CITY OF LOGANVILLE, GEORGIA

AUDIT REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

CITY OF LOGANVILLE, GEORGIA

TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

INDEPENDENT AUDITOR'S REPORT 1-3

MANAGEMENT'S DISCUSSION & ANALYSIS 4-10

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements
- Statement of Net Position 11
- Statement of Activities 12-13

Fund Financial Statements
- Balance Sheet – Governmental Funds 14
- Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 15
- Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 16
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 17
- Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 18-19
- Statement of Net Position – Proprietary Funds 20
- Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds 21
- Statement of Cash Flows – Proprietary Funds 22-23

Notes to the Financial Statements 24-45

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress – Retirement Plan 46

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Combining Balance Sheet – Nonmajor Governmental Funds 47

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 48

CITY OF LOGANVILLE, GEORGIA

TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Special Revenue Funds

Confiscated Assets Fund:
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual 49

Hotel/Motel Tax Fund:
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual 50

Governmental Reports

Schedule of Projects Constructed with Special Sales
Tax Proceeds 51-54

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards 55

Notes to Schedule of Expenditures of Federal Awards 56

Summary Schedule of Prior Audit Findings and Questioned Costs 57

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* 58-59

Independent Auditor's Report on Compliance for Each Major
Program; Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of Federal Awards
Required by *OMB Circular A-133* 60-62

Schedule of Findings and Questioned Costs 63

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, and the aggregate remaining fund information of the City of Loganville, Georgia as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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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, and the aggregate remaining fund information of the City of Loganville, Georgia as of June 30, 2014, 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.

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 the schedule of funding progress on pages 4 through 10 and page 46 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 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of projects constructed with special sales tax proceeds and the schedule of expenditures of federal awards 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 the schedule of projects constructed with special sales tax proceeds and the schedule of expenditures of federal awards 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 January 12, 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
January 12, 2015

MANAGEMENT'S DISCUSSION & ANALYSIS

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, 2014. 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 2014 by $33,417,929 (total net position). Of this amount, $12,769,161 (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 $3,333,571.

- At the close of fiscal year 2014, the City's governmental funds reported combined ending fund balances of $7,763,678. Of this amount, $5,835,869 or 75 % is available for spending at the government's discretion (General unassigned fund balance). The balance of this amount, $1,927,809 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 $5,835,869.

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.

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 nine 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 eight 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.

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 2014 by $33,417,929.

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 $12,769,161 or 38.2 %. 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 $18,748,254 or 56.1%. 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, $1,900,514 or 6% represents resources that are subject to external restrictions on how they may be used and debt service.

City of Loganville Net Position
June 30, 2014

	Governmental Activities		Business Type Activities		Totals	
	2013	2014	2013	2014	2013	2014
Assets:						
Current assets	$ 6,905,749	$ 8,082,790	$ 4,290,354	$ 5,454,764	$ 11,196,103	$ 13,537,554
Restricted assets	-	-	648,312	684,797	648,312	684,797
Capital assets	8,433,647	8,385,166	16,427,042	16,331,167	24,860,689	24,716,333
Other assets	2,000,000	2,000,000	-	-	2,000,000	2,000,000
Total assets	17,339,396	18,467,956	21,365,708	22,470,728	38,705,104	40,938,684
Deferred Outflows of Resources:						
Deferred charge on refunding	-	-	196,259	172,941	196,259	172,941
Liabilities:						
Current and other liabilities	461,053	311,432	941,606	914,412	1,402,659	1,225,844
Noncurrent liabilities	404,358	315,654	7,009,988	6,152,198	7,414,346	6,467,852
Total liabilities	865,411	627,086	7,951,594	7,066,610	8,817,005	7,693,696
Net Position:						
Net Investment in capital assets	8,267,287	8,344,146	9,462,042	10,404,108	17,729,329	18,748,254
Restricted for:						
Capital outlay	446,582	1,215,717	-	-	446,582	1,215,717
Debt service	-	-	648,312	684,797	648,312	684,797
Unrestricted	7,760,116	8,281,007	3,500,019	4,488,154	11,260,135	12,769,161
Total net position	$ 16,473,985	$ 17,840,870	$ 13,610,373	$ 15,577,059	$ 30,084,358	$ 33,417,929

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 $3,612,574 and sales tax of $979,826 accounted for 68% of total general revenues.

Capital grants and contributions totaled $1,339,907.

Expenses. The total expense for the governmental activities is $9,211,927. The largest single expenditure activity is public safety. Public safety includes the police department and the fire department. The total public safety expense is $4,685,236 or 50.4% of total governmental activity expense.

Total program revenues and general revenues exceeded expenses by $1,366,885.

