$1,088,522. Cost of equipment included in the business-type activities statement of net assets is \$157,127.

Annual debt service requirements to maturity for these capital leases are as follows:

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 165,091	\$ 21,934	\$ 187,025	\$ 32,561	\$ 1,222	\$ 33,783
2013	119,564	13,975	133,539	-	-	-
2014	125,339	8,200	133,539	-	-	-
2015	41,020	2,145	43,165	-	-	-
Total	<u>\$ 451,014</u>	<u>\$ 46,254</u>	<u>\$ 497,268</u>	<u>\$ 32,561</u>	<u>\$ 1,222</u>	<u>\$ 33,783</u>

Revenue Bonds

The City's business type activity, the Water and Sewer Fund has revenue bonds payable solely from revenues generated by fund activities. The bond indentures contain restrictions on the use of the bond proceeds and fund revenues as well as providing for sinking funds, renewal and extension funds and minimum fund operating requirements (revenue bond coverage). The revenue bonds have a first lien on water and sewer fund assets and revenues. As of June 30, 2011, the City believes it was in compliance with all such significant financial limitations and restrictions.

On January 1, 2005, the City issued \$2,070,000 in Series 2005 Revenue Bonds to advance refund outstanding 1976, 1981, 1986 Revenue bonds and provide for system expansion. The interest rates vary from 3% to 4.5%.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

The following summarizes the debt service requirements of the revenue bonds, excluding unamortized deferred refunding costs in the amount of \$48,576.

2005 Revenue Bonds

Fiscal Year Ending June 30,	Principal	Interest
2012	\$ 160,000	\$ 47,718
2013	165,000	41,623
2014	170,000	35,088
2015	175,000	28,188
2016	85,000	22,945
2017-2021	490,000	57,601
Total	<u>\$ 1,245,000</u>	<u>\$ 233,163</u>

Loans-General Obligation Debt

The City's business-type activity, the Water and Sewer Fund, has two loans with the Georgia Environmental Facilities Authority (GEFA) for system expansion. These loans are in the original amount of \$11,093,129, with interest rates varying from 3.75% to 4.2%. The City has agreed to establish a schedule of rents, rates, fees, charges or other sources of revenues from taxes or other sources sufficient to pay the cost of acquiring, constructing, equipping, operating, maintaining, replacing, renewing and repairing the facilities of the Water and Sewer Fund. Annual debt service requirements to maturity for these loans are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 558,021	\$ 273,654	\$ 831,675
2013	579,853	251,821	831,674
2014	602,159	229,515	831,674
2015	625,453	206,221	831,674
2016	649,547	182,127	831,674
2017-2021	3,304,645	514,548	3,819,193
2022-2026	626,011	140,570	766,581
2027-2029	340,082	17,543	357,625
Total	<u>\$ 7,285,771</u>	<u>\$ 1,815,999</u>	<u>\$ 9,101,770</u>

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

Changes in Long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
OPEB obligation	\$ 4,794	\$ 51,989	\$ (45,969)	\$ 10,814	\$ -
Capital leases payable	608,513	-	(157,499)	451,014	165,091
Compensated absences	163,616	205,936	(199,704)	169,848	162,650
Total governmental activities	<u>\$ 776,923</u>	<u>\$ 257,925</u>	<u>\$ (403,172)</u>	<u>\$ 631,676</u>	<u>\$ 327,741</u>
Business-Type activities					
Revenue bonds	\$ 1,395,000	\$ -	\$ (150,000)	\$ 1,245,000	\$ 160,000
Less deferred refunding costs	(53,689)	-	5,113	(48,576)	-
	<u>1,341,311</u>	<u>-</u>	<u>(144,887)</u>	<u>1,196,424</u>	<u>160,000</u>
Capital leases	63,944	-	(31,383)	32,561	32,561
GEFA Loan (revolving loan)	5,865,336	-	(464,895)	5,400,441	482,575
GEFA Loan (2004-L36WQ)	1,957,798	-	(72,468)	1,885,330	75,446
Compensated absences	36,088	37,171	(39,802)	33,457	33,457
	<u>7,923,166</u>	<u>37,171</u>	<u>(608,548)</u>	<u>7,351,789</u>	<u>624,039</u>
Total business-type activities	<u>\$ 9,264,477</u>	<u>\$ 37,171</u>	<u>\$ (753,435)</u>	<u>\$ 8,548,213</u>	<u>\$ 784,039</u>

The governmental activities, compensated absences are generally liquidated by the general fund. For business-type activities, compensated absences are liquidated by the proprietary funds.

