



citizens' annual financial report **2008**

• **gwinnett**county georgia



board of
commissioners



Charles E. **Bannister**

CHAIRMAN



Shirley Fanning **Lasseter**

DISTRICT 1



Bert **Nasuti**

DISTRICT 2



Mike **Beaudreau**

DISTRICT 3



Kevin **Kenerly**

DISTRICT 4

*Shirley Lasseter was elected in November 2008 and assumed office on January 1, 2009.
Lorraine Green served District 1 in 2008.*



county
administration



Jock A. **Connell**
County Administrator



Michael D. **Comer**
COO/Deputy County Administrator



Susan **Lee**
Deputy County Administrator



Lisa **Johnsa**
Assistant County Administrator

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chairman's message

In this report, you'll see that 2008 was a tough year financially for Gwinnett County—just as it was for most individuals and businesses on the local, state, and national levels.

By December 2008, the entire world economy was mired in a recession. In Gwinnett, we began the year with cautious optimism. We already had plans to reduce spending in the light of rising expenses as revenues leveled off. We had decided to budget \$56 million of our reserve funds to help cover operating costs in 2008.

During the summer, we took additional steps including a hiring freeze, efficiency studies, and new economic development efforts to create more jobs. But by year-end, we were laying off dozens of our building inspectors and others whose jobs depended on the construction that had helped fuel the growth in our economy for decades.

Yet Gwinnett is still a strong, dynamic county with a quality of life that attracts thousands of new residents each year. We've maintained top-notch AAA credit ratings for 11 years, which helps lower interest costs on borrowed money. Special purpose local option sales tax, or SPLOST, programs have allowed us to build roads, parks, libraries, and public safety facilities without going deeply into debt.

But each new facility brings new operating expenses for staff, equipment, and maintenance costs that will continue to affect our annual operating budgets.

We've held the line or reduced the county tax rate every year since 1991. Since 2000, our forecasts projected slowing growth and rising expenses, but frankly, we didn't anticipate the economic tsunami that hit our entire nation in the fall of 2008.

Ongoing efficiency studies found ways to save tens of millions of dollars in the 2009 budget. Those cuts, most of which are painful, were designed to reduce our need to dip again into reserve funds. Economic development efforts led by Partnership Gwinnett encouraged more than 40 companies to expand or move to Gwinnett, creating thousands of new jobs and bringing in millions of new dollars.

Together we will weather this recession. I'm confident that life in Gwinnett will return to normal, but it will take some time. Meanwhile, I appreciate your support and I'm truly honored to serve the richly diverse residents of Gwinnett County.

Sincerely,

Charles E. Bannister, Chairman
Gwinnett County Board of Commissioners



accomplishments and initiatives

public safety



Voters in November gave Board of Commissioners Chairman Charles Bannister a second term along with District 3 Commissioner Mike Beaudreau. Shirley Lasseter joined the Board as District 1 Commissioner in 2009. Incumbent commissioners Bert Nasuti and Kevin Kenerly are now midway through their current four-year terms.

Voters also renewed SPLOST and the new five-year program will start on April 1, 2009. It is expected to raise about \$785 million over five years to be used for transportation, public safety, parks, libraries, and courthouse expansion projects.

New Fire Station 28 near Loganville opened ahead of schedule and under budget in 2008 and construction began on three more fire stations and a police headquarters annex/E-911 Center.

Gwinnett Police reported decreases in homicides (19 percent), robberies (three percent), aggravated assaults (nine percent), auto thefts (19 percent), and commercial burglaries (12 percent) plus an increase in DUI arrests of 20 percent. Fire and Emergency Services hired 85 firefighters and responded to 65,000 calls for help.

