

CITY OF LOGANVILLE, GEORGIA

AUDIT REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

CITY OF LOGANVILLE, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component unit and the aggregate remaining fund information of the City of Loganville, Georgia as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component unit and the aggregate remaining fund information of the City of Loganville, Georgia as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matter of Emphasis

As discussed in Note 5 to the financial statements, in 2015, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, as well as Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, as of July 1, 2014*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and pages 4 through 10, the schedule of funding progress OPEB on page 48, the schedule of contributions on page 49, the schedule of changes in the net pension liability and related ratios on page 50 and the notes to the required supplementary information on pages 51 and 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

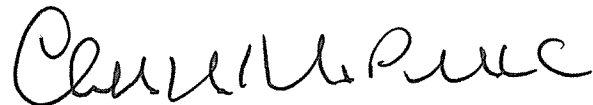
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Loganville, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the component unit financial statements, and the schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015, on our consideration of the City of Loganville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Loganville, Georgia's internal control over financial reporting and compliance.

Macon, Georgia
December 21, 2015



MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

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, 2015. 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 2015 by \$32,756,259 (total net position). Of this amount, \$10,969,033 (unrestricted net position) was available for use to meet the City's ongoing obligations to its citizens and creditors.
- The City's total net position increased by \$3,103,773.
- At the close of fiscal year 2015, the City's governmental funds reported combined ending fund balances of \$8,784,377. Of this amount, \$6,164,543 or 70 % is available for spending at the government's discretion (General unassigned fund balance). The balance of this amount, \$2,619,834 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 \$6,164,543.

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

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 sewer and the solid waste management.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(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 six 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 five 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, 2015

(CONTINUED)

Government-wide Financial Analysis

As noted earlier, net position 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 2015 by \$32,756,259.

The largest component of net position, which may be used to meet the City's ongoing obligations to its citizens and creditors, is unrestricted in the amount of \$10,969,033 or 33%. Another component of the City's net position is net 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 \$19,031,569 or 58%. 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 net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$2,755,657 or 9% represents resources that are subject to external restrictions on how they may be used and debt service.

**City of Loganville Net Position
June 30, 2015**

	Governmental Activities		Business Type Activities		Totals	
	2014	2015	2014	2015	2014	2015
Assets:						
Current assets	\$ 8,082,790	\$ 9,222,721	\$ 5,454,764	\$ 7,013,240	\$ 13,537,554	\$ 16,235,961
Restricted assets	-	-	684,797	683,025	684,797	683,025
Capital assets	8,385,166	9,600,124	16,331,167	15,877,599	24,716,333	25,477,723
Other assets	2,000,000	-	-	-	2,000,000	-
Total assets	18,467,956	18,822,845	22,470,728	23,573,864	40,938,684	42,396,709
Deferred Outflows of Resources:						
Deferred outflows related to pensions	-	380,307	-	102,521	-	482,828
Deferred charge on refunding	-	-	172,941	149,623	172,941	149,623
	-	380,307	172,941	252,144	172,941	632,451
Liabilities:						
Current and other liabilities	311,432	613,388	914,412	1,962,422	1,225,844	2,575,810
Noncurrent liabilities	315,654	2,695,181	6,152,198	4,736,802	6,467,852	7,431,983
Total liabilities	627,086	3,308,569	7,066,610	6,699,224	7,693,696	10,007,793
Deferred Inflows of Resources						
Deferred inflows related to pensions	-	208,816	-	56,292	-	265,108
Net Position:						
Net Investment in capital assets	8,344,146	8,224,347	10,404,108	10,807,222	18,748,254	19,031,569
Restricted for:						
Capital Outlay	1,215,717	2,072,632	-	-	1,215,717	2,072,632
Debt service	-	-	684,797	683,025	684,797	683,025
Unrestricted	8,281,007	5,388,788	4,488,154	5,580,245	12,769,161	10,969,033
Total net position	\$ 17,840,870	\$ 15,685,767	\$ 15,577,059	\$ 17,070,492	\$ 33,417,929	\$ 32,756,259

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(CONTINUED)

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

Revenues. Property Taxes of \$3,731,487 and sales tax of \$1,022,245 accounted for 66% of total general revenues.

Capital grants and contributions totaled \$1,328,804.

Expenses. The total expense for the governmental activities is \$8,930,640. The largest single expenditure activity is public safety. Public safety includes the police department and the fire department. The total public safety expense is \$4,899,265 or 54% of total governmental activity expense.

Total program revenues and general revenues exceeded expenses by \$1,235,474.

City of Loganville Changes in Net Position
June 30, 2015

	Governmental Activities		Business Type Activities		Totals	
	2014	2015	2014	2015	2014	2015
Revenues:						
Program Revenues:						
Charges for service	\$ 1,384,408	\$ 1,421,065	\$ 7,823,679	\$ 8,646,344	\$ 9,208,087	\$ 10,067,409
Operating grants and contributions	1,055,658	220,441	-	-	1,055,658	220,441
Capital grants and contributions	1,339,907	1,328,804	639,626	65,742	1,979,533	1,394,546
General revenues:						
Property taxes	3,612,574	3,731,487	-	-	3,612,574	3,731,487
Sales tax	979,826	1,022,245	-	-	979,826	1,022,245
Other Taxes	1,805,469	1,960,687	-	-	1,805,469	1,960,687
Grants & Contributions (not restricted to specific programs)	3,913	1,200	-	-	3,913	1,200
Investment earnings	17,767	17,277	11,944	11,393	29,711	28,670
Miscellaneous	125,890	212,908	-	-	125,890	212,908
Total revenue	10,325,412	9,916,114	8,475,249	8,723,479	18,800,661	18,639,593
Expenses:						
General government	967,663	1,286,129	-	-	967,663	1,286,129
Judicial	458,471	396,167	-	-	458,471	396,167
Public safety	4,685,236	4,899,265	-	-	4,685,236	4,899,265
Public works	2,524,686	1,739,128	-	-	2,524,686	1,739,128
Culture and recreation	147,790	147,236	-	-	147,790	147,236
Housing and development	355,454	305,075	-	-	355,454	305,075
Tourism	67,151	145,579	-	-	67,151	145,579
Interest and fiscal charges	5,476	12,061	-	-	5,476	12,061
Water and sewer	-	-	4,916,933	5,198,596	4,916,933	5,198,596
Solid waste	-	-	1,338,230	1,406,584	1,338,230	1,406,584
Total Expenses	9,211,927	8,930,640	6,255,163	6,605,180	15,467,090	15,535,820
Increase in net position before transfers	1,113,485	985,474	2,220,086	2,118,299	3,333,571	3,103,773
Transfers	253,400	250,000	(253,400)	(250,000)	-	-
Increase in net position	1,366,885	1,235,474	1,966,686	1,868,299	3,333,571	3,103,773
Net position - beginning as restated	16,473,985	14,450,293	13,610,373	15,202,193	30,084,358	29,652,486
Net position - ending	\$ 17,840,870	\$ 15,685,767	\$ 15,577,059	\$ 17,070,492	\$ 33,417,929	\$ 32,756,259

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(CONTINUED)

Business-type activities. Business-type activities increased the City's net position by \$1,868,299 or 60% of the increase in the government's net position.