E. Property Taxes

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

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

The City distributes tax notices and collects tax payments. Motor vehicle taxes are due based upon the birthday of the owner. The 2010 property taxes were mailed (levied) as of September 16, 2010, with a due date of November 16, 2010.

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

F. Hotel/Motel Taxes

The City levies and collects a 5% lodging tax which is reported in the Hotel/Motel Tax special revenue fund. The City retains approximately 60% of the funds collected. During fiscal year 2011, the City collected \$20,664 in hotel motel taxes and remitted \$10,595 to the Walton County Chamber of Commerce. These amounts represent more than 40% of the current year collections.

G. Pension Plan

Plan Description

The City's defined benefit pension plan, City of Loganville Retirement Plan, (the Plan) provides retirement, disability and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by City Council. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS) an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303-3606.

Significant Accounting Policies

Basis of Accounting. The City of Loganville financial statements are prepared using the modified accrual basis. Employer contributions are recognized in the period that the contributions are due.

Funding Policy

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 19.77% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

Annual Pension Cost

For the plan year, the City's annual pension cost of \$719,298 was equal to the City's required and actual contribution.

Plan Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2011	\$ 719,298	100.0%	\$ -
6/30/2010	661,904	100.0%	-
6/30/2009	547,335	100.0%	-

The required contribution was determined as part of the January 1, 2011 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), and (b) projected salary increases of 3.5% plus age and service based merit increases per year. The Plan's unfunded actuarial accrued liability is being amortized (closed level dollar method) over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods.

Funded Status and Funding Progress

The funded status of the plans as of January 1, 2011, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2011	\$ 3,746,306	\$ 6,359,569	\$ 2,613,263	58.91%	\$ 3,646,118	71.67%

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2011.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2011
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 12 years
Asset valuation method	Sum of actuarial value at the beginning of the year and the cash flows during the year, plus the assumed investment return adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years .

Actuarial assumptions:

Investment rate-of-return	7.75%	
Projected salaries increases	3.5%	plus age and service based merit increases
COLAs	0.0%	

Membership of the plan:

Retirees and beneficiaries receiving benefits	23
Terminated plan members entitled to, but not yet receiving benefits	31
Active plan members	106
Total	<u>160</u>

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

The City's annual pension costs and net pension obligation (asset) for the current year were determined as follows:

Normal Costs	\$	389,934
Payment on unfunded actuarial accrued liability		<u>329,364</u>
Annual required contribution		719,298
Contribution made		<u>719,298</u>
Increase (decrease) in net pension obligation		-
Net pension obligation (asset) June 30, 2010		<u>-</u>
Net pension obligation (asset) June 30, 2011	\$	<u><u>-</u></u>

H. Post-Employment Benefits other than Pensions (OPEB)

Plan Description

In addition to the pension benefits described in Note I to the financial statements, the City of Loganville provides postemployment medical and life insurance benefits to its current retirees through the City of Loganville OPEB Plan and Georgia Municipal Association. The City pays 100% of retiree premium for current retirees under the age of 65 if the employee retires after completing 20 years of service with the City and 75% of the spouse premium if the employee retires after completing 21 years of service. For future retirees, the City will provide access to the benefits only, but the retirees will pay 100% of the premium. Membership in the Plan by City retirees is voluntary.

The authority to establish and amend the benefit provisions of the OPEB plan rests with the City. The plan does not issue separate financial statements.

As of January 1, 2011, the most recent actuarial report, employee membership data relative to the OPEB plan consists of the following:

Current retirees, beneficiaries, and dependents	5
Current active participants	0
Terminated participants entitled but not yet eligible	<u>0</u>
Total	<u><u>5</u></u>

Summary of Significant Accounting Policies

The accrual basis of accounting is used with respect to the recognition in the financial statements of contributions in the form of insurance premiums made to the Plan. Plan investments, if any, are reported at their fair value at the reporting date. As of June 30, 2011 the Plan reported no assets.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(CONTINUED)

Funding Policy

The contribution requirements are established and may be amended by the City. The required contribution was determined by an actuarial valuation. During the fiscal year ended June 30, 2011, the City paid premiums (net of retiree contributions) on behalf of current retired employees in the amount of \$45,969.