Our focused efforts to fill public safety vacancies resulted in a 93 percent fill rate for the second half of 2008. Our anti-gang task force made almost 1,000 gang-related arrests to help get their guns and drugs off our streets.

transportation



The year 2008 saw the completion of the \$147 million interchange of I-85 and State Route 316. We opened a new traffic control center to monitor traffic signals and intersection congestion, and we received \$110 million in federal and state grants to convert HOV lanes on a 14-mile stretch of I-85 to HOT (high occupancy toll) lanes to help relieve rush hour congestion.

The SPLOST program paid \$120 million for transportation improvements, adding 39 more to make 144 projects completed in the last four years. Major projects include the Pleasant Hill Road tunnel under Buford Highway as well as widening of State Routes 20, 120, and 324.

Construction of the Sugarloaf Parkway Extension continued on section one, and we have awarded a contract for section two. This entirely new artery is the first new limited-access roadway built in Gwinnett in nearly two decades and will provide much-needed congestion relief to the central and eastern areas of the county.

Gwinnett DOT crews resurfaced 60 miles of roadway and maintained 643 traffic signals, 50 traffic cameras, and 80 miles of fiber-optic cables.

Gwinnett Transit ridership was up 7.1 percent with 1.95 million boardings through November. We installed a new fence around Briscoe Field Airport where 433 aircraft are based and 76,000 takeoffs and landings occurred this year.

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water and sewer



community services



Gwinnett residents have responded to appeals from Governor Perdue to conserve water during the current drought. Water Resources officials are confident we will meet or exceed the governor's 10 percent reduction request.

The three-year drought continued throughout 2008 prompting continued conservation efforts by residents, businesses, and governments. Construction began on an eight-mile, 72-inch pipeline that will recycle highly-treated wastewater to Lake Lanier.

Water Resources built 45 miles of new water lines, 40 miles of new sewer, and rehabilitated about a mile of streambeds. Water Resources will begin taking online bill payments for water and sewer in January 2009, and the County also completed upgrades to bring three dams into compliance with new safety regulations. Stormwater Management began tackling longstanding drainage problems and streambank restoration projects to reduce erosion and protect water quality.

The National Recreation and Park Association's National Gold Medal Award recognized Gwinnett's Parks and Recreation system as best in America. New facilities in 2008 include West Gwinnett Park and Aquatic Center, Duncan Creek Park, Peachtree Ridge Park, Ivy Creek Greenway, Club Drive Park, and Lucky Shoals Park Community Center with a gym, dance studio, and indoor walking track.

Volunteers contributed more than 45,000 hours to Health and Human Services projects, including delivering more than 95,000 Meals on Wheels to homebound seniors.

Construction is underway on the new Hamilton Mill Library that is the 15th branch and the County's third green, LEED®-registered building. Gwinnett library patrons checked out more than seven million items in 2008.

Our Elections office began using online training for poll workers in this busy election year. More than 123,000 voters took advantage of advance voting at five locations.



economic development



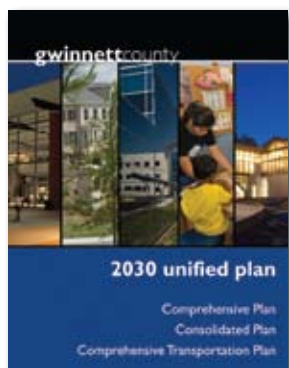
For the past two years, commissioners have placed renewed emphasis on economic development and revitalization of older areas to help bring new, high-paying jobs close to home for Gwinnett residents. Revised ordinances and a new Economic Analysis division have supported the recruitment efforts of Partnership Gwinnett and the Gwinnett Chamber of Commerce.

Results include a Peak 10 data center and solar energy company Suniva in Norcross, Horizon Software and Xiocom Wireless in Duluth, and AES Clean Technology in Suwanee plus Meggitt Training Systems, Cisco Systems, and a major NCR expansion. In all, at least 40 companies have located or expanded in Gwinnett, bringing thousands of new jobs and millions of new dollars into the local economy. Gwinnett also joined with nine nearby counties to form the Innovation Crescent Regional Partnership that aims to compete with North Carolina's famed Research Triangle.