Revenues. Water and sewer revenue was \$6,981,175. Solid Waste revenue was \$1,665,169. 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 \$5,198,596. Solid waste expense was \$1,406,584.

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 \$8,784,377. Approximately 70% of this amount \$6,164,543 constitutes unassigned fund balance, which is available for spending at the government's discretion. Other fund balances in the amount of \$315,872 and \$51,489 are set aside for non-spendable items and assigned items, respectively. The \$179,841 is committed and the remainder of the fund balance is reported as restricted fund balance.

The general fund is the chief operating fund of the City. At the June 30, 2015, unassigned fund balance of the general fund was \$6,164,543. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balances to total fund expenditures. The total fund balance is 66% and the unassigned fund balance is 61% of total general fund expenditures.

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 position of the Water and Sewer Fund at June 30, 2015 amounted to \$4,003,144 and those of the Solid Waste Fund amounted to \$1,577,101. The total change in Water and Sewer net position was an increase of \$1,708,687 and the change in Solid Waste net position was \$159,612.

General Fund Budgetary Highlights

There was \$1,380,772 increase in the original budgeted expenditures and the final amended budgeted expenditures. This increase was due to a capital lease for two new fire trucks. Budgeted revenues and other financing sources increased from the original budget amounts due to the budgeting of capital lease proceeds. The expenditures were under the budgetary estimates by \$686,490.

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(CONTINUED)

Capital Assets and Debt Administration

Capital Assets. The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$25,477,723 (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:

- (2) Fire Trucks - \$1,375,777
- (2) 2015 Ford Explorer - \$54,674
- (3) Police Cars - \$96,790
- (3) Property Purchases - \$170,313

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

	Governmental Activities	Business Type Activities	Totals
Land	\$1,804,501	\$1,000,000	\$2,804,501
Construction in progress	90,815	792,614	883,429
Building	2,286,801	8,191,860	10,478,661
Site Improvements	221,457	5,374,694	5,596,151
Equipment	354,566	457,382	811,948
Furniture & Fixtures	5,383	-	5,383
Vehicles	2,066,785	61,049	2,127,834
Infrastructure	2,769,816	-	2,769,816
Total	<u>\$9,600,124</u>	<u>\$15,877,599</u>	<u>\$25,477,723</u>

Long-term debt:

City of Loganville Outstanding Debt

	Governmental Activities	Business Type Activities	Totals
Revenue Bonds	\$ -	\$ 5,220,000	\$ 5,220,000
OPEB obligation	31,941	-	31,941
Net Pension liability	1,212,284	326,802	1,539,086
Notes & Capital Leases	1,375,777	-	1,375,777
Compensated Absences	245,907	62,402	308,309
	<u>\$ 2,865,909</u>	<u>\$ 5,609,204</u>	<u>\$ 8,475,113</u>

CITY OF LOGANVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(CONTINUED)

During the current fiscal year, the City's governmental funds incurred long-term debt totaling \$2,597,135 and retired debt totaling \$1,437,457. The City's enterprise funds incurred long-term debt totaling \$322,553 and retired debt totaling \$1,240,413.

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 of the City or results of operations (revenues, expenses, and other changes in net position) 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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Unit
	Governmental	Business-Type		Loganville
	Activities	Activities	Total	Development
				Authority
ASSETS				
Cash and cash equivalents	\$ 8,216,085	\$ 5,733,958	\$ 13,950,043	\$ 30,000
Investments	56,319	802,994	859,313	-
Receivables, net of allowance	27,502	921,743	949,245	-
Due from other governments	239,740	-	239,740	-
Internal balances	507,203	(507,203)	-	-
Prepaid items	175,872	61,748	237,620	-
Restricted Assets:				
Cash and cash equivalents	-	683,025	683,025	-
Capital assets:				
Non depreciable	1,895,316	1,792,614	3,687,930	-
Depreciable, net	7,704,808	14,084,985	21,789,793	-
Total capital assets	9,600,124	15,877,599	25,477,723	-
Total assets	18,822,845	23,573,864	42,396,709	30,000
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	380,307	102,521	482,828	-
Deferred charge on refunding	-	149,623	149,623	-
	380,307	252,144	632,451	-
LIABILITIES				
Accounts payable	253,242	380,074	633,316	-
Other accrued expenses	177,598	30,535	208,133	-
Accrued interest payable	11,820	10,368	22,188	-
Customer deposits	-	669,043	669,043	-
Compensated absences	49,181	62,402	111,583	-
Capital leases payable	121,547	-	121,547	-
Revenue bonds	-	810,000	810,000	-
Noncurrent liabilities:				
Revenue bonds	-	4,410,000	4,410,000	-
Capital leases payable	1,254,230	-	1,254,230	-
Net pension liability	1,212,284	326,802	1,539,086	-
OPEB obligation	31,941	-	31,941	-
Compensated absences	196,726	-	196,726	-
Total liabilities	3,308,569	6,699,224	10,007,793	-
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	208,816	56,292	265,108	-
NET POSITION				
Net investment in capital assets	8,224,347	10,807,222	19,031,569	-
Restricted for:				
Capital outlay	2,072,632	-	2,072,632	-
Debt service	-	683,025	683,025	-
Unrestricted	5,388,788	5,580,245	10,969,033	30,000
Total net position	\$ 15,685,767	\$ 17,070,492	\$ 32,756,259	\$ 30,000

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

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CITY OF LOGANVILLE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities				
General government	\$ 1,286,129	\$ 367,294	\$ 27,306	\$ -
Judicial	396,167	-	-	-
Public safety	4,899,265	1,053,771	103,680	-
Public works	1,739,128	-	89,455	1,328,804
Culture and recreation	147,236	-	-	-
Housing and development	305,075	-	-	-
Tourism	145,579	-	-	-
Interest on long-term debt	12,061	-	-	-
Total governmental activities	8,930,640	1,421,065	220,441	1,328,804
Business-type Activities				
Water and sewer	5,198,596	6,981,175	-	65,742
Solid Waste	1,406,584	1,665,169	-	-
Total business-type activities	6,605,180	8,646,344	-	65,742
Total primary government	\$ 15,535,820	\$ 10,067,409	\$ 220,441	\$ 1,394,546
Component Units				
Loganville Development Authority	\$ -	\$ -	\$ 30,000	\$ -
Total component unit	\$ -	\$ -	\$ 30,000	\$ -
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 position				
Net position - beginning as restated				
Net position - 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, 2015
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Loganville Development Authority
\$ (891,529)	\$ -	\$ (891,529)	\$ -
(396,167)	-	(396,167)	-
(3,741,814)	-	(3,741,814)	-
(320,869)	-	(320,869)	-
(147,236)	-	(147,236)	-
(305,075)	-	(305,075)	-
(145,579)	-	(145,579)	-
(12,061)	-	(12,061)	-
(5,960,330)	-	(5,960,330)	-
-	1,848,321	1,848,321	-
-	258,585	258,585	-
-	2,106,906	2,106,906	-
(5,960,330)	2,106,906	(3,853,424)	-
			30,000
			30,000
3,731,487	-	3,731,487	-
1,022,245	-	1,022,245	-
356,561	-	356,561	-
677,571	-	677,571	-
40,022	-	40,022	-
564,050	-	564,050	-
322,483	-	322,483	-
1,200	-	1,200	-
17,277	11,393	28,670	-
212,908	-	212,908	-
250,000	(250,000)	-	-
7,195,804	(238,607)	6,957,197	-
1,235,474	1,868,299	3,103,773	30,000
14,450,293	15,202,193	29,652,486	-
\$ 15,685,767	\$ 17,070,492	\$ 32,756,259	\$ 30,000