City of Loganville Changes in Net Postion
June 30, 2014

	Governmental Activities		Business Type Activities		Totals	
	2013	2014	2013	2014	2013	2014
Revenues:						
Program Revenues:						
Charges for service	$ 1,664,339	$ 1,384,408	$ 7,144,594	$ 7,823,679	$ 8,808,933	$ 9,208,087
Operating grants and contributions	-	1,055,658	-	-	-	1,055,658
Capital grants and contributions	3,178,142	1,339,907	1,015,990	639,626	4,194,132	1,979,533
General revenues:						
Property taxes	3,519,671	3,612,574	-	-	3,519,671	3,612,574
Sales tax	903,528	979,826	-	-	903,528	979,826
Other Taxes	1,761,378	1,805,469	-	-	1,761,378	1,805,469
Grants & Contributions						
(not restricted to specific programs)	10,686	3,913	-	-	10,686	3,913
Investment earnings	24,102	17,767	15,093	11,944	39,195	29,711
Other	109,947	125,890	-	-	109,947	125,890
Total revenue	11,171,793	10,325,412	8,175,677	8,475,249	19,347,470	18,800,661
Expenses:						
General government	1,178,561	967,663	-	-	1,178,561	967,663
Judicial	496,141	458,471	-	-	496,141	458,471
Public safety	4,432,943	4,685,236	-	-	4,432,943	4,685,236
Public works	2,686,268	2,524,686	-	-	2,686,268	2,524,686
Culture and recreation	153,884	147,790	-	-	153,884	147,790
Housing and development	332,874	355,454	-	-	332,874	355,454
Tourism	-	67,151	-	-	-	67,151
Interest on Long-term debt	11,385	5,476	-	-	11,385	5,476
Water and sewer	-	-	4,674,433	4,916,933	4,674,433	4,916,933
Solid waste	-	-	1,253,038	1,338,230	1,253,038	1,338,230
Total Expenses	9,292,056	9,211,927	5,927,471	6,255,163	15,219,527	15,467,090
Increase in net position before transfers	1,879,737	1,113,485	2,248,206	2,220,086	4,127,943	3,333,571
Transfers	250,000	253,400	(250,000)	(253,400)	-	-
Increase in net position	2,129,737	1,366,885	1,998,206	1,966,686	4,127,943	3,333,571
Net position - beginning	14,344,248	16,473,985	11,612,167	13,610,373	25,956,415	30,084,358
Net position - ending	$ 16,473,985	$ 17,840,870	$ 13,610,373	$ 15,577,059	$ 30,084,358	$ 33,417,929

Business-type activities. Business-type activities increased the City's net position by $1,966,686 or 59.0% of the increase in the government's net position.

Revenues. Water and sewer revenue was $6,300,241. Solid Waste revenue was $1,523,438. Water and sewer revenue is derived from the sale of water and sewer services to the citizens of the City. Solid waste is garbage collection services.

Expenses. Water and sewer expense was $4,916,933. Solid waste expense was $1,338,230.

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 $7,763,678. Approximately 75% of this amount $5,835,869 constitutes unassigned fund balance, which is available for spending at the government's discretion. Other fund balances in the amount of $374,218 and $158,033 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, 2014, unassigned fund balance of the general fund was $5,835,869. 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 83% and the unassigned fund balance is 74% 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, 2014 amounted to $3,070,665 and those of the Solid Waste Fund amounted to $1,414,489. The total change in Water and Sewer net position was an increase of $1,880,434 and the change in Solid Waste net position was $86,252.

General Fund Budgetary Highlights

There was $54,047 increase in the original budgeted expenditures and the final amended budgeted expenditures. This increase was due to a one time funding for renovation of the Historical Rock Gym. Budgeted revenues and other financing sources decreased from the original budget amounts due to property tax revenue. The expenditures were under the budgetary estimates by $258,202.

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, 2014 amounts to $24,716,333 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, building and improvements, equipment and vehicles.

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

General Fund

- Rock Gym - $87,275.64
- (2) 2014 Ford Explorers - $43,536.50
- Well House - $23,990.28
- Medical Equipment - $82,378.45
- Machine & Equipment - $71,449
- Infrastructure - $154,645.65

City of Loganville Capital Assets
(Net of Depreciation)

	Governmental Activities	Business Type Activities	Totals
Land	$1,802,001	$1,000,000	$2,802,001
Construction in progress	87,276	670,614	757,890
Building	1,990,775	8,529,295	10,520,070
Site Improvements	240,047	5,631,610	5,871,657
Equipment	414,911	425,818	840,729
Furniture & Fixtures	9,839	-	9,839
Vehicles	791,624	73,830	865,454
Infrastructure	3,048,693	-	3,048,693
Total	$8,385,166	$16,331,167	$24,716,333

Long-term debt.

City of Loganville Outstanding Debt

	Governmental Activities	Business Type Activities	Totals
Revenue Bonds	$ -	$ 6,100,000	$ 6,100,000
OPEB obligation	43,356	-	43,356
Notes & Capital Leases	41,020	-	41,020
Compensated Absences	231,278	52,198	283,476
	$ 315,654	$ 6,152,198	$ 6,467,852

During the current fiscal year, the City's governmental funds incurred long-term debt totaling $218,426 and retired debt totaling $307,130. The City's enterprise funds incurred long-term debt totaling $43,200 and retired debt totaling $900,990.

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, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 7,162,204	$ 4,179,141	$ 11,341,345
Investments	56,233	801,772	858,005
Receivables, net of allowance	19,304	851,752	871,056
Due from other governments	267,757	-	267,757
Internal balances	429,434	(429,434)	-
Prepaid items	147,858	51,533	199,391
Restricted Assets:			
Cash and cash equivalents	-	684,797	684,797
Capital assets not being depreciated:			
Land, land improvements and easements	1,802,001	1,000,000	2,802,001
Construction in progress	87,276	670,614	757,890
Capital assets net of accumulated depreciation:			
Site improvements	240,047	5,631,610	5,871,657
Building and improvements	1,990,775	8,529,295	10,520,070
Infrastructure	3,048,693	-	3,048,693
Machinery and equipment	1,206,535	499,648	1,706,183
Furniture and fixtures	9,839	-	9,839
Other assets:			
Net pension asset	2,000,000	-	2,000,000
Total assets	18,467,956	22,470,728	40,938,684
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	172,941	172,941
LIABILITIES			
Accounts payable	132,313	240,055	372,368
Other accrued expenses	177,215	25,471	202,686
Accrued interest payable	1,904	-	1,904
Customer deposits	-	648,886	648,886
Noncurrent liabilities:			
Due within one year	226,042	932,198	1,158,240
Due in more than one year	89,612	5,220,000	5,309,612
Total liabilities	627,086	7,066,610	7,693,696
NET POSITION			
Net investment in capital assets	8,344,146	10,404,108	18,748,254
Restricted for:			
Capital outlay	1,215,717	-	1,215,717
Debt service	-	684,797	684,797
Unrestricted	8,281,007	4,488,154	12,769,161
Total net position	$ 17,840,870	$ 15,577,059	$ 33,417,929