Voters approved the use of tax allocation districts to spur redevelopment and Gwinnett's three Community Improvement Districts were all making visible progress in their areas. The 2030 Unified Plan was finalized in 2008 covering long-range land use, housing, and transportation issues and was adopted by the Board of Commissioners in early 2009. New zoning categories include mixed-use overlay developments.

2008 was also a year of expedited stadium building after the Atlanta Braves agreed to move their AAA minor-league affiliate from Richmond, Virginia, to a site off I-85 near the Mall of Georgia. The Gwinnett Braves started their inaugural season here in April 2009.

efficiency improvements



After holding the line or reducing the tax rate every year since 1991 and maintaining AAA credit ratings for the past 11 years, commissioners and staff knew they would have to find efficiency improvements even before the recession hit in the fall of 2008. That was the goal of the Service-Value-Responsibility project that resulted in almost \$40 million worth of initiatives – including cost reductions and revenue enhancements. More than 80 employees on 10 teams reviewed departmental budgets and operations and identified about 150 options. Many of those items will likely be included in the final 2009 budgets when they are adopted.

A hiring freeze for all positions except public safety started in mid-2008 and continued into 2009. The County negotiated with vendors for \$2.4 million in savings without reducing the scope of various projects. Improved computer systems continued to enhance efficiency and enable more online access to government services. Management has kept the turnover rate below 10 percent and implemented management succession plans and a scorecard system that measures departmental performance. The County also developed a long-term plan for countywide water and energy conservation.

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award-winning government



looking ahead



Gwinnett County Government won these awards and more during 2008:

- *2008 National Gold Medal Award* from National Recreation and Park Association
- National Association of Counties *2008 Achievement Awards* for selling surplus vehicles on eBay® and for Fire and Emergency Services' special projects unit
- US EPA *2008 Plant of the Year Award* for Hill Water Resources Center and Georgia Association of Water Professionals *Gold and Platinum Awards*
- *Award for Excellence (Pension and Benefits), Distinguished Budget Presentation, Certificate of Achievement for Excellence in Financial Reporting, and Award for Outstanding Achievement in Popular Annual Financial Reporting* from Government Finance Officers Association
- *Achievement of Excellence in Procurement* from National Purchasing Institute
- Video, graphic design, writing, and photography awards from National Association of Telecommunications Officers and Advisors and National Association of County Information Officers
- American Society of Landscape Architects' *State 2008 Merit Award* for Ivy Creek Greenway
- Georgia Chapter of the American Council of Engineering Companies *2008 Engineering Excellence Award* for the Gwinnett County Police Training Complex
- *Special Achievement in GIS Award* from Environmental Systems Research Institute, Inc.

Depending on the depth and duration of the recession, some plans for 2009 may well be put off or cancelled for lack of funding. As many as 100 full-time jobs could be cut in areas such as building inspections where new construction has slowed dramatically.

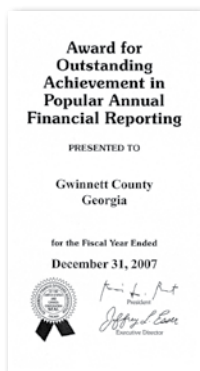
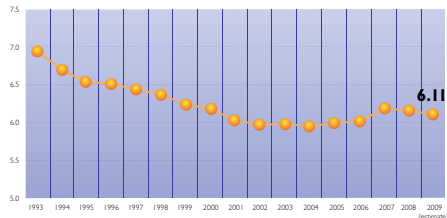
Building expansions and renovations scheduled for Juvenile Court and the One Justice Square building may have to be postponed until tax revenues return to pre-recession levels.

After reducing the county millage rate by 18.5 percent since 1997, projections since 2000 have shown rising expenses primarily for staffing new facilities as revenues from new growth begin to flatten out. Clearly, an important concept for 2009 will be sustainability.



county financial summary

**ratio of authorized
county employees
per 1,000 residents**



awards

governmentwide financial statements

Despite the slow economy of the past several years, the County has maintained its triple-A credit rating from all three major rating agencies for the 11th consecutive year. Our excellent credit reflects solid financial management and results in significant interest savings for our citizens.