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

CITY OF LOGANVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 6,188,076	\$ 2,028,009	\$ 8,216,085
Investments	56,319	-	56,319
Taxes receivable	17,223	9,988	27,211
Due from other funds	376,537	52,303	428,840
Due from other governments	128,397	111,343	239,740
Other receivables	291	-	291
Prepaid items	175,872	-	175,872
Advances to other funds	140,000	-	140,000
Total assets	<u>\$ 7,082,715</u>	<u>\$ 2,201,643</u>	<u>\$ 9,284,358</u>
LIABILITIES			
Accounts payable	\$ 174,748	\$ 78,494	\$ 253,242
Due to other funds	52,303	9,334	61,637
Other accrued liabilities	177,598	-	177,598
Total liabilities	<u>404,649</u>	<u>87,828</u>	<u>492,477</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	<u>7,504</u>	<u>-</u>	<u>7,504</u>
FUND BALANCES			
Nonspendable	315,872	-	315,872
Restricted	-	2,072,632	2,072,632
Committed	179,841	-	179,841
Assigned	10,306	41,183	51,489
Unassigned	6,164,543	-	6,164,543
Total fund balances	<u>6,670,562</u>	<u>2,113,815</u>	<u>8,784,377</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,082,715</u>	<u>\$ 2,201,643</u>	<u>\$ 9,284,358</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 POSITION
JUNE 30, 2015

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances per balance sheet of governmental funds	\$ 8,784,377
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	14,743,995
Accumulated depreciation	(5,143,871)
Deferred outflows of resources	
Pension contributions	380,307
Revenues	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	7,504
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 Position. Long-term liabilities at year-end consist of the following:	
Accrued interest	(11,820)
Compensated absences	(245,907)
Capital leases	(1,375,777)
Net pension liability	(1,212,284)
Other post employment benefits liability	(31,941)
Deferred inflows of resources	
Net difference between projected and actual investment earnings on pension plan investments	(208,816)
Total net position of governmental activities	\$ 15,685,767

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, 2015

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	\$ 3,733,567	\$ -	\$ 3,733,567
Sales	1,022,245	-	1,022,245
Franchise	677,571	-	677,571
Insurance premium	564,050	-	564,050
Occupational	356,561	-	356,561
Hotel/motel	-	40,022	40,022
Alcoholic beverage	322,483	-	322,483
License and permits	300,533	-	300,533
Intergovernmental	220,441	1,328,804	1,549,245
Fines and forfeitures	983,365	70,406	1,053,771
Charges for services	66,761	-	66,761
Contributions from private sources	1,200	-	1,200
Investment earnings	17,277	-	17,277
Miscellaneous	212,908	-	212,908
Total revenues	8,478,962	1,439,232	9,918,194
EXPENDITURES			
Current:			
General government	1,575,144	-	1,575,144
Judicial	409,980	-	409,980
Public safety	6,335,037	448	6,335,485
Public works	1,002,925	402,726	1,405,651
Culture and recreation	151,542	-	151,542
Housing and development	312,373	-	312,373
Tourism	150,755	56	150,811
Debt service:			
Principal	41,020	-	41,020
Interest and other charges	2,145	-	2,145
Capital outlay	-	139,121	139,121
Total expenditures	9,980,921	542,351	10,523,272
Excess (deficiency) of revenues over (under) expenditures	(1,501,959)	896,881	(605,078)
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	1,375,777	-	1,375,777
Transfers out	-	(25,505)	(25,505)
Transfers in	275,505	-	275,505
Total other financing sources (uses)	1,651,282	(25,505)	1,625,777
Net change in fund balances	149,323	871,376	1,020,699
Fund balances - beginning	6,521,239	1,242,439	7,763,678
Fund balances - ending	\$ 6,670,562	\$ 2,113,815	\$ 8,784,377

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, 2015

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - total governmental funds	\$ 1,020,699
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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	2,003,413
Total depreciation	(692,479)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales disposals, donations, trade-ins, annexing) is to decrease net position	(95,976)
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Revenues

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(2,080)
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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:

Issuance of long-term debt	(1,375,777)
Repayment of principal	41,020
Interest on long-term debt	(9,916)
Other post employment benefits liability	11,415
Pension contributions in excess of change in pension liability	349,784
Compensated absences	(14,629)

Change in Net Position of Governmental Activities	<u>\$ 1,235,474</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
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes:				
Property	\$ 3,517,000	\$ 3,517,000	\$ 3,733,567	\$ 216,567
Sales	875,500	875,500	1,022,245	386,645
Franchise	635,600	635,600	677,571	41,971
Insurance premium	540,000	540,000	564,050	24,050
Occupational	312,000	312,000	356,561	44,561
Alcoholic beverage	559,050	559,050	322,483	(236,567)
License and permits	119,500	119,500	300,533	181,033
Intergovernmental	248,800	248,800	220,441	(28,359)
Fines and forfeitures	1,210,837	1,210,837	983,365	(227,472)
Charges for services	60,800	60,800	66,761	5,961
Contribution from private sources	13,000	13,000	1,200	(11,800)
Investment earnings	25,000	25,000	17,277	(7,723)
Miscellaneous	92,500	92,500	212,908	120,408
Total revenues	8,209,587	8,209,587	8,478,962	269,375
EXPENDITURES				
Current:				
General government:				
Executive	300,746	304,746	301,444	3,302
Council	108,469	109,469	97,019	12,450
Board of elections/registrations	2,500	2,500	7	2,493
Administration	554,396	600,084	514,797	85,287
Buildings and plant	260,880	591,968	547,234	44,734
Data processing (IT)	-	148,686	114,643	34,043
Judicial:				
Municipal court	488,006	488,006	409,980	78,026
Public safety:				
Police	2,409,243	2,560,998	2,542,570	18,428
Fire administration	2,498,657	3,892,583	3,792,467	100,116
Public works:				
Administration	738,538	744,838	474,276	270,562
Highways and streets	468,961	540,953	528,649	12,304
Culture and recreation:				
Library	152,798	152,798	151,542	1,256
Housing and development:				
Protective inspection administration	333,142	333,142	312,373	20,769
Tourism - City Events	77,000	153,475	150,755	2,720
Debt service:				
Principal	41,020	41,020	41,020	-
Interest and other charges	2,145	2,145	2,145	-
Total expenditures	8,436,501	10,667,411	9,980,921	686,490