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, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities				
General government	$ 967,663	$ 226,126	$ 27,305	$ -
Judicial	458,471	-	-	-
Public safety	4,685,236	1,158,282	153,351	80,236
Public works	2,524,686	-	875,002	1,259,671
Culture and recreation	147,790	-	-	-
Housing and development	355,454	-	-	-
Tourism	67,151	-	-	-
Interest on long-term debt	5,476	-	-	-
Total governmental activities	9,211,927	1,384,408	1,055,658	1,339,907
Business-type Activities				
Water and sewer	4,916,933	6,300,241	-	639,626
Solid Waste	1,338,230	1,523,438	-	-
Total business-type activities	6,255,163	7,823,679	-	639,626
Total primary government	$ 15,467,090	$ 9,208,087	$ 1,055,658	$ 1,979,533
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				
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, 2014
(CONTINUED)

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
	$ (714,232)	$ -	$ (714,232)
	(458,471)	-	(458,471)
	(3,293,367)	-	(3,293,367)
	(390,013)	-	(390,013)
	(147,790)	-	(147,790)
	(355,454)	-	(355,454)
	(67,151)	-	(67,151)
	(5,476)	-	(5,476)
	(5,431,954)	-	(5,431,954)
	-	2,022,934	2,022,934
	-	185,208	185,208
	-	2,208,142	2,208,142
	(5,431,954)	2,208,142	(3,223,812)
	3,612,574	-	3,612,574
	979,826	-	979,826
	345,772	-	345,772
	624,019	-	624,019
	35,457	-	35,457
	539,465	-	539,465
	260,756	-	260,756
	3,913	-	3,913
	17,767	11,944	29,711
	125,890	-	125,890
	253,400	(253,400)	-
	6,798,839	(241,456)	6,557,383
	1,366,885	1,966,686	3,333,571
	16,473,985	13,610,373	30,084,358
	$ 17,840,870	$ 15,577,059	$ 33,417,929

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

CITY OF LOGANVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 5,964,023	$ 1,198,181	$ 7,162,204
Investments	56,233	-	56,233
Taxes receivable	9,918	9,334	19,252
Due from other funds	295,085	-	295,085
Due from other governments	128,263	139,494	267,757
Other receivables	52	-	52
Prepaid items	147,858	-	147,858
Advances to other funds	226,360	-	226,360
Total assets	$ 6,827,792	$ 1,347,009	$ 8,174,801
LIABILITIES			
Accounts payable	$ 119,754	$ 12,559	$ 132,313
Due to other funds	-	5,651	5,651
Other accrued liabilities	177,215	-	177,215
Advances from other funds	-	86,360	86,360
Total liabilities	296,969	104,570	401,539
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	9,584	-	9,584
FUND BALANCES			
Nonspendable	374,218	-	374,218
Restricted	-	1,215,717	1,215,717
Committed	179,841	-	179,841
Assigned	131,311	26,722	158,033
Unassigned	5,835,869	-	5,835,869
Total fund balances	6,521,239	1,242,439	7,763,678
Total liabilities, deferred inflows of resources, and fund balances	$ 6,827,792	$ 1,347,009	$ 8,174,801

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, 2014

Amounts reported for governmental activites in the Statement of Net Position are different because:	
Total fund balances per balance sheet of governmental funds	$ 7,763,678
Net Pension Obligation	
Net pension assets are not financial resources and therefore are not reported in the funds.	2,000,000
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	13,016,992
Accumulated depreciation	(4,631,826)
Revenues	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	9,584
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	(1,904)
Compensated absences	(231,278)
Capital leases	(41,020)
Other post employment benefits liability	(43,356)
Total net position of governmental activities	$ 17,840,870

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, 2014

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	$ 3,606,442	$ -	$ 3,606,442
Sales	979,826	-	979,826
Franchise	624,019	-	624,019
Insurance premium	539,465	-	539,465
Occupational	345,772	-	345,772
Hotel/motel	-	35,457	35,457
Alcoholic beverage	260,756	-	260,756
License and permits	161,883	-	161,883
Intergovernmental	266,504	2,129,061	2,395,565
Fines and forfeitures	1,155,269	3,013	1,158,282
Charges for services	64,243	-	64,243
Contributions from private sources	3,913	-	3,913
Investment earnings	17,767	-	17,767
Miscellaneous	125,890	-	125,890
Total revenues	8,151,749	2,167,531	10,319,280
EXPENDITURES			
Current:			
General government	1,092,868	-	1,092,868
Judicial	458,276	-	458,276
Public safety	4,613,323	1,300	4,614,623
Public works	971,036	1,218,219	2,189,255
Culture and recreation	146,990	-	146,990
Housing and development	369,163	-	369,163
Tourism	67,151	-	67,151
Debt service:			
Principal	125,341	-	125,341
Interest and other charges	8,199	-	8,199
Capital outlay	-	199,279	199,279
Total expenditures	7,852,347	1,418,798	9,271,145
Excess (deficiency) of revenues over (under) expenditures	299,402	748,733	1,048,135
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	16,272	-	16,272
Transfers out	-	(10,144)	(10,144)
Transfers in	263,544	-	263,544
Total other financing sources (uses)	279,816	(10,144)	269,672
Net change in fund balances	579,218	738,589	1,317,807
Fund balances - beginning	5,942,021	503,850	6,445,871
Fund balances (deficits) - ending	$ 6,521,239	$ 1,242,439	$ 7,763,678

