

city of suwanee  
comprehensive annual  
financial report  
year ending june 30 2005

suwanee •  
**GEORGIA**



2005

city of **suwanee**, georgia  
comprehensive annual financial report  
year ended june 30, 2005

Prepared by:  
**Financial Services** Department



suwanee city hall



city  
council

**Nick Masino**  
Mayor

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**Jace Brooks**  
Mayor Pro-Tem

---



**Jimmy Burnette**  
Council Member

---



**Carol Hassell**  
Council Member

---



**Alan Landers**  
Council Member

---



**Jeannine K. Rispin**  
Council Member

---

management  
team



**Hardin Watkins**  
City Manager



**Marty Allen**  
Planning & Community Development Director



**Mike Jones**  
Chief of Police



**James Miller**  
Public Works & Inspection Director



**Elvira Rogers**  
Administrative Services Director



**Amie Sakmar**  
Financial Services Director



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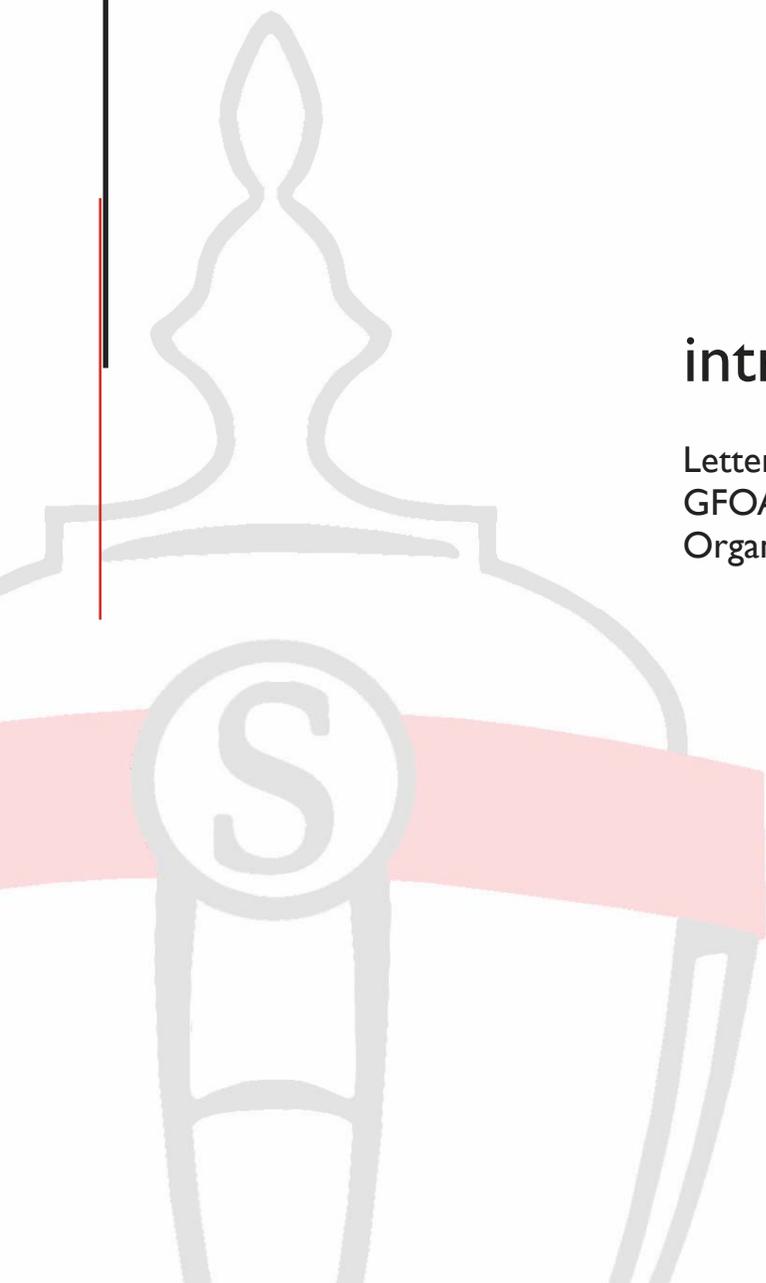
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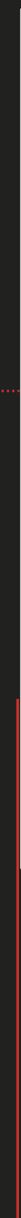


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## introductory section

Letter of Transmittal  
GFOA Certificate of Achievement  
Organizational Chart



September 2, 2005

Citizens,  
Mayor, and  
Members of the City Council  
**Suwanee, Georgia:**



**In celebration of our community**, Suwanee is gratified and proud that our endeavors to create a vibrant welcoming community have been recognized over the past year as examples of excellence by state and regional organizations. The City continuously strives to exceed the expectations of citizens and others that we serve by maintaining our small-town charm, sense of community, and dedication to parks and open spaces. At the same time, the City has also been striving to improve our financial position through detailed planning and conservative management. We are therefore pleased to present this Comprehensive Annual Financial Report for the year ended June 30, 2005, as part of our continued commitment to providing fiscally responsible service to the citizens of Suwanee.



This report provides details on how the City receives, spends, and accounts for financial resources and illustrates the key indicators of its financial strength. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the City. We believe that the data, as presented, is accurate in all material aspects and is presented in a manner designed to enable the reader to understand the City's financial position and the operational achievements over the last fiscal year. Readers are encouraged to consider the information presented here in conjunction with information provided in management's discussion and analysis, the financial statements, and the notes to the financial statements.

This Comprehensive Annual Financial Report (CAFR) is organized into three main sections:

- The **Introduction Section** is intended to familiarize the reader with the organizational structure of the City, the nature and scope of the services it provides, and the specifics of its operating environment within the context of the local economy.
- The **Financial Section** includes the independent auditor's report on the basic financial statements, management's discussion and analysis, the audited basic financial statements, the notes to the basic financial statements, and combining and individual fund statements and schedules.
- The **Statistical Section** contains comprehensive statistical data on the City's physical, economic, social, and political characteristics.



To satisfy other legal requirements, a compliance section is also included in this report. This section includes the independent auditors' report on the internal control structure and compliance with applicable laws and regulations.

This report covers all funds of the City, as well as component units. Component units are legally separate entities with significant operational and/or financial relationships with the City. Blended component units are in substance part of the primary government's operations and are therefore included as part of the primary government. Accordingly, Suwanee's Urban Redevelopment Agency is reported as part of the primary government.



## demographics



## government structure

Discrete component units are reported in a separate column or row in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position from those of the primary government. The City has one discrete component unit, the Downtown Development Authority (DDA). The DDA was established on January 24, 2001. Its main focus is the revitalization of Suwanee's historic Main Street area.

Suwanee began as an American Indian village along the banks of Suwanee Creek and the Chattahoochee River. The community was named for the Shawnee Indian tribe that settled here in the latter part of the 18<sup>th</sup> century. The City's name is thought to derive from the English mispronunciation of Shawnee, a tribe of Algonquin Indians. Suwanee was incorporated in 1949, and presently has 10.4 square miles. The City is located in the north central portion of Georgia, approximately 30 miles northeast of downtown Atlanta. Highways serving the City include Interstate 85, U.S. Highway 23, Georgia Route 317, and Georgia Route 13-A (Peachtree Industrial Boulevard). Additional demographic information is provided in the Statistical Section of this report.

The City operates under a council-manager form of government. The City Council consists of five members elected at large for staggered four-year terms. The Mayor is the sixth voting member of council, who, along with the remaining council members is elected on a non-partisan basis. Council provides responsive, progressive leadership and a vision for the community by setting policies, passing ordinances, adopting the budget, making appointments to citizen boards, and hiring the City Manager. The City Manager carries out the policies and ordinances of the City Council, oversees the day-to-day operations of the City, prepares the budget, and supervises the various department heads.

The City provides a wide range of municipal services to citizens including police protection, parks and recreation, planning and zoning, building inspections, code enforcement, economic and community development, special events, municipal court services, and infrastructure maintenance. The City also provides water services to a small portion of citizens in the historic Old Town area of Suwanee. Sanitation services are provided to citizens by private firms.

## economic condition and outlook



Suwanee is enjoying a pattern of success. The creation of Suwanee's new downtown and the surrounding development is creating a positive impression of Suwanee in the development community. Suwanee's positive outlook includes:

- Population - Suwanee underwent a period of rapid growth during the 1990's, increasing from 2,488 residents to 8,725, a growth rate of over 250%. During the past four years, Suwanee has continued to grow by an additional 37%, increasing to 11,478 residents. During the next five years, the City is expected to grow to 15,743 residents, an increase of 32% over the period.
- Development - Suwanee experienced a significant increase in the number of residential units over the past year, adding 757 new housing units. By comparison, the City added 168 and 122 housing units, respectively, during the previous two years.
- Bond Ratings – In 2002, after voters approved a \$17.7 million open space bond referendum, national rating firms Standard & Poor's and Fitch assigned Suwanee's bond with an AA- rating. During the past year, both companies affirmed Suwanee's AA- rating.

- Hotel/Motel – The recent performance of Suwanee hotels is following the upward trends experienced in the U.S. and Gwinnett County. To help encourage economic growth and continued revitalization, Suwanee has hired a consultant to prepare a district assessment and strategy plan for the I-85 Business District, which includes the nine hotels in Suwanee.
- Median household income – Once again Suwanee was ranked 8<sup>th</sup> in the Atlanta Business Chronicle, Book of Lists for 2004, for wealthiest zip codes based on median household income of \$98,766 and a median home value of \$254,527.

The residents of Suwanee have a very attractive demographic profile, which is appealing to retailers and businesses serving the residential market. Through careful planning, the City intends to play an important role in shaping the type of development attracted to the area. Additional data regarding these trends may be found on pages 13 through 26 of Management’s Discussion and Analysis.

### major initiatives



It’s playtime! After opening four new parks in a nine-month period, Suwanee has moved from the construction phase to the enjoyment phase. In August, Suwanee celebrated the opening of two of its new parks. Suwanee Creek Park opened with a ribbon cutting ceremony on August 7 and the Town Center Park grand opening celebration was held on August 14. About 7,000 people came out to enjoy the park’s inaugural concert featuring performances by Driving ‘N’ Cryin’ and Shawn Mullins. In October, the City hosted its first Trek or Treat event to celebrate the grand opening of Suwanee Creek Park. To celebrate art and the first anniversary of the three-mile Suwanee Creek Greenway extension, the City hosted a month long Art on a Limb program. Each day throughout the month of May, decorative orbs were placed along the Greenway for trail users to find and keep.



While we are enjoying our newly constructed parks, other construction projects and park planning projects are still underway. The City undertook a significant rehabilitation project on the Sims Lake property to bring the earthen dam into line with current state standards. The 61-acre property includes a lake, gardens, pasture areas, and a residence for which master planning is currently underway. The City set aside bond funds to implement the property’s master plan.

About one-third of the planning process for a railroad underpass, that will provide a safe pedestrian connection between two popular Suwanee destination areas, has been completed. The pedestrian underpass and other traffic enhancements along Buford Highway will make pedestrian travel between Suwanee’s new Town Center and the historic Old Town area safe and convenient.



The City’s new 150,000-gallon water tank has nearly tripled the City’s water storage capacity and maintains a more consistent water pressure for our customers. The new tank was erected in early April and replaces the original standpipe water tank constructed in the mid-1950’s. The cost of the new tank was approximately \$325,000. Over the past 18 months, the City also installed a new well pump and an automatic cross-connection to Gwinnett County’s water system.

In addition to the capital project initiatives, the City is constantly striving to provide better service to citizens, property owners, business operators, and visitors through operational improvements. City staff regularly works to achieve the common goal of exceeding expectations through established standards for quality, efficiency, and effectiveness.



for the future

## financial information

The City's top priorities include open space and park initiatives, maintenance and expansion of infrastructure (sidewalks, water system, roads, and City facilities), and a commitment to provide effective and responsive delivery of services with an emphasis on safety and planning for the future. The City uses a Capital Improvement Plan (CIP) to develop a framework that captures the goals and objectives for all City departments. The CIP is a comprehensive five-year plan that helps determine priorities, identify cost estimates and pinpoint financial resources. Longer range planning is accomplished through the City's Comprehensive Master Plan, which is developed and maintained in accordance with State of Georgia requirements. The short-term work program of the Comprehensive Master Plan is reviewed and updated annually.

**internal controls**

City management is responsible for establishing and maintaining an internal accounting control system. This system is designed to ensure that City assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of an accounting control should not exceed the benefits likely to be derived and 2) the evaluation of costs and benefits requires estimates and judgments by management.

**budget controls**

Budgetary control is essential for good financial management and legal compliance. The City achieves and maintains budgetary control by operating under the statutes of the State of Georgia, which require the City to adopt an annual balanced budget. Expenditures may not legally exceed appropriations at the department level, within each fund. Operational control of departmental budgets is accomplished through a purchase order verification process. Additional details regarding budgetary controls may be found in Note 3 of the notes to the financial statements.

The City Manager and the Financial Services Director are responsible for compiling the annual budget for all City departments. The City Manager submits to the City Council, no later than May 1, a proposed budget for each fund for the upcoming budget year. City Council reviews, meets legal requirements for advertising public hearings regarding the budget, holds public hearings, and then adopts the annual budget before June 30.