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, 2015
 (CONTINUED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Excess (deficiency) of revenue over (under) expenditure	(226,914)	(2,457,824)	(1,501,959)	955,865
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	1,375,777	1,375,777	-
Transfers in	375,600	375,600	275,505	(100,095)
Total other financing sources (uses)	375,600	1,751,377	1,651,282	(100,095)
Net change in fund balances	148,686	(706,447)	149,323	855,770
Fund balances - beginning	6,521,239	6,521,239	6,521,239	-
Fund balances - ending	\$ 6,669,925	\$ 5,814,792	\$ 6,670,562	\$ 855,770

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

CITY OF LOGANVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,590,676	\$ 1,143,282	\$ 5,733,958
Investments	293,010	509,984	802,994
Accounts receivable, net	699,711	222,032	921,743
Prepaid items	61,748	-	61,748
Total current assets	5,645,145	1,875,298	7,520,443
Noncurrent assets:			
Restricted cash and cash equivalents	683,025	-	683,025
Capital assets:			
Land and easements	1,000,000	-	1,000,000
Structures, equipment and lines	22,594,784	-	22,594,784
Construction in progress	792,614	-	792,614
Less: accumulated depreciation	(8,509,799)	-	(8,509,799)
Total noncurrent assets	16,560,624	-	16,560,624
Total assets	22,205,769	1,875,298	24,081,067
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	102,521	-	102,521
Deferred charge on refunding	149,623	-	149,623
	252,144	-	252,144
LIABILITIES			
Current liabilities:			
Accounts payable	252,804	127,270	380,074
Salaries payable	30,535	-	30,535
Accrued interest payable	10,368	-	10,368
Due to other funds	196,276	170,927	367,203
Accrued employee benefits	62,402	-	62,402
Customer deposits payable	669,043	-	669,043
Revenue bond payable-current	810,000	-	810,000
Total current liabilities	2,031,428	298,197	2,329,625
Noncurrent liabilities:			
Revenue bonds	4,410,000	-	4,410,000
Net pension liability	326,802	-	326,802
Advances from other funds	140,000	-	140,000
Total noncurrent liabilities	4,876,802	-	4,876,802
Total liabilities	6,908,230	298,197	7,206,427
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	56,292	-	56,292
NET POSITION			
Net investment in capital assets	10,807,222	-	10,807,222
Restricted for debt service	683,025	-	683,025
Unrestricted	4,003,144	1,577,101	5,580,245
Total net position	\$ 15,493,391	\$ 1,577,101	\$ 17,070,492

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 POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Solid Waste	
	Fund	Fund	Total
Operating revenues:			
Charges for sales and services	\$ 6,981,175	\$ 1,665,169	\$ 8,646,344
Total operating revenues	6,981,175	1,665,169	8,646,344
Operating expenses:			
Salaries and benefits	1,462,877	3,703	1,466,580
Purchased/contracted services	1,510,800	1,402,881	2,913,681
Supplies and materials	1,368,653	-	1,368,653
Depreciation	675,642	-	675,642
Total operating expenses	5,017,972	1,406,584	6,424,556
Operating income (loss)	1,963,203	258,585	2,221,788
Nonoperating revenues (expenses):			
Interest income - nonrestricted assets	10,366	1,027	11,393
Interest expense	(180,624)	-	(180,624)
Total nonoperating revenues (expenses)	(170,258)	1,027	(169,231)
Income before contributions and transfers	1,792,945	259,612	2,052,557
Capital contributions	65,742	-	65,742
Transfers out	(150,000)	(100,000)	(250,000)
Total other financing (uses)	(84,258)	(100,000)	(184,258)
Change in net position	1,708,687	159,612	1,868,299
Total net position - beginning as restated	13,784,704	1,417,489	15,202,193
Total net position - ending	\$ 15,493,391	\$ 1,577,101	\$ 17,070,492

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, 2015

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
<u>Cash Flows from Operating Activities:</u>			
Receipts from customers and users	\$ 6,956,395	\$ 1,619,958	\$ 8,576,353
Payments to vendors for goods and services	(2,698,462)	(1,347,928)	(4,046,390)
Payments to employees	(1,516,431)	(3,703)	(1,520,134)
Net Cash Provided by (Used for) Operating Activities	2,741,502	268,327	3,009,829
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers to other funds	(150,000)	(100,000)	(250,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	(150,000)	(100,000)	(250,000)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Principal paid on capital debt	(880,000)	-	(880,000)
Interest paid on capital debt	(180,624)	-	(180,624)
Acquisition and construction of capital assets	(156,332)	-	(156,332)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,216,956)	-	(1,216,956)
<u>Cash Flows for Investing Activities:</u>			
Interest received	10,366	1,027	11,393
Purchases of investments	(446)	(775)	(1,221)
Net Cash Provided (Used) in Investing Activities	9,920	252	10,172
Net increase (decrease) in cash and cash equivalents	1,384,466	168,579	1,553,045
Cash and cash equivalents - beginning	3,889,235	974,703	4,863,938
Cash and cash equivalents - ending	\$ 5,273,701	\$ 1,143,282	\$ 6,416,983
Classified as			
Current assets	\$ 4,590,676	\$ 1,143,282	\$ 5,733,958
Restricted assets	683,025	-	683,025
Total cash and cash equivalents	\$ 5,273,701	\$ 1,143,282	\$ 6,416,983

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, 2015
 (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)	\$ 1,963,203	\$ 258,585	\$ 2,221,788
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	675,642	-	675,642
Amortization	23,318	-	23,318
Change In			
Accounts receivable, net	(24,780)	(45,211)	(69,991)
Prepaid items	(10,215)	-	(10,215)
Deferred outflows of resources related to pensions	(102,521)	-	(102,521)
Accounts payable	97,123	17,424	114,547
Due to other funds	40,240	37,529	77,769
Accrued interest payable	10,368	-	10,368
Accrued employee benefits	40,739	-	40,739
Customers' meter deposits	20,157	-	20,157
Net pension liability	(48,064)	-	(48,064)
Deferred inflows of resources related to pensions	56,292	-	56,292
	778,299	9,742	788,041
Net cash provided (used) by operating activities	\$ 2,741,502	\$ 268,327	\$ 3,009,829
Noncash investing, capital and financing activities:			
Capital contributions	\$ 65,742	\$ -	\$ 65,742

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, 2015

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 it’s discretely presented component units, entities for which the City is considered to be financially accountable.

Discretely Presented Component Units

The Loganville Development Authority, (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 has not issued separate financial statement for this year.

B. Government-wide and fund financial statements

The government-wide financial statements (Statement of Net Position and the Statement of Activities) 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 segments 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.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

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.

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 funds:

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.

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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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.

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."

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

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 \$683,025 are classified as restricted assets because their use is limited by bond covenants. A corresponding portion of net position is segregated by its classification as “restricted for debt service.”

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. The amount of interest capitalized depends on the specific circumstances. During 2015, total interest expense was \$146,938. Of this amount, none was applicable to construction of capital assets.

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

Asset Class	Years
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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

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.

K. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred outflow of resources relative to the pension plans change in assumptions. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. This first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second is the deferred inflow of resources relative to the differences between expected and actual experience and the net difference between projected and actual earnings on the pension plan investments. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

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 position.