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, 2014

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

Net Change in Fund Balances - total governmental funds	$ 1,317,807
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	586,986
Total depreciation	(635,467)
Revenues	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	6,132
Long-term Debt	
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:	
Repayment of principal	125,340
Interest on long-term debt	2,723
Other post employment benefits liability	8,313
Compensated absences	(44,949)
Change in Net Position of Governmental Activities	$ 1,366,885

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, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes:				
Property	$ 3,295,045	$ 3,295,045	$ 3,606,442	$ 311,397
Sales	825,000	825,000	979,826	341,226
Franchise	638,600	638,600	624,019	(14,581)
Insurance premium	521,000	521,000	539,465	18,465
Occupational	312,000	312,000	345,772	33,772
Alcoholic beverage	410,122	410,122	260,756	(149,366)
License and permits	116,000	118,400	161,883	43,483
Intergovernmental	175,515	261,362	266,504	5,142
Fines and forfeitures	1,313,320	1,313,320	1,155,269	(158,051)
Charges for services	67,900	65,000	64,243	(757)
Contribution from private sources	8,500	8,500	3,913	(4,587)
Investment earnings	20,000	20,000	17,767	(2,233)
Miscellaneous	93,500	94,000	125,890	31,890
Total revenues	7,796,502	7,882,349	8,151,749	269,400
EXPENDITURES				
Current:				
General government:				
Executive	290,544	290,544	262,641	27,903
Council	113,877	113,877	94,944	18,933
Board of elections/registrations	8,612	8,612	4,511	4,101
Administration	696,610	575,110	466,016	109,094
Buildings and plant	219,830	316,130	264,756	51,374
Judicial:				
Municipal court	482,255	473,336	458,276	15,060
Public safety:				
Police	2,362,989	2,371,908	2,367,209	4,699
Fire administration	2,281,864	2,296,063	2,246,114	49,949
Public works:				
Administration	577,081	606,566	520,108	86,458
Highways and streets	346,789	459,937	450,928	9,009
Culture and recreation:				
Library	152,758	152,758	146,990	5,768
Housing and development:				
Protective inspection administration	362,377	369,792	369,163	629
Tourism - City Events	27,377	67,151	67,151	-
Debt service:				
Principal	125,339	125,341	125,341	-
Interest and other charges	8,200	8,199	8,199	-
Total expenditures	8,056,502	8,235,324	7,852,347	382,977

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, 2014
(CONTINUED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Excess (deficiency) of revenue over (under) expenditure	(260,000)	(352,975)	299,402	652,377
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	16,272	16,272
Transfer out	-	(29,800)	-	29,800
Transfers in	260,000	289,500	263,544	(25,956)
Total other financing sources (uses)	260,000	259,700	279,816	20,116
Net change in fund balances	-	(93,275)	579,218	672,493
Fund balances - beginning	5,942,021	5,942,021	5,942,021	-
Fund balances - ending	$ 5,942,021	$ 5,848,746	$ 6,521,239	$ 672,493

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, 2014

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 3,204,438	$ 974,703	$ 4,179,141
Investments	292,564	509,208	801,772
Accounts receivable, net	674,931	176,821	851,752
Prepaid items	51,533	-	51,533
Total current assets	4,223,466	1,660,732	5,884,198
Noncurrent assets:			
Restricted cash and cash equivalents	684,797	-	684,797
Capital assets:			
Land and easements	1,000,000	-	1,000,000
Structures, equipment and lines	22,494,710	-	22,494,710
Construction in progress	670,614	-	670,614
Less: accumulated depreciation	(7,834,157)	-	(7,834,157)
Total noncurrent assets	17,015,964	-	17,015,964
Total assets	21,239,430	1,660,732	22,900,162
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	172,941	-	172,941
LIABILITIES			
Current liabilities:			
Accounts payable	130,210	109,845	240,055
Salaries payable	25,471	-	25,471
Due to other funds	156,036	133,398	289,434
Accrued employee benefits	52,198	-	52,198
Customer deposits payable	648,886	-	648,886
Revenue bond payable-current	880,000	-	880,000
Total current liabilities	1,892,801	243,243	2,136,044
Noncurrent liabilities:			
Revenue bonds	5,220,000	-	5,220,000
Advances from other funds	140,000	-	140,000
Total noncurrent liabilities	5,360,000	-	5,360,000
Total liabilities	7,252,801	243,243	7,496,044
NET POSITION			
Net investment in capital assets	10,404,108	-	10,404,108
Restricted for debt service	684,797	-	684,797
Unrestricted	3,070,665	1,417,489	4,488,154
Total net position	$ 14,159,570	$ 1,417,489	$ 15,577,059

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, 2014

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
Operating revenues:			
Charges for sales and services	$ 6,300,241	$ 1,523,438	$ 7,823,679
Total operating revenues	6,300,241	1,523,438	7,823,679
Operating expenses:			
Salaries and benefits	1,445,736	17,947	1,463,683
Purchased/contracted services	1,394,358	1,320,172	2,714,530
Supplies and materials	1,232,445	-	1,232,445
Other costs	-	111	111
Depreciation	652,388	-	652,388
Total operating expenses	4,724,927	1,338,230	6,063,157
Operating income (loss)	1,575,314	185,208	1,760,522
Nonoperating revenues (expenses):			
Interest income - nonrestricted assets	10,900	1,044	11,944
Interest expense	(192,006)	-	(192,006)
Total nonoperating revenues (expenses)	(181,106)	1,044	(180,062)
Income before contributions and transfers	1,394,208	186,252	1,580,460
Capital contributions	639,626	-	639,626
Transfers out	(153,400)	(100,000)	(253,400)
Total other financing (uses)	486,226	(100,000)	386,226
Change in net position	1,880,434	86,252	1,966,686
Total net position - beginning	12,279,136	1,331,237	13,610,373
Total net position - ending	$ 14,159,570	$ 1,417,489	$ 15,577,059