The 2009 budget total is \$1.7 billion. This includes an Operating budget of \$951 million and a 2009 Capital budget of \$759 million. Through technology improvements and significant citizen involvement in planning and prioritizing, the County continues to improve its productivity.

The six-year (2009 – 2014) Capital Improvement Plan includes \$1.42 billion in capital initiatives focused on public health/clean water, protective services, transportation/transit, and recreational needs.

The Operating budget covers the daily expenses of County government and also includes 98 new positions, with an emphasis on information technology services and public safety.

In November 2008, voters approved the 2009 SPLOST program for five years. Expected total revenues of over \$785 million are being split 84/16 percent between the County and its cities, and are earmarked for transportation, recreation, public safety, libraries, and courthouse projects.

During 2007, Gwinnett County received the following awards for its financial reporting from the Government Finance Officers Association:

- *Certificate of Achievement for Excellence in Financial Reporting* (27th consecutive year)
- *Award for Distinguished Budget Presentation* (16th consecutive year)
- *Award for Outstanding Achievement in Popular Annual Financial Reporting* (11th consecutive year)

The following information provides a financial overview of Gwinnett County during its fiscal year January 1 through December 31, 2008. The data presented here was obtained from the audited financial statements included in the *Comprehensive Annual Financial Report* (CAFR), which provides complete financial disclosure. The 2008 CAFR is available at www.gwinnettCAFR.com.

The County's official financial statements received a favorable opinion from the County's independent auditors, Mauldin & Jenkins Certified Public Accountants, LLC, stating the financial statements are fairly presented in conformity with generally accepted accounting principles (GAAP). Please note that the financial information shown here is abbreviated and condensed from the GAAP financial statements shown in the CAFR. Specifically, management's discussion and analysis, budgetary comparisons, component units, basic financial statements, and footnote disclosures are not included here.

Gwinnett County implemented *Statement No. 34* of the Governmental Accounting Standards Board in fiscal year 2002. Part of this implementation included the addition of governmentwide financial statements. The governmentwide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two governmentwide statements, the statement of net assets and the statement of activities, which are presented in a comparative summary format on the following two pages.

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Over time, net assets may serve as a useful indicator of a government's financial position. In the case of Gwinnett County, assets exceeded liabilities by \$5,407,054,000 at the close of the most recent fiscal year. This represents an increase of \$152,779,000 or three percent from fiscal year 2007.

By far the largest portion of the County's net assets (84 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (six percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$509,111,000) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, and for its separate governmental and business-type activities. Growth in net assets is an indication the County's financial position has improved over 2007.

Gwinnett County's Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 846,763	\$ 924,883	\$ 219,056	\$ 208,674	\$ 1,065,819	\$ 1,133,557
Capital assets	2,177,612	1,988,121	3,487,669	3,264,998	5,665,281	5,253,119
Total assets	3,024,375	2,913,004	3,706,725	3,473,672	6,731,100	6,386,676
Long-term liabilities outstanding	215,586	190,434	985,882	796,255	1,201,468	986,689
Other liabilities	61,603	71,588	60,975	74,124	122,578	145,712
Total liabilities	277,189	262,022	1,046,857	870,379	1,324,046	1,132,401
Net assets:						
Invested in capital assets, net of related debt	1,989,757	1,822,598	2,574,614	2,517,483	4,564,371	4,340,081
Restricted	306,184	357,674	27,388	25,199	333,572	382,873
Unrestricted	451,245	470,710	57,866	60,611	509,111	531,321
Total net assets	\$ 2,747,186	\$ 2,650,982	\$ 2,659,868	\$ 2,603,293	\$ 5,407,054	\$ 5,254,275