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 refunding costs are amortized over the shorter of the remaining life of the

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

refunded debt or the life of the new debt. Deferred 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. The Mayor and Council also may modify or rescind the commitment.
- Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, Mayor and Council have authorized the City Manager or his designee to assign fund balances.
- 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.

Fund balance flow Assumptions

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed.

For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The following is a summary of the fund balance classifications as of June 30, 2015:

	General Fund	Nonmajor Governmental Funds	Total
Fund Balances:			
Nonspendable			
Prepays	\$ 175,872	\$ -	\$ 175,872
Advances	140,000	-	140,000
Restricted for:			
Law enforcement	-	43,257	43,257
Capital outlay	-	2,029,375	2,029,375
Committed			
Retirement funding	179,841	-	179,841
Assigned:			
Tourism	-	41,183	41,183
Law enforcement	7,306	-	7,306
Recreation	3,000	-	3,000
Unassigned	6,164,543	-	6,164,543
Total fund balances	\$ 6,670,562	\$ 2,113,815	\$ 8,784,377

Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted- net position and unrestricted- net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position.

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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

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.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

As of June 30, 2015, the City had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Value</u>	<u>Maturity</u>
Office of State Treasurer	AAAf rated	\$ 859,313	24 days

State statutes authorize the City to invest in obligation of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

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, 2015, the City's investment in the Office of the State Treasurer was rated AAAf/S1+ 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, 2015, 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, 2015
(CONTINUED)

B. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

<i>Primary Government</i>	Balance	Increases	Decreases	Reclassifications	Balance
Governmental Activities					
Capital assets not being depreciated:					
Sites and site improvements	\$ 1,802,001	\$ 2,500	\$ -	\$ -	\$ 1,804,501
Construction in progress	87,276	204,784	-	(201,245)	90,815
Total capital assets, not being depreciated	1,889,277	207,284	-	(201,245)	1,895,316
Capital assets, being depreciated:					
Buildings	2,909,368	167,813	-	201,245	3,278,426
Site improvements	316,266	-	-	-	316,266
Machinery and equipment	652,030	5,100	-	-	657,130
Furniture and fixtures	36,151	-	-	-	36,151
Vehicles	2,192,891	1,623,216	(276,410)	-	3,539,697
Infrastructure	5,021,009	-	-	-	5,021,009
Total capital assets, being depreciated	11,127,715	1,796,129	(276,410)	201,245	12,848,679
Less accumulated depreciation for:					
Buildings	(918,593)	(73,032)	-	-	(991,625)
Site improvements	(76,219)	(18,590)	-	-	(94,809)
Machinery and equipment	(237,119)	(65,445)	-	-	(302,564)
Furniture and fixtures	(26,312)	(4,456)	-	-	(30,768)
Vehicles	(1,401,267)	(252,079)	180,434	-	(1,472,912)
Infrastructure	(1,972,316)	(278,877)	-	-	(2,251,193)
Total accumulated depreciation	(4,631,826)	(692,479)	180,434	-	(5,143,871)
Total capital assets, being depreciated, net	6,495,889	1,103,650	(95,976)	201,245	7,704,808
Governmental activities capital assets, net	\$ 8,385,166	\$ 1,310,934	\$ (95,976)	\$ -	\$ 9,600,124

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(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	670,614	122,000	-	792,614
Total capital assets, not being depreciated	1,670,614	122,000	-	1,792,614
Capital assets, being depreciated				
Site improvements	7,287,106	-	-	7,287,106
Buildings	13,532,778	-	-	13,532,778
Machinery and equipment	1,122,088	100,074	-	1,222,162
Vehicles	552,738	-	-	552,738
Total capital assets being depreciated	22,494,710	100,074	-	22,594,784
Less accumulated depreciation for:				
Site improvements	(1,655,496)	(256,916)	-	(1,912,412)
Buildings	(5,003,483)	(337,435)	-	(5,340,918)
Machinery and equipment	(696,270)	(68,510)	-	(764,780)
Vehicles	(478,908)	(12,781)	-	(491,689)
Total accumulated depreciation	(7,834,157)	(675,642)	-	(8,509,799)
Total capital assets, being depreciated, net	14,660,553	(575,568)	-	14,084,985
Business-type activities capital assets, net	\$ 16,331,167	\$ (453,568)	\$ -	\$ 15,877,599

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

Governmental Activities

General government	\$ 38,961
Public safety	273,484
Public works	376,008
Culture and recreation	800
Housing and development	3,226
Total governmental activities depreciation expense	<u>\$ 692,479</u>

Business-Type Activities

Water and Sewerage System	\$ 675,642
Solid Waste Fund	-
Total business-type activities depreciation expense	<u>\$ 675,642</u>

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

C. Interfund receivables, payables, advances and transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Receivable fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	\$ 196,276
General Fund	Nonmajor special revenue funds	9,334
General Fund	Solid Waste Fund	170,927
Nonmajor capital project fund	General Fund	52,303
		<u>\$ 428,840</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, 2015, is as follows:

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	\$ 140,000
Total		<u>\$ 140,000</u>

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. As of June 30, 2015, the advance balance was \$140,000.

	Transfers in:
	General
Transfers out:	Fund
Water and Sewer Fund	\$ 150,000
Solid Waste Fund	100,000
Nonmajor special revenue fund	25,505
	<u>\$ 275,505</u>

The Water and Sewer Fund and the Solid Waste Fund transferred \$150,000 and \$100,000 respectively, to the General Fund to assist with general administrative costs.

The Hotel/Motel Tax special revenue fund transferred \$25,505 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, 2015
(CONTINUED)

D. Long-term debt

Primary Government

Capital Lease

In 2015, the City entered into a lease agreement as lessee for financing the acquisition of a fire truck valued at \$1,375,777. The equipment has a twelve-year estimated useful life. In 2015, depreciation expense and accumulated depreciation on the equipment was \$40,882.

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of the inception. The interest rate for the lease is 2.52%. The equipment is included in the governmental activities statement of net position.

Annual debt service requirements to maturity for the capital lease are as follows:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2016	\$ 121,547	\$ 35,953	\$ 157,500
2017	125,894	31,606	157,500
2018	129,066	28,434	157,500
2019	132,319	25,181	157,500
2020	135,653	21,847	157,500
2021-2025	731,298	56,205	787,503
Total	<u>\$ 1,375,777</u>	<u>\$ 199,226</u>	<u>\$ 1,575,003</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, 2015, the City believes it was in compliance with all such significant financial limitations and restrictions.

On January 12, 2012, the City issued \$8,125,000 in Series 2012 Revenue Bonds to advance refund outstanding 2005 Revenue bonds and prepay the Georgia Environmental Facilities Authority (GEFA) loans in order to obtain debt service savings and relief from certain restrictive covenants and provisions. The 2012 Series Bond bears interest at a rate of 2.5% (computed on the basis of a 360-day year of twelve consecutive 30-day months),

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

payable June 1, 2012, and semiannually thereafter on the first days of June and December in each year and is subject to mandatory sinking fund redemption on June 1 and December 1 in each of the years payments are due.

The following summarizes the debt service requirements of the revenue bonds.