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, 2014

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Solid Waste Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	$ 6,253,614	$ 1,531,557	$ 7,785,171
Payments to vendors for goods and services	(2,479,541)	(1,197,741)	(3,677,282)
Payments to employees	(1,413,055)	(17,947)	(1,431,002)
Net Cash Provided by (Used for) Operating Activities	2,361,018	315,869	2,676,887
Cash Flows from Noncapital Financing Activities:			
Transfers to other funds	(153,400)	(100,000)	(253,400)
Net Cash Provided by (Used for) Noncapital Financing Activities	(153,400)	(100,000)	(253,400)
Cash Flows from Capital and Related Financing Activities:			
Principal paid on capital debt	(865,000)	-	(865,000)
Interest paid on capital debt	(168,688)	-	(168,688)
Acquisition and construction of capital assets	(217,916)	-	(217,916)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,251,604)	-	(1,251,604)
Cash Flows for Investing Activities:			
Interest received	10,900	1,044	11,944
Purchases of investments	(349)	(606)	(955)
Net Cash Provided (Used) in Investing Activities	10,551	438	10,989
Net increase (decrease) in cash and cash equivalents	966,565	216,306	1,182,871
Cash and cash equivalents - beginning	2,922,670	758,397	3,681,067
Cash and cash equivalents - ending	$ 3,889,235	$ 974,703	$ 4,863,938
Classified as			
Current assets	$ 3,204,438	$ 974,703	$ 4,179,141
Restricted assets	684,797	-	684,797
Total cash and cash equivalents	$ 3,889,235	$ 974,703	$ 4,863,938

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, 2014
(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)	$ 1,575,314	$ 185,208	$ 1,760,522
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	652,388	-	652,388
Amortization	23,318	-	23,318
Change In			
Accounts receivable, net	(46,627)	8,119	(38,508)
Prepaid items	14,038	-	14,038
Accounts payable	(90,487)	5,687	(84,800)
Due to other funds	150,548	116,855	267,403
Accrued employee benefits	32,681	-	32,681
Customers' meter deposits	49,845	-	49,845
	785,704	130,661	916,365
Net cash provided (used) by operating activities	$ 2,361,018	$ 315,869	$ 2,676,887
Noncash investing, capital and financing activities:			
Capital contributions	$ 639,626	$ -	$ 639,626

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

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting entity

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

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

The accompanying financial statements presents the City and its discretely presented component units, entities for which the City is considered to be financially accountable.

Discretely Presented Component Units

The Downtown Development Authority of Loganville, Inc. (the "Authority") was created to revitalize and redevelop the central business district of the City. The Authority's governing board is appointed by the City Council. As of this date, the Authority is inactive and has no activity to report.

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.

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.

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."

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 $684,797 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 2014, total interest expense was $168,688. Of this amount, none was applicable to construction of capital assets.

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

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

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

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 be not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It 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.

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 only one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

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 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.
The following is a summary of the fund balance classifications as of June 30, 2014:

	General Fund	Nonmajor Governmental Funds	Total
Fund Balances:			
Nonspendable			
Prepaids	$ 147,858	$ -	$ 147,858
Advances	226,360	-	226,360
Restricted for:			
Public safety	-	5,643	5,643
Capital outlay	-	1,210,074	1,210,074
Committed			
Retirement funding	179,841	-	179,841
Assigned:			
Tourism	-	26,722	26,722
Public safety	3,069	-	3,069
Drug awareness	13,743	-	13,743
Veterans Memorial	1,499	-	1,499
Recreation	113,000	-	113,000
Unassigned	5,835,869	-	5,835,869
Total fund balances	$ 6,521,239	$ 1,242,439	$ 7,763,678

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 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, 2014, the City had the following investments:

Investment Type	Credit Rating		Value	Maturity
Office of State Treasurer	AAAf/S1+ rated	$	858,005	24 days

State statues 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, 2014, 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, 2014, 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.

B. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Sites and site improvements	$ 1,802,001	$ -	$ -	$ 1,802,001
Construction in progess	-	87,276	-	87,276
Total capital assets, not being depreciated	1,802,001	87,276	-	1,889,277
Capital assets, being depreciated:				
Buildings	2,853,853	55,515	-	2,909,368
Site improvements	316,266	-	-	316,266
Machinery and equipment	883,854	91,008	(322,832)	652,030
Furniture and fixtures	41,937	-	(5,786)	36,151
Vehicles	2,642,246	198,541	(647,896)	2,192,891
Infrastructure	4,866,363	154,646	-	5,021,009
Total capital assets, being depreciated	11,604,519	499,710	(976,514)	11,127,715
Less accumulated depreciation for:				
Buildings	(853,199)	(65,394)	-	(918,593)
Site improvements	(57,526)	(18,693)	-	(76,219)
Machinery and equipment	(500,465)	(59,486)	322,832	(237,119)
Furniture and fixtures	(26,261)	(5,837)	5,786	(26,312)
Vehicles	(1,836,587)	(212,576)	647,896	(1,401,267)
Infrastructure	(1,698,835)	(273,481)	-	(1,972,316)
Total accumulated depreciation	(4,972,873)	(635,467)	976,514	(4,631,826)
Total capital assets, being depreciated, net	6,631,646	(135,757)	-	6,495,889
Governmental activities capital assets, net	$ 8,433,647	$ (48,481)	$ -	$ 8,385,166