**cash management**

The City's funds are deposited into interest-bearing accounts, from which excess cash is invested in certificates of deposit or obligations of the United States Government or its agencies.

The City's investment program is managed in accordance with all applicable laws and the City's Investment Policy, adopted by City Council. This policy provides the framework to foster prudent investment decisions. Investment objectives include the safeguarding of public funds through minimization of market and security risk and maximizing utilization of funds with respect to liquidity and earnings.

The average yield on investment for fiscal year 2005 was 3.2%. The total amount earned on all investments in all funds was \$236,501. This compares very closely with fiscal year 2004's average yield of 3.3% and investment earnings of \$249,628.

**other information**

**risk management**

The City participates, along with other municipalities, in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self Insurance Workers Compensation Fund. As a member of these risk pools, the City cooperates with the pool's agents and attorneys, follows loss reduction procedures established by the pool, and reports incidents that may result in claims or loss, in a timely manner. The City also allows the pool's agents and attorneys to represent the City in investigation, settlement discussions, and litigation.

**independent audit**

The financial statements included in this report are prepared in compliance with governmental financial reporting standards issued by the Governmental Accounting Standards Board, guidelines issued by the Government Finance Officers Association of the United States and Canada, and generally accepted accounting principles applicable to governmental entities. State of Georgia statutes require an annual audit by an independent Certified Public Accountant. The accounting firm of Mauldin & Jenkins LLC was selected through a competitive proposal process in 2001. Mauldin & Jenkins' report on the City's basic financial statements is included in the financial section of this CAFR.

**awards**

Last year was a memorable year for the City. Not only did the City complete and open three new parks and a three-mile greenway extension, Suwanee was also recognized for excellence in a variety of areas, including open space, public safety, economic development, and planning. Summarized below is a listing of awards:

- Trendsetter Award in Economic and Community Development for Town Center, presented by Georgia Trend magazine.
- Re-certification of the Suwanee Police Department by the Georgia Association of Chiefs of Police.
- CREATE Community Award from the Atlanta Regional Commission for the Open Space Initiative.
- Georgia Downtown Award for Best Design Improvement for Town Center Park, from the Georgia Downtown Association and Georgia Department of Community Affairs.
- Best Plan Implementation from the Georgia Planning Association for Town Center & Town Center Master Plan.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. This was the second consecutive year that the City has received this prestigious award, given for publishing an easily readable, efficiently organized comprehensive annual financial report conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA for consideration. The City is committed to this effort and will strive to maintain and surpass these standards on future reports.



**acknowledgements**

The preparation and production of this document would not be possible without the dedication and cooperation of all City departments. Their willingness to work together has enabled Suwanee to Exceed Expectations in financial reporting by producing a quality report that is readable and beneficial to Suwanee citizens. We would also like to thank Mauldin & Jenkins for the technical support and guidance they provided in this endeavor. Most importantly, we express our appreciation to the City Council for their leadership and support in planning and conducting the affairs of the City in a responsible and progressive manner, which ensures that Suwanee is, and will continue to be a great place to live, work and play.

*Amie Sakmar*

Amie Sakmar  
Financial Services Director

*Hardin Watkins*

Hardin Watkins  
City Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Suwanee,  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Zjelke*

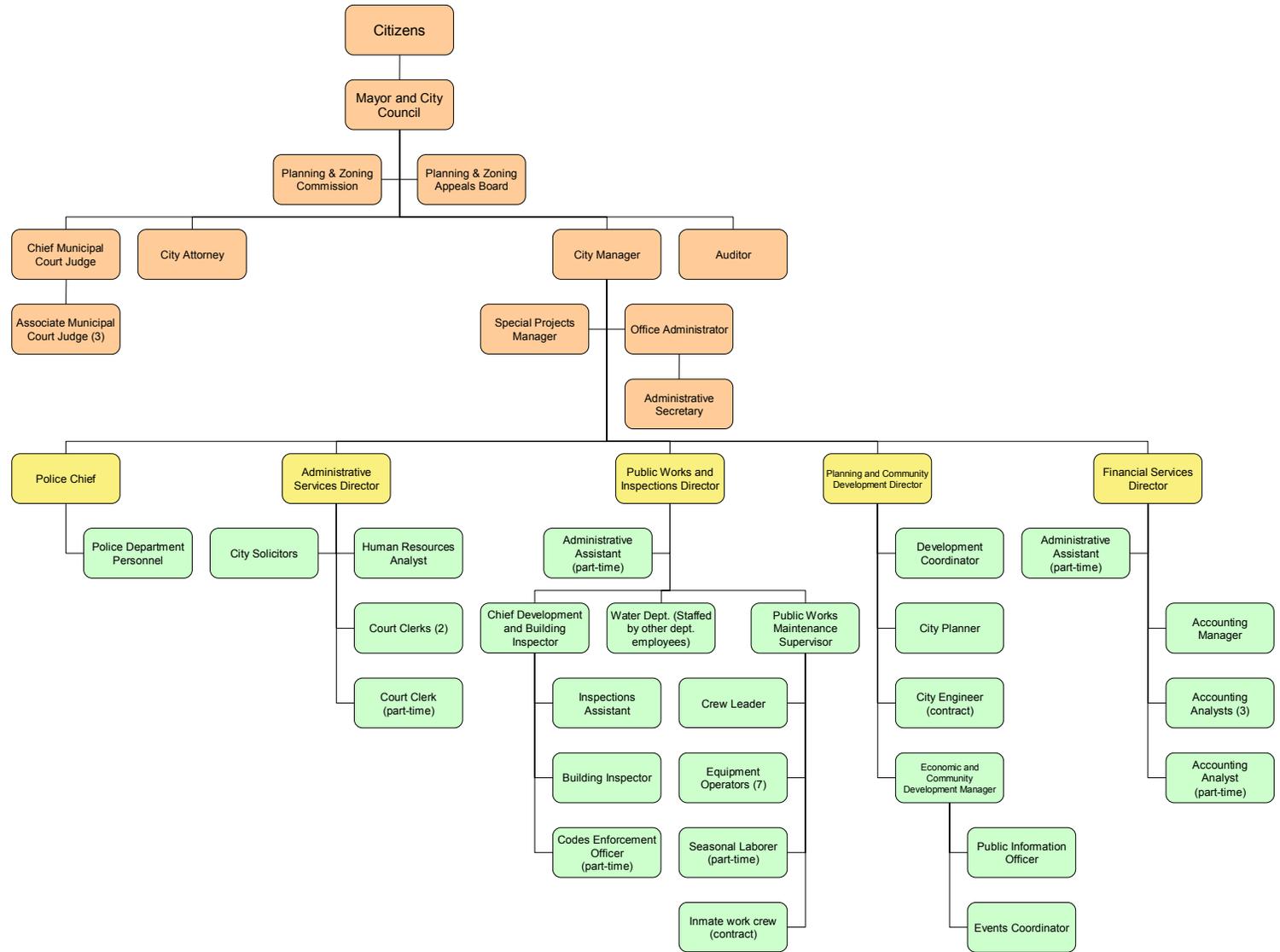
President

*Jeffrey R. Emw*

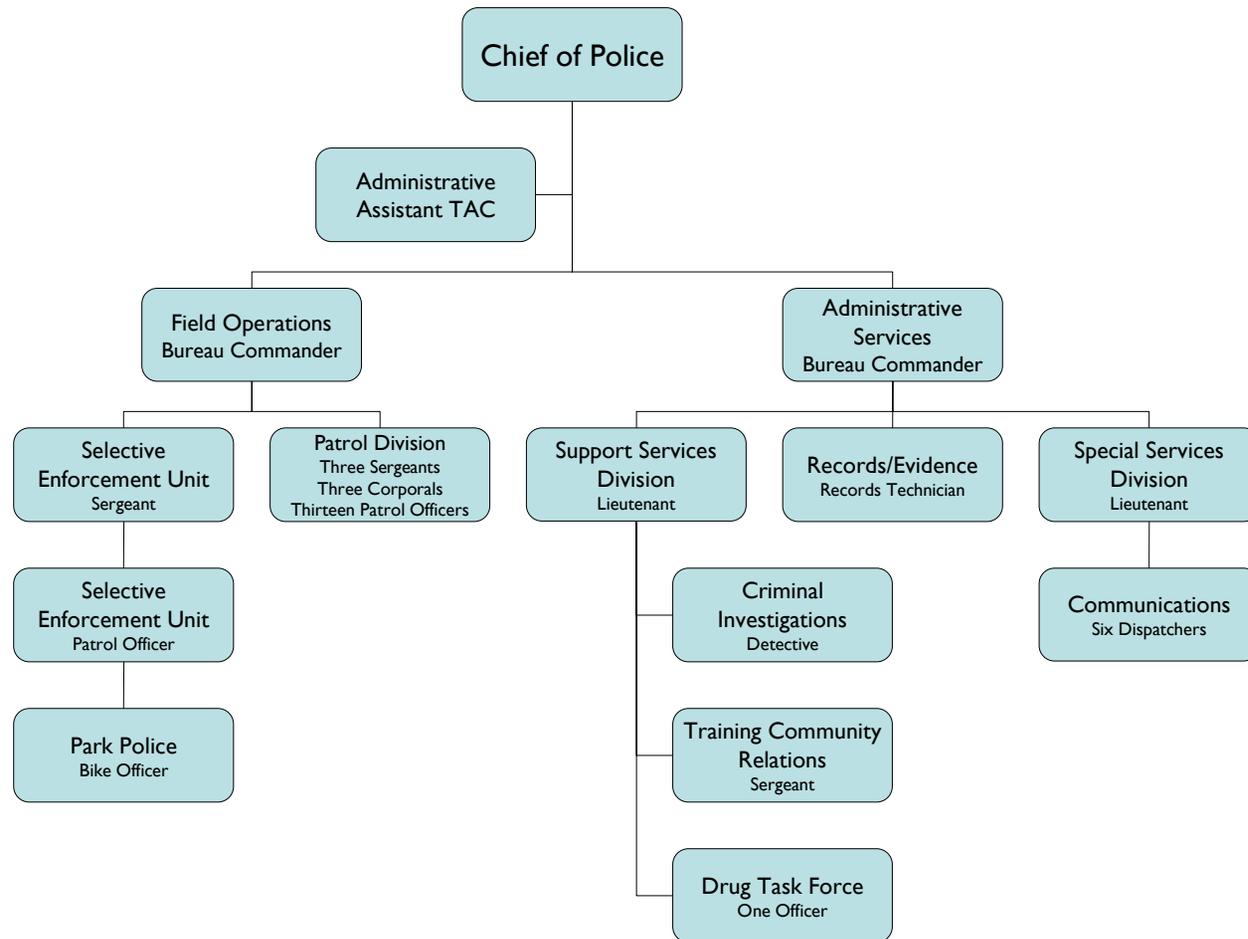
Executive Director



city of suwanee  
administration  
organizational chart



**city of suwane  
police department  
organizational chart**



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## financial section

Independent Auditor's Report  
Management's Discussion and Analysis



## INDEPENDENT AUDITOR'S REPORT

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**Honorable Mayor and Members  
of City Council  
City of Suwanee  
Suwanee, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Suwanee, Georgia** (the "City") as of and for the year ended June 30, 2005, 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 Suwanee, Georgia, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, 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 our report dated September 2, 2005 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the

results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis (on pages 13 through 26) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
September 2, 2005

**management's  
discussion and  
analysis**

**financial highlights**

**overview of the  
financial statements**

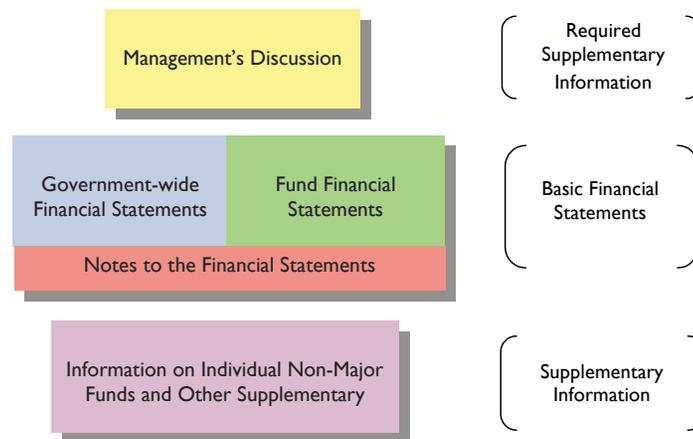
As management of the City of Suwanee, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2005. This narrative is intended to assist the reader in understanding significant financial issues, provide an overview of financial activities, identify changes in financial position, identify material deviations from the original budget, and identify individual fund issues or concerns. We encourage readers to consider this information presented herein along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements and notes to the financial statements.

**Government-wide.** Assets of the City's governmental activities exceeded liabilities by \$32,948,323. This is an increase of \$12,174,395, or 58.6%, as compared to the prior year amount of \$20,773,928. Assets of the City's business-type activities exceeded liabilities by \$1,883,103, a decrease of \$28,248, or 1.5%, as compared to the prior year amount of \$1,911,351. In total, net assets increased by \$12,146,147 to \$34,831,426. Of this amount, unrestricted net assets at June 30, 2005 were \$4,074,194 or 11.7% of the City's total net assets.

