CITY OF SNELLVILLE, GEORGIA

ANNUAL FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

JAMES L. WHITAKER, P.C.

CERTIFIED PUBLIC ACCOUNTANT

SNELLVILLE, GEORGIA 30078

CITY OF SNELLVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Snellville, Georgia (the City) as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Snellville, Georgia, as of June 30, 2008 and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 4, 2008 on our consideration of City of Snellville's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on page iii through xi is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Snellville, Georgia's basic financial statements. The combining nonmajor fund financial statements and the other individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

James L. Whitaker, P. C.

Snellville, Georgia
December 4, 2008

As management of the City of Snellville, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Snellville for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented in this analysis with their review of the financial statements.

Financial Highlights

- The assets of the City of Snellville exceeded its liabilities at the close of the most recent fiscal year by $24,286,962 (Net assets). Of this amount, unrestricted net assets of $1,651,217 may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.

- The City's total net assets increased by $2,742,451. This increase is due to an increase of $2,769,507 in governmental activities, but offset by a decrease in business-type activities of $27,056.

- As of the close of the current fiscal year, the City of Snellville's governmental funds reported combined ending fund balances of $6,920,280, a decrease of $757,783 in comparison with the prior year. Of this amount $1,474,534 is unreserved and available for spending, $4,507,377 is reserved for SPLOST Capital Projects, $586,614 is reserved for other Capital Projects, $155,354 is reserved for Police Activities, $94,576 is reserved for Tree Bank Projects, and $101,825 is reserved for Prepaid Items.

- At the end of the current fiscal year, unreserved fund balance for the general fund was $1,376,506 or 14.6% % of total General Fund expenditures.

- The City of Snellville's total debt obligations (including accrued compensated absences) decreased by the net of $38,299. The decrease is due to repayment of Certificates of Participation, in the amount of $275,000 but was offset by an increase in Capital Leases due to the purchase of financial software, several vehicles and computer equipment.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Snellville's basic financial statements. The City of Snellville's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Snellville's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Snellville include general government, public safety and courts, highways and streets, parks and recreation, economic development, community development, and debt service. The business-type activities of the City are solid waste management and recycling.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Snellville can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains three major governmental funds. The City's major governmental funds are the General Fund, the City Center Capital Project Fund, and the SPLOST Capital Projects Fund. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for all three major funds.

The City of Snellville adopts an annual budget for its General Fund. On page 7 of this report a budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the FY 08 budget. A project length budget is presented for the City Center Capital Project Fund and the SPLOST Capital Projects Fund in the supplementary information following the Basic Financial Statements.

Proprietary funds. The City of Snellville maintains one proprietary fund. Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in Statement of Net Assets of the Solid Waste Management Enterprise Fund and the Statement of Revenues, Expenses and Changes in Fund Net Assets for the Solid Waste Management Enterprise Fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information, which consists of budget comparisons for all Governmental Funds' revenues and expenditures.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2008, the City's assets exceeded liabilities by $24,286,962.

The largest portion of the City's net assets, $17,291,824 (71%), reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Of the total net assets, $5,343,921 (22%) is restricted for Capital Projects, Police Activities, and Tree Bank Projects and $1,651,217 or (7%) is unrestricted.

City of Snellville's Net Assets

	Governmental Activities		Business Type Activities		Total	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
Current and other assets	8,228,482	9,031,773	354,000	409,124	8,582,482	9,440,897
Capital Assets	21,271,040	17,808,358	1,637,483	1,675,365	22,908,523	19,483,723
Total assets	29,499,522	26,840,131	1,991,483	2,084,489	31,491,005	28,924,620
Current Liabilities	920,558	992,375	321,452	387,402	1,242,010	1,379,777
Long-term liabilities	5,962,033	6,000,332	0	0	5,962,033	6,000,332
Total liabilities	6,882,591	6,992,707	321,452	387,402	7,204,043	7,380,109
Net assets:	22,616,931	19,847,424	1,670,031	1,697,087	24,286,962	21,544,511
Invested in capital assets net of related debt	15,654,341	12,092,298	1,637,483	1,675,365	17,291,824	13,767,663
Restricted	5,343,921	5,683,160	0	0	5,343,921	5,683,160
Unrestricted	1,618,669	2,071,966	32,548	21,722	1,651,217	2,093,688
Total net assets	22,616,931	19,847,424	1,670,031	1,697,087	24,286,962	21,544,511

City of Snellville's Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues -						
Charges for Services	3,476,918	3,617,949	1,880,248	1,878,467	5,357,166	5,496,416
Operating Grants and Contributions	0	19,877	0	0	0	19,877
Capital Grants and Contributions	128,055	464,442	0	0	128,055	464,442
General Revenues -						
Property Taxes	3,004,571	2,814,036	0	0	3,004,571	2,814,036
Other Taxes	6,115,545	6,073,454	0	0	6,115,545	6,073,454
Interest	308,585	199,943	4,345	5,002	312,930	204,945
Other	0	203,400	0	0	0	203,400
Total Revenues	13,033,674	13,393,101	1,884,593	1,883,469	14,918,267	15,276,570
Expenses:						
General Government	1,690,679	1,573,842	0	0	1,690,679	1,573,842
Public Safety and Courts	5,392,175	4,939,587	0	0	5,392,175	4,939,587
Parks and Recreation	919,401	919,279	0	0	919,401	919,279
Highhways and Streets	1,158,273	2,199,627	0	0	1,158,273	2,199,627
Economic Development	32,598	36,259	0	0	32,598	36,259
Community Development	570,221	677,896	0	0	570,221	677,896
Interest on Long-term Debt	249,535	245,645	0	0	249,535	245,645
Solid Waste	0	0	2,162,934	2,209,921	2,162,934	2,209,921
Total Expenses	10,012,882	10,592,135	2,162,934	2,209,921	12,175,816	12,802,056
Increase (Decrease) in net assets before transfers	3,020,792	2,800,966	(278,341)	(326,452)	2,742,451	2,474,514
Transfers	(251,285)	(227,074)	251,285	227,074	0	0
Increase (Decrease) in Net Assets	2,769,507	2,573,892	(27,056)	(99,378)	2,742,451	2,474,514
Net Assets-Biginning of Year	19,847,424	17,273,532	1,697,087	1,796,465	21,544,511	19,069,997
Net Assets-End of Year	22,616,931	19,847,424	1,670,031	1,697,087	24,286,962	21,544,511

Governmental activities. Governmental activities increased the City's net assets by $2,769,507 accounting for 101 % of the total growth in the net assets. Key elements of this increase are as follows:

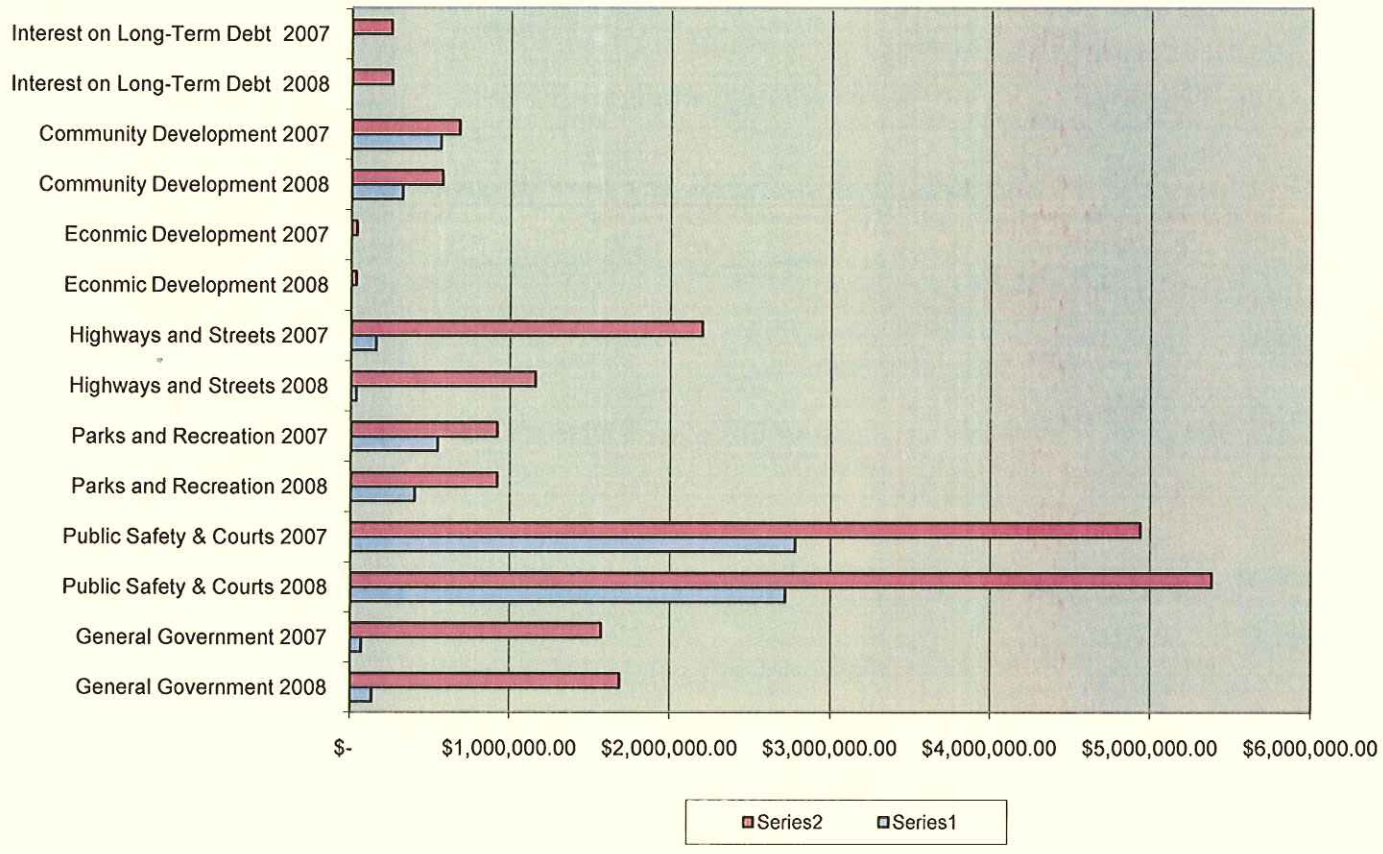
- Occupational taxes increased by $123,893 (15%) for the year. The increase was due to an increase in the fee schedule for occupational taxes.