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets not being depreciated				
Land	$ 1,000,000	$ -	$ -	$ 1,000,000
Construction in progress	582,614	88,000	-	670,614
Total capital assets, not being depreciated	1,582,614	88,000	-	1,670,614
Capital assets, being depreciated				
Site improvements	6,830,143	456,963	-	7,287,106
Buildings	13,532,778	-	-	13,532,778
Machinery and equipment	1,110,538	11,550	-	1,122,088
Vehicles	581,400	-	(28,662)	552,738
Total capital assets being depreciated	22,054,859	468,513	(28,662)	22,494,710
Less accumulated depreciation for:				
Site improvements	(1,421,015)	(234,481)	-	(1,655,496)
Buildings	(4,666,048)	(337,435)	-	(5,003,483)
Machinery and equipment	(628,579)	(67,691)	-	(696,270)
Vehicles	(494,789)	(12,781)	28,662	(478,908)
Total accumulated depreciation	(7,210,431)	(652,388)	28,662	(7,834,157)
Total capital assets, being depreciated, net	14,844,428	(183,875)	-	14,660,553
Business-type activities capital assets, net	$ 16,427,042	$ (95,875)	$ -	$ 16,331,167

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

Governmental Activities	
General government	$ 33,312
Judicial	195
Public safety	228,098
Public works	370,643
Culture and recreation	800
Housing and development	2,419
Total governmental activities depreciation expense	$ 635,467
Business-Type Activities	
Water and Sewerage System	$ 652,388
Solid Waste Fund	-
Total business-type activities depreciation expense	$ 652,388

C. Interfund receivables, payables, advances and transfers

The composition of interfund balances as of June 30, 2014, is as follows:

Receivable fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	$ 156,036
General Fund	Nonmajor special revenue funds	5,651
General Fund	Solid Waste Fund	133,398
		$ 295,085

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, 2014, is as follows:

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor capital project fund	$ 86,360
General Fund	Water and Sewer Fund	140,000
Total		$ 226,360

During fiscal year 2009, the City's 2009 SPLOST Construction Fund purchased a fire truck in the amount of $395,081, with advances from the general fund. As of June 30, 2014, the advance balance was $86,360.

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, 2014, the advance balance was $140,000.

	Transfers in: General Fund
Transfers out:	
Water and Sewer Fund	$ 153,400
Solid Waste Fund	100,000
Nonmajor special revenue fund	10,144
	$ 263,544

The Water and Sewer Fund and the Solid Waste Fund transferred $153,400 and $100,000 respectively, to the General Fund to assist with general administrative costs.

The Hotel/Motel Tax special revenue fund transferred $10,144 to the General Fund for amounts owed relative to hotel/motel tax revenues collected by the special revenue fund.

D. Long-term debt

Primary Government

Capital Lease

The City has entered into a lease agreement as lessee for financing the acquisition of a fire truck valued at $276,410. The equipment has a twelve-year estimated useful life. This year, $23,034 was included in depreciation expense.

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 5.23%. 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
2015	$ 41,020	$ 2,145	$ 43,165
Total	$ 41,020	$ 2,145	$ 43,165

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, 2014, 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), 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
2015	$ 880,000	$ 146,937
2016	810,000	125,312
2017	830,000	104,938
2018	855,000	84,125
2019	875,000	62,563
2020-2022	1,850,000	64,437
Total	$ 6,100,000	$ 588,312

Changes in Long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
OPEB obligation	$ 51,669	$ 24,414	$ (32,727)	$ 43,356	$ -
Capital leases payable	166,360	-	(125,340)	41,020	41,020
Compensated absences	186,329	194,012	(149,063)	231,278	185,022
Total governmental activities	$ 404,358	$ 218,426	$ (307,130)	$ 315,654	$ 226,042
Business-Type activities					
Revenue bonds	$ 6,965,000	$ -	$ (865,000)	$ 6,100,000	$ 880,000
	6,965,000	-	(865,000)	6,100,000	880,000
Compensated absences	44,988	43,200	(35,990)	52,198	52,198
	44,988	43,200	(35,990)	52,198	52,198
Total business-type activities	$ 7,009,988	$ 43,200	$ (900,990)	$ 6,152,198	$ 932,198

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

E. Property Taxes

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

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

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

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment date	January 1	January 1
Levy date	September 13	January 1
Due date and collection date	November 14	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 2014, the City collected $35,457 in hotel motel taxes.

The City has created a tourism department in the general fund and expended $67,151 for tourism in 2014. Total expenditures relative to tourism for 2014 were more than the current year collection of hotel motel taxes.

G. Pension Plan

Plan Description

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

Significant Accounting Policies

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

Funding Policy

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 13.13% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Annual Pension Cost

For the plan year, the City's annual recommended contribution was $502,868.

Plan Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2014	$ 502,868	100.0%	$ (2,000,000)
6/30/2013	533,746	100.0%	(2,000,000)
6/30/2012	733,505	100.0%	(2,000,000)

The recommended contribution was determined as part of the January 1, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases of 3.5% plus age and service based merit increases per year (c) 0.00% cost of living adjustments and 3.5% inflation rate. The Plan's unfunded actuarial accrued liability is being amortized (level dollar method) over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for other changes to the plan provisions, and 30

years for actuarial assumptions and cost methods. The total amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded (surplus) actuarial accrued liability. In a year when the 10-year or 30-year corridor applies, the following year, the prior year bases are combined into one 10-year or 30-year base.