**Fund level.** As of June 30, 2005, the City's governmental funds reported a combined ending fund balance of \$9,670,720, an increase of \$2,220,469, or 29.8%, from fiscal year 2004. Enterprise fund assets exceeded liabilities resulting in total net assets of \$1,883,103, of which \$2,095,895 was invested in capital assets, leaving a deficit balance of \$212,792 in unrestricted.

**Long-term debt.** The City's total bonds outstanding decreased by \$1,584,830, or 8.6% during fiscal year 2005. This amount represents the annual bond payment for the 2002 general obligation bond and the retirement of the urban redevelopment bond eight years ahead of schedule.

This is the City's second Financial Report issued under the Governmental Accounting Standards Board (GASB) Statement No. 34. Since the presentation required under GASB Statement No. 34 is different from information required previously, we are providing the following illustration to assist readers in understanding the financial statements.



The reporting focus of this report is on the City as a whole and on the major individual funds. This comprehensive view of the City's financial activities is designed to allow for comparability of the City's performance to that of other governments. The financial section of this report presents the City's financial activities and position in three parts: (1) Management's Discussion and Analysis (MD&A), (2) The Basic Financial Statements, and (3) Other Supplementary Information presenting combining statements.

**Government-wide Financial Statements.** The government-wide financial statements provide an overall picture of the financial position of the City. These statements consist of the statement of net assets and the statement of activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. This means that all the current year's revenues and expenses are included, regardless of when cash is received or paid, producing a view of financial position similar to that of private sector companies.

- The statement of net assets combines and consolidates the City's current financial resources with capital assets and long-term obligations. This statement presents information on all of the City's assets and liabilities, for all fund types except for fiduciary, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the City is improving or deteriorating.
- The statement of activities presents information showing how the City's net assets changed during the fiscal year. The focus is on both the gross and net cost of governmental, business-type, and component unit activities. This statement summarizes the cost, or subsidy, of providing specific government services and includes all current year revenues and expenses. The format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenue they generate.

Both of the government-wide financial statements distinguish functions 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). Governmental activities of the City include general government, police services, judiciary, public works, planning and zoning, economic and community development, parks, tourisms, and code enforcement. Business-type activities include the water fund.

The government-wide financial statements include not only the City itself, but also component units. Component units are legally separate organizations for which the City is either financially accountable, or the nature and significance of their relationship with the City is such that exclusion would cause the statements to be misleading or incomplete. The City has one component unit, Suwanee Downtown Development Authority, that is reported in a separate column in the government-wide statements.

The government-wide financial statements can be found on pages 27 and 28.

**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. Fund financial statements focus on the most significant funds, reporting on the City's operations in greater detail than the government-wide statements. All of the City's funds can be divided into three categories: governmental, proprietary, and fiduciary.

**Governmental funds.** Most of the basic services provided by the City are financed through governmental funds and are essentially the same functions reported as governmental activities in the government-wide statements. Reporting of these funds focuses on how money flows into and out of the funds and the amounts remaining at year-end for future spending. Governmental funds use the modified accrual basis of accounting, which measures cash and other assets that can be readily converted to cash. These statements provide a detailed short-term view of the City's finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the City.

Because the focus of governmental funds is short-term and the focus of the government-wide financial statements is both short-term and long-term, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison is useful in understanding the long-term impact of the City's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities for the reader.

The City maintains sixteen governmental funds. There are four governmental funds that are considered major funds for financial reporting purposes: General, Debt Service, Open/Green Space, and Town Center Facility Improvements. Each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Data from the other, non-major, governmental funds are combined into a single, aggregated column. Specific fund data for each of the non-major funds is provided in the form of combining statements beginning on page 60.

Suwanee adopts an annual appropriated budget for general, special revenue, and debt service funds. A budgetary comparison statement has been provided for the general fund on page 32. The basic governmental fund financial statements can be found on pages 29 – 31. Budgetary comparison for other governmental funds with legally adopted annual budgets start on page 64.

**Proprietary funds.** The City maintains one proprietary fund, the Water fund. This fund operates as an enterprise fund where fees for services are charged to outside customers and to departments of the City. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 35 – 37.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the City's government. These funds are excluded from the government-wide financial statements because the resources of those funds are not owned by or available to support the City's operations. Fiduciary funds use the accrual basis of accounting, similar to proprietary funds. Suwanee maintains one fiduciary fund, the Municipal Court Agency fund. The Municipal Court Agency fund information is presented in the statement of fiduciary net assets on page 38.



government-wide  
financial analysis

**Notes to the financial statements.** The notes to the financial statements provide additional information that is essential for the reader to review in order to obtain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-57 of this report.

**Other information.** Other supplementary information includes combining financial statements for non-major governmental funds. Schedules of revenues, expenditures, and changes in fund balance budget to actual are also presented for all governmental funds with annually adopted budgets.

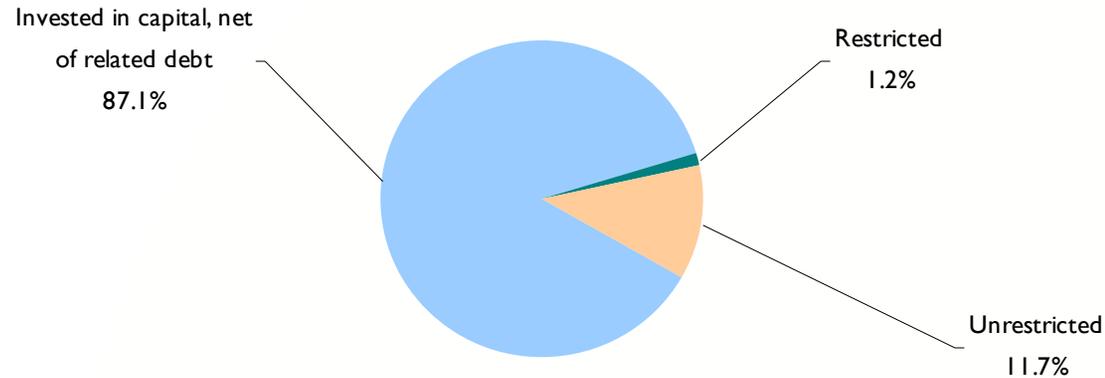
As noted earlier, changes in net assets may serve as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the City's assets exceeded its liabilities by \$34,831,426 and \$22,685,279 at June 30, 2005 and 2004, respectively. The following is a condensed version of the government-wide statement of net assets.

## Net Assets as of June 30, 2005 and 2004

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004*	2005	2004	2005	2004*
<b>Assets:</b>						
Current and other assets	\$ 9,974,898	\$ 8,628,662	\$ 73,214	\$ 44,790	\$ 10,048,112	\$ 8,673,452
Capital assets	40,309,052	31,840,768	2,202,580	1,928,291	42,511,632	33,769,059
Total assets	50,283,950	40,469,430	2,275,794	1,973,081	52,559,744	42,442,511
<b>Liabilities:</b>						
Long-term liabilities outstanding	17,100,770	18,675,972	106,685	57,833	17,207,455	18,733,805
Other liabilities	234,857	1,019,530	286,006	3,897	520,863	1,023,427
Total liabilities	17,335,627	19,695,502	392,691	61,730	17,728,318	19,757,232
<b>Net assets:</b>						
Invested in capital , net of related debt	28,249,009	17,820,645	2,095,895	1,870,458	30,344,904	19,691,103
Restricted for debt service	412,328	119,246	-	-	412,328	119,246
Unrestricted	4,286,986	2,834,037	(212,792)	40,893	4,074,194	2,874,930
Total net assets	\$ 32,948,323	\$ 20,773,928	\$ 1,883,103	\$ 1,911,351	\$ 34,831,426	\$ 22,685,279

\* Restated

**Primary Government Net Assets-June 30, 2005**



The largest portion of the City’s net assets, 87.1%, are invested in capital assets such as land, buildings, equipment, and infrastructure (roads, bridges, and other immovable assets), net any related debt used to acquire those assets. Investment in capital assets net of related debt increased by \$10,653,801 or 54.1%. These capital assets are used by the City to provide services to citizens. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City has restrictions on \$412,328 of net assets to be spent on debt service. The remaining balance of unrestricted net assets, 11.7%, may be used to meet the City’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City was able to report positive balances in all three categories of net assets for governmental activities. However, the business-type activities report a deficit balance in unrestricted assets. This deficit balance was due to the major renovations to the City’s water system. A new water tank was installed to improve water storage capacity and to maintain a more consistent water pressure. The cost of the new tank was approximately \$325,000.

**Governmental activities.** Governmental activities increased the City’s net asset by \$12,174,395 thereby accounting for 100% of the total growth in net assets. A large percentage of the increase in governmental activities net assets is related to donations of infrastructure by developers, rather than accumulation of cash or other liquid assets. The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures while its revenues include capital grants and donations. The following condensed financial information was derived from the government-wide Statement of Activities and reflects how net assets changed during fiscal year 2005.

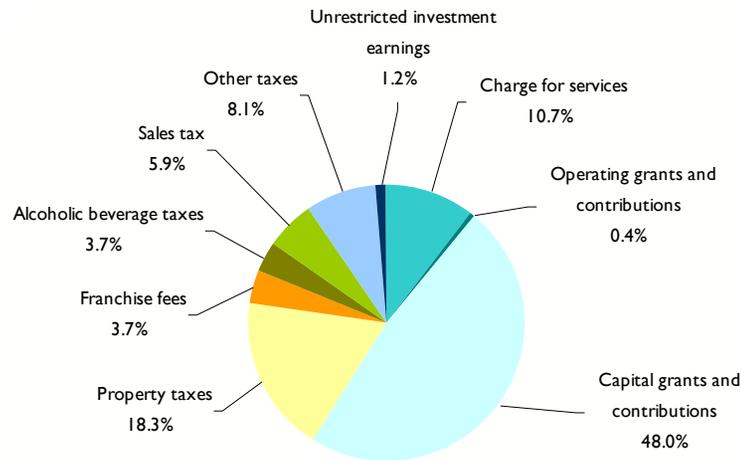


## Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Revenues						
Program revenues:						
Charge for services	\$ 2,049,138	\$ 1,440,798	\$ 73,964	\$ 56,849	\$ 2,123,102	\$ 1,497,647
Operating grants and contributions	70,721	1,685,783	-	-	70,721	1,685,783
Capital grants and contributions	9,217,917	1,477,448	-	-	9,217,917	1,477,448
General revenues:						
Property taxes	3,525,468	3,011,097	-	-	3,525,468	3,011,097
Franchise fees	714,216	618,509	-	-	714,216	618,509
Alcoholic beverage taxes	646,093	601,034	-	-	646,093	601,034
Sales tax	1,134,738	780,604	-	-	1,134,738	780,604
Other	1,623,168	1,563,206	-	-	1,623,168	1,563,206
Unrestricted investment earnings	236,064	249,547	437	71	236,501	249,618
Total revenues	19,217,523	11,428,026	74,401	56,920	19,291,924	11,484,946
Expenses:						
General government	1,385,716	1,202,975	-	-	1,385,716	1,202,975
Judicial	236,030	213,200	-	-	236,030	213,200
Public safety	2,643,854	2,384,653	-	-	2,643,854	2,384,653
Public works	1,742,494	1,334,086	-	-	1,742,494	1,334,086
Culture and recreation	185,431	146,780	-	-	185,431	146,780
Housing and development	1,166,798	641,826	-	-	1,166,798	641,826
Tourism and trade	184,247	134,362	-	-	184,247	134,362
Interest on long term debt	943,654	980,909	-	-	943,654	980,909
Water and sewer	-	-	102,649	71,267	102,649	71,267
Total expenses	8,488,224	7,038,791	102,649	71,267	8,590,873	7,110,058
Increase in net assets before special item	10,729,299	4,389,235	(28,248)	(14,347)	10,701,051	4,374,888
Special item – gain on sale of capital asset	1,445,096	-	-	-	1,445,096	-
Change in net assets	12,174,395	4,389,235	(28,248)	(14,347)	12,146,147	4,374,888
Net assets – July 1 as restated	20,773,928	16,384,693	1,911,351	1,925,698	22,685,279	18,310,391
Net assets – June 30	\$ 32,948,323	\$ 20,773,928	\$ 1,883,103	\$ 1,911,351	\$ 34,831,426	\$ 22,685,279

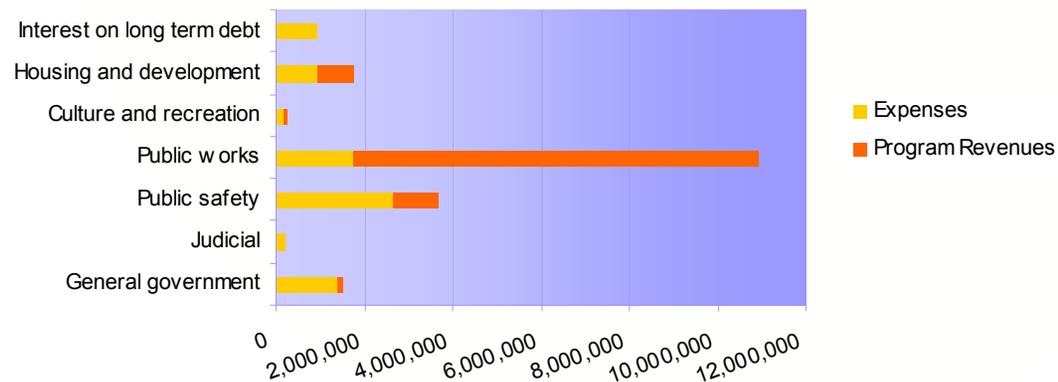
**Governmental activities.** Governmental activities revenue totaled \$19,217,523 for fiscal year 2005. Capital grants and contributions are the largest revenue source for governmental activities, accounting for 48.0% of total revenue. Property taxes and Charges for services are the second and third largest revenue source accounting for 18.3% and 10.7% of governmental revenues for the year.