- Property taxes increased by $190,535 (7%) for the year. The increase was due to growth and reassessments of real property. The City's millage rate remained the same at 3.65 mills.

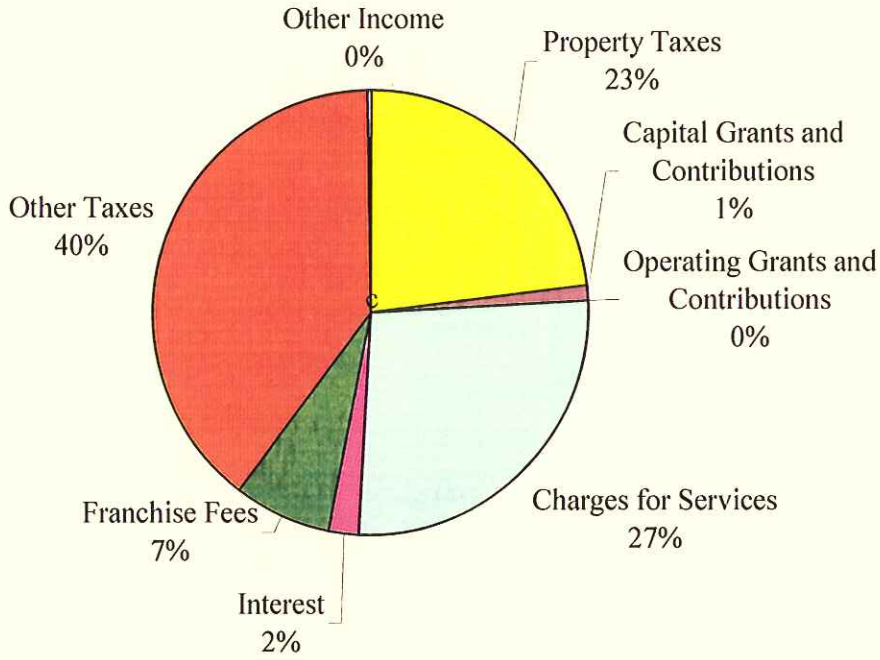
- The City was a party to the issuance of Certificates of Participation (COPS) in the amount of $6,795,000 issued under the name of Georgia Municipal Association, Inc. Leasing Program during fiscal year ending June 30, 2004. The proceeds have been used to finance the acquisition, construction and equipping of a new city hall. The land and building are pledged as security against the certificates. Repayment of the certificates is to be made under an annual renewable lease agreement. Interest rates associated with the certificates range from 2 % to 4.59 %.

- The City received proceeds from a special purpose local option sales tax. The voters of Gwinnett County passed a resolution in November 2004, which authorized the tax. Proceeds from the tax recognized by the City as revenue for the year amounted to $2,972,084.

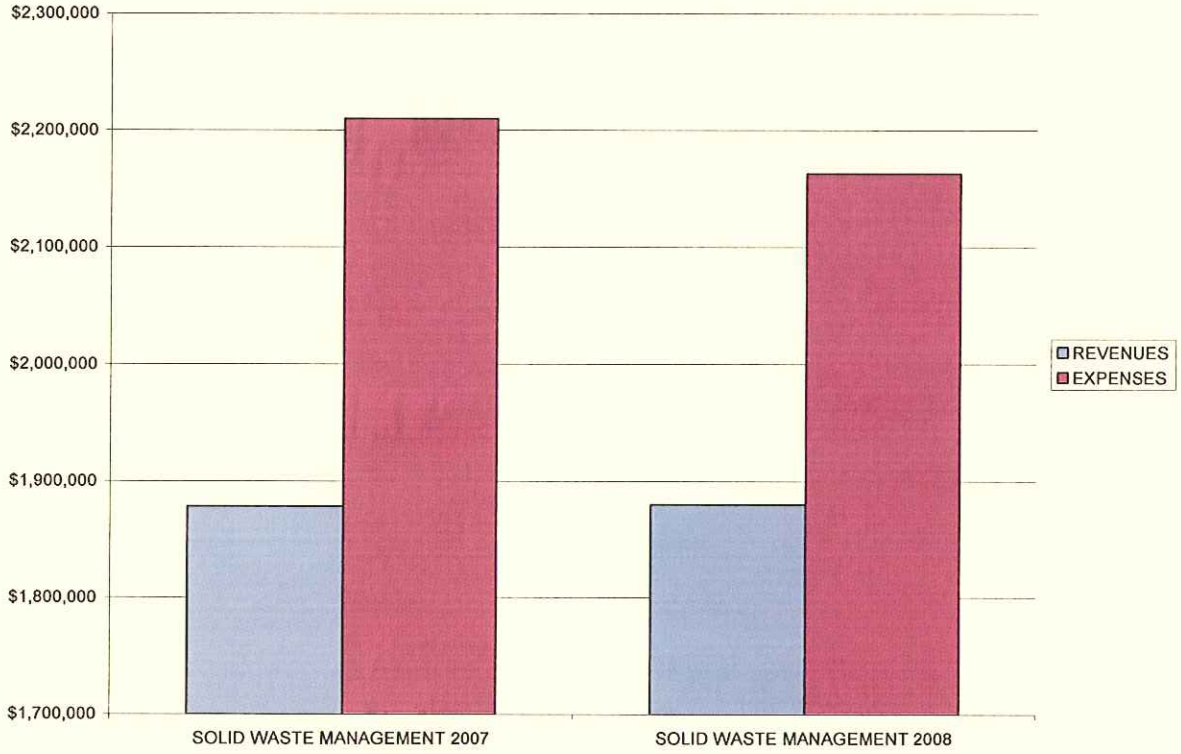
Expenses and Program Revenues-Governmental Activities



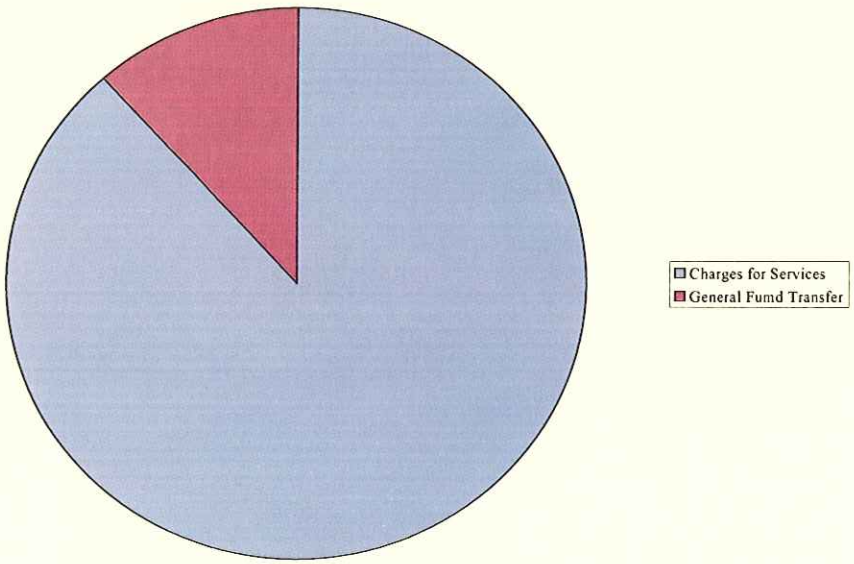
Revenue by Source - Governmental Activities 2008



Business-type Activities: Business-type activities, the Solid Waste Management Fund decreased the City's net assets by $27,056. This was due to an operating loss for the year of $282,686. However, the General Fund transferred $251,285 to the Solid Waste Management Fund to supplement operations.



REVENUES BY SOURCE-BUSINESS TYPE ACTIVITIES 2008



Financial Analysis of the Government's Funds

As noted earlier, the City of Snellville used fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The focus of the City of Snellville's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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.

At the end of the current fiscal year, the City of Snellville's governmental funds reported combined ending fund balances of $6,920,280 a decrease of $757,783 in comparison to the prior year. Of this amount, $1,474,534 (21%) is unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay for capital expansion most of which is funded by the proceeds of the Certificates of Participation ($586,614), 2) for police activities ($155,354), 3) 2005 SPLOST ($4,507,377), 4) Tree Bank ($94,576), and 5) prepaid items ($101,825).

The general fund is the City's chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was $1,376,506 while the total fund balance totaled $1,478,331. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 14.6 % of the total general fund expenditures, while total fund balance represents 15.7 % of that same amount.

During the current fiscal year, the fund balance of the City's general fund decreased by $450,987. Although the revenues only decreased by 1 %, there was a corresponding increase of 4% in expenditures resulting in an excess of revenues over expenditures of $103,913. The General Fund transferred $563,758 to the City Center Capital Projects Fund to finance capital expenditures and debt service requirements related to construction of the new City Administration Facilities. The General Fund also transferred $251,285 to the Solid Waste Management Fund to finance the City's recycle facilities and to supplement operations.

The City Center Capital Project Fund has a total fund balance of $558,542 all of which is reserved for debt service under the terms of the Certificates of Participation.

Since being passed by referendum in November 2004, the proceeds from the 2005 SPLOST have generated $9,769,692 for the City of Snellville's share. The proceeds are to be used exclusively for the following purposes: 1) roads, including stormwater, 2) cultural/historic/recreation and 3) public safety. Significant expenditures are expected to be incurred during fiscal year 2009.

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

Net assets of the Solid Waste fund at the end of the year were $1,670,031, of which $1,637,483 were invested in capital assets. Other factors concerning the finances of the fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The final General Fund budget was less than the original budget by $241,217. The reasons for the decrease were due in part to deferral of hiring to fill some vacant positions, deferral of some capital purchases, and a decrease in the group medical premium for employees due to plan changes. There were no significant variances between the final budget and the actual.

Capital Asset and Debt Administration

Capital assets. The City of Snellville's investment in capital assets for its governmental and business-type activities as of June 30, 2008 amounts to $22,908,523 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles and equipment, sidewalks, bridges and roads.

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

- $296,590 was spent for vehicles, including related equipment, for the Police Department and Parks and Recreation
- $1,487,990 purchase of land for future site of police department
- $225,205 for planning and engineering costs of the new police facilities and park improvements
- $858,320 for drainage improvements
- $1,349,467 furniture and other equipment

Additional information on the City's capital assets can be found in note 8.