Annual OPEB Cost and Net OPEB Obligation

The City's most current actuarial valuation was performed for the plan as of January 1, 2011 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the period according to the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost of \$51,989 is reduced by the current year contributions in the amount of \$45,969.

The following table reflects the components of the City's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (NOO):

Annual Required Contribution	\$ 51,989
Interest on Existing (NOO)	-
ARC Adjustment	-
Annual OPEB Cost	<u>51,989</u>
Annual Contribution Amount	<u>(45,696)</u>
Net Increase (decrease) in NOO	<u>6,293</u>
NOO as of Valuation Date	<u>6,020</u>
Net OPEB Obligation - beginning of year	<u>4,794</u>
Net OPEB Obligation - end of year	<u><u>\$ 10,814</u></u>

The City's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for 2011 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2011	\$ 45,969	88%	\$ 10,814
6/30/2010	32,419	99%	4,794
6/30/2009	32,419	86%	4,464

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

Funded Status and Funding Progress

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial 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
1/1/2011	\$ -	\$ 803,292	\$ 803,292	0%	N/A	N/A
3/1/2009	-	529,795	529,795	0%	N/A	N/A

AAL based on a pay-as-you-go plan.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2011.

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2011
Actuarial cost method	Projected unit credit
Amortization method	years
Remaining amortization period	23 years, as of July 1, 2010
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	4.00%
Medical and drug cost trend rate	9.50% graded to 5.00% over 9 years
Dental cost trend rate	5.00%
Plan membership:	
Current retirees, beneficiaries, and dependents	5
Current active participants*	0
Terminated participants entitled but not yet eligible	0
Total	<u>5</u>

*Current actives are not included in this valuation since future retirees will pay 100% of premiums.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

I. Risk Management

The City is exposed to various risks of loss related to torts, personal property (i.e., theft, damage and destruction) and injury to employees. The City carries commercial insurance for these various risks. Losses relative to these risks are limited to a \$500 to \$7,500 deductible provided for in the contracts. During the past three years, settlements have not exceeded the coverages.

The City has joined with other municipalities in the state as part of GIRMA and the Worker's Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as a common risk management and insurance program for member local governments. The Georgia Municipal Association administers both risk pools. As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agents 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 funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contract and in accordance with the Workers' Compensation laws of Georgia. The funds are to pay all costs taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

J. Contingent Liabilities

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

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

K. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the twelve county Northeast Georgia area, is a member of the Northeast Georgia Regional Commission (RC) and is required to pay annual dues thereto. Membership in an RC is required by O.C.G.A. 50-8-34 which provides for the organization structure of the RC in Georgia. RC board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39.1 provides that the member governments are

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

(CONTINUED)

liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Northeast Georgia Regional Commission
305 Research Drive
Athens, Georgia 30610

L. Related Organizations

The Mayor of the City of Loganville, Georgia is responsible for appointing a member to the City of Loganville Housing Authority. The Loganville Housing Authority has a six member board with staggered terms. The City is also responsible for appointing board members to the O'Kelly Loganville Library Board. The City's accountability for these organizations does not extend beyond making the appointments.

M. Other Contingent Liabilities

In August 2006, the City entered into a twenty five year contract with the Walton County Water and Sewerage Authority. This contract is to compensate the Authority for the City's assumption of portions of land previously within the Authority's service area. Per the agreement, the City agrees to pay the Authority an increased wholesale rate for water for a term and in such amounts as necessary to fully compensate the Authority an increased wholesale rate for water for a term and in such amounts as necessary to fully compensate the Authority for the loss of its service area and loss of customers and future customers within such area. The City and the Authority agree that such losses are equal to \$120,027 and that \$.07 will be charged on top of the current water rate paid by the City under the Water Purchase Contract until the \$120,027 is paid in full.