**Revenues by Source - Governmental Activities**



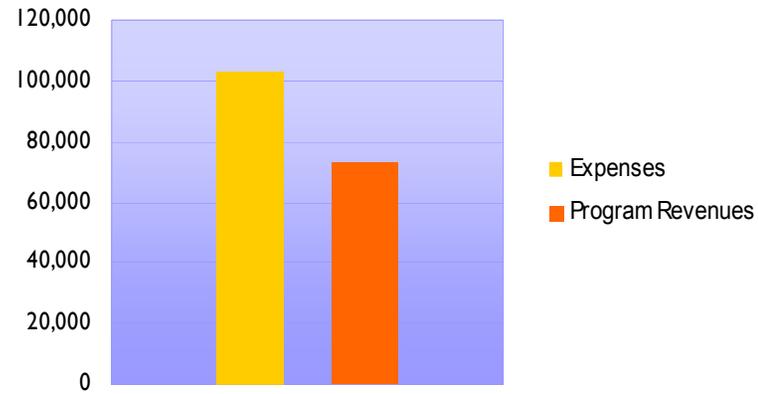
Governmental expenses totaled \$8,488,224 for the fiscal year. Of the expenditures, 31.1% or \$2,643,854 is related to public safety. Public Works accounted for \$1,742,494, or 20.5%. Interest on long-term debt accounted for 11.1% of overall governmental expenses. The chart below compares governmental activities with their respective program revenues, if any.

**Governmental Activities Expenses and Program Revenues**



**Business-type activities.** Business-type activities decreased the City's net assets by \$28,248 accounting for a reduction of .2% of the City's net assets.

Expense and Program Revenues - Business-type Activities



## financial analysis of the government's funds

**Governmental funds.** General governmental functions are contained in the general, special revenue, debt service, and capital projects funds. As noted earlier, the focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

As of June 30, 2005, the City's governmental funds reported a combined ending fund balance of \$9,670,720, an increase of \$2,220,469 in comparison with the prior year. Approximately 34.9% of the ending fund balance (\$3,372,190) constitutes unreserved fund balance in the general fund, which is available to meet the City's current and future needs. The remainder of fund balance is reserved or included in other funds to indicate that it is not available for new spending because it has been committed to pay debt service (\$412,328), to pay for capital projects (\$5,768,033), and for various other purposes (\$118,169).

The general fund is the chief operating fund of the City. At June 30, 2005, unreserved fund balance of the general fund was \$3,372,190. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 52.7% of total general fund expenditures. The fund balance of the general fund increased by \$605,788 during the current fiscal year.

**Revenues Classified by Source - General Fund**

Revenues by Source:	FY 2005		FY 2004		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 6,486,338	74.5	\$ 5,672,150	78.7	\$ 814,188	14.4
Licenses and permits	944,046	10.8	427,549	5.9	516,497	120.8
Intergovernmental	69,075	.8	45,162	.6	23,913	52.9
Charges for service	124,957	1.4	68,244	.9	56,713	83.1
Fines and forfeitures	972,494	11.2	927,203	12.9	45,291	4.9
Other	116,182	1.3	71,686	1.0	44,496	62.1
<b>Total</b>	<b>\$ 8,713,092</b>	<b>100.0</b>	<b>\$ 7,211,994</b>	<b>100.0</b>	<b>\$ 1,501,098</b>	<b>20.8</b>

The following provides an explanation of revenues by source that changed significantly over the prior year:

- Property tax revenues increased by \$668,131 due to an 18% increase in the tax digest. Franchise taxes revenues increased by \$95,707 based on increased electrical usage attributable to commercial and industrial growth in the area. The remaining increase relates to increases in other tax collections.
- Licenses and permits increased by \$516,497 based on the significant increase in the number of residential permits issued. In fiscal year 2005, Suwanee issued 757 new housing units, in comparison the City added 168 and 122 housing units, respectively, during the last two years.
- Intergovernmental grants increased by \$23,913 due to an increase in storm drainage funding received from Gwinnett County.
- Charges for services increased by \$56,713. The majority of the increase relates to funds received from development plan reviews, this correlates with the growth in licenses and permits. Charges for services also increased for police special event services purchased by outside organizations for events held at City facilities.
- Other revenues increased by \$44,496. The majority of this increase is related to investment earnings on idle cash reserves.



## Expenditures by Function – General Fund

Expenditures by Function:	FY 2005		FY 2004		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General government	\$ 1,269,468	19.9	\$ 1,195,145	22.9	\$ 74,323	6.2
Judicial	236,046	3.7	218,740	4.2	17,306	7.9
Police	2,614,792	40.8	2,370,427	45.5	244,365	10.3
Public works	855,276	13.4	617,473	11.8	237,803	38.5
Culture and recreation	143,013	2.2	68,485	1.3	74,528	108.8
Housing and development	1,158,423	18.1	623,757	12.1	534,666	85.7
Debt service:						
Principal retirement	112,726	1.8	109,936	2.1	2,790	2.5
Interest	4,784	.1	7,179	.1	(2,395)	(33.40)
Total	\$ 6,394,528	100.0	\$ 5,211,142	100.0	\$ 1,183,386	22.7

The following provides an explanation of expenditures by function that changed significantly over the prior year.

- General government expenditures increased by \$74,323 or 6.2%. This increase was primarily due to the creation of a human resource analyst position added to fiscal year 2005 and the installation of new carpet at City Hall.
- Judicial expenditures increased by \$17,306 or 7.9%. The key factor for this increase was additional fees paid to solicitors for court appeals.
- Police expenditures increased by \$244,365 or 10.3%. In fiscal year 2005 two new police positions were added, one position was created for the Gwinnett County Drug Task Force and one officer was added to the park police department. The remaining increase was due to growth in payroll, employee benefits, and workers compensation.
- Public works expenditures increased by \$237,803 or 38.5%. During the past eighteen months, the City has opened four new parks. Additional staffing, equipment, and contract labor costs have been added to help manage the increased workload that has occurred by opening these parks.
- Culture and recreation increased by \$74,528 or 108.8%. The majority of this increase was due to the grand opening celebrations for Town Center Park and Suwanee Creek Park. Additional City sponsored events were added to the annual events schedule so that the community could celebrate and enjoy the new parks.
- Housing and development expenditures increased by \$534,666. The majority of this increase, \$420,000, was to provide start up funding for the DDA.

**general fund  
budgetary highlights**

Capital project funds account for the financial resources used for the purchase and construction of major capital facilities. During fiscal year 2005 the City had two capital project funds that were considered major funds, the Open/Green Space fund and the Town Center Facility Improvement fund. At the end of the current fiscal year, unreserved fund balance of the Open/Green Space funds was \$3,790,540, representing a decrease of \$193,859 over the prior year. Current year expenditures exceed revenues by \$193,859. The reader should be aware that the \$17.6 million 2002 General Obligation Bond proceeds provided the majority of the financial resources available in the Open/Green Space fund.

The Town Center Facility Improvement Fund unreserved fund balance at year-end was \$1,028,040. This is a new fund that was created during fiscal year 2005 to account for the long-term capital facility project at the Town Center Urban Redevelopment Agency (URA) property site. Current funding for this project has been provided by the funds raised from the sale of two parcels at the URA property site.

The debt service fund has a total fund balance of \$412,328 as of June 30, 2005, all of which is reserved for future payments of debt service.

**Proprietary funds.** The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. At the fiscal year end, the water fund had an operating loss of \$25,746 compared to an operating loss of \$14,223 in the prior year. Operating revenues were 30.1% above those in fiscal year 2004 and operating expenses were 40.3% higher than the prior year. During the current fiscal year, the City has been working on improvements to the water tank and modifications on the hook-up to Gwinnett County's cross-connection. These changes will extend service to a new neighborhood, improve water pressure, enhance fire protection, and allow the City to make overall system improvements for the 230 current water customers. While these improvements were being made, operating costs increased due to purchasing water from Gwinnett County.

Differences between the original budget (\$7,585,725) and the final amended budget (\$8,756,113) amounted to an overall increase of \$1,170,388. A brief summary of these increases are explained below:

- Transfer to capital projects \$191,120.
- Transfer to debt service \$238,293.
- Start up funds for Suwanee's DDA \$420,000.
- The public safety budget was amended for overtime (\$28,000), employee benefits (\$33,155), purchase of two additional police cars (\$23,000), gasoline (\$22,950), and special events fees (\$32,000).
- The Public works budget was amended for contracted labor (\$30,051), supplies and small equipment (\$21,400), gasoline (\$8,250), and street paving (\$73,615).
- The Culture and recreation budget was amended for two park grand openings and additional events added to the events calendar (\$43,251).



A detailed budgetary comparison schedule for the fiscal year ended June 30, 2005 can be found on page 32. The following chart is a summary of that schedule.

	Budget		Actual	Variance with Final
	Original	Final		
Revenues, transfers, and other financing sources:				
Taxes	\$ 5,743,730	\$ 6,404,663	\$ 6,486,338	\$ 81,675
Licenses and permits	444,000	909,621	944,046	34,425
Intergovernmental revenues	68,430	69,074	69,075	1
Charges for service	107,450	119,477	124,957	5,480
Fines and forfeitures	800,000	920,000	972,494	52,494
Investment income	52,000	75,200	88,620	13,420
Miscellaneous revenues	5,250	28,200	27,562	(638)
Other financing sources	65,500	122,943	124,946	2,003
Total	7,286,360	8,649,178	8,838,038	188,860
Expenditures and Transfers Out:				
Expenditures	6,177,400	6,918,375	6,394,528	523,847
Transfers Out	1,408,325	1,837,738	1,837,722	16
Total	7,585,725	8,756,113	8,232,250	523,863
Change in Fund Balance	\$ (299,365)	\$ (106,935)	\$ 605,788	\$ 712,723

During the year, general fund revenues exceeded budgetary projections, and expenditures were less than budgetary estimates. Actual revenues were \$188,860 higher than estimates. Whereas expenditures were \$523,863 lower than the final budgetary appropriations. Listed below are the major areas that expenditures were lower than appropriations.

- Salaries and benefits expenditures were \$215,867 less than appropriations. This was due to lower than anticipated premiums for health insurance and unplanned vacancies during the year.
- Purchased professional and property services were \$98,245 less than appropriations. Several small street paving and storm drainage projects were not completed during the period due to the vacancy of the Public Works and Inspections Director. These projects have been included in the fiscal year 2006 budget.
- Other purchased services and supplies expenditures were \$180,742 less than appropriations. Some of these costs were offset by donations and sponsorships from private organizations for special events.

**capital assets and  
debt administration**

**Capital assets.** At June 30, 2005, the City's investment in capital assets in both governmental and business-type activities amounted to \$42,511,632, net of depreciation. This includes land, land improvements, buildings, machinery and equipment, park facilities, and infrastructure. The majority of the increase in governmental capital assets is attributable to developer donations of infrastructure, which increased capital assets by \$8,262,886.

Additional information on capital assets can be found in Note 6 on pages 48-50 of this report

**Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Land	\$ 10,092,199	\$ 10,859,575	\$ 7,500	\$ -	\$ 10,099,699	\$ 10,859,575
Land improvements	157,493	169,415	3,337	3,585	160,830	173,000
Buildings	5,869,737	1,701,605	-	-	5,869,737	1,701,605
Water distribution	-	-	1,812,837	1,844,904	1,812,837	1,844,904
Machinery and equipment	451,951	491,106	14,966	15,673	466,917	506,779
Vehicles	354,200	381,026	-	-	354,200	381,026
Infrastructure	18,647,337	10,384,451	-	-	18,647,337	10,384,451
Construction in progress	4,736,135	9,831,875	363,940	64,129	5,100,075	9,896,004
<b>Total</b>	<b>\$ 40,309,052</b>	<b>\$ 33,819,053</b>	<b>\$ 2,202,580</b>	<b>\$ 1,928,291</b>	<b>\$ 42,511,632</b>	<b>\$ 35,747,344</b>

**Long-term debt.** At the end of the fiscal year, the City had general obligation bonded debt outstanding of \$16,740,000. This debt is secured by the full faith, credit, and resources of the City. The City's total bonded debt decreased by \$1,584,830, or 8.6% during the current fiscal year. The City maintains an AA- rating from two of the three rating agencies that review public sector debt. State statutes limit the amount of general obligation debt a government entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is \$57,340,700; current bonded debt is below this limit with 28.5% of the legal debt limit used. Additional information regarding long-term debt can be found in Note 7 on pages 50-52 of this report.