2012 Revenue Bonds

Fiscal Year Ending June 30,	Principal	Interest
2016	\$ 810,000	\$ 125,312
2017	830,000	104,938
2018	855,000	84,125
2019	875,000	62,563
2020	805,000	41,125
2021-2022	1,045,000	23,313
Total	<u>\$ 5,220,000</u>	<u>\$ 441,376</u>

Changes in Long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
OPEB obligation	\$ 43,356	\$ 24,414	\$ (35,829)	\$ 31,941	\$ -
Net pension liability	1,390,577	997,293	(1,175,586)	1,212,284	-
Capital leases payable	41,020	1,375,777	(41,020)	1,375,777	121,547
Compensated absences	231,278	199,651	(185,022)	245,907	49,181
Total governmental activities	<u>\$ 1,706,231</u>	<u>\$ 2,597,135</u>	<u>\$ (1,437,457)</u>	<u>\$ 2,865,909</u>	<u>\$ 170,728</u>
Business-Type activities					
Revenue bonds	\$ 6,100,000	\$ -	\$ (880,000)	\$ 5,220,000	\$ 810,000
	<u>6,100,000</u>	<u>-</u>	<u>(880,000)</u>	<u>5,220,000</u>	<u>810,000</u>
Net pension liability	374,866	268,789	(316,853)	326,802	-
Compensated absences	52,198	53,764	(43,560)	62,402	62,402
	<u>427,064</u>	<u>322,553</u>	<u>(360,413)</u>	<u>389,204</u>	<u>62,402</u>
Total business-type activities	<u>\$ 6,527,064</u>	<u>\$ 322,553</u>	<u>\$ (1,240,413)</u>	<u>\$ 5,609,204</u>	<u>\$ 872,402</u>

The governmental activities, compensated absences, net pension liability and other post-employment benefits are generally liquidated by the general fund. For business-type activities, compensated absences and net pension liability are liquidated by the proprietary funds.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

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. The City distributes tax notices and collects tax payments.

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment date	January 1	January 1
Levy date	October 7	January 1
Due date and collection date	December 7	Staggered

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 2015, the City collected \$40,022 in hotel motel taxes.

The City has created a tourism department in the general fund and expended \$150,755 for tourism in 2015. Total expenditures relative to tourism for 2015 were more than the current year collection of hotel motel taxes.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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G. Pension Plan

Plan Description

The City's defined benefit pension plan, City of Loganville Retirement Plan, (the Plan) was 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.

Benefits Provided

The GMEBS Plan provides retirement, disability and death benefits to plan members and beneficiaries. Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. This change has no impact on service credited under the Plan and has no impact on benefits.

Contributions

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 13.60% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported a net pension liability. The net pension liability was measured as of September 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2015. An expected total pension liability as of September 30, 2014 was determined using standard roll-forward techniques.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

For the year ended June 30, 2015, the City recognized pension expense relative to GMEBS in the amount of \$524,023. At June 30, 2015, the reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (21,372)
Changes of assumptions	89,796	-
Net difference between projected and actual earnings on pension plan investments	-	(243,736)
Employer contributions subsequent to the measurement date	393,032	-
	<u>\$ 482,828</u>	<u>\$ (265,108)</u>

City contributions subsequent to the measurement date of September 30, 2014 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

<u>Year ended June 30:</u>	
2016	\$ (43,828)
2017	(43,828)
2018	(43,828)
2019	(43,828)
2020	-
2021 and thereafter	-

Actuarial Assumptions: The total pension liability as of June 30, 2015 was determined by an actuarial valuation as of September 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increase	3.75-8.00%, including inflation adjustment
Investment rate of return	7.75%, On-going basis, based on long-term expected rate of return of pension plan investments

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

Mortality rates were based on the RP-2000 Combined Mortality Table with sex-distinct rates, set forward two years for males and one year for females,, and the RP-2000 Disabled Mortality Table with sex-distinct rates.

The mortality and economic actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2014.

Net Pension Liability:

<u>Changes in the Net Pension Liability:</u>	<u>Net Pension Liability</u>
Balances at September 30, 2013	\$ 1,765,443
Changes for the year:	
Service cost	369,372
Interest	770,561
Difference between expected and actual experience	(26,714)
Contributions - employer	(508,162)
Net investment income	(957,563)
Benefit payments	-
Administrative expense	13,904
Other	112,245
Net changes	(226,357)
Balance at September 30, 2014	<u>\$ 1,539,086</u>

The City's net pension liability is recorded in the Government-Wide, Statement of Net Position and in the Water and Sewer Fund Statement of Net Positon in the amounts of \$1,212,284 and \$326,802, respectively.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset class	Target allocation	Expected real rate of return	Nominal real rate of return
Domestic Equity	50%	5.95%	9.20%
International Equity	15%	6.45%	9.70%
Fixed Income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	100%		

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount rate: The following presents the City's net pension liability calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current discount rate (7.75%)	1% Increase (8.75%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 3,145,261	\$ 1,539,086	\$ 215,816

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publically available at www.gmanet.com.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

H. Special Funding Defined Benefit Pension Plans

The City's policemen are also covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its municipal court system. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City's financial statements.

The City's Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The City makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City's financial statements.

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

Plan Description

In addition to the pension benefits described in Notes G and H 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, 2014, 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
Total	<u>5</u>

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

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, 2015 the Plan reported no assets.

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, 2015, the City paid premiums (net of retiree contributions) on behalf of current retired employees in the amount of \$35,829.

Annual OPEB Cost and Net OPEB Obligation

The City's most current actuarial valuation was performed for the plan as of January 1, 2014 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 \$24,414 is reduced by the current year contributions in the amount of \$35,829.

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	\$ 26,003
Interest on Existing (NOO)	2,067
ARC Adjustment	<u>(3,656)</u>
Annual OPEB Cost	24,414
Annual Contribution Amount	<u>(35,829)</u>
Net Increase (decrease) in NOO	<u>(11,415)</u>
NOO as of Valuation Date	(11,415)
Net OPEB Obligation - beginning of year	<u>43,356</u>
Net OPEB Obligation - end of year	<u><u>\$ 31,941</u></u>

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

The City's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for 2015 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 35,829	147%	\$ 31,941
6/30/2014	32,727	134%	43,356
6/30/2013	31,950	61%	51,669

During 2012, the City's retirees were moved to the City's plan to reduce costs. The current ARC was calculated on the previous plan in effect. As a result, the calculations above of the percentage of annual OPEB costs contributed reflects a decrease.

Funded Status and 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)	a Percentage of Covered Payroll (b-a)/c)
01/01/14	\$ -	\$ 367,520	\$ 367,520	0%	N/A	N/A
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, 2014.

Actuarial methods and assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The ARC for the plan's initial year was determined as part of the January 1, 2014 actuarial valuation using the following methods and assumptions:

Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, closed, 25 years
Remaining amortization period	20 years as of July 1, 2013
Investment return	4.00%

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed, 25 years
Remaining amortization period	20 years, as of July 1, 2013
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	4.00%
Medical cost trend rate	8% graded to 5.00% over 7 years
Dental cost trend rate	5.00%

Plan membership:

Current retirees, beneficiaries, and dependents	5
Current active participants*	0
Total	<u>5</u>

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

J. 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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

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.