N. Invested in Capital Assets, Net of Related Debt

Invested in Capital Assets, net of related debt of the Government-Wide statement of net assets as of June 30, 2011 are as follows:

	Governmental Activities	Business-type Activities
Cost of capital assets	\$ 11,291,337	\$ 21,865,221
Less accumulated depreciation	(3,898,234)	(5,993,197)
Book Value	7,393,103	15,872,024
Less all capital related debt	(451,014)	(8,514,757)
Invested in capital assets, net of related debt	\$ 6,942,089	\$ 7,357,267

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LOGANVILLE, GEORGIA

RETIREMENT PLAN

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ration (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2011	\$ 3,746,306	\$ 6,359,569	\$ 2,613,263	58.91%	\$ 3,646,118	71.67%
1/1/2010	3,127,264	5,858,780	2,731,516	53.38%	3,713,181	73.56%
3/1/2009	2,311,308	5,145,664	2,834,356	44.92%	3,456,996	81.99%

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

Plan Year Beginning	Annual Required Contribution	Percentage Contributed
6/30/2011	\$ 719,298	100.0%
6/30/2010	661,904	100.0%
6/30/2009	547,335	100.0%

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Confiscated Assets Fund – This fund accounts for cash received from the sale of confiscated assets and confiscated assets that are no longer subject to court jurisdiction.

Hotel/Motel Tax Fund – This fund accounts for the hotel/motel taxes collected and expenditures relative to tourism.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition of capital assets or construction of major capital facilities.

2009 Special Purpose Local Option Sales Tax Fund – This fund is used to account for the Construction and improvements in accordance with the sales tax referendum.

2007 Special Purpose Local Option Sales Tax Fund – This fund is used to account for the Construction and improvements in accordance with the sales tax referendum.

CITY OF LOGANVILLE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Confiscated Assets	Hotel/ Motel Tax	Total	2009 SPLOST Construction	2007 SPLOST Construction	Total	
ASSETS							
Cash and cash equivalents	\$ 12,515	\$ 8,267	\$ 20,782	\$ 65,887	\$ -	\$ 65,887	\$ 86,669
Due from other governments	-	-	-	56,165	81,278	137,443	137,443
Taxes receivable	-	5,204	5,204	-	-	-	5,204
Total assets	<u>\$ 12,515</u>	<u>\$ 13,471</u>	<u>\$ 25,986</u>	<u>\$ 122,052</u>	<u>\$ 81,278</u>	<u>\$ 203,330</u>	<u>\$ 229,316</u>
LIABILITIES							
Accounts payable	\$ -	\$ 2,045	\$ 2,045	\$ -	\$ 81,278	\$ 81,278	\$ 83,323
Due to other funds	-	11,426	11,426	-	-	-	11,426
Advances from other funds	-	-	-	247,732	-	247,732	247,732
Total liabilities	<u>-</u>	<u>13,471</u>	<u>13,471</u>	<u>247,732</u>	<u>81,278</u>	<u>329,010</u>	<u>342,481</u>
FUND BALANCES							
Restricted	12,515	-	12,515	-	-	-	12,515
Unassigned	-	-	-	(125,680)	-	(125,680)	(125,680)
Total fund balances (deficits)	<u>12,515</u>	<u>-</u>	<u>12,515</u>	<u>(125,680)</u>	<u>-</u>	<u>(125,680)</u>	<u>(113,165)</u>
Total liabilities and fund balances	<u>\$ 12,515</u>	<u>\$ 13,471</u>	<u>\$ 25,986</u>	<u>\$ 122,052</u>	<u>\$ 81,278</u>	<u>\$ 203,330</u>	<u>\$ 229,316</u>