**economic factors  
and next year's  
budgets and rates**

The City of Suwanee is one of the fastest growing areas in Gwinnett County. Suwanee's population grew 262% from 1990 to 2000. With an attractive demographic profile, Suwanee is appealing to retailers and businesses serving the residential market. The City's economy is based on a mix of residential, warehouse, industrial, and commercial uses. Property values continue to rise as noted in the Atlanta Business Chronicle, Book of Lists for 2004, Suwanee's zip code was ranked 8<sup>th</sup> for wealthiest zip codes based on median household income of \$98,766 and a median home value of \$254,527.

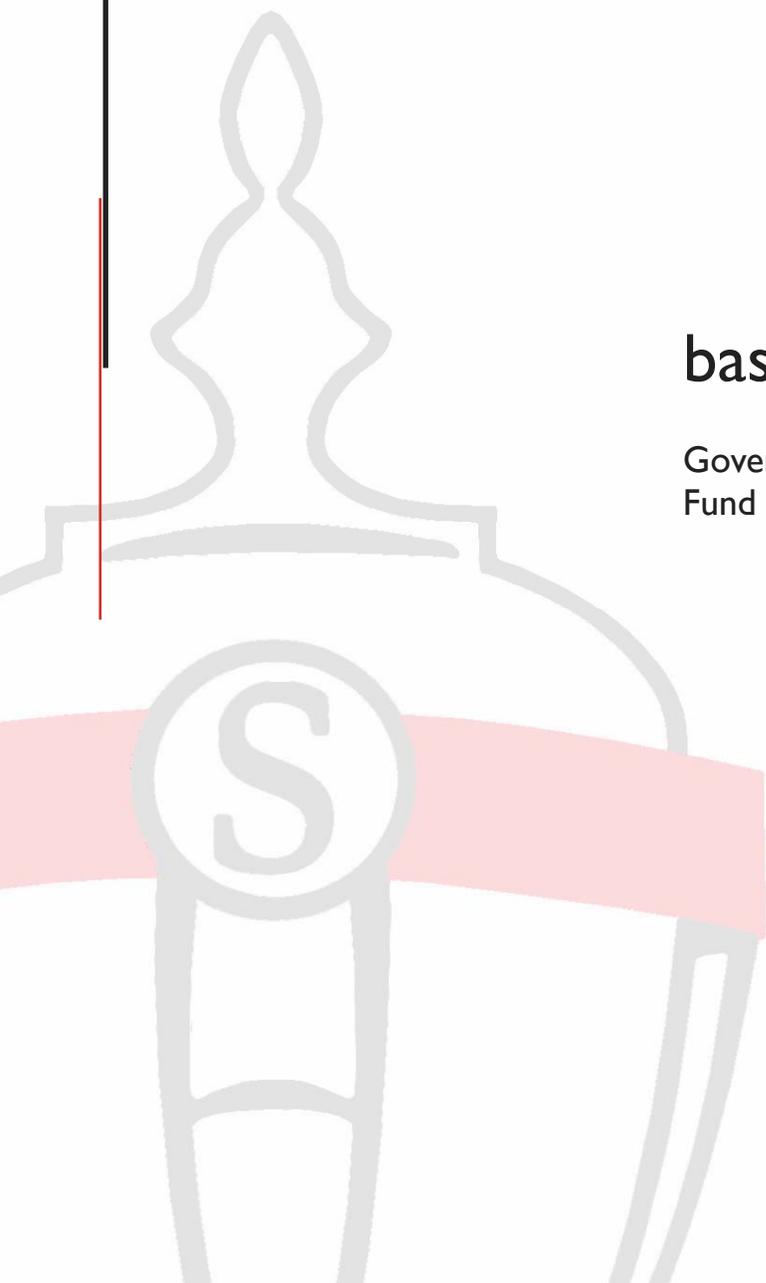


**request for  
information**

During the budget process for fiscal year 2006, we predicted a 12% growth rate in the City's real property tax digest. Based on this continued growth, City Council lowered the millage rate from 5.81 mills to 5.77 mills for fiscal year 2006.

After experiencing three years of decline, hotel/motel occupancy rates have shown signs of rebounding. Fiscal year 2005 hotel/motel occupancy tax collection was \$78,148 or 25% higher than fiscal year 2004. To help encourage this trend, an economic study of the I-85 business corridor was started in fiscal year 2005 and should be completed in fiscal year 2006. The City has set aside \$969,660 in special purpose local option sales tax revenues to implement plans from this study in fiscal year 2007.

This financial report is designed to provide our citizens, taxpayers, customers, investors, creditors, and other interested parties with a general overview of the City's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Director of Financial Services, 373 Highway 23, Suwanee, Georgia 30024.



# basic financial statements

Government-wide Financial Statements  
Fund Financial Statements



**statement of  
net assets**

**june 30, 2005**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,465,150	\$ 62,039	\$ 1,527,189	\$ 9,972
Investments	7,813,204	-	7,813,204	-
Receivables:				
Property taxes	132,844	-	132,844	-
Sales taxes	427,959	-	427,959	-
Other	136,069	7,922	143,991	-
Internal balances	(328)	328	-	-
Restricted cash	-	2,925	2,925	-
Capital assets, nondepreciable	14,828,334	371,440	15,199,774	-
Capital assets, depreciable, net of accumulated depreciation	25,480,718	1,831,140	27,311,858	402,975
Total assets	<u>50,283,950</u>	<u>2,275,794</u>	<u>52,559,744</u>	<u>412,947</u>
<b>LIABILITIES</b>				
Accounts payable	188,699	265,149	453,848	56
Accrued interest	-	3,135	3,135	-
Retainage payable	46,158	14,797	60,955	-
Liabilities payable from restricted assets	-	2,925	2,925	-
Noncurrent liabilities:				
Notes payable due in more than one year	-	106,685	106,685	-
General obligation bonds due within one year	335,000	-	335,000	-
General obligation bonds due in more than one year	16,405,000	-	16,405,000	-
Capital leases due within one year	70,277	-	70,277	-
Capital leases due in more than one year	63,893	-	63,893	-
Compensated absences due within one year	72,512	-	72,512	-
Compensated absences due more than one year	154,088	-	154,088	-
Total liabilities	<u>17,335,627</u>	<u>392,691</u>	<u>17,728,318</u>	<u>56</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	28,249,009	2,095,895	30,344,904	402,975
Restricted for debt service	412,328	-	412,328	-
Unrestricted	4,286,986	(212,792)	4,074,194	9,916
Total net assets	<u>\$ 32,948,323</u>	<u>\$ 1,883,103</u>	<u>\$ 34,831,426</u>	<u>\$ 412,891</u>

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

### statement of activities

year ended  
june 30, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business Type	Total	
Primary Government:								
Governmental activities:								
General government	\$ 1,385,716	\$ 157,176	\$ -	\$ -	\$ (1,228,540)	\$ -	\$ (1,228,540)	
Judicial	236,030	-	-	-	(236,030)	-	(236,030)	
Police	2,643,854	1,049,768	-	644	(1,593,442)	-	(1,593,442)	
Public works	1,742,494	118	70,721	9,116,594	7,444,939	-	7,444,939	
Culture and recreation	185,431	-	-	100,679	(84,752)	-	(84,752)	
Housing and development	1,166,798	842,076	-	-	(324,722)	-	(324,722)	
Tourism and trade	184,247	-	-	-	(184,247)	-	(184,247)	
Interest on long term debt	943,654	-	-	-	(943,654)	-	(943,654)	
Total governmental activities	<u>8,488,224</u>	<u>2,049,138</u>	<u>70,721</u>	<u>9,217,917</u>	<u>2,849,552</u>	<u>-</u>	<u>2,849,552</u>	
Business-type activities								
Water and Sewer	<u>102,649</u>	<u>73,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,685)</u>	<u>(28,685)</u>	
Total Primary Government	<u>\$ 8,590,873</u>	<u>\$ 2,123,102</u>	<u>\$ 70,721</u>	<u>\$ 9,217,917</u>	<u>\$ 2,849,552</u>	<u>\$ (28,685)</u>	<u>\$ 2,820,867</u>	
Component Unit	<u>\$ 7,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420,000</u>				<u>\$ 412,589</u>
General revenues:								
Taxes:								
Property taxes					3,525,468	-	3,525,468	-
Franchise fees					714,216	-	714,216	-
Alcoholic beverage taxes					646,093	-	646,093	-
Sales taxes					1,134,738	-	1,134,738	-
Other taxes					1,592,896	-	1,592,896	-
Unrestricted investment earnings					236,064	437	236,501	52
Miscellaneous					25,982	-	25,982	-
Contribution					4,290	-	4,290	250
Special item gain on sale of capital asset					1,445,096	-	1,445,096	-
Total general revenues, special items, and transfers					<u>9,324,843</u>	<u>437</u>	<u>9,325,280</u>	<u>302</u>
Change in net assets					<u>12,174,395</u>	<u>(28,248)</u>	<u>12,146,147</u>	<u>412,891</u>
Net assets - beginning, restated					<u>20,773,928</u>	<u>1,911,351</u>	<u>22,685,279</u>	<u>-</u>
Net assets - ending					<u>\$ 32,948,323</u>	<u>\$ 1,883,103</u>	<u>\$ 34,831,426</u>	<u>\$ 412,891</u>

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

**governmental funds  
balance sheet**

**june 30, 2005**

	General	Debt Service	Open/Green Space	TC Facility Improvements	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 183,934	\$ 1,479	\$ 683,445	\$ 18,144	\$ 578,148	\$ 1,465,150
Investments	3,056,452	410,849	3,277,937	1,009,896	58,070	7,813,204
Receivables:						
Property taxes	132,844	-	-	-	-	132,844
Sales taxes	-	-	-	-	427,959	427,959
Other	124,159	-	-	-	11,910	136,069
Due from other funds	3,000	-	-	-	-	3,000
Total assets	<u>\$ 3,500,389</u>	<u>\$ 412,328</u>	<u>\$ 3,961,382</u>	<u>\$ 1,028,040</u>	<u>\$ 1,076,087</u>	<u>\$ 9,978,226</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 58,550	\$ -	\$ 124,684	\$ -	\$ 5,465	\$ 188,699
Due to other funds	328	-	-	-	3,000	3,328
Retainage payable	-	-	46,158	-	-	46,158
Deferred revenue	69,321	-	-	-	-	69,321
Total liabilities	<u>128,199</u>	<u>-</u>	<u>170,842</u>	<u>-</u>	<u>8,465</u>	<u>307,506</u>
Fund Balances:						
Reserved for:						
Debt service	-	412,328	-	-	-	412,328
Unreserved reported in:						
General fund, undesignated	3,372,190	-	-	-	-	3,372,190
Special revenue funds, undesignated	-	-	-	-	118,169	118,169
Capital project funds, undesignated	-	-	3,790,540	1,028,040	949,453	5,768,033
Total fund balances	<u>3,372,190</u>	<u>412,328</u>	<u>3,790,540</u>	<u>1,028,040</u>	<u>1,067,622</u>	<u>9,670,720</u>
Total liabilities and fund balances	<u>\$ 3,500,389</u>	<u>\$ 412,328</u>	<u>\$ 3,961,382</u>	<u>\$ 1,028,040</u>	<u>\$ 1,076,087</u>	

<b>Capital assets</b> used in governmental activities are not financial resources and, therefore, are not reported in the funds.	40,309,052
<b>Other long-term assets</b> are not available to pay for current period expenditures, and therefore, are deferred in the funds.	69,321
<b>Long-term liabilities</b> are not due and payable in the current period and, therefore, are not reported in the funds.	(17,100,770)
<b>Net assets of governmental activities</b>	<u>\$ 32,948,323</u>