Funded Status and Funding Progress

The funded status of the plans as of January 1, 2014, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2014	$ 8,101,818	$ 8,587,558	$ 485,740	94.34%	$ 3,795,882	12.80%

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2014.

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2014
Actuarial cost method	Projected unit credit
Amoritization method	Closed level dollar for remaining unfunded liability
Remaining amoritization period	Remaining amoritization period varies for the bases, with a net effective amoritization period of 10 years

Additional Information (Continued)

Asset valuation method	Sum of actuarial value at the beginning of the year and the cash flows during the year, plus the assumed investment return adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 10% of market value.

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

Membership of the plan:	
Retirees and beneficiaries receiving benefits	29
Terminated plan members entitiled to, but not yet receiving benefits	47
Active plan members	100
Total	176

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

Normal Costs	$	404,170
Administrative expenses		17,047
Adjustments to fiscal year		18,422
Payment on unfunded actuarial accrued liability		63,229
Annual required contribution		502,868
Contribution made		502,868
Increase (decrease) in net penson obligation		-
Net pension obligation (asset) June 30, 2013		(2,000,000)
Net pension obligation (asset) June 30, 2014	$	(2,000,000)

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

Plan Description

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

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

As of January 1, 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	5

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, 2014 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, 2014, the City paid premiums (net of retiree contributions) on behalf of current retired employees in the amount of $32,727.

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 $32,727.

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	(3,656)
Annual OPEB Cost	24,414
Annual Contribution Amount	(32,727)
Net Increase (decrease) in NOO	(8,313)
NOO as of Valuation Date	(8,313)
Net OPEB Obligation - beginning of year	51,669
Net OPEB Obligation - end of year	$ 43,356

The City's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for 2014 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	$ 32,727	134%	$ 43,356
6/30/2013	31,950	61%	51,669
6/30/2012	31,173	60%	31,630

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.

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	5

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

I. Risk Management

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

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

J. Contingent Liabilities

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

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

K. Joint Ventures

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

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

Northeast Georgia Regional Commission
305 Research Drive
Athens, Georgia 30610

L. Related Organizations

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

M. Net Investment in Capital Assets

Net Investment in Capital Assets of the Government-Wide Statement of Net Position as of June 30, 2014 is as follows:

	Governmental Activities	Business-type Activities
Cost of capital assets	$ 13,016,992	$ 24,165,324
Plus capital-related deferred outflows of resources	-	172,941
Less accumulated depreciation	(4,631,826)	(7,834,157)
Book Value	8,385,166	16,504,108
Less all capital related debt	(41,020)	(6,100,000)
Net investment in capital assets	$ 8,344,146	$ 10,404,108

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LOGANVILLE, GEORGIA

RETIREMENT PLAN

SCHEDULE OF FUNDING PROGRESS PENSION PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2014	$ 8,101,818	$ 8,587,558	$ 485,740	94.34%	$ 3,795,882	12.80%
1/1/2013	7,325,437	7,770,858	445,421	94.27%	3,765,132	11.83%
1/1/2012	6,471,877	7,165,904	694,027	90.31%	3,725,294	18.63%
1/1/2011	3,746,306	6,359,569	2,613,263	58.91%	3,646,118	71.67%
1/1/2010	3,127,264	5,858,780	2,731,516	53.38%	3,713,181	73.56%
3/1/2009	2,311,308	5,145,664	2,834,356	44.92%	3,456,996	81.99%

SCHEDULE OF FUNDING PROGRESS OPEB

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
1/1/2014	$ -	$ 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.

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.

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

CDBG Grant Brand Road Water Line Improvements – This fund accounts for revenues received under a grant from the Gwinnett County Community Development Program for the water line improvements to Brand Road.

CDBG Grant Fox Chase Road Improvement Project – This fund accounts for revenues received under a grant from the Gwinnett County Community Development Program for the Fox Chase Subdivision Repaving Improvements.

CITY OF LOGANVILLE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds		Capital Projects Funds						
	Confiscated Assets	Hotel/ Motel Tax	2014 SPLOST Construction	2013 SPLOST Construction	2009 SPLOST Construction	2007 SPLOST Construction	CDBG Brand Road Waterline Project	CDBG Fox Chase Road Improvement Project	Total Nonmajor Governmental Funds
ASSETS									
Cash and cash equivalents	$ 5,643	$ 23,039	$ 29,475	$ 1,001,361	$ 138,663	$ -	$ -	$ -	$ 1,198,181
Due from other governments	-	-	62,964	76,530	-	-	-	-	139,494
Taxes receivable	-	9,334	-	-	-	-	-	-	9,334
Total assets	$ 5,643	$ 32,373	$ 92,439	$ 1,077,891	$ 138,663	$ -	$ -	$ -	$ 1,347,009
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ 12,559	$ -	$ -	$ -	$ -	$ 12,559
Due to other funds	-	5,651	-	-	-	-	-	-	5,651
Advances from other funds	-	-	-	-	86,360	-	-	-	86,360
Total liabilities	-	5,651	-	12,559	86,360	-	-	-	104,570
FUND BALANCES									
Restricted	5,643	-	92,439	1,065,332	52,303	-	-	-	1,215,717
Assigned	-	26,722	-	-	-	-	-	-	26,722
Total fund balances	5,643	26,722	92,439	1,065,332	52,303	-	-	-	1,242,439
Total liabilities and fund balances	$ 5,643	$ 32,373	$ 92,439	$ 1,077,891	$ 138,663	$ -	$ -	$ -	$ 1,347,009