CITY OF LOGANVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Confiscated Assets	Hotel/ Motel Tax	Total	2009 SPLOST Construction	2007 SPLOST Construction	Total	
REVENUES							
Hotel/motel taxes	\$ -	\$ 20,664	\$ 20,664	\$ -	\$ -	\$ -	\$ 20,664
Intergovernmental	-	-	-	311,932	374,453	686,385	686,385
Fines and forfeitures	44,667	-	44,667	-	-	-	44,667
Miscellaneous	-	2,967	2,967	-	-	-	2,967
Total revenues	44,667	23,631	68,298	311,932	374,453	686,385	754,683
EXPENDITURES							
Current							
General government	-	1,610	1,610	-	-	-	1,610
Public safety	15,488	-	15,488	-	-	-	15,488
Culture and recreation	-	10,595	10,595	-	-	-	10,595
Public works	-	-	-	373,954	128,541	502,495	502,495
Capital outlay	34,419	-	34,419	-	245,912	245,912	280,331
Total expenditures	49,907	12,205	62,112	373,954	374,453	748,407	810,519
Excess (deficiency) of revenues over (under) expenditures	(5,240)	11,426	6,186	(62,022)	-	(62,022)	(55,836)
Other financing sources (uses)							
Transfer out	-	(11,426)	(11,426)	-	-	-	(11,426)
Total other financing sources (uses)	-	(11,426)	(11,426)	-	-	-	(11,426)
Net change in fund balances	(5,240)	-	(5,240)	(62,022)	-	(62,022)	(67,262)
Fund balances - beginning	17,755	-	17,755	(63,658)	-	(63,658)	(45,903)
Fund balances (deficits) - ending	\$ 12,515	\$ -	\$ 12,515	\$ (125,680)	\$ -	\$ (125,680)	\$ (113,165)

CITY OF LOGANVILLE, GEORGIA

CONFISCATED ASSETS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Fines and forfeitures	\$ 50,300	\$ 44,667	\$ (5,633)
Total revenues	50,300	44,667	(5,633)
EXPENDITURES			
Current			
Public safety	15,800	15,488	312
Capital outlay	34,500	34,419	81
Total expenditures	50,300	49,907	393
Excess (deficiency) of revenues over (under) expenditures	-	(5,240)	(5,240)
Fund balances-beginning	17,755	17,755	-
Fund balances-ending	\$ 17,755	\$ 12,515	\$ (5,240)

CITY OF LOGANVILLE, GEORGIA

HOTEL/MOTEL TAX SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ 25,000	\$ 20,664	\$ (4,336)
Miscellaneous	5,000	2,967	(2,033)
Total revenues	30,000	23,631	(6,369)
EXPENDITURES			
Current			
Culture and recreation			
Chamber of Commerce	11,000	10,595	405
Downtown Development Authority	3,760	-	3,760
Miscellaneous	3,790	1,610	2,180
Total expenditures	18,550	12,205	6,345
Excess (deficiency) of revenues over (under) expenditures	11,450	11,426	(24)
Other financing sources (uses)			
Transfer out	(11,450)	(11,426)	24
Net change in fund balances	-	-	-
Fund balances-beginning	-	-	-
Fund balances-ending	\$ -	\$ -	\$ -

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GOVERNMENTAL REPORTS

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2007
PASSED THROUGH FROM WALTON COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Roads, Drainage and Sidewalks	\$ 4,212,000	\$ 1,483,427	\$ 374,453	\$ 1,857,880	44%
Water and Sewer Upgrades	2,520,000	-	-	-	0%
Intergovernmental Payments to Walton County	-	88,141		88,141	NA
	<u>\$ 6,732,000</u>	<u>\$ 1,571,568</u>	<u>\$ 374,453</u>	<u>\$ 1,946,021</u>	

Note: During 2010, the City paid \$88,141 to Walton County to assist the County with payment due on bonded SPLOST projects.

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2009
PASSED THROUGH FROM GWINNETT COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Public Safety:	\$ 500,000	\$ -	\$ -	\$ -	
Equipment	-	395,081	-	395,081	79%
Water and Sewer Capital Improvements	1,694,887	86,707	373,954	460,661	27%
	<u>\$ 2,194,887</u>	<u>\$ 481,788</u>	<u>\$ 373,954</u>	<u>\$ 855,742</u>	

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Truman W. Clifton (1902-1989)

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

Honorable Mayor and Members of City Council
City of Loganville, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Loganville, Georgia as of and for the year ended June 30, 2011, which collectively comprise the City of Loganville, Georgia's basic financial statements and have issued our report thereon dated September 12, 2011. 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.

Internal Control Over Financial Reporting

Management of the City of Loganville, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Loganville, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Loganville, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Loganville, Georgia's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Honorable Mayor and
Members of City Council
City of Loganville, Georgia
Page Two

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Loganville, Georgia in a separate letter dated September 12, 2011.

This report is intended solely for the information and use of management, the audit committee and City Council and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
September 12, 2011

Сп. и. И. К. К.