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

**governmental funds  
statement of  
revenues,  
expenditures, and  
changes in  
fund balances**

**year ended  
june 30, 2005**

	General	Debt Service	Open/Green Space	TC Facility Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 3,615,028	\$ -	\$ -	\$ -	\$ -	\$ 3,615,028
Franchise taxes	714,216	-	-	-	-	714,216
Alcoholic beverage taxes	646,093	-	-	-	-	646,093
Sales taxes	71,667	-	635,112	-	427,959	1,134,738
Other taxes	1,439,334	-	-	-	153,562	1,592,896
Licenses and permits	944,046	-	-	-	-	944,046
Intergovernmental revenues	69,075	-	-	-	42,352	111,427
Charges for services	124,957	-	-	-	-	124,957
Fines and forfeitures	972,494	-	-	-	7,640	980,134
Investment income	88,620	7,783	105,560	9,929	24,172	236,064
Contributions and donations	6,580	-	6,820	-	93,859	107,259
Miscellaneous revenue	20,982	-	-	-	5,000	25,982
Total revenues	<u>8,713,092</u>	<u>7,783</u>	<u>747,492</u>	<u>9,929</u>	<u>754,544</u>	<u>10,232,840</u>
<b>EXPENDITURES</b>						
Current:						
General government	1,269,468	-	-	-	-	1,269,468
Judicial	236,046	-	-	-	-	236,046
Police	2,614,792	-	-	-	24	2,614,816
Public works	855,276	-	-	-	-	855,276
Culture and recreation	143,013	-	-	-	70,006	213,019
Housing and development	1,158,423	-	-	-	-	1,158,423
Tourism and trade	-	-	-	-	184,247	184,247
Capital outlay	-	-	941,351	13,879	165,833	1,121,063
Debt service:						
Principal	112,726	1,584,830	-	-	-	1,697,556
Interest	4,784	938,871	-	-	-	943,655
Total expenditures	<u>6,394,528</u>	<u>2,523,701</u>	<u>941,351</u>	<u>13,879</u>	<u>420,110</u>	<u>10,293,569</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,318,564</u>	<u>(2,515,918)</u>	<u>(193,859)</u>	<u>(3,950)</u>	<u>334,434</u>	<u>(60,729)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from capital lease	68,725	-	-	-	-	68,725
Transfers in	51,799	2,809,000	-	1,031,990	304,130	4,196,919
Transfers out	(1,837,722)	-	-	-	(2,359,197)	(4,196,919)
Sale of capital assets	4,422	-	-	-	-	4,422
Total other financing sources (uses)	<u>(1,712,776)</u>	<u>2,809,000</u>	<u>-</u>	<u>1,031,990</u>	<u>(2,055,067)</u>	<u>73,147</u>
Special item - Sale of land	-	-	-	-	2,208,051	2,208,051
Net change in fund balances	<u>605,788</u>	<u>293,082</u>	<u>(193,859)</u>	<u>1,028,040</u>	<u>487,418</u>	<u>2,220,469</u>
<b>FUND BALANCES, beginning of year</b>	<u>2,766,402</u>	<u>119,246</u>	<u>3,984,399</u>	<u>-</u>	<u>580,204</u>	<u>7,450,251</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 3,372,190</u>	<u>\$ 412,328</u>	<u>\$ 3,790,540</u>	<u>\$ 1,028,040</u>	<u>\$ 1,067,622</u>	<u>\$ 9,670,720</u>

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

**reconciliation of the  
statement of  
revenues,  
expenditures, and  
changes in  
fund balances  
of governmental  
funds  
to the statement  
of activities**

**year ended  
june 30, 2005**

**Amounts reported for governmental activities in the statement of activities are different because:**

Net change in fund balances-total governmental funds	\$	2,220,469	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.			(89,560)
Governmental funds report capital outlay as expenditures. However, in the Government-wide Statements of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.			
	Additions	\$ 10,315,783	
	Deletions	(779,700)	
	Depreciation expense	<u>(1,067,799)</u>	8,468,284
Fixed assets acquired by capital leases are shown as an expenditure and other financing source in the governmental funds. The other financing source must be removed from the statement of activities; principal payments are applied to the lease liability; interest expense is recognized as it accrues.			
	Other financing source - capital lease	\$ (68,725)	
	Principal payments of capital leases	<u>112,726</u>	44,001
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure.			1,584,830
Long-term compensated absences are reported in the Government-wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds.			<u>(53,629)</u>
Change in net assets of governmental activities	\$		<u><u>12,174,395</u></u>

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

general fund  
statement of  
revenues,  
expenditures, and  
changes in  
fund balance  
budget and actual

year ended  
june 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<b>Taxes:</b>				
Property taxes	\$ 3,222,980	\$ 3,647,415	\$ 3,615,028	\$ (32,387)
Franchise taxes	650,500	714,951	714,216	(735)
Alcoholic beverage taxes	520,000	581,500	646,093	64,593
Sales taxes	-	71,667	71,667	-
Hotel/motel taxes	173,250	193,250	230,343	37,093
Local option mixed drink taxes	45,000	55,000	67,133	12,133
Business and occupation taxes	645,000	620,000	619,850	(150)
Insurance premium taxes	400,000	406,163	406,163	-
Other taxes	72,000	85,400	85,400	-
Penalties and interest on delinquent taxes	15,000	29,317	30,445	1,128
Total taxes	<u>5,743,730</u>	<u>6,404,663</u>	<u>6,486,338</u>	<u>81,675</u>
<b>Licenses and permits:</b>				
Alcoholic beverage fees	115,000	117,200	122,200	5,000
Business licenses	18,200	17,140	17,332	192
Building permits	310,800	775,281	804,514	29,233
Total licenses and permits	<u>444,000</u>	<u>909,621</u>	<u>944,046</u>	<u>34,425</u>
<b>Intergovernmental revenues:</b>				
Federal grants	-	644	644	-
Local grants	68,430	68,430	68,431	1
Total intergovernmental revenues	<u>68,430</u>	<u>69,074</u>	<u>69,075</u>	<u>1</u>
<b>Charges for services:</b>				
Planning and development fees	25,500	32,730	37,043	4,313
Printing and duplicating services	700	465	518	53
Public safety services	81,000	75,240	75,508	268
Street and public improvement services	250	120	118	(2)
Other charges for services	-	10,922	11,770	848
Total charges for services	<u>107,450</u>	<u>119,477</u>	<u>124,957</u>	<u>5,480</u>
<b>Fines and forfeitures</b>	<u>800,000</u>	<u>920,000</u>	<u>972,494</u>	<u>52,494</u>
<b>Investment income</b>	<u>52,000</u>	<u>75,200</u>	<u>88,620</u>	<u>13,420</u>
<b>Contributions and donations</b>	<u>-</u>	<u>8,580</u>	<u>6,580</u>	<u>(2,000)</u>
<b>Miscellaneous revenue</b>	<u>5,250</u>	<u>19,620</u>	<u>20,982</u>	<u>1,362</u>
Total revenues	<u>\$ 7,220,860</u>	<u>\$ 8,526,235</u>	<u>\$ 8,713,092</u>	<u>\$ 186,857</u>

(continued)

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

**general fund  
statement of  
revenues,  
expenditures, and  
changes in  
fund balance  
budget and actual**

**year ended  
june 30, 2005  
(continued)**

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Current:</b>				
<b>General government:</b>				
Governing body	\$ 55,760	\$ 64,560	\$ 58,167	\$ 6,393
Legislative committees	8,750	4,900	2,162	2,738
Chief executive	244,530	250,630	237,982	12,648
Elections	100	100	10	90
General administration	221,410	216,315	189,270	27,045
Financial administration	362,810	378,410	342,931	35,479
Accounting	22,000	23,600	23,595	5
Treasury	1,000	1,000	450	550
Law	73,100	45,100	44,167	933
Data processing	150,850	164,350	146,324	18,026
General government building and plant	180,835	189,445	166,694	22,751
Public information	57,785	65,985	57,716	8,269
Total general government	<u>1,378,930</u>	<u>1,404,395</u>	<u>1,269,468</u>	<u>134,927</u>
<b>Judicial:</b>				
Municipal court	267,485	260,135	236,046	24,089
Total judicial	<u>267,485</u>	<u>260,135</u>	<u>236,046</u>	<u>24,089</u>
<b>Public safety:</b>				
Police administration	245,054	249,529	234,507	15,022
Criminal investigation	180,709	183,959	171,402	12,557
Patrol	1,527,148	1,645,003	1,561,693	83,310
Records and identification	73,930	70,880	66,476	4,404
Police training	63,175	73,325	61,808	11,517
Special detail services	39,430	71,430	57,025	14,405
Police stations and buildings	109,475	112,525	103,249	9,276
Dispatcher	259,945	246,795	230,984	15,811
Public relations	33,775	41,825	38,567	3,258
Park police	107,575	98,850	89,081	9,769
Total public safety	<u>2,640,216</u>	<u>2,794,121</u>	<u>2,614,792</u>	<u>179,329</u>
<b>Public works:</b>				
Public works administration	512,595	545,760	501,106	44,654
Paved streets	199,800	273,415	261,482	11,933
Sidewalks and crosswalks	-	300	281	19
Storm drainage	112,900	37,064	20,124	16,940
Street lighting	51,790	62,890	62,554	336
Traffic engineering	4,650	8,400	6,540	1,860
Special detail services	33,795	8,245	3,189	5,056
Total public works	<u>915,530</u>	<u>936,074</u>	<u>855,276</u>	<u>80,798</u>

**(continued)**

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

general fund  
statement of  
revenues,  
expenditures, and  
changes in  
fund balance  
budget and actual

year ended  
june 30, 2005  
(continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (continued)</b>				
<b>Current:(continued)</b>				
<b>Culture and recreation:</b>				
Playgrounds	3,500	2,000	296	1,704
Special facilities and activities	8,150	51,401	38,334	13,067
Park areas	84,300	108,500	91,283	17,217
Park lighting	5,300	16,450	13,100	3,350
Total culture and recreation	<u>101,250</u>	<u>178,351</u>	<u>143,013</u>	<u>35,338</u>
<b>Housing and development:</b>				
Protective inspection administration	282,909	317,759	300,359	17,400
Planning and zoning	275,130	275,130	248,915	26,215
Code enforcement	22,980	19,530	17,620	1,910
Economic development and assistance	175,460	615,370	591,529	23,841
Total housing and development	<u>756,479</u>	<u>1,227,789</u>	<u>1,158,423</u>	<u>69,366</u>
<b>Debt service:</b>				
Principal retirement	112,726	112,726	112,726	-
Interest and fiscal charges	4,784	4,784	4,784	-
Total debt service	<u>117,510</u>	<u>117,510</u>	<u>117,510</u>	<u>-</u>
Total expenditures	<u>6,177,400</u>	<u>6,918,375</u>	<u>6,394,528</u>	<u>523,847</u>
Excess of revenues over expenditures	<u>1,043,460</u>	<u>1,607,860</u>	<u>2,318,564</u>	<u>710,704</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from capital leases	63,000	68,725	68,725	-
Transfer in	-	49,798	51,799	2,001
Transfer out	(1,408,325)	(1,837,738)	(1,837,722)	16
Sale of capital assets	2,500	4,420	4,422	2
Net change in fund balances	<u>(299,365)</u>	<u>(106,935)</u>	<u>605,788</u>	<u>712,723</u>
<b>FUND BALANCES - beginning of year</b>	<u>2,766,402</u>	<u>2,766,402</u>	<u>2,766,402</u>	<u>-</u>
<b>FUND BALANCES - end of year</b>	<u>\$ 2,467,037</u>	<u>\$ 2,659,467</u>	<u>\$ 3,372,190</u>	<u>\$ 712,723</u>

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

**proprietary funds  
statement of  
net assets**

**june 30, 2005**

	Major Enterprise Fund <u>Water and Sewer Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 62,039
Accounts receivable	7,922
Due from other funds	328
Total current assets	<u>70,289</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	2,925
Capital assets, nondepreciable	371,440
Capital assets, depreciable, net of accumulated depreciation	1,831,140
Total noncurrent assets	<u>2,205,505</u>
Total assets	<u>2,275,794</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	265,149
Retainage payable	14,797
Accrued interest	3,135
Total current liabilities	<u>283,081</u>
Noncurrent liabilities:	
Payable from restricted assets:	
Customer deposits payable	2,925
Notes payable	106,685
Total noncurrent liabilities	<u>109,610</u>
Total liabilities	<u>392,691</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	2,095,895
Unrestricted	(212,792)
Total net assets	<u>\$ 1,883,103</u>

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

proprietary funds  
statement of  
revenues,  
expenses and  
changes in fund  
net assets

year ended  
june 30, 2005

	Major Enterprise Fund
	<u>Water and Sewer Fund</u>
<b>OPERATING REVENUES</b>	
Water and sewer charges	\$ <u>73,964</u>
<b>OPERATING EXPENSES</b>	
Salaries and benefits	17,647
Contracted services	11,538
Supplies	35,583
Depreciation	<u>34,942</u>
Total operating expenses	<u>99,710</u>
Operating loss	<u>(25,746)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	437
Interest expense	<u>(2,939)</u>
Total nonoperating revenues (expenses)	<u>(2,502)</u>
Net loss	(28,248)
Total net assets - beginning	<u>1,911,351</u>
Total net assets - ending	<u>\$ 1,883,103</u>

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

**proprietary funds  
statement of  
cash flows**

**year ended  
june 30, 2005**

	Major Enterprise Fund
	<u>Water and Sewer Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 71,477
Payments to employees	(17,647)
Payments to suppliers for goods and services	(42,220)
Net cash provided by operating activities	<u>11,610</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	(35,172)
Payment of due to for a prior period capital asset	(26,548)
Issuance of notes payable	48,852
Net cash used by capital and related financing activities	<u>(12,868)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	437
Net cash provided by investing activities	<u>437</u>
Net decrease in cash and cash equivalents	(821)
Cash and cash equivalents - beginning	65,785
Cash and cash equivalents - ending	<u>\$ 64,964</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING ACTIVITIES</b>	
<b>Cash flows from operating activities</b>	
Operating loss	\$ (25,746)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	34,942
<b>Change in assets and liabilities</b>	
(Increase) decrease in accounts receivable	(2,369)
(Increase) decrease in due to other funds	(328)
Increase (decrease) in accounts payable not related to a capital assets	5,229
Increase (decrease) in customer deposits	(118)
Net cash provided by operating activities	<u>\$ 11,610</u>