GWINNETT COUNTY'S CHANGES IN NET ASSETS

(in thousands)

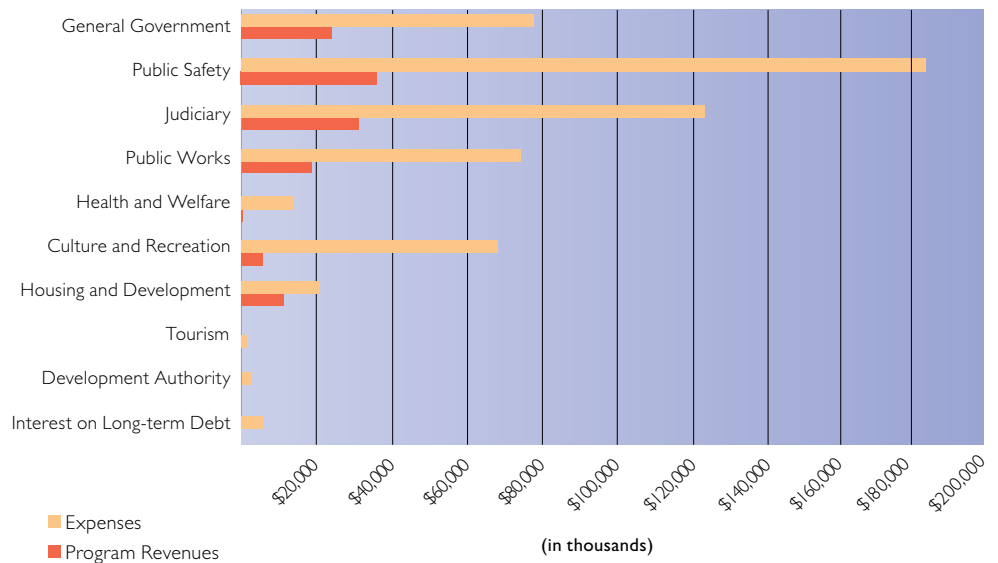
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for services	\$93,220	\$88,022	\$221,581	\$222,898	\$314,801	\$310,920
Operating grants and contributions	12,068	15,866	5,270	4,212	17,338	20,078
Capital grants and contributions	15,054	24,611	68,179	113,894	83,233	138,505
General revenues:						
Property taxes	325,417	328,612	-	-	325,417	328,612
Sales taxes	138,756	152,528	-	-	138,756	152,528
Other taxes	55,249	56,215	-	-	55,249	56,215
Investment income	24,418	42,626	2,466	7,426	26,884	50,052
Other	7,516	5,386	684	4,693	8,200	10,079
Total revenues	671,698	713,866	298,180	353,123	969,878	1,066,989
Expenses						
General government	77,529	74,921	-	-	77,529	74,921
Public safety	184,060	173,779	-	-	184,060	173,779
Judiciary	122,028	113,633	-	-	122,028	113,633
Public works	73,339	82,898	-	-	73,339	82,898
Health and welfare	12,861	12,640	-	-	12,861	12,640
Culture and recreation	68,260	57,032	-	-	68,260	57,032
Housing and development	20,596	18,247	-	-	20,596	18,247
Tourism	2,038	2,214	-	-	2,038	2,214
Development authority	2,843	2,580	-	-	2,843	2,580
Interest on long-term debt	5,983	4,263	-	-	5,983	4,263
Water and sewerage	-	-	201,974	197,612	201,974	197,612
Airport	-	-	1,912	2,103	1,912	2,103
Solid waste	-	-	2,573	489	2,573	489
Stormwater	-	-	29,466	25,455	29,466	25,455
Transit	-	-	15,749	14,184	15,749	14,184
Total expenses	569,537	542,207	251,674	239,843	821,211	782,050
Increase in net assets before transfers	102,161	171,659	46,506	113,280	148,667	284,939
Extraordinary item – insurance gain	-	-	4,112	-	4,112	-
Transfers	(5,957)	(5,338)	5,957	5,338	-	-
Increase in net assets	96,204	166,321	56,575	118,618	152,779	284,939
Net assets – January 1	2,650,982	2,484,661	2,603,293	2,484,675	5,254,275	4,969,336
Net assets – December 31	\$2,747,186	\$2,650,982	\$2,659,868	\$2,603,293	\$5,407,054	\$5,254,275