Long-term debt. At the end of the current fiscal year, the City had $5,962,033 in outstanding debt consisting of Certificates of Participation, net of unamortized discount, capital lease obligations and accrued compensated absences. Land and buildings secured the Certificates of Participation.

The City's total debt has decreased by $38,299. This is attributed to a payment on the Certificates of Participation in the amount of $275,000 the purchase of a dump truck in the amount of $39,901 and financial software in the amount of $201,439, both financed through capital leases. Additional information on the City's long-term debt can be found in note 10.

Status of the City of Snellville Economy

Economic activity in Snellville during the year reflects national and regional trends. The City has a thriving retail sector consisting of approximately 2.5 million square feet of commercial retail, with continued commercial growth.

The City has a strong medical sector, with Emory Eastside Medical Center being its largest employer. Emory Eastside has over 1,400 employees with a medical staff of over 400 physicians. They serve over 12,000 annual inpatients, over 55,000 annual E.D. visits, over 75,000 annual outpatient visits, and over 7,600 annual surgeries performed. This past year, Emory invested over $6,000,000 in several expansions in the hospital. They are planning a new 80,000 square foot medical office building in 2009. In the near future, Emory Eastside plans a 78-bed expansion that will invest nearly $70,000,000 in the Snellville facility nearly doubling the square footage of the existing campus.

Approximately 1400 businesses contribute to the economic stability of the City. The value of the total taxable property increased 5%, based on Gwinnett County's Gross Digest.

The Evermore Community Improvement District, an association of property owners along U.S. Highway 78 that voluntarily tax themselves, stretches from Snellville to Stone Mountain. About 20% of the CID is within Snellville. The CID currently has over $70,000,000 in capital improvements planned with funding committed. Much of this is in Snellville and will help revitalize the west end of the community and dress-up the Highway 78 approach to town.

The City retains a positive outlook even in these uncertain economic conditions. We continue to look for ways to encourage and facilitate economic development while exercising responsible stewardship over the city's resources and overall financial condition.

Requests for Information

This financial report is designed to provide a general overview of the City of Snellville's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 985-3500 or at the following address:

City of Snellville
Finance Department
2342 Oak Road
Snellville, GA 30078

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Assets				
Cash and Cash Equivalents	$ 1,302,748	$ 120,819	$ 1,423,567	$ 20,445
Investments	600,000	-	600,000	106,337
Receivables (net of allowance for uncollectibles)				
Taxes	227,298	-	227,298	-
Fines	141,094	-	141,094	-
Intergovernmental	32,156	-	32,156	-
Accounts	-	233,181	233,181	-
Donations	-	-	-	
Interest	21,463	-	21,463	2,510
Prepaid Items	101,825	-	101,825	-
Restricted Assets -				
Cash	4,563,260	-	4,563,260	-
Investments	557,686	-	557,686	-
Receivables	494,245	-	494,245	-
Non-Depreciable Capital Assets	4,777,868	-	4,777,868	-
Depreciable Capital Assets, Net	16,493,172	1,637,483	18,130,655	-
Deferred Cost, Net	186,707	-	186,707	-
Total Assets	29,499,522	1,991,483	31,491,005	129,292
Liabilities				
Accounts Payable -				
Operating	571,784	304,998	876,782	-
Capital	-	-	-	-
Accrued Liabilities -				
Wages	210,221	7,783	218,004	-
Customer Deposits	5,114	8,671	13,785	-
Police bonds and court fees	68,355	-	68,355	-
Other	3,193	-	3,193	-
Unearned Revenues	61,891	-	61,891	-
Long-Term Liabilities -				
Due Within One Year	390,334	-	390,334	-
Due In More Than One Year	5,571,699	-	5,571,699	-
Total Liabilities	6,882,591	321,452	7,204,043	-
Net Assets				
Invested in Capital Assets, Net of Related Debt	15,654,341	1,637,483	17,291,824	-
Restricted for -				
Capital Projects	5,093,991	-	5,093,991	-
Police Activities	155,354	-	155,354	-
Tree Bank	94,576	-	94,576	-
Unrestricted	1,618,669	32,548	1,651,217	129,292
Total Net Assets	$ 22,616,931	$ 1,670,031	$ 24,286,962	$ 129,292

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 1,690,679	$ 123,816	$ -	$ 8,950
Public Safety and Courts	5,392,175	2,695,115	-	23,331
Highways and Streets	1,158,273	5,731	-	27,627
Parks and Recreation	919,401	355,232	-	47,217
Economic Development	32,598	-	-	-
Community Development	570,221	297,024	-	20,930
Interest on Long-Term Debt	249,535	-	-	-
Total Governmental Activities	10,012,882	3,476,918	-	128,055
Business-Type Activities				
Solid Waste Management	1,916,075	1,654,217	-	-
Recycling	246,859	226,031	-	-
Total Business-Type Activities	2,162,934	1,880,248	-	-
Total	$ 12,175,816	$ 5,357,166	$ -	$ 128,055
Component Units:				
Downtown Development Authority	$ 10,843	$ 8,500	$ 1,297	$ -

General Revenues:
Taxes:
Property
Franchise
Occupational
Insurance premium
Alcohol beverage
Hotel / Motel
Splost
Other
Interest Earnings
Other
Total General Revenues
Transfers
Total General Revenues and Transfers
Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

See accompanying notes to the basic financial statements.

Changes in Net Assets			
Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
$ (1,557,913)	$ -	$ (1,557,913)	$ -
(2,673,729)	-	(2,673,729)	-
(1,124,915)	-	(1,124,915)	-
(516,952)	-	(516,952)	-
(32,598)	-	(32,598)	-
(252,267)	-	(252,267)	-
(249,535)	-	(249,535)	-
(6,407,909)	-	(6,407,909)	-
-	(261,858)	(261,858)	
-	(20,828)	(20,828)	-
-	(282,686)	(282,686)	-
(6,407,909)	(282,686)	(6,690,595)	-
-	-	-	(1,046)
3,004,571	-	3,004,571	-
946,039	-	946,039	-
925,536	-	925,536	-
839,218	-	839,218	-
319,182	-	319,182	-
69,120	-	69,120	-
2,972,084	-	2,972,084	-
44,366	-	44,366	-
308,585	4,345	312,930	5,318
-	-	-	-
9,428,701	4,345	9,433,046	5,318
(251,285)	251,285	-	-
9,177,416	255,630	9,433,046	5,318
2,769,507	(27,056)	2,742,451	4,272
19,847,424	1,697,087	21,544,511	125,020
$ 22,616,931	$ 1,670,031	$ 24,286,962	$ 129,292

CITY OF SNELLVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	GENERAL	CITY CENTER CAPITAL PROJECTS	SPLOST CAPITAL PROJECTS
ASSETS			
Cash and Cash Equivalents	$ 1,256,682	$ -	$ 4,201,345
Investments	600,000	557,686	-
Receivables (net of allowance for uncollectibles)			
Taxes	218,231	-	494,245
Fines	141,094	-	-
Intergovernmental	13,707	-	-
Accounts	-	-	-
Donations	-	-	-
Interest	20,607	856	-
Due from other funds	-	-	-
Prepaid Items	101,825	-	-
Total Assets	$ 2,352,146	$ 558,542	$ 4,695,590
LIABILITIES			
Accounts Payable	$ 347,013	$ -	$ 188,213
Accrued Liabilities:			
Salaries and Wages	210,221	-	-
Deposits	5,114	-	-
Police bonds and court fees	68,355	-	-
Other	3,193	-	-
Due to other funds	-	-	-
Deferred Revenues	239,919	-	-
Total Liabilities	873,815	-	188,213
FUND BALANCES			
Reserved for:			
Capital Projects	-	558,542	4,507,377
Police services	-	-	-
Tree Bank	-	-	-
Prepaid Items	101,825	-	-
Unreserved - Special Revenue	-	-	-
Unreserved	1,376,506	-	-
Total Fund Balances	1,478,331	558,542	4,507,377
Total Liabilities and Fund Balances	$ 2,352,146	$ 558,542	$ 4,695,590

See accompanying notes to the basic financial statements.

NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 407,980	$ 5,866,007
-	1,157,686
9,066	721,542
-	141,094
18,449	32,156
-	-
-	-
-	21,463
-	-
-	101,825
$ 435,495	$ 8,041,773
$ 36,558	$ 571,784
-	210,221
-	5,114
-	68,355
-	3,193
-	-
22,907	262,826
59,465	1,121,493
28,072	5,093,991
155,354	155,354
94,576	94,576
-	101,825
98,028	98,028
-	1,376,506
376,030	6,920,280
$ 435,495	$ 8,041,773

CITY OF SNELLVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008

Amounts reported for governmental activities in the statement of net assets are different because:	
Total fund balances -- total governmental funds	$ 6,920,280
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,271,040
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Deferred revenues	200,935
Debt issuance cost and discounts are considered other financing uses in governmental funds in the year incurred but are deferred costs and are amortized over the life of the related debt in the statement of net assets:	
Deferred issue cost	186,708
Debt discount	90,280
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Certificates of participation	(5,470,000)
Capital lease obligation	(236,978)
Long-term portion of compensated absences	(345,334)
Net assets of governmental activities.	$ 22,616,931

The accompanying notes are an integral part of these financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	GENERAL	CITY CENTER CAPITAL PROJECTS	SPLOST CAPITAL PROJECTS
REVENUES			
Taxes	$ 6,049,967	$ -	$ 2,972,084
Licenses and permits	228,947	-	-
Intergovernmental	88,454	-	-
Charges for services	376,785	-	-
Fines and forfeitures	2,485,964	-	-
Tree Bank Bonds	-	-	-
Investment income	100,587	18,397	165,210
Rental income	106,841	-	-
Miscellaneous	78,741	62,000	-
Total Revenues	9,516,286	80,397	3,137,294
EXPENDITURES			
Current:			
General Government	1,347,061	-	-
Municipal Court	841,129	-	-
Public Safety	4,240,093	-	-
Highways and Streets	884,148	-	-
Parks and Recreation	849,579	-	-
Tree Bank	-	-	-
Economic Development	-	-	-
Community Development	563,923	-	-
Capital:			
General Government	174,215	-	-
Public Safety	39,686	-	2,793,187
Highways and Streets	371,609	-	709,094
Parks and Recreation	37,392	-	150,050
Debt Service:			
Principal	53,194	275,000	-
Interest	10,344	220,758	-
Total Expenditures	9,412,373	495,758	3,652,331
Excess (Deficiency) of Revenues Over Expenditures	103,913	(415,361)	(515,037)
Other Financing Sources (Uses):			
Proceeds from long-term debt	241,340	-	-
Transfers	(815,043)	563,758	-
Sale of capital assets	18,803	-	-
Total	(554,900)	563,758	-
Net Change in Fund Balances	(450,987)	148,397	(515,037)
Fund Balance - Beginning of the year	1,929,318	410,145	5,022,414
Fund Balance - End of year	$ 1,478,331	$ 558,542	$ 4,507,377

See accompanying notes to the basic financial statements.

NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 69,120	$ 9,091,171
-	228,947
35,081	123,535
-	376,785
120,658	2,606,622
15,580	15,580
11,617	295,811
-	106,841
8,950	149,691
261,006	12,994,983
-	1,347,061
-	841,129
71,391	4,311,484
-	884,148
-	849,579
-	-
27,648	27,648
4,950	568,873
20,863	195,078
41,777	2,874,650
34,533	1,115,236
-	187,442
-	328,194
-	231,102
201,162	13,761,624
59,844	(766,641)
-	241,340
-	(251,285)
-	18,803
-	8,858
59,844	(757,783)
316,186	7,678,063
$ 376,030	$ 6,920,280

CITY OF SNELLVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Net change in fund balances -- total governmental funds	(757,783)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($4,189,758) exceeded depreciation expense ($665,850) in the current period.	3,523,908
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. This is the amount of net book value of assets disposed of during the current period.	(61,225)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending deferred revenue balances in the current period.	38,690
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments ($328,128) exceeded proceeds ($ 241,340).	86,788
Bond issue cost and discounts are considered deferred cost in the statement of net assets and are amortized over the life of the related debt while they are considered other financing uses in governmental funds in the year they are incurred. This is the amount by which bond issue and discount cost ($0) exceeded amortization expense ($ 12,381).	(18,368)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the change in the long term portion of accrued compensated absences.	(42,503)
Change in net assets of governmental activities.	$ 2,769,507

The accompanying notes are an integral part of these financial statements.

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Taxes	$ 6,447,304	$ 6,118,104	$ 6,049,967	$ (68,137)
Licenses and permits	576,900	236,250	228,947	(7,303)
Intergovernmental	283,500	134,161	88,454	(45,707)
Charges for services	353,510	391,761	376,785	(14,976)
Fines and forfeitures	2,510,000	2,597,000	2,485,964	(111,036)
Investment income	105,000	134,000	100,587	(33,413)
Rental income	87,300	114,300	106,841	(7,459)
Miscellaneous	135,000	86,000	78,741	(7,259)
Total Revenues	10,498,514	9,811,576	9,516,286	(295,290)
EXPENDITURES				
Current:				
General Government	1,440,771	1,416,125	1,347,061	69,064
Municipal Court	807,722	906,509	841,129	65,380
Public Safety	4,345,383	4,243,490	4,240,093	3,397
Highways and Streets	1,085,229	940,547	884,148	56,399
Parks and Recreation	885,735	851,685	849,579	2,106
Community Development	767,085	620,979	563,923	57,056
Capital:				
General Government	230,280	398,527	174,215	224,312
Public Safety	91,100	67,536	39,686	27,850
Highways and Streets	324,800	398,959	371,609	27,350
Parks and Recreation	157,080	47,760	37,392	10,368
Community Development	2,500	3,751	-	3,751
Debt Service:				
Principal	59,920	61,758	53,194	8,564
Interest	12,236	10,998	10,344	654
Total Expenditures	10,209,841	9,968,624	9,412,373	556,251
Excess (Deficiency) of Revenues Over Expenditures	288,673	(157,048)	103,913	260,961
Other Financing Sources (Uses):				
Proceeds from long-term debt	215,280	255,181	241,340	(13,841)
Transfers	(893,137)	(969,615)	(815,043)	154,572
Proceeds from capital asset deletions	5,500	18,076	18,803	727
Total Other Financing Sources (Uses)	(672,357)	(696,358)	(554,900)	141,458
Net Change in Fund Balances	(383,684)	(853,406)	(450,987)	402,419
Fund Balance -				
Beginning of year	1,929,318	1,929,318	1,929,318	-
End of year	$ 1,545,634	$ 1,075,912	$ 1,478,331	$ 402,419

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF NET ASSETS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
JUNE 30, 2008 AND 2007

	2008	2007
ASSETS		
Current assets:		
Cash	$ 120,819	$ 86,222
Receivables (net of reserve for doubtful accounts of $40,000 in 2008 and $20,000 in 2007)		
Trade accounts	108,203	158,553
Unbilled sales	124,978	164,349
Total Current Assets	354,000	409,124
Property, plant and equipment:		
Buildings	577,673	577,673
Machinery and equipment	227,846	197,570
Vehicles	21,118	21,118
Land improvements	1,188,251	1,188,251
	2,014,888	1,984,612
Less accumulated depreciation	(377,405)	(309,247)
	1,637,483	1,675,365
Total Assets	1,991,483	2,084,489
LIABILITIES		
Current liabilities:		
Accounts payable	304,998	372,195
Customer deposits	8,671	7,473
Accrued liabilities -		
Payroll	7,783	7,734
Total current liabilities (payable from current assets)	321,452	387,402
Long-term obligations	-	-
Total Liabilities	321,452	387,402
NET ASSETS		
Invested in capital assets	1,637,483	1,675,365
Unrestricted	32,548	21,722
Total Net Assets	$ 1,670,031	$ 1,697,087

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
OPERATING REVENUES		
Charges for services:		
Solid waste	$ 1,602,693	$ 1,692,297
Recycling	226,031	151,945
Penalties	31,356	28,294
Miscellaneous	20,168	5,931
Total Operating Revenues	1,880,248	1,878,467
OPERATING EXPENSES:		
Solid waste operations -		
Purchases of product/service	1,859,645	1,935,335
Salaries and benefits	31,372	33,649
Contracted / purchased services	5,058	4,388
Bad debt expense	20,000	5,000
Recycling operations -		
Salaries and benefits	99,619	98,279
Contracted / purchased services	68,121	55,838
Supplies	10,961	9,701
Depreciation	68,158	67,731
Total Operating Expenses	2,162,934	2,209,921
Operating Income (Loss)	(282,686)	(331,454)
NON-OPERATING INCOME (EXPENSES):		
Interest revenue	4,345	5,002
Net income (loss) before transfers and capital contributions	(278,341)	(326,452)
Transfers in	251,285	227,074
Capital contributions	-	-
NET INCOME	(27,056)	(99,378)
NET ASSETS - BEGINNING	1,697,087	1,796,465
NET ASSETS - ENDING	$ 1,670,031	$ 1,697,087

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2008 and 2007

	2008	2007
Cash flows from operating activities:		
Cash received from customers and users	$ 1,971,167	$ 1,817,922
Cash paid to suppliers	(2,056,478)	(1,966,751)
Cash paid to employees	(105,446)	(103,971)
Net Cash Provided by Operating Activities	(190,757)	(252,800)
Cash flows from investing activities:		
Interest received	4,345	5,002
Net Cash Used in Investing Activities	4,345	5,002
Cash flows from non-capital financing activities:		
Transfers	251,285	227,074
Net Cash Provided by (Used in) Non-capital Financing Activities	251,285	227,074
Cash flows from capital financing activities:		
Purchase and construction of capital assets	(30,276)	-
Net Cash Provided by (Used in) Capital Financing Activities	(30,276)	-
Net increase in cash and cash equivalents	34,597	(20,724)
Cash and cash equivalents - Beginning of Year	86,222	106,946
Cash and cash equivalents - End of Year	$ 120,819	$ 86,222

See accompanying notes to the basic financial statements.

CITY OF SNELLVILLE, GEORGIA
STATEMENT OF CASH FLOWS
SOLID WASTE MANAGEMENT ENTERPRISE FUND - CONTINUED

Reconciliation of Net Income to Net Cash Provided By Operating Activities

	2008	2007
Operating income (loss)	$ (282,686)	$ (331,454)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	68,158	67,731
(Increase) decrease in receivables	89,721	(59,859)
Increase (decrease) in accounts payable	(67,197)	71,648
Increase (decrease) in customer deposits	1,198	(686)
Increase (decrease) in accrued liabilities	49	(180)
Total Adjustments	91,929	78,654
Net Cash Provided by Operating Activities	$ (190,757)	$ (252,800)

See accompanying notes to the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities, if applicable, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

B. The Reporting Entity

The City of Snellville, Georgia (the "City") was incorporated in 1923 under the provisions of the State of Georgia. A Mayor and City Council, composed of five members, govern and direct the legislative affairs of the City. In a manner consistent with the principles and practices of a Council-Manager form of government, the legislative policies and daily operations of the City are executed and/or administered by an appointed City Manager. The City Manager is vested with the authority and responsibility to provide for effective and efficient delivery of municipal services and to attend to the management of municipal affairs within legislative and legal parameters established by federal, state and local laws and regulations. The City provides the following services: police, highways and streets, sanitation, parks and recreation, planning and zoning, and general and administrative services. The City's comprehensive annual financial report includes the accounts of all City operations and its component unit. Water, sewer, and fire protection services are provided by Gwinnett County.

Governmental Accounting Standards Board Statement No. 14 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. The City reports the City of Snellville's Downtown Development Authority as a component unit.

Discretely Presented Component Unit –

The component unit column in the Government – Wide Financial Statements includes the financial data of City of Snellville, Georgia Downtown Development Authority. This component unit is reported in a separate column to emphasize that it is legally separate from the City. The City of Snellville, Georgia Downtown Development Authority was organized to develop and promote commerce, industry, and general welfare within the City. The City appoints the Authority's board members and reviews the annual budget. Funding of the Authority is provided by the City's General Fund and contributions from individuals and private companies. Separate financial statements for the Authority are not issued. The Authority's fiscal year is from January 1 to December 31.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

C. Basic Financial Statements—Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide Statement of Net Assets presents the financial condition of the governmental and business-type activities of the City at year end. The statement is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The City does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity self-financing or draws from the general revenues of the City.