K. 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.

L. 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 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

M. 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

CITY OF LOGANVILLE, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

members to the O'Kelly Loganville Library Board. The City's accountability for these organizations does not extend beyond making the appointments.

N. Net Investment in Capital Assets

Net Investment in Capital Assets of the Government-Wide Statement of Net Position as of June 30, 2015 is as follows:

	Governmental Activities	Business-type Activities
Cost of capital assets	\$ 14,743,995	\$ 24,387,398
Plus capital-related deferred outflows of resources	-	149,623
Less accumulated depreciation	(5,143,871)	(8,509,799)
Book Value	9,600,124	16,027,222
Less all capital related debt	(1,375,777)	(5,220,000)
Net investment in capital assets	<u>\$ 8,224,347</u>	<u>\$ 10,807,222</u>

NOTE 4 – SUBSEQUENT EVENTS

Subsequent to year-end, the City entered into a loan agreement with Georgia Environmental Finance Authority to finance the costs of acquiring, constructing, and installing the environmental facilities relative to the Big Flat Creek Wastewater Treatment Plant. The loan is in the amount of \$3,000,000, with an interest rate of 1.02%.

In addition, the City has evaluated subsequent events through December 21, 2015 the date which the financial statements were available to be issued.

NOTE 5 – RESTATEMENT FOR NEW ACCOUNTING STANDARD

During 2015, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, as well as Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, as of July 1, 2014.*

The effect of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Water and Sewer Fund
Net Position June 30, 2014, as previously reported	\$ 17,840,870	\$ 15,577,059	\$ 14,159,570
Implementation of GASB 68 for pensions:			
Record net pension liability	(3,390,577)	(374,866)	(374,866)
Net Position June 30, 2014, restated	<u>\$ 14,450,293</u>	<u>\$ 15,202,193</u>	<u>\$ 13,784,704</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LOGANVILLE, GEORGIA
OTHER POST EMPLOYMENT BENEFITS

SCHEDULE OF FUNDING PROGRESS OPEB

<u>Schedule of Funding Progress</u>							UAAL as a Percentage of Covered Payroll
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)		(b-a)/c)
1/1/2014	- \$	367,520	\$ 367,520	0%	N/A		N/A
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.

CITY OF LOGANVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SCHEDULE OF CONTRIBUTIONS

	<u>2015</u>
Actuarially determined contribution	\$ 524,023
Contributions in relation to the actuarially determined contribution	<u>\$ 524,023</u>
Contribution deficiency (excess)	<u><u>-</u></u>
City's covered-employee payroll	\$ 3,878,226
Contributions as a percentage of covered-employee payroll	13.51%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF LOGANVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	<u>2015</u>
<i>Total Pension Liability</i>	
Service cost	\$ 369,372
Interest	770,561
Differences between expected and actual experience	(26,714)
Changes in benefit terms	-
Changes in assumptions	112,245
Benefit payments, including refunds of employee contributions	<u>(351,177)</u>
Net change in total pension liability	874,287
Total pension liability - beginning	<u>10,118,306</u>
Total pension liability - ending	<u>\$ 10,992,593</u>
 <i>Plan Fiduciary Net Position</i>	
Contributions - employer	\$ 508,162
Contributions - employee	-
Net investment income	957,563
Benefit payments, including refunds of employee contributions	(351,177)
Administrative expense	(13,904)
Other	<u>-</u>
Net change in fiduciary net position	1,100,644
Plan fiduciary net position - beginning	<u>8,352,863</u>
Plan fiduciary net position - ending	<u>\$ 9,453,507</u>
 <i>Net Pension Liability</i>	
Net pension liability - ending	<u>\$ 1,539,086</u>
Plan's fiduciary net position as a percentage of the total pension liability	86.00%
Covered-employee payroll	\$ 3,878,226
Net pension liability as a percentage of covered-employee payroll	39.69%

(Historical information prior to implementation of GASB 67/68 is not required)

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CITY OF LOGANVILLE, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Georgia Municipal Employee Benefit System

Changes of assumptions:

As a result of the plan change to provide immediate participation for employees, for the fiscal year ending 2016, the eligibility assumption has been changed from one year to immediate. The increase in the Plan's NPL is minimal and has been included in the differences between expected and actuarial experience.

Amounts reported for the fiscal year ending in 2016, and later reflect the following assumption changes based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates were normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at age 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
- The inflation assumption was decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

Benefit Changes

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. This change has no impact on service credited under the Plan and has no impact on benefits.

Valuation date

The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2016.

CITY OF LOGANVILLE, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow 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 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	Ages 55-59 rate of 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, ages 65-69 rate of 50% and age 70 and over rate of 100%
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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 and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

2014 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.

2013 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.

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.

CITY OF LOGANVILLE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds
	Confiscated Assets	Hotel/ Motel Tax	Total	2014 SPLOST Construction	2013 SPLOST Construction	2009 SPLOST Construction	Total	
ASSETS								
Cash and cash equivalents	\$ 43,257	\$ 40,529	\$ 83,786	\$ 360,036	\$ 1,584,187	\$ -	\$ 1,944,223	\$ 2,028,009
Due from other funds	-	-	-	-	-	52,303	52,303	52,303
Due from other governments	-	-	-	32,501	78,842	-	111,343	111,343
Taxes receivable	-	9,988	9,988	-	-	-	-	9,988
Total assets	\$ 43,257	\$ 50,517	\$ 93,774	\$ 392,537	\$ 1,663,029	\$ 52,303	\$ 2,107,869	\$ 2,201,643
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ 13,934	\$ 64,560	\$ -	\$ 78,494	\$ 78,494
Due to other funds	-	9,334	9,334	-	-	-	-	9,334
Total liabilities	-	9,334	9,334	13,934	64,560	-	78,494	87,828
FUND BALANCES								
Restricted	43,257	-	43,257	378,603	1,598,469	52,303	2,029,375	2,072,632
Assigned	-	41,183	41,183	-	-	-	-	41,183
Total fund balances	43,257	41,183	84,440	378,603	1,598,469	52,303	2,029,375	2,113,815
Total liabilities and fund balances	\$ 43,257	\$ 50,517	\$ 93,774	\$ 392,537	\$ 1,663,029	\$ 52,303	\$ 2,107,869	\$ 2,201,643