CITY OF LOGANVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Special Revenue Funds		Capital Projects Funds						
	Confiscated Assets	Hotel/ Motel Tax	2014 SPLOST Construction	2013 SPLOST Construction	2009 SPLOST Construction	2007 SPLOST Construction	CDBG Brand Road Waterline Project	CDBG Fox Chase Road Improvement Project	Total Nonmajor Governmental Funds
REVENUES									
Hotel/motel taxes	$ -	$ 35,457	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,457
Intergovernmental	-	-	92,439	915,256	267,454	64,758	385,657	403,497	2,129,061
Fines and forfeitures	3,013	-	-	-	-	-	-	-	3,013
Total revenues	3,013	35,457	92,439	915,256	267,454	64,758	385,657	403,497	2,167,531
EXPENDITURES									
Current									
Public safety	1,300	-	-	-	-	-	-	-	1,300
Public works	-	-	-	202,170	200,000	26,895	385,657	403,497	1,218,219
Capital outlay	22,000	-	-	68,406	-	108,873	-	-	199,279
Total expenditures	23,300	-	-	270,576	200,000	135,768	385,657	403,497	1,418,798
Excess (deficiency) of revenues over (under) expenditures	(20,287)	35,457	92,439	644,680	67,454	(71,010)	-	-	748,733
Other financing sources (uses)									
Transfer out	-	(10,144)	-	-	-	-	-	-	(10,144)
Total other financing sources (uses)	-	(10,144)	-	-	-	-	-	-	(10,144)
Net change in fund balances	(20,287)	25,313	92,439	644,680	67,454	(71,010)	-	-	738,589
Fund balances (deficit) - beginning	25,930	1,409	-	420,652	(15,151)	71,010	-	-	503,850
Fund balances - ending	$ 5,643	$ 26,722	$ 92,439	$ 1,065,332	$ 52,303	$ -	$ -	$ -	$ 1,242,439

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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Fines and forfeitures	$ 42,000	$ 3,013	$ (38,987)
Total revenues	42,000	3,013	(38,987)
EXPENDITURES			
Current			
Public safety	2,000	1,300	700
Capital outlay	40,000	22,000	18,000
Total expenditures	42,000	23,300	18,700
Excess (deficiency) of revenues over (under) expenditures	-	(20,287)	(20,287)
Fund balances-beginning	25,930	25,930	-
Fund balances-ending	$ 25,930	$ 5,643	$ (20,287)

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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	$ 20,000	$ 35,457	$ 15,457
Total revenues	20,000	35,457	15,457
EXPENDITURES			
Current			
Culture and recreation			
Chamber of Commerce	8,000	-	8,000
Total expenditures	8,000	-	8,000
Excess (deficiency) of revenues over (under) expenditures	12,000	35,457	23,457
Other financing sources (uses)			
Transfer out	(12,000)	(10,144)	1,856
Net change in fund balances	-	25,313	25,313
Fund balances-beginning	1,409	1,409	-
Fund balances-ending	$ 1,409	$ 26,722	$ 25,313

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GOVERNMENTAL REPORTS

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2007
PASSED THROUGH FROM WALTON COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Project	Original Estimated Cost	Current Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
Roads, Drainage and Sidewalks	$ 4,212,000	$ 4,720,300	$ 4,498,731	$ 135,768	$ 4,634,499
Water and Sewer Upgrades	2,520,000	2,520,000	-	-	-
Intergovernmental Payments to Walton County	-	-	88,141	-	88,141
	$ 6,732,000	$ 7,240,300	$ 4,586,872	$ 135,768	$ 4,722,640

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

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2009
PASSED THROUGH FROM GWINNETT COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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	1,074,401	200,000	1,274,401
	$ 2,194,887	$ 1,469,482	$ 200,000	$ 1,669,482

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, 2014

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Transportation	$ 1,000,000	$ -	$ 100,818	$ 100,818
Water and Sewer Infrastructure	4,841,679	32,793	169,758	202,551
	$ 5,841,679	$ 32,793	$ 270,576	$ 303,369

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, 2014

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

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SINGLE AUDIT SECTION

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal/Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Justice			
Direct Programs			
Federal Forfeiture Program	GA 0380100	16.922	$ 23,300
Total U.S. Department of Justice			23,300
U.S. Department of Housing and Urban Development			
Pass-Through Program from:			
Gwinnett County			
Community Development Block Grant	B-13-UC-13-0004	14.218	403,497
Community Development Block Grant	B-12-UC-13-0004	14.218	385,657
Total U.S. Department of Housing and Urban Development			789,154
Total Expenditures of Federal Awards			$ 812,454

The accompanying notes are an integral part of these financial statements

CITY OF LOGANVILLE, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Loganville, Georgia under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the City of Loganville, Georgia, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City of Loganville, Georgia.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3 – SUBRECIPIENTS

Of the federal expenditures presented in the schedule, there were no amounts passed through to subrecipients.

CITY OF LOGANVILLE, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

FEDERAL AWARD FINDINGS

The City was not required to have an audit in 2013 under *OMB Circular A-133.*

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, and the aggregate remaining fund information of the City of Loganville, Georgia as of and for the year ended June 30, 2014 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 January 12, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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
January 12, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY *OMB CIRCULAR A-133*

Honorable Mayor and Council
City of Loganville, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Loganville, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Loganville, Georgia's major federal programs for the year ended June 30, 2014. The City of Loganville, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Loganville, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of State, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Loganville, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Loganville, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Loganville, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the City of Loganville, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Loganville, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Loganville, Georgia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the City of Loganville, Georgia as of and for the year ended June 30, 2014, and have issued our report thereon dated January 12, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Macon, Georgia
January 12, 2015

CITY OF LOGANVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program
14.218	Community Development Block Grants

Dollar threshold used to distinguish between Type A and Type B program	$ 300,000
Auditee qualified as low-risk auditee	No

Section II – 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*:

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported

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