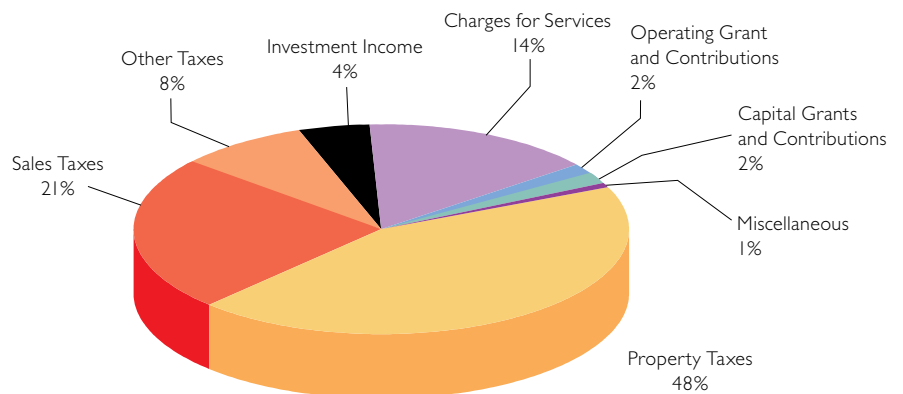
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Governmental activities. Governmental activities are generally supported by taxes and intergovernmental revenues and include programs such as general government, public safety, judiciary, public works, and culture and recreation. These activities increased the County's net assets by \$96,204,000 in 2008, thereby accounting for 63 percent of the total growth in net assets.

**Expenses and Program Revenues – Governmental Activities
FY 2008**



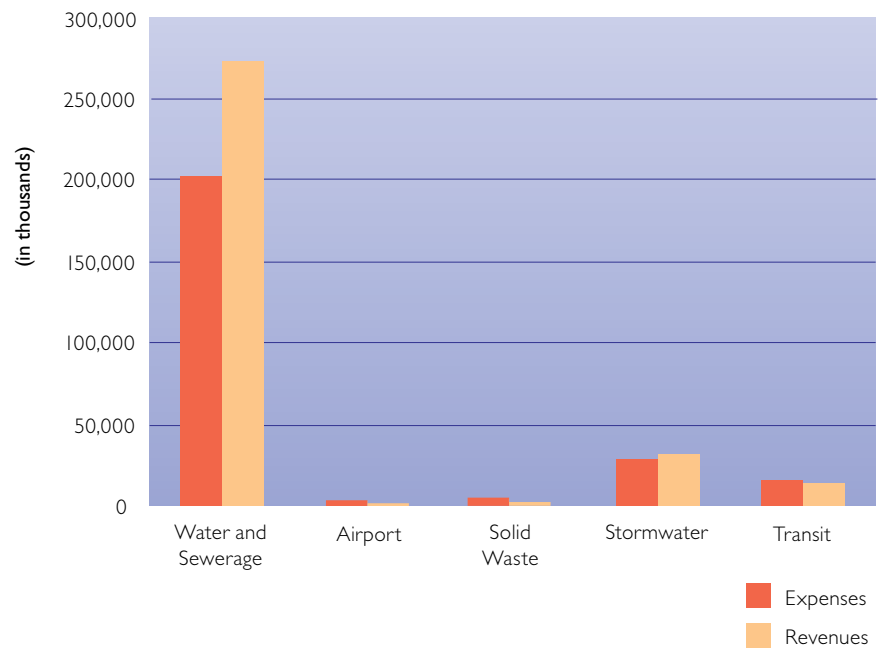
**Revenue by Sources – Governmental Activities
FY 2008**