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

fiduciary fund  
statement of  
fiduciary  
assets and liabilities

june 30, 2005

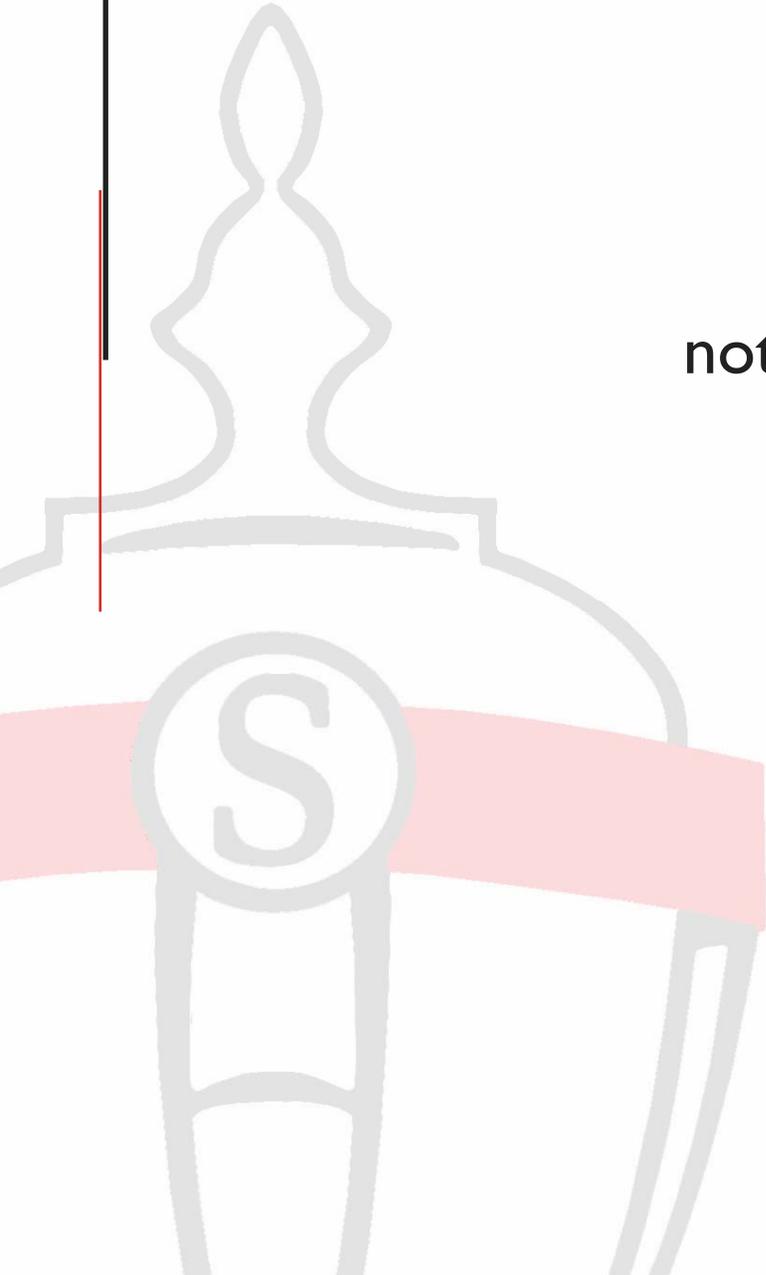
**ASSETS**Cash and cash equivalents  
Accounts receivable  
Total assets

	<u>Agency Fund</u>
\$	31,611
	<u>1,387</u>
	<u><u>32,998</u></u>

**LIABILITIES**Due to others  
Total liabilities

	<u>32,998</u>
\$	<u><u>32,998</u></u>

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



notes to financial statements

**notes to the  
financial statements**

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**Note I.****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Reporting Entity**

The City of Suwanee (the City) operates under a Council-Manager form of government and provides the following services to its citizens: public safety (police), public works, recreation and parks, planning and zoning, building inspection, code enforcement, community development, municipal court services, and general and administrative services. The City also provides water services to a portion of the City's residents.

The financial statements of the City, have been prepared in conformity with the accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationships with the City. In conformity with GASB Statement No. 14, "The Financial Reporting Entity", the component unit's financial statements have been included as a discretely presented component unit which is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The Downtown Development Authority (the "DDA") has been included as a discretely presented component unit in the accompanying financial statements. The seven (7) members of the Downtown Development Authority are appointed by the City Council and the Authority's budget must be approved by the City Council.

Blended component units, although also legally separate entities, are in substance, part of the City's operations, and data from these units are combined with the data of the City of Suwanee.

The Urban Redevelopment Agency of the City of Suwanee was established as a legally separate entity on August 22, 2002. The five (5) members of the Urban Redevelopment Agency are appointed by the Mayor and City Council and they may also be removed by the Mayor and City Council. The Urban Redevelopment Agency provides a means to issue revenue bonds for development within the City. Although it is legally separate from the City, the Urban Redevelopment Agency is reported as if it were a part of the primary government because its sole purpose is to finance the City's acquisition of property within the City's redevelopment district.

The City of Suwanee Downtown Development Authority and the Urban Redevelopment Agency of the City of Suwanee's financial information is maintained by the City's Finance Department. However, separate financial statements will not be prepared.

### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. (For the most part, the effect of interfund activity has been removed from these statements). Government-wide financial statements do not provide information by fund or account group, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units. The statement of net assets will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

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

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

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in a different fund.

The **Debt Service Fund** accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest associated with general government functions.

The **Open Space/Green Space Capital Projects Fund** is used to account for financial resources provided from the 2002 General Obligation Bond Issue. The bonds were issued to fund the purchase of land and green space.

The **Town Center Facility Improvements Capital Projects Fund** is used to account for the long-term capital facility project at the Town Center URA property site. Current funding for this project has been provided by the funds raised from the two parcels sold at the URA property site.

The City aggregates other non-major governmental funds in a single column in the fund financial statements.

The City reports the following major enterprise fund:

The **Water and Sewer Fund** accounts for the operation of the water and sewerage system including all revenues from sources applicable to the system's operations and all expenses of the operation.

Additionally, the City reports the following fund types:

The **Agency Fund** is used to account for assets held by the City's Municipal Court until they can be disbursed to other parties.

### **C. Measurement Focus and Basis of Accounting**

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

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

Property taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned.

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

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

#### **D. Cash and Investments**

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

State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime banker's acceptances; repurchase agreements; and the Georgia local government investment pool (Georgia Fund I). Georgia Fund I, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds and is managed by the State Office of Treasury and Fiscal Services. However, Georgia Fund I operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on a \$1.00 per share. The fair value of the City's position in the pool is the same as the value of pool shares (\$1 per share value). The City's other investments are reported at fair value, based on quoted market prices.

**E. Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**F. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets’ lives are not capitalized.

Capital assets of the City are depreciated using the straight line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
Land improvements	50
Buildings	40
Public domain infrastructure	50-100
System infrastructure	10-40
Equipment	3-30

**G. Compensated Absences**

It is the City’s policy to permit employees to accumulate earned but unused vacation and sickpay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when the employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**H. Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**I. Net Assets and Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Net assets in the statement of net assets are distinguished between amounts invested in capital assets (net of any related debt), amounts that are restricted for use by third parties or outside requirements, and amounts that are unrestricted.

**J. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2.**

**RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS**

**Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.”

The details of this \$17,100,770 difference are as follows:

Capital leases payable	\$ (134,170)
Compensated absences payable	(226,600)
Bonds payable	<u>(16,740,000)</u>
Net adjustment to reduce <i>fund balance</i> - total governmental funds to arrive at net assets - governmental activities	<u>\$ (17,100,770)</u>

### Note 3.

#### LEGAL COMPLIANCE - BUDGETS

##### A. Budgets and Budgetary Accounting

The City of Suwanee, Georgia follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City's annual budget is prepared based on anticipated revenues and appropriated expenditures. Revenue anticipation is designed to help insure fiscal responsibility and maintain a balanced budget. Budgeting is the responsibility of the Mayor and the City Council members, with assistance provided by the City Manager and his designated staff persons.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted by passage of an ordinance.
4. The budget was originally adopted on June 15, 2004. The level of legal budgetary control is the department level. Council approval is required to increase or decrease the total budget of any department.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, Special Revenue Funds, and Debt Service Funds. Project length budgets are adopted for all Capital Projects Funds.

The supplementary budgetary appropriations made were not material.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At June 30, 2005, there were no outstanding encumbrances.

**B. Deficit Fund Equity**

The Better Parks Campaign Special Revenue Fund had a deficit fund balance of \$1,167 as of June 30, 2005. This deficit will be eliminated through future donations made to the Better Parks Campaign.

**Note 4.**

**DEPOSITS AND INVESTMENTS**

**Custodial credit risk – deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2005 the City has no uncollateralized deposits.

**Investments.** At June 30, 2005, the City's investments consisted solely of certificates of deposit which did not qualify as cash equivalents under the City's policy. All certificates of deposit are covered under the custodial credit risk – deposit footnote above.

**Note 5.**

**RECEIVABLES**

The City receives property tax assessments from Gwinnett County. Tax bills were levied on all real and personal property as of January 1, 2004 and were mailed to taxpayers on October 1, 2004. The due date for these taxes was December 20, 2004, and after that date, both penalty and interest are accrued until the taxes are collected. The lien date was January 1, 2005. Receivables are recorded when taxes are levied and billed (October 1).

Receivables at June 30, 2005 for the City's individual major funds and non-major funds in the aggregate are as follows. There is no allowance for uncollectible accounts related to these receivables.

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Water and Sewer</b>	<b>Total</b>
Receivables:				
Property taxes	\$ 132,844	\$ -	\$ -	\$ 132,844
Sales taxes	-	427,959	-	427,959
Other	124,159	11,910	7,922	143,991
Net total receivables	<u>\$ 257,003</u>	<u>\$ 439,869</u>	<u>\$ 7,922</u>	<u>\$ 704,794</u>

## Note 6.

## CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 10,859,575	\$ -	\$ (767,376)	\$ -	\$ 10,092,199
Construction in progress	7,853,590	1,121,063	-	(4,238,518)	4,736,135
Total	<u>18,713,165</u>	<u>1,121,063</u>	<u>(767,376)</u>	<u>(4,238,518)</u>	<u>14,828,334</u>
Capital assets, being depreciated:					
Land improvements	262,100	1,085	-	-	263,185
Buildings and improvements	1,996,796	-	-	4,238,518	6,235,314
Machinery and equipment	956,921	55,301	(39,514)	-	972,708
Vehicles	819,766	64,092	(91,479)	-	792,379
Infrastructure	16,256,566	9,074,242	-	-	25,330,808
Total	<u>20,292,149</u>	<u>9,194,720</u>	<u>(130,993)</u>	<u>4,238,518</u>	<u>33,594,394</u>
Less accumulated depreciation for:					
Land improvements	92,685	13,007	-	-	105,692
Buildings and improvements	295,191	70,386	-	-	365,577
Machinery and equipment	465,815	88,056	(33,114)	-	520,757
Vehicles	438,740	84,994	(85,555)	-	438,179
Infrastructure	5,872,115	811,356	-	-	6,683,471
Total	<u>7,164,546</u>	<u>1,067,799</u>	<u>(118,669)</u>	<u>-</u>	<u>8,113,676</u>
Total capital assets, being depreciated, net	<u>13,127,603</u>	<u>8,126,921</u>	<u>(12,324)</u>	<u>4,238,518</u>	<u>25,480,718</u>
Governmental activities capital assets, net	<u>\$ 31,840,768</u>	<u>\$ 9,247,984</u>	<u>\$ (779,700)</u>	<u>\$ -</u>	<u>\$ 40,309,052</u>

Business capital assets activity for the year ended June 30, 2005 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities</b>					
<b>Water and Sewer Fund:</b>					
Capital assets, not being depreciated:					
Land	\$ -	\$ 7,500	\$ -	\$ -	\$ 7,500
Construction in progress	64,129	299,811	-	-	363,940
Total	<u>64,129</u>	<u>307,311</u>	<u>-</u>	<u>-</u>	<u>371,440</u>
Capital assets, being depreciated:					
Land improvements	4,944	-	-	-	4,944
Machinery and equipment	19,664	-	-	-	19,664
Water system	2,208,202	1,920	-	-	2,210,122
Total	<u>2,232,810</u>	<u>1,920</u>	<u>-</u>	<u>-</u>	<u>2,234,730</u>
Less accumulated depreciation for:					
Land improvements	1,359	248	-	-	1,607
Machinery and equipment	3,991	707	-	-	4,698
Water system	363,298	33,987	-	-	397,285
Total	<u>368,648</u>	<u>34,942</u>	<u>-</u>	<u>-</u>	<u>403,590</u>
Total capital assets, being depreciated, net	<u>1,864,162</u>	<u>33,022</u>	<u>-</u>	<u>-</u>	<u>1,831,140</u>
Business-type activities capital assets, net	<u>\$ 1,928,291</u>	<u>\$ 274,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,202,580</u>