The net costs (by function) are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises it assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The City considers the General Fund and the City Center and SPLOST Capital Projects Funds to be major funds. The Hotel/Motel Fund, Confiscated Assets Fund, Tree Bank Fund, LCI Grant Fund, and the Cemetery Fence Fund are considered non-major funds. The various funds are grouped, in the financial statements in this report, into the following fund types:

Governmental Fund Types – Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

City Center Capital Projects Fund – The City Center Capital Projects Fund accounts for the proceeds from the issuance of Certificates of Participation. The proceeds from the debt issue are to be used for financing the construction of the new City Administration Offices.

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

Proprietary Fund Type – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary fund is classified as an enterprise fund. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the City's only major proprietary fund.

Solid Waste Management Enterprise Fund - The Solid Waste Management Enterprise Fund is used to account for the revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City. The City applies all applicable FASB pronouncements issued on or before November 30, 1989, in accounting and reporting for its proprietary funds.

E. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

E. Measurement Focus – (Continued)

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of government-wide financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of changes in revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.
On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

F. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. **Accrual**

Government-wide financial statements are presented on the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. **Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Those revenues susceptible to accrual are taxes, state and federal grants, fines, interest revenue and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, penalties and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as deferred revenues.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

G. Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

H. Investments

Investments are stated at cost or amortized cost with accrued interest shown under a separate caption on the balance sheet. All investments of the City as of June 30, 2008 consisted of non-participating interest-earning investment contracts, certificates of deposit, and money market mutual funds.

I. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General Fund consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used, rather than in the period purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

J. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond June 30, 2008 are recorded as prepaid items and are expensed during the period benefited.

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

Capital assets purchased or acquired with an original cost of $3,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during fiscal year ended June 30, 2008. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	30-40 years
Furniture and equipment	7-10 years
Vehicles	5-10 years
Infrastructure	40-50 years
Improvements other than buildings	40-50 years

The City only reports infrastructure assets purchased subsequent to June 30, 2003.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

N. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

O. Compensated Absences

The City accrues accumulated unpaid vacation leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

P. Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Q. Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

R. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The City's government-wide statement of net assets reports $5,343,921 of restricted net assets, of which $5,315,849 is restricted by enabling legislation.

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted net assets are available.

S. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

T. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

U. Budgets and Budgetary Accounting

Prior to July 1, the Mayor and Department Heads submit to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. During June, the mayor and council legally enact the budget through passage of an ordinance. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) except that proprietary funds expense capital outlay instead of depreciation. The legal level of control (the level at which the City Council must approve expenditures in excess of appropriations) for each legally adopted annual operating budget is at the department level. Budget amounts are as originally adopted and as last amended in February, 2008. Unexpended budget appropriations lapse at year-end.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City follows the State investment policies which require all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of June 30, 2008, $6,266,767 of the government's bank balance of $6,566,767 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 300,000
Uninsured and collateral held by pledging bank's agent	5,966,767
Total	$ 6,266,767

(See Independent Auditor's Report)

2. CASH AND INVESTMENTS, (Continued)

In accordance with state law, the City of Snellville can invest in: 1) Obligations issued by the U.S. Government, any state, any political subdivision of the State of Georgia, or Local Government Investment Pool established by state law; 2) Prime banks' acceptances; and 3) Repurchase agreements.

A portion of the City's investments as of June 30, 2008 consisted of certificates of deposit in the amount of $600,000 which are included in the above-mentioned bank balances. Other investments as of June 30, 2008 consist of the following:

Investment Type	Fair Value	Weighted Avg Maturity
Columbia Treasury Shares	$ 557,686	1 days

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

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

3. PROPERTY TAX

The City's property taxes are billed and collected by Gwinnett County through an intergovernmental agreement. The taxes were levied June 21, 2007 and are due and payable October 15th and November 15th. All taxes unpaid after the October 15th and November 15th due dates are considered delinquent. Property taxes attach as an enforceable lien on the property the following January 1st. Delinquent taxes are considered fully collectable.

4. RECEIVABLES

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

	Gross	Allowance for Bad Debts	Net
Governmental Funds			
Taxes	$ 721,542	$ -	$ 721,542
Fines	455,141	314,047	141,094
Intergovernmental	32,156	-	32,156
Accounts	-	-	-
Donations	-	-	-
Interest	21,463	-	21,463
Solid Waste Management Fund			
Accounts	273,181	40,000	233,181
Total	$ 1,503,483	$ 354,047	$ 1,149,436

(See Independent Auditor's Report)

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues for the year ended June 30, 2008 consist of the following:

Governmental Funds -	
Atlanta Regional Commission - LCI Grant	$ 35,081
GEMA - Homeland Security Grant	18,331
State Dept. of Community Affairs - Local Assistance Grant	5,000
Community Development Block Grant	3,702
Gwinnett County - SPLOST Projects	34,760
Signature Cities Grant	20,930
Other	5,731
Total Intergovernmental Revenues	$ 123,535

Intergovernmental receivables as of June 30, 2008 consist of the following:

Atlanta Regional Commission - LCI Grant	$ 18,449
State Dept. of Community Affairs - Local Assistance Grant	6,250
Community Development Block Grant	7,457
Total Intergovernmental Receivables	$ 32,156

6. INTER-FUND TRANSACTIONS

As of June 30, 2007, there were no inter-fund payables or receivables. Individual inter-fund transfers for the year ended June 30, 2008 were as follows:

Transfer To	Transfer From: General	Transfer From: Nonmajor	Transfer From: Total
General	$ -	$ -	$ -
Solid Waste Management	251,285	-	251,285
City Center	563,758	-	563,758
Nonmajor	-	14,238	14,238
	$ 815,043	$ 14,238	$ 829,281

During the fiscal year ended June 30, 2008, the General Fund transferred $815,043 to the various governmental and proprietary funds, including $251,285 to the Solid Waste Management Fund to help fund utility operations and $563,758 to the City Center Capital Projects Fund to help finance debt service requirements of the Certificates of Participation and the construction of the new City Hall

7. LITIGATION:

The City is a defendant in several lawsuits as of June 30, 2008. The outcome of these lawsuits and other possible claims are not yet determinable but are not expected to materially effect the financial situation of the City.

(See Independent Auditor's Report)

8. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 2,965,384	$ 1,487,990	$ -	$ 4,453,374
Construction in progress	127,102	225,205	(27,813)	324,494
Total	3,092,486	1,713,195	(27,813)	4,777,868
Capital assets beign depreciated:				
Buildings	11,499,552	-	(71,300)	11,428,252
Improvements other than buildings	1,109,449	-	-	1,109,449
Infrastructure	1,425,688	858,320	-	2,284,008
Vehicles, including related equipment	2,310,446	296,590	(414,421)	2,192,615
Furniture and other equipment	1,911,605	1,349,467	(58,353)	3,202,719
Total capital assets being depreciated	18,256,740	2,504,377	(544,074)	20,217,043
Less accumulated depreciation for:				
Buildings	905,399	290,455	(52,810)	1,143,044
Improvements other than buildings	189,924	31,513	-	221,437
Infrastructure	49,688	35,162	-	84,850
Vehicles, including related equipment	1,379,779	180,180	(384,971)	1,174,988
Furniture and other equipment	1,016,078	128,540	(45,066)	1,099,552
Total accumulated depreciation	3,540,868	665,850	(482,847)	3,723,871
Total capital assets being depreciated, net	14,715,872	1,838,527	(61,227)	16,493,172
Governmental capital assets, net	$17,808,358	$ 3,551,722	$ (89,040)	$21,271,040

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

Administrative	$ 295,471
Police	217,460
Highways and Streets	77,823
Parks	68,678
Community Development	6,418
Total depreciation expense	$ 665,850

(See Independent Auditor's Report)

8. PROPERTY, PLANT AND EQUIPMENT, (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Land	$ -	$ -	$ -	$ -
Construction in progress	-	-	-	-
Total	-	-	-	-
Capital assets beign depreciated:				
Buildings	577,673	-	-	577,673
Improvements other than buildings	1,188,251	-	-	1,188,251
Vehicles, including related equipment	21,118	-	-	21,118
Furniture and other equipment	197,570	30,276	-	227,846
Total capital assets being depreciated	1,984,612	30,276	-	2,014,888
Less accumulated depreciation for:				
Buildings	34,687	14,446	-	49,133
Land improvements	89,119	39,609	-	128,728
Vehicles, including related equipment	21,118	-	-	21,118
Furniture and other equipment	164,323	14,103	-	178,426
Total accumulated depreciation	309,247	68,158	-	377,405
Total capital assets being depreciated, net	1,675,365	(37,882)	-	1,637,483
Business-Type Activities capital assets, net	$ 1,675,365	$ (37,882)	$ -	$ 1,637,483

9. DEFERRED COST

Deferred cost as of June 30, 2008 consists of the following:

Debt issuance cost, net of accumulated amortization of $60,915	$ 186,707

Debt issuance cost are considered other financing uses in governmental funds in the year incurred but are deferred costs and are amortized over the life of the related debt in the Statement of Net Assets. Debt issuance costs are being amortized using the straight line method over the life of the related debt issue.

(See Independent Auditor's Report)

10. LONG-TERM DEBT

Changes in General Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2008:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Actiivities					
Certificates of Participation	$ 5,745,000	$ -	$ (275,000)	$ 5,470,000	$ 280,000
Unamortized COP's Discount	(96,265)	-	5,986	(90,279)	(5,987)
Capital Lease Obligation	48,766	241,340	(53,128)	236,978	56,321
Accrued Compensated Absences	302,831	296,563	(254,060)	345,334	60,000
Total	$ 6,000,332	$ 537,903	$ (576,202)	$ 5,962,033	$ 390,334

The General Fund typically has been used to liquidate long-term liabilities.

CERTIFICATES OF PARTICIPATION

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

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

The certificates were issued at a discount of $119,733. Debt discounts are considered other financing uses in governmental funds in the year incurred but are deferred costs and are amortized over the life of the related debt in the Statement of Net Assets. The discount is being amortized over the life of the certificates using the effective interest method and is reported as a contra account to the certificates, net of accumulated amortization of $29,454.

CAPITAL LEASE OBLIGATION

The City has entered into various lease-purchase and security agreements with private corporations for several vehicles and computer equipment with an original cost of $294,006. The interest rates under the terms of the lease agreements range between 4.04% and 4.59%. Since the City intends to continue to abide by the terms of these lease agreements and eventually own the vehicles and computer equipment, the assets and the related liabilities were recorded at the present value of the future payments due under the lease.