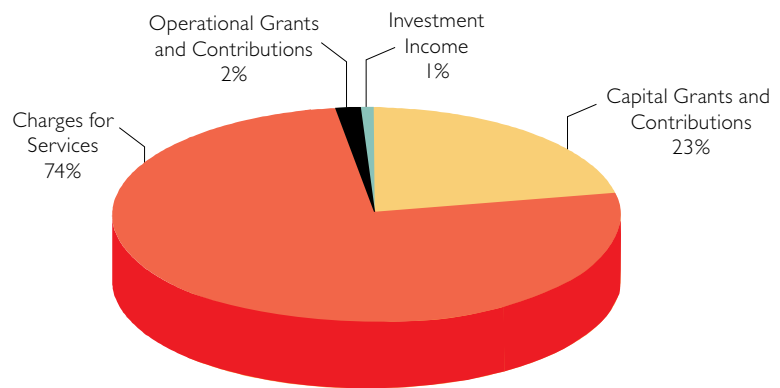


Business-type activities. Business-type activities rely to a significant extent on user fees and charges for support. Such activities in Gwinnett include water and sewerage, solid waste, airport, stormwater, and transit. These programs increased the County's net assets by \$56,575,000 in 2008, accounting for 37 percent of the total growth in the government's net assets.

**Expenses and Program Revenues – Business-type Activities
FY 2008**



**Revenue by Sources – Business-type Activities
FY 2008**



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for more information

For more information concerning the Gwinnett County finances, please contact:

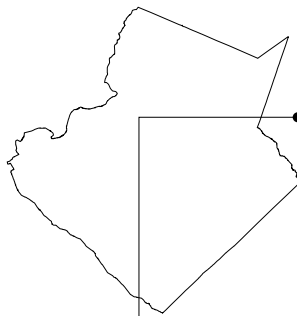
Gwinnett County **Department of Financial Services**

75 Langley Drive

Lawrenceville, GA 30046-6935

770.822.7850

Gwinnett County Government website	www.gwinnettcountry.com
Gwinnett County <i>Comprehensive Annual Financial Report</i>	www.gwinnettcfr.com
Gwinnett County Courts website	www.gwinnettcourts.com
Animal Welfare	770.339.3200
Building Inspections	678.518.6277
Citizen Information Line	770.822.8888
Commission Office/County Administrator	770.822.7000
Corrections	678.407.6000
Courts	
Jury Service Instructions	770.822.8560
Juvenile Court	770.619.6300
Magistrate Court	770.822.8100
Probate Court	770.822.8265
Recorder's Court	770.822.8815
State Court	770.822.8100
Superior Court	770.822.8100
District Attorney	770.822.8400
Emergencies – Ambulance, Fire, Police	911
Fire and Emergency Services (non-emergency)	678.518.4800
Health and Human Services	770.822.8850
Information – General	770.822.8000
Job Line	770.822.7930
Parks and Recreation	770.822.8840
Police (non-emergency)	770.513.5100
Purchasing – Bid Line	770.822.8747
Quality of Life Unit	770.417.3434
Roads – Maintenance	770.822.7474
Sheriff – Pre-Trial Detention Center	770.619.6500
Tag Information	770.822.8801
Tax Information	770.822.8800
Transit	770.822.7446
Voter Registration	678.226.7210
Volunteer Services/Senior Services	770.822.8837
Water Resources Customer Service/Billing	678.376.6800
Water Restrictions	678.376.7100
Water/Sewer Repairs	678.376.7000



prepared by:
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Financial Services

data compilation:
Accounting Division
Financial Services

writing and editing:
Communications Division

layout and design:
Shannon E. **Coffey**
Communications Division



Fire Station 28

cover photograph:
James **Corn**
Communications Division

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gwinnettcounty
75 Langley Drive
Lawrenceville, GA 30046

www.gwinnettcounty.com