CITY OF LOGANVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds
	Confiscated Assets	Hotel/ Motel Tax	Total	2014 SPLOST Construction	2013 SPLOST Construction	2009 SPLOST Construction	Total	
REVENUES								
Hotel/motel taxes	\$ -	\$ 40,022	\$ 40,022	\$ -	\$ -	\$ -	\$ -	\$ 40,022
Intergovernmental	-	-	-	377,154	951,650	-	1,328,804	1,328,804
Fines and forfeitures	70,406	-	70,406	-	-	-	-	70,406
Total revenues	70,406	40,022	110,428	377,154	951,650	-	1,328,804	1,439,232
EXPENDITURES								
Current								
Public safety	448	-	448	-	-	-	-	448
Tourism	-	56	56	-	-	-	-	56
Public works	-	-	-	175	402,551	-	402,726	402,726
Capital outlay	32,344	-	32,344	90,815	15,962	-	106,777	139,121
Total expenditures	32,792	56	32,848	90,990	418,513	-	509,503	542,351
Excess (deficiency) of revenues over (under) expenditures	37,614	39,966	77,580	286,164	533,137	-	819,301	896,881
Other financing sources (uses)								
Transfer out	-	(25,505)	(25,505)	-	-	-	-	(25,505)
Total other financing sources (uses)	-	(25,505)	(25,505)	-	-	-	-	(25,505)
Net change in fund balances	37,614	14,461	52,075	286,164	533,137	-	819,301	871,376
Fund balances - beginning	5,643	26,722	32,365	92,439	1,065,332	52,303	1,210,074	1,242,439
Fund balances - ending	\$ 43,257	\$ 41,183	\$ 84,440	\$ 378,603	\$ 1,598,469	\$ 52,303	\$ 2,029,375	\$ 2,113,815

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, 2015

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Fines and forfeitures	\$ 42,500	\$ 70,406	\$ 27,906
Total revenues	42,500	70,406	27,906
EXPENDITURES			
Current			
Public safety	8,050	448	7,602
Capital outlay	34,450	32,344	2,106
Total expenditures	42,500	32,792	9,708
Excess (deficiency) of revenues over (under) expenditures	-	37,614	37,614
Fund balances-beginning	5,643	5,643	-
Fund balances-ending	\$ 5,643	\$ 43,257	\$ 37,614

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, 2015

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ 20,000	\$ 40,022	\$ 20,022
Total revenues	20,000	40,022	20,022
EXPENDITURES			
Current			
Tourism	100	56	44
Total expenditures	100	56	44
Excess (deficiency) of revenues over (under) expenditures	19,900	39,966	20,066
Other financing sources (uses)			
Transfer out	(25,450)	(25,505)	(55)
Net change in fund balances	(5,550)	14,461	20,011
Fund balances-beginning	26,722	26,722	-
Fund balances-ending	\$ 21,172	\$ 41,183	\$ 20,011

CITY OF LOGANVILLE, GEORGIA

COMPONENT UNIT - LOGANVILLE DEVELOPMENT AUTHORITY
BALANCE SHEET
JUNE 30, 2015

ASSETS

Cash and cash equivalents	\$ 30,000
Total Assets	<u>\$ 30,000</u>

LIABILITIES AND FUND BALANCES

Accounts payable	\$ -
Total Liabilities	<u>-</u>
Fund Balances:	
Unassigned	<u>30,000</u>
Total Fund Balances	<u>30,000</u>
Total Liabilities and Fund Balances	<u>\$ 30,000</u>

CITY OF LOGANVILLE, GEORGIA

COMPONENT UNIT - LOGANVILLE DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
JUNE 30, 2015

REVENUES:

Intergovernmental revenues	\$ 30,000
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Total Revenues	30,000
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EXPENDITURES:

Current:

Community Development	-
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Total Expenditures	-
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Excess (deficiency) of revenues over (under) expenditures	30,000
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Fund Balance - Beginning of year	-
----------------------------------	---

Fund Balance - End of year	\$ 30,000
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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, 2015

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Public Safety:	\$ 500,000	\$ -	\$ -	\$ -
Equipment	-	395,081	-	395,081
Water and Sewer Capital Improvements	1,694,887	1,274,401	-	1,274,401
	\$ 2,194,887	\$ 1,669,482	\$ -	\$ 1,669,482

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2014
PASSED THROUGH FROM GWINNETT COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Transportation	\$ 648,040	\$ -	\$ 90,990	\$ 90,990
Water and Sewer Capital Improvements	648,039	-	-	-
	\$ 1,296,079	\$ -	\$ 90,990	\$ 90,990

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2013
PASSED THROUGH FROM WALTON COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Transportation	\$ 1,000,000	\$ 100,818	\$ 32,712	\$ 133,530
Water and Sewer Infrastructure	4,841,679	202,551	385,801	588,352
	<u>\$ 5,841,679</u>	<u>\$ 303,369</u>	<u>\$ 418,513</u>	<u>\$ 721,882</u>

GOVERNMENTAL REPORTS

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**INDEPENDENT AUDITOR'S 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, 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, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component unit and the aggregate remaining fund information of the City of Loganville, Georgia as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the City of Loganville, Georgia's basic financial statements, and have issued our report thereon dated December 21, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Loganville, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Loganville, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Loganville, Georgia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness. 2015-001

Compliance and Other Matters

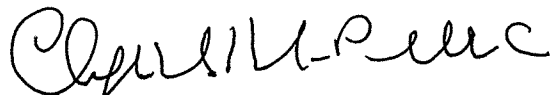
As part of obtaining reasonable assurance about whether the City of Loganville, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2015-002.

City of Loganville, Georgia's Response to the Findings

The City of Loganville, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Loganville, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Macon, Georgia
December 21, 2015

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – Financial Statement Findings

Findings noted on the Independent Auditor's 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*:

2015-001 Capital Lease Proceeds

CRITERIA

Generally accepted accounting principles direct that proceeds from capital leases be reported as other financing sources at the inception of the lease and an expenditure equal to the present value of the minimum lease payments to reflect the commitment of financial resources associated with the acquired capital lease.

CONDITION

The City did not record the capital lease proceeds and corresponding expenditure related to the capital lease in fiscal year 2015.

CONTEXT

A material audit adjustment of \$1,375,777 was needed in the General Fund to record the lease proceeds and capital outlay as of June 30, 2015.

CAUSE

The City lacked the technical expertise to insure the recording and proper classification of capital lease transactions. This issue was amplified by a recent turnover in the Finance Director's position.

EFFECT

The City's accounting records contained material errors which were identified and adjusted during the annual audit process.

RECOMMENDATION

The City should establish procedures to insure the proper recording of capital lease transactions during the fiscal period. The City should also consider providing additional training to personnel.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. The City agrees that it was an oversight on accounting for the capital proceeds. Management continues training and will continue training to build a strong knowledge base. Error has been noted, corrected, and will not be an issue in the future.

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

COMPLIANCE FINDING

2015-002 SPLOST Funds – Violation of Georgia Law

CRITERIA

The official Code of Georgia (OCGA) Section 48-8-121(a)(1) requires that SPLOST proceeds cannot in any manner be commingled with other City Funds prior to their expenditure.

CONDITION

At June 30, 2015, the General Fund owed the 2009 SPLOST Fund.

CONTEXT

The City transferred funds in excess of amounts owed the General Fund in the amount of \$52,303.

CAUSE

As of June 30, 2014, the 2009 SPLOST fund owed the General Fund \$86,360 relative to a prior year advance. During 2015, the City erroneously transferred the remainder of the 2009 SPLOST funds in the amount of \$138,663 to the General Fund to pay off the advance. This transaction created a balance of \$52,303 due to the 2009 SPLOST Fund at year-end.

EFFECT

The City is in violation of OCGA Section 48-8-121(a)(1).

RECOMMENDATION

The City should reimburse the 2009 SPLOST fund.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. The City was unaware that all the funds did not belong to the General Fund. The City has since reimbursed the 2009 SPLOST Fund.