10. LONG-TERM DEBT (Continued)

Annual repayment requirements under the certificate of participation and capital lease agreements are as follows:

F/Y/E JUNE 30,	CERTIFICATES OF PARTICIPATION		CAPITAL LEASE OBLIGATION		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2009	280,000	213,882	56,321	8,882	559,085
2010	290,000	206,043	58,737	6,466	561,246
2011	300,000	196,980	61,256	3,946	562,182
2012	310,000	186,780	59,922	3,043	559,745
2013	320,000	175,930	742	2	496,674
2014	330,000	164,090	-	-	494,090
2015	345,000	151,880	-	-	496,880
2016	355,000	138,770	-	-	493,770
2017	370,000	124,925	-	-	494,925
2018	385,000	110,125	-	-	495,125
2019	400,000	94,340	-	-	494,340
2020	420,000	77,740	-	-	497,740
2021	435,000	60,100	-	-	495,100
2022	455,000	41,395	-	-	496,395
2023	475,000	21,375	-	-	496,375
TOTALS	$ 5,470,000	$ 1,964,355	$ 236,978	$ 22,339	$ 7,693,672

11. DEFERRED REVENUES

Deferred revenues as of June 30, 2008, reported in the Governmental Fund's balance sheet, consisted of the following unearned items and revenue items which had been earned and were measurable but were not received within 60 days after year end and therefore were not considered available:

General Fund	
Property taxes	$ 94,003
Fines and forfeitures	78,479
Grants	39,074
Intergovernmental - SPLOST Projects	28,363
Non-Major Funds	
Grants	18,449
Confiscated assets	4,458
Total	$ 262,826

(See Independent Auditor's Report)

12. RISK MANAGEMENT

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

As part of these risks pools, the City is obligated to pay all contributions and assessments as prescribed by the 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' agent and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The City pays an annual premium to GIRMA for its general insurance and has coverage of $1,000,000 for the risks discussed above, except for buildings, which are covered at 100% of the value of the City's holdings. The City's coverage for worker's compensation claims is statutory.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City continues to carry commercial insurance for all other risks of loss, employee health and accident insurance. Settled claims in the past three years have not exceeded the commercial insurance coverage.

13. HOTEL / MOTEL TAX

The City levies a 5% hotel/motel tax in accordance with the provisions of OCGA 48-13-51. In order to comply with the expenditures provisions of this code section, the City expends 40% of monies collected under this provision for tourism and promotional purposes by contracting with the Gwinnett Visitor's Center. During the year ended June 30, 2008, the City's collections and related remittances were as follows:

	Amount	Percent
Total Collections	69,120	100%
Total Remittances	27,648	40%

The City was in compliance with the state laws regulating hotel/motel taxes and the related expenditures as of June 30, 2008.

(See Independent Auditor's Report)

14. JOINT VENTURE

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

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

15. EMPLOYEE BENEFIT PLANS

Money Purchase Pension Plan -

On March 1, 2002 the City converted its defined benefit pension plan and adopted the City of Snellville, Georgia Employee Pension Plan (a defined contribution plan). The City now uses the money purchase pension plan to provide pension benefits to most of its full-time employees. The plan is being administered by Pension Financial Services, a private corporation. The pension plan is authorized by city council through the passage of an ordinance.

Under the terms of the plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after completing one year of service. The City's contribution to the plan depends upon each participant's base salary. The City will contribute 6% of each eligible employee's base monthly salary to the plan. Employees are not required to make any contributions to the plan. The amount of payroll covered under the plan for the year ended June 30, 2008, amounted to approximately $3,405,731. Gross payroll for the year was $4,390,930.

The City's contribution for each employee vests in accordance with the following schedule:

Completed years of Services	Vested Percentage
3	50%
5	100%

Contributions made by the City to the money purchase pension plan for the year ended June 30, 2008, amounted to $204,344, 6% of covered payroll.

Deferred Compensation Plan –

Under the terms of the deferred compensation plan, any employee can voluntarily defer receipt of up to 25% of gross compensation, not to exceed $15,000 per year. Each participant selects one of various options to administer the investment of the deferred funds. All administration costs of the plan are deducted from the participants' accounts. The deferred amounts may be distributed to the employee upon retirement or other termination of employment, disability, death, or financial hardship (as defined).

(See Independent Auditor's Report)

15. EMPLOYEE BENEFIT PLANS, (Continued)

Defined Benefit Plan –

In prior years the City contributed to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association. The City of Snellville Retirement Plan was a defined benefit plan that provided retirement and disability benefits and death benefits to plan members and beneficiaries (superceded plan). The Public Retirement Systems Standard Law (Georgia Code Section 47-20-10) assigns the authority to establish and amend the plan to the City of Snellville. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street, S.W., Atlanta, Georgia 30303.

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

1. Retention of assets in the City's GMEBS administered trust fund in an amount equal to 110% of the combined present value of accrued benefits payable to retirees and beneficiaries.

2. The assets in the trust fund shall share in any investment gains or losses of the GMEBS Retirement Trust Fund.

3. Subsequent valuations of the trust fund's liabilities shall be made annually and any gains or losses will be amortized over five years.

4. The City shall make an annual contribution to the trust fund equal to 110% of the recommended contribution amount reflected in each annual valuation plus administration fees.

For 2008, the City's annual pension cost was $ -0- for SRP as calculated under the above mentioned City ordinance. However, the City did pay administrative fees of $8,423. The required contribution was determined as part of the January 1, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included 8.0% investment rate of return (net of administrative expenses) which includes an inflation rate of 5%. There were no active employees and therefore no projected salary increases were used. The value of SRP assets was determined using market values. The actuarial accrued liability as of January 1, 2008 was $1,044,393. The annual pension contribution for 2008 was calculated as follows:

Total actuarial accrued liability (as of 1/1/08)	$905,730
10% of actuarial accrued liability (margin)	90,573
Target asset value	996,303
Actual market value of assets	1,745,342
Difference or contribution to fund plan	$ (749,039)

(See Independent Auditor's Report)

15. EMPLOYEE BENEFIT PLANS, (Continued)

Defined Benefit Plan, Continued

The City was not required to make any contribution to the plan during the year except for administrative fees as mentioned above.

The Plan amortizes actuarial gains and losses using the level dollar cost method.

Three-Year Trend Information for SRP

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	$ -	N/A	$ -
6/30/2007	$ -	N/A	$ -
6/30/2006	$ -	N/A	$ -

Supplementary Information - The schedule of funding progress for the Plan is presented below:

Actuarial Valuation Date	Market Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2008	$ 1,745,345	$ 905,730	$ (839,615)	192.7%	n/a	n/a
2007	$ 1,569,157	$ 1,044,393	$ (524,764)	150.2%	n/a	n/a
2006	$ 1,440,198	$ 1,053,431	$ (386,767)	136.7%	n/a	n/a
2005	$ 1,358,153	$ 1,026,138	$ (332,015)	132.4%	n/a	n/a
2004	$ 1,337,348	$ 1,123,518	$ (213,830)	119.0%	n/a	n/a
2003	$ 1,236,266	$ 1,227,825	$ (8,441)	100.7%	n/a	n/a
2002	$ 1,461,963	$ 1,329,057	$ (132,906)	110.0%	n/a	n/a
2001	$ 3,601,004	$ 2,831,471	$ (769,533)	127.2%	$ 2,115,445	-36.4%

(See Independent Auditor's Report)

16. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as a part of the combined statements - overview, of certain information concerning individual funds including-

A. Deficit fund balances or retained earnings balances of individual funds – No funds reflected such balances at June 30, 2008.

B. Excess of expenditures over appropriations in individual funds are as follows:

None of the City's funds expenditures materially exceeded their corresponding appropriations for the fiscal year ended June 30, 2008. Material excesses exist if a department's expenditures exceed its appropriations by 5 percent and are greater than $10,000.

C. Uninsured and uncollateralized deposits:

As discussed in Note 2, the City had approximately $300,000 of deposits that were in excess of amounts insured and that were not collateralized by pledges of securities from the banking institution. State law requires deposits in excess of FDIC insurance amounts to be collateralized. Management has contacted the banking institution and has remedied this situation.

(See Independent Auditor's Report)

CITY OF SNELLVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008

	SPECIAL REVENUE FUNDS		
	CONFISCATED ASSETS FUND	TREE BANK FUND	HOTEL/MOTEL FUND
ASSETS			
Cash	$ 168,722	$ 94,576	$ 116,610
Receivables-			
Accounts	-	-	-
Taxes receivable	-	-	9,066
Donations	-	-	-
Grant receivable	-	-	-
Due from other funds	-	-	-
Total Assets	$ 168,722	$ 94,576	$ 125,676
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	$ 8,910	$ -	$ 27,648
Deferred revenues	4,458	-	-
Total Liabilities	13,368	-	27,648
Fund Balance			
Reserved -			
Police Activities	155,354	-	-
Tree Bank Activities	-	94,576	-
Cemetery Fence	-	-	-
Capital Projects	-	-	-
Unreserved	-	-	98,028
Total Fund Balance	155,354	94,576	98,028
Total Liabilities and Fund Balance	$ 168,722	$ 94,576	$ 125,676

CAPITAL PROJECTS FUNDS		TOTAL
CEMETERY FENCE FUND	LCI GRANT FUND	NON-MAJOR GOVERNMENTAL FUNDS
$ -	$ 28,072	$ 407,980
-	-	-
-	-	9,066
-	-	-
-	18,449	18,449
-	-	-
$ -	$ 46,521	$ 435,495
$ -	$ -	$ 36,558
-	18,449	22,907
-	18,449	59,465
-	-	155,354
-	-	94,576
-	-	-
-	28,072	28,072
-	-	98,028
-	28,072	376,030
$ -	$ 46,521	$ 435,495

CITY OF SNELLVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008

	SPECIAL REVENUE FUNDS		
	CONFISCATED ASSETS FUND	TREE BANK FUND	HOTEL/MOTEL FUND
REVENUES			
Confiscations	$ 120,658	$ -	$ -
Tree Bank Bonds	-	15,580	-
Taxes	-	-	69,120
Intergovernmental	-	-	-
Donations	-	-	-
Interest	4,677	2,785	2,546
Miscellaneous	-	-	-
Total Operating Revenues	125,335	18,365	71,666
EXPENDITURES			
Current -			
Police Activities	71,391	-	-
Tree Bank	-	-	-
Economic Development	-	-	27,648
Tourism and Promotion	-	-	4,950
Capital -			
Cemetery	-	-	20,863
Police	41,777	-	-
Town Center	-	-	-
Total Expenditures	113,168	-	53,461
Excess (Deficiency) of Revenues over Expenditures	12,167	18,365	18,205
Other Financing Sources (Uses):			
Transfers	-	-	14,238
Net Changes in Fund Balances	12,167	18,365	32,443
Fund Balance - Beginning of year	143,187	76,211	65,585
Fund Balance - End of year	$ 155,354	$ 94,576	$ 98,028

CAPITAL PROJECTS FUNDS		TOTAL NON-MAJOR GOVERNMENTAL FUNDS
CEMETERY FENCE FUND	LCI GRANT FUND	
$ -	$ -	$ 120,658
-	-	15,580
-	-	69,120
-	35,081	35,081
8,950	-	8,950
292	1,317	11,617
-	-	-
9,242	36,398	261,006
-	-	71,391
-	-	-
-	-	27,648
-	-	4,950
-	-	20,863
-	-	41,777
-	34,533	34,533
-	34,533	201,162
9,242	1,865	59,844
(14,238)	-	-
(4,996)	1,865	59,844
4,996	26,207	316,186
$ -	$ 28,072	$ 376,030

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2008 AND 2007

	2008	2007
ASSETS		
Cash	$ 1,256,682	$ 1,727,478
Investments	600,000	600,000
Receivables (net of allowance for uncollectibles)		
Taxes	218,231	220,620
Fines	141,094	119,706
Intergovernmental	13,707	6,250
Accounts	-	3,677
Accrued interest	20,607	22,617
Prepaid items	101,825	102,454
TOTAL ASSETS	$ 2,352,146	$ 2,802,802
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	$ 347,013	$ 340,143
Accrued expenses -		
Salaries	210,221	197,669
Deposits	5,114	15,114
Police bonds and court fees	68,355	76,407
Other	3,193	1,625
Due to other funds	-	-
Deferred revenues	239,919	242,526
TOTAL LIABILITIES	873,815	873,484
Fund Equity:		
Fund Balance		
Reserved for prepaid items	101,825	102,454
Unreserved	1,376,506	1,826,864
Total Fund Equity	1,478,331	1,929,318
TOTAL LIABILITIES AND FUND EQUITY	$ 2,352,146	$ 2,802,802

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	JUNE 30, 2008			
	FINAL BUDGET	ACTUAL	VARIANCE	ACTUAL JUNE 30, 2007
REVENUES:				
Taxes -				
Property	$ 2,889,554	$ 2,840,896	$ (48,658)	$ 2,666,424
Motor vehicle	137,000	139,567	2,567	135,993
Franchise	946,000	946,039	39	935,860
Alcohol beverage	325,250	319,182	(6,068)	319,242
Insurance premium	850,000	839,218	(10,782)	804,465
Business occupational	817,000	835,378	18,378	717,044
Intangible	35,000	31,790	(3,210)	40,655
Transfer	8,300	7,739	(561)	11,480
Financial institution	110,000	90,158	(19,842)	84,600
Total Taxes	6,118,104	6,049,967	(68,137)	5,715,763
Business Licenses and Permits -				
Alcohol licenses	92,600	70,800	(21,800)	72,672
Other business licenses	31,000	30,825	(175)	28,332
Building permits	77,350	93,669	16,319	244,763
Inspection permits	17,500	16,836	(664)	28,056
Sign permits	7,000	6,838	(162)	5,065
Site development	1,500	1,589	89	10,454
Other permits	9,300	8,390	(910)	7,886
Total Business Licenses and Permits	236,250	228,947	(7,303)	397,228
Intergovernmental -				
Local Assistance Grant	5,000	5,000	-	18,750
GEMA Grant	-	18,331	18,331	15,135
Construction Assist. - Bathrooms	-	-	-	37,500
Gwinnett Co. Splost	-	34,760	34,760	282,340
Community Dev. Block Grant	104,161	3,702	(100,459)	9,251
Other	25,000	26,661	1,661	9,242
Total Intergovernmental	134,161	88,454	(45,707)	372,218

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	JUNE 30, 2008			
REVENUES - Continued:	FINAL BUDGET	ACTUAL	VARIANCE	ACTUAL JUNE 30, 2007
Charges for Services -				
Recreational activities	$ 268,000	$ 253,137	$ (14,863)	$ 254,407
Public safety fees	72,821	70,101	(2,720)	68,804
Planning and zoning fees	49,800	52,497	2,697	57,188
Other	1,140	1,050	(90)	2,336
Total Charges for Services	391,761	376,785	(14,976)	382,735
Fines and Forfeitures	2,597,000	2,485,964	(111,036)	2,513,126
Investment Income	134,000	100,587	(33,413)	91,695
Rental Income	114,300	106,841	(7,459)	87,504
Other -				
Cemetery lots	-	-	-	-
Snellville Days	55,000	54,646	(354)	52,583
Reimbursements	-	-	-	8,737
Donations	5,000	5,000	-	4,750
Penalties and interest	14,000	17,611	3,611	11,916
Miscellaneous	12,000	1,484	(10,516)	7,327
Total Other	86,000	78,741	(7,259)	85,313
TOTAL REVENUES	$ 9,811,576	$ 9,516,286	$ (295,290)	$ 9,645,582

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	JUNE 30, 2008			
CURRENT EXPENDITURES:	FINAL BUDGET	ACTUAL	VARIANCE	ACTUAL JUNE 30, 2007
GENERAL GOVERNMENT				
Governing Body	$ 35,300	$ 30,471	$ 4,829	$ 31,705
City Clerk	97,664	98,382	(718)	95,232
Mayor	10,459	9,002	1,457	8,915
City Manager	131,444	119,297	12,147	204,711
Elections	2,480	2,480	-	2,030
General Administration	861,474	813,615	47,859	667,972
Accounting	70,017	69,839	178	67,407
IT Administration	60,708	59,682	1,026	61,484
Purchasing	61,060	59,642	1,418	63,607
Human Resources	85,519	84,651	868	83,456
Total General Government	1,416,125	1,347,061	69,064	1,286,519
MUNICIPAL COURT				
Judicial	906,509	841,129	65,380	798,817
POLICE				
Administration	1,610,476	1,601,932	8,544	1,575,398
Criminal Investigation	362,696	358,157	4,539	185,789
Patrol	2,172,050	2,181,587	(9,537)	2,046,797
Records	93,268	93,661	(393)	91,468
Bike Patrol	424	424	(0)	425
Public Relations	4,576	4,332	244	4,527
Total Police	4,243,490	4,240,093	3,397	3,904,404
PUBLIC WORKS				
Highways and Streets	690,569	653,797	36,772	793,204
Paved Streets	194,522	175,794	18,728	176,466
Maintenance	55,456	54,557	899	48,932
Total Public Works	940,547	884,148	56,399	1,018,602

CITY OF SNELLVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 2008
WITH COMPARABLE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	JUNE 30, 2008			
	FINAL BUDGET	ACTUAL	VARIANCE	ACTUAL JUNE 30, 2007
CURRENT EXPENDITURES - Continued				
PARKS AND RECREATION				
Administration	$ 301,648	$ 264,457	$ 37,191	$ 326,461
Participant Recreation	230,617	232,283	$ (1,666)	231,321
Park Areas	201,164	233,550	$ (32,386)	185,482
Senior Participants	118,256	119,289	$ (1,033)	91,790
Total Parks and Recreation	851,685	849,579	2,106	835,054
COMMUNITY DEVELOPMENT				
Planning and Zoning	620,979	563,923	57,056	659,472
Total Community Development	620,979	563,923	57,056	659,472
TOTAL CURRENT EXPENDITURES	8,979,335	8,725,933	253,402	8,502,868
CAPITAL OUTLAY				
General Government	398,527	174,215	224,312	21,779
Police	67,536	39,686	27,850	24,400
Public Works	398,959	371,609	27,350	292,874
Parks and Recreation	47,760	37,392	10,368	186,427
Community Development	3,751	-	3,751	-
TOTAL CAPITAL OUTLAY	916,533	622,902	293,631	525,480
DEBT SERVICE				
Principal	61,758	53,194	8,564	3,900
Interest	10,998	10,344	654	1,024
TOTAL DEBT SERVICE	72,756	63,538	9,218	4,924
TOTAL EXPENDITURES	$ 9,968,624	$ 9,412,373	$ 556,251	$ 9,033,272

CITY OF SNELLVILLE, GEORGIA
CONFISCATED ASSETS FUND
BALANCE SHEET
JUNE 30, 2008 AND 2007

	2008	2007
ASSETS		
Cash	$ 168,722	$ 155,986
Accounts receivable	-	1,064
Due from other funds	-	-
Total Assets	$ 168,722	$ 157,050
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 8,910	$ 1,519
Deferred revenues	4,458	12,344
Total Liabilities	13,368	13,863
Fund Balance		
Reserved for police activities	155,354	143,187
Total Fund Balance	155,354	143,187
Total Liabilities and Fund Balance	$ 168,722	$ 157,050

CITY OF SNELLVILLE, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	JUNE 30, 2008				
	BUDGET AMOUNTS			VARIANCE WITH FINAL	ACTUAL
	ORIGINAL	FINAL	ACTUAL	BUDGET	JUNE 30, 2007
REVENUES					
Confiscations	$ 80,000	$ 120,906	$ 120,658	$ (248)	$ 131,622
Interest	1,650	6,200	4,677	(1,523)	2,643
Grants	-	-	-	-	8,000
Total Revenues	81,650	127,106	125,335	(1,771)	142,265
EXPENDITURES					
Police Activities -					
Current	96,000	108,000	71,391	36,609	43,766
Capital	70,000	69,000	41,777	27,223	-
Total Expenditures	166,000	177,000	113,168	63,832	43,766
Excess (Deficiency) of Revenues Over Expenditures	(84,350)	(49,894)	12,167	62,061	98,499
Other Financing Sources (Uses):					
Transfers	(5,000)	(5,000)	-	5,000	-
Total	(5,000)	(5,000)	-	5,000	-
Net Change in Fund Balance	(89,350)	(54,894)	12,167	67,061	98,499
Fund Balance - Beginning of year	143,187	143,187	143,187	-	44,688
Fund Balance - End of year	$ 53,837	$ 88,293	$ 155,354	$ 67,061	$ 143,187

CITY OF SNELLVILLE, GEORGIA
TREE BANK FUND
BALANCE SHEET
JUNE 30, 2008 AND 2007

	2008	2007
ASSETS		
Cash	$ 94,576	$ 76,211
Total Assets	$ 94,576	$ 76,211
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balance		
Reserved for Tree Bank activities	94,576	76,211
Total Fund Balance	94,576	76,211
Total Liabilities and Fund Balance	$ 94,576	$ 76,211

CITY OF SNELLVILLE, GEORGIA
TREE BANK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	JUNE 30, 2008				
	BUDGET AMOUNTS			VARIANCE WITH FINAL	ACTUAL
	ORIGINAL	FINAL	ACTUAL	BUDGET	JUNE 30, 2007
REVENUES					
Tree Bank Bonds	$ 25,000	$ 25,000	$ 15,580	$ (9,420)	$ 41,300
Interest	1,464	3,764	2,785	(979)	1,321
Miscellaneous	-	-	-	-	-
Total Revenues	26,464	28,764	18,365	(10,399)	42,621
EXPENDITURES					
Current -					
Community Development -					
Tree Bank	15,500	15,500	-	15,500	654
Capital -					
City Center	-	-	-	-	-
Total Expenditures	15,500	15,500	-	15,500	654
Excess (Deficiency) of Revenues Over Expenditures	10,964	13,264	18,365	5,101	41,967
Other Financing Sources (Uses):					
Transfers	-	-	-	-	-
Total	-	-	-	-	-
Net Change in Fund Balance	10,964	13,264	18,365	5,101	41,967
Fund Balance - Beginning of Year	76,211	76,211	76,211	-	34,244
Fund Balance - End of Year	$ 87,175	$ 89,475	$ 94,576	$ 5,101	$ 76,211

CITY OF SNELLVILLE, GEORGIA
HOTEL/MOTEL TAX FUND
BALANCE SHEET
JUNE 30, 2008 AND 2007

	2008	2007
ASSETS		
Cash	$ 116,610	$ 77,544
Receivables -		
Donations	-	30,000
Taxes	9,066	7,117
Total Assets	$ 125,676	$ 114,661
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 27,648	$ 49,076
Total Liabilities	27,648	49,076
Fund balance		
Unreserved	98,028	65,585
Total Fund Balance	98,028	65,585
Total Liabilities and Fund Balance	$ 125,676	$ 114,661

CITY OF SNELLVILLE, GEORGIA
HOTEL / MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARABLE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	JUNE 30, 2008				
	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET	ACTUAL JUNE 30, 2007
	ORIGINAL	FINAL	ACTUAL		
REVENUES					
Taxes	$ 70,000	$ 70,000	$ 69,120	$ (880)	$ 80,228
Interest	1,400	3,650	2,546	(1,104)	1,269
Donations	-	30,000	-	(30,000)	30,000
Total Revenues	71,400	103,650	71,666	(31,984)	111,497
EXPENDITURES					
Current -					
Economic Development-					
Payments to others	35,000	35,000	27,648	7,352	32,091
Tourism and Promotion-					
Contracted services	5,000	5,000	4,950	50	18,320
Cemetery Fence	30,000	30,000	20,863	9,137	27,813
Total Expenditures	70,000	70,000	53,461	16,539	78,224
Excess (Deficiency) of Revenues Over Expenditures	1,400	33,650	18,205	(15,445)	33,273
Other Financing Sources (Uses):					
Transfers	-	14,239	14,238	(1)	-
Total	-	14,239	14,238	(1)	-
Net Change in Fund Balance	1,400	47,889	32,443	(15,446)	33,273
Fund Balance - Beginning of Year	65,585	65,585	65,585	-	32,312
Fund Balance - End of Year	$ 66,985	$ 113,474	$ 98,028	$ (15,446)	$ 65,585

CITY OF SNELLVILLE, GEORGIA
CITY CENTER CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2008 AND 2007

ASSETS	2008	2007
Cash	$ -	$ -
Investment	557,686	538,135
Accrued interest receivable	856	2,010
Total Assets	$ 558,542	$ 540,145

LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ -	$ 130,000
Total Liabilities	-	130,000
Fund balance		
Reserved for capital projects	558,542	410,145
Total Fund Balance	558,542	410,145
Total Liabilities and Fund Balance	$ 558,542	$ 540,145

CITY OF SNELLVILLE, GEORGIA
CITY CENTER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - FROM INCEPTION
FOR THE YEAR ENDED JUNE 30, 2008

	PRIOR YEARS	CURRENT YEAR	TOTAL	PROJECT AUTHORIZATION
REVENUES				
Investment income	$ 191,678	$ 18,397	$ 210,075	$ 100,000
Miscellaneous income	-	62,000	62,000	-
Total Revenues	191,678	80,397	272,075	100,000
EXPENDITURES				
Capital				
General Government	7,984,468	-	7,984,468	7,406,548
Debt Service				
Principal	1,050,000	275,000	1,325,000	6,795,000
Interest	936,029	220,758	1,156,787	3,121,142
Total Expenditures	9,970,497	495,758	10,466,255	17,322,690
Excess (Deficiency) of Revenues Over Expenditures	(9,778,819)	(415,361)	(10,194,180)	(17,222,690)
Other Financing Sources (Uses):				
Proceeds from long-term debt	6,795,000	-	6,795,000	6,795,000
Discount on debt issue	(119,733)	-	(119,733)	(119,733)
Issue cost on debt	(247,623)	-	(247,623)	(247,623)
Transfers	3,761,320	563,758	4,325,078	10,795,046
Total Other Financing Sources (Uses)	10,188,964	563,758	10,752,722	17,222,690
Net Change in Fund Balance	$ 410,145	148,397	$ 558,542	$ -
FUND BALANCE				
Beginning of year		410,145		
End of year		$ 558,542		

CITY OF SNELLVILLE, GEORGIA
SPLOST CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2008 AND 2007

	2008	2007
ASSETS		
Cash	$ 4,201,345	$ 4,554,689
Taxes receivable	494,245	504,049
Total Assets	$ 4,695,590	$ 5,058,738
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 188,213	$ 36,324
Total Liabilities	188,213	36,324
Fund Balance		
Reserved for capital outlay	4,507,377	5,022,414
Total Fund Balance	4,507,377	5,022,414
Total Liabilities and Fund Balance	$ 4,695,590	$ 5,058,738

CITY OF SNELLVILLE, GEORGIA
SPLOST CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - FROM INCEPTION
FOR THE YEARS ENDED JUNE 30, 2008

	PRIOR YEARS	CURRENT YEAR	TOTAL TO DATE	PROJECT AUTHORIZATION
REVENUES				
Taxes	$ 6,797,608	$ 2,972,084	$ 9,769,692	$ 11,056,158
Interest	77,018	165,210	242,228	-
Total Revenues	6,874,626	3,137,294	10,011,920	11,056,158
EXPENDITURES				
Capital Outlay -				
Transportation	1,514,283	709,094	2,223,377	4,056,158
Public Safety	318,190	2,793,187	3,111,377	5,000,000
Cultural, Historic, & Recreation	22,239	150,050	172,289	2,000,000
Total Expenditures	1,854,712	3,652,331	5,507,043	11,056,158
Excess of revenues over (under) expenditures	5,019,914	(515,037)	4,504,877	-
Other financing sources (uses)				
Transfers	2,500	-	2,500	-
Excess (deficiency) of revenues and other financing sources over (under) other financing uses	$ 5,022,414	(515,037)	$ 4,507,377	$ -
FUND BALANCE				
Beginning		5,022,414		
Ending		$ 4,507,377		

CITY OF SNELLVILLE, GEORGIA
CEMETERY FENCE FUND
BALANCE SHEET
JUNE 30, 2008 AND 2007

	2008	2007
ASSETS		
Cash	$ -	$ 4,996
Total Assets	$ -	$ 4,996
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund balance		
Reserved for Cemetery Fence	-	4,996
Total Fund Balance	-	4,996
Total Liabilities and Fund Balance	$ -	$ 4,996

CITY OF SNELLVILLE, GEORGIA
CEMETERY FENCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	BUDGET AMOUNTS			VARIANCE WITH FINAL
	ORIGINAL	FINAL	ACTUAL	BUDGET
REVENUES				
Donations	$ -	$ 8,950	$ 8,950	$ -
Interest	110	293	292	(1)
Total Revenues	110	9,243	9,242	(1)
EXPENDITURES				
Current -				
Cemetery Fence	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	110	9,243	9,242	(1)
Other Financing Sources (Uses):				
Transfers	-	(14,239)	(14,238)	1
Net Change in Fund Balance	110	(4,996)	(4,996)	-
Fund Balance - Beginning of Year	4,996	4,996	4,996	-
Fund Balance - End of Year	$ 5,106	$ -	$ -	$ -

CITY OF SNELLVILLE, GEORGIA
LCI GRANT FUND
BALANCE SHEET
JUNE 30, 2008 AND 2007

	2008	2007
ASSETS		
Cash	$ 28,072	$ 52,178
Grant receivable	18,449	25,904
Total Assets	$ 46,521	$ 78,082
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ -	$ 25,971
Deferred revenue	18,449	25,904
Total Liabilities	18,449	51,875
Fund Balance		
Reserved for capital projects	28,072	26,207
Total Fund Balance	28,072	26,207
Total Liabilities and Fund Balance	$ 46,521	$ 78,082

CITY OF SNELLVILLE, GEORGIA
LCI GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	BUDGET AMOUNTS			VARIANCE WITH FINAL
	ORIGINAL	FINAL	ACTUAL	BUDGET
REVENUES				
LCI grant	$ 40,000	$ 40,000	$ 35,081	$ (4,919)
Interest	1,200	1,600	1,317	(283)
Total Revenues	41,200	41,600	36,398	(5,202)
EXPENDITURES				
Current -				
Town Center	55,000	55,000	34,533	20,467
Total Expenditures	55,000	55,000	34,533	20,467
Excess (Deficiency) of Revenues Over Expenditures	(13,800)	(13,400)	1,865	15,265
Other Financing Sources (Uses):				
Transfers	11,000	-	-	-
Total	11,000	-	-	-
Net Change in Fund Balance	(2,800)	(13,400)	1,865	15,265
Fund Balance - Beginning of Year	26,207	26,207	26,207	-
Fund Balance - End of Year	$ 23,407	$ 12,807	$ 28,072	$ 15,265