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

Governmental activities:	
General government	\$ 84,993
Judicial	1,434
Public safety	95,156
Public works	838,044
Culture & recreation	39,796
Housing & development	<u>8,376</u>
Total depreciation expense - governmental activities	<u><u>1,067,799</u></u>
Business-type activities:	
Water & Sewer	<u>34,942</u>
Total depreciation expense - business-type activities:	<u><u>\$ 34,942</u></u>

## Note 7.

### LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2005.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Capital leases	\$ 178,171	\$ 68,725	\$ (112,726)	\$ 134,170	\$ 70,277
General obligation bonds	17,065,000	-	(325,000)	16,740,000	335,000
Revenue bonds	1,259,830	-	(1,259,830)	-	-
Compensated absences	172,971	147,029	(93,400)	226,600	72,512
Governmental activities					
Long-term liabilities	<u>\$ 18,675,972</u>	<u>\$ 215,754</u>	<u>\$ (1,790,956)</u>	<u>\$ 17,100,770</u>	<u>\$ 477,789</u>

For governmental activities, compensated absences and capital leases are generally liquidated by the General Fund.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type activities</b>					
Notes payable	\$ 57,833	\$ 48,852	\$ -	\$ 106,685	\$ -
Business-type activities					
Long-term liabilities	<u>\$ 57,833</u>	<u>\$ 48,852</u>	<u>\$ -</u>	<u>\$ 106,685</u>	<u>\$ -</u>

**Capital Leases.** The City has entered into lease agreements as lessee for financing the acquisition of vehicles and equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The cost of assets under capital leases as of June 30, 2005:

	<u>Governmental Activities</u>
Equipment	<u>\$ 407,034</u>

The City's total capital lease debt service requirements to maturity are as follows:

Fiscal year ending June 30,	
2006	\$ 76,019
2007	51,487
2008	<u>12,025</u>
Total minimum lease payments	139,531
Less amount representing interest	<u>5,361</u>
Present value of future minimum lease payments	<u>\$ 134,170</u>

**General Obligation Bonds.** General obligation bonds are direct obligations and pledge the full faith and credit of the City. During the 2002 fiscal year, the City issued \$17,695,000 in general obligation bonds to finance the costs of acquiring and improving land to be used for greenspace and passive park and recreational areas. The bonds, maturing in January 2032, have interest rates that range from 4.50% to 7.00%. The amount of general obligation bonds outstanding at June 30, 2005 is \$16,740,000.

The debt service requirements to maturity on the general obligation bonds are as follows:

Year ending June 30,	Principal	Interest
2006	335,000	885,394
2007	350,000	865,606
2008	360,000	840,756
2009	370,000	815,206
2010	390,000	788,606
2011-2015	2,195,000	3,560,188
2016-2020	2,735,000	2,948,406
2021-2025	3,475,000	2,166,278
2026-2030	4,430,000	1,153,713
2031-2032	2,100,000	111,562
Total	<u>\$ 16,740,000</u>	<u>\$ 14,135,715</u>

**Notes Payable.** During the year ended June 30, 2005, the Water and Sewer Fund had a construction loan approved of up to \$380,000 with the Georgia Environmental Facilities Authority. This construction loan bears interest of 3.98%. As of June 30, 2005, the City had drawn funds in the amount of \$106,685 on this construction loan. When construction is complete, the City has an agreement with the Georgia Environmental Facilities Authority to transfer the full amount of the construction loan drawn into a long-term note payable. No amount of this note is expected to be payable in the next fiscal year and thus the amount drawn to date is classified as long-term.

**Note 8.**

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2005 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water and Sewer Fund	General Fund	\$ 328
General Fund	Non-major governmental funds	3,000
		<u>3,328</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of interfund transfers for the year ended June 30, 2005 is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Non-major governmental funds	\$ 51,799
Town Center Facility Improvements	General Fund	31,990
Town Center Facility Improvements	Non-major governmental funds	1,000,000
Debt Service Fund	General Fund	1,646,601
Debt Service Fund	Non-major governmental funds	1,162,399
Non-major governmental funds	General Fund	159,131
Non-major governmental funds	Non-major governmental funds	144,999
		<u>4,196,919</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 9.****JOINT VENTURE**

Under Georgia law, the City, in conjunction with other cities and counties in the ten (10) county Atlanta area, is a member of the Atlanta Regional Commission (Regional Development Center - RDC) and is required to pay annual dues thereto. During its fiscal year ended June 30, 2005, the City's membership dues were paid by Gwinnett County, Georgia. The City did not pay any annual dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia.

The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

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

**Note 10.****PENSION PLAN**

The City's supplemental pension plan, City of Suwanee Money Purchase Pension Plan, a defined contribution plan is administered by an insurance company, the Principal Financial Group. All full-time employees are covered after ninety (90) days of service. The City is required to contribute 5% of annual covered payroll, with 100% of these funds going into a fixed-rate savings account. Plan provisions do not allow for employee contributions. The City's total payroll for the fiscal year was \$3,273,395, including \$2,832,980 of payroll covered by the plan. Contributions by the City totaled \$128,581 for the fiscal year ended June 30, 2005. Plan provisions and contribution requirements are established by City ordinance and may be amended by the Suwanee City Council.

The employee vesting schedule is as follows:

Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years	100%

**Note 11.****RISK MANAGEMENT**

The City is exposed to various risks of losses related to: torts, thefts 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 Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

A part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's 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 pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law 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.

Settled claims in the past three (3) years have not exceeded insurance coverage.

**Note 12.****COMMITMENTS AND CONTINGENCIES****Contractual Commitments:**

In addition to the liabilities enumerated in the balance sheet at June 30, 2005, the City has contractual commitments on uncompleted construction contracts of approximately \$137,568 for building renovation, community development, and expansion.

**Litigation:**

The City is involved in several pending lawsuits in the normal course of the City's business. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

**Grant Contingencies:**

The City has received grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

**Note 13.****HOTEL / MOTEL TAX**

The City believes it is in compliance with OCGA Section 36-81-7 related to the disbursement of hotel/motel taxes collected. Obligated collections were \$153,562 (40% of \$383,905) as reported in the City's Hotel/Motel Tax Fund. Expenditures totaled \$184,247 leaving a fund balance of \$74,211 to be used for tourism and trade.

**Note 14.****FUND CHANGES**

The following funds were created during the current fiscal year:

The **Cemetery Fund** was created as a special revenue fund. This fund will be used to account for the revenues and expenditures associated with raising the needed resources for the renovation of a local historic cemetery.

The **Town Center Fountain Fund** was created as a capital projects fund. This fund was opened to account for the interactive fountain to be built at Town Center Park.

The **Town Center Facility Improvement Fund** was created as a capital projects fund. This fund will be used to account for the long term capital facility project at the Town Center URA property site.

**Note 15.****PRIOR PERIOD ADJUSTMENT**

The government-wide net assets have been restated to decrease construction in progress in capital assets to properly reflect the cost of land associated with the projects. The restatement affected beginning net assets as previously reported in the Statement of Net Assets as follows:

	<u>Governmental Activities</u>
Net Assets, as previously reported	\$ 22,752,213
Effect of correcting capital assets	(1,978,285)
Net assets, as restated	<u>\$ 20,773,928</u>

**Note 16.**

**SPECIAL ITEM**

During fiscal year 2005, the City sold 2 tracks of land with a book value of \$767,376. These parcels were sold for \$2,212,472 resulting in a gain on the sale of capital assets of \$1,445,096 reported in the government-wide financial statements. This gain on the sale of capital assets was reported as a special item in the Statement of Activities due to the infrequent nature with which the City sells land that it owns. The proceeds from the sale were also reported in the governmental fund financial statements as a special item of \$2,208,051.

**Note 17.**

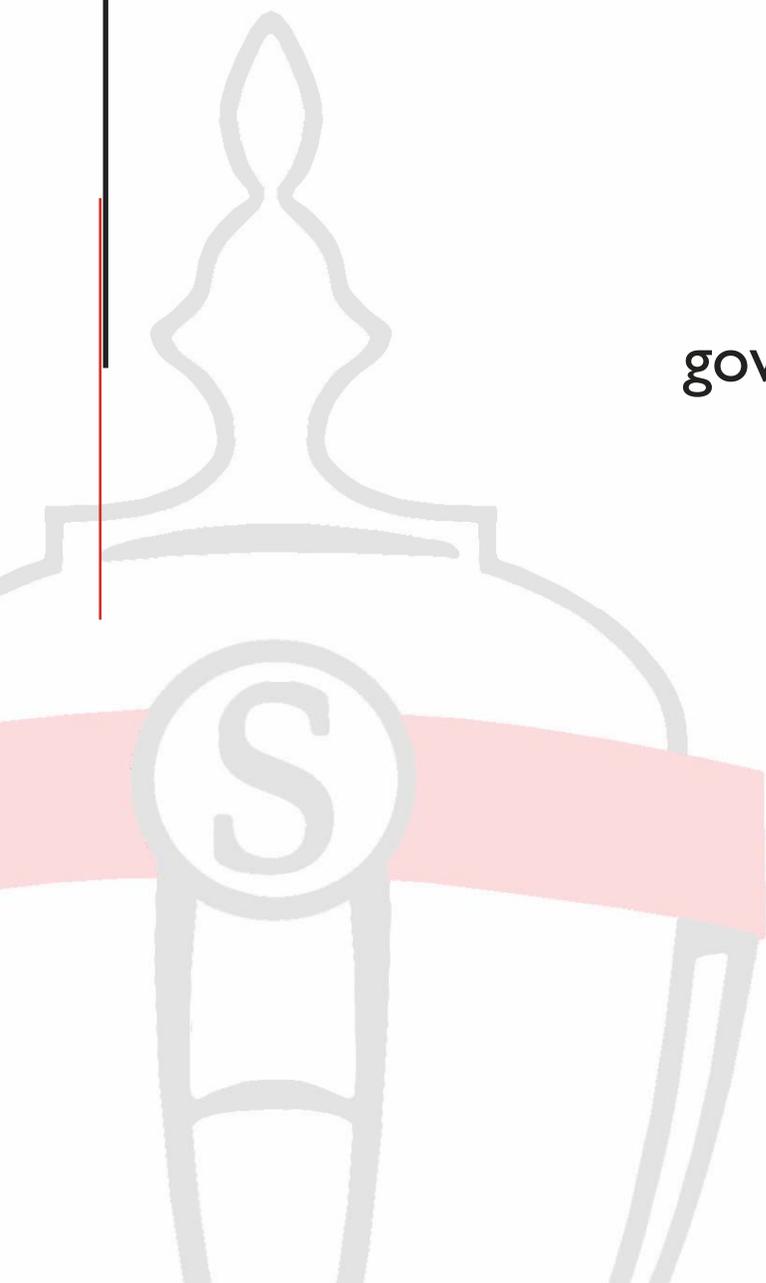
**SUBSEQUENT EVENTS**

Effective November 1, 2005, the City is changing its retirement program for full time employees from a 401(a) defined contribution plan with Principal to a defined benefit plan with Georgia Municipal Association. Employees hired or rehired on or after November 1, 2005 will automatically participate in the defined benefit plan. Current employees hired before November 1, 2005 will have a choice of remaining in the 401(a) plan or electing to participate in the defined benefit plan.

Employees that remain in the 401(a) plan will continue to receive contributions under the terms of the 401(a) plan. Currently the City contributes 5% of the employee's earnings to the 401(a) plan with no required employee contribution.

Employees electing to participate in the defined benefit plan will cease contributions to the 401(a) plan on November 1, 2005. All future employee and employer contributions will be made to the defined benefit plan. Prior full time service with the City will be counted for eligibility for retirement and death benefits for vesting. The City will be contributing 20% of full time service with the City before November 1, 2005 towards the amount of benefits payable under the plan. Employees may use their funds in the 401(a) plan to purchase some or all of the remaining past service to increase the amount of benefits payable under the plan. The defined benefit plan will require an employee contribution of 2% and the City will contribute 11% of regular earnings.

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governmental funds



**non-major  
governmental funds  
special revenue**

<b>Suwanee Day Fund</b>	Accounts for the donations received for the production of Suwanee Day.
<b>Better Parks Campaign Fund</b>	Accounts for financial resources associated with raising resources for the construction of an interactive fountain in the Town Center Park.
<b>Cemetery Fund</b>	Accounts for donations and contributions received for the Jackson Street Cemetery project.
<b>Confiscated Assets Fund</b>	Accounts for cash received either from a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.
<b>Hotel/Motel Tax Fund</b>	Accounts for the hotel/motel taxes collected as required by law.

**non-major  
governmental funds  
capital projects**

<b>2004 SPLOST</b>	The special purpose local option sales tax fund accounts for the financial resources provided by a one-cent special local option sales tax approved by voters in 2004.
<b>Suwanee Greenway</b>	Accounts for the financial resources used to construct the trail system that links George Pierce Park to McGinnis Ferry Road and Buford Highway, providing a useful alternative transportation corridor.
<b>Paved Streets</b>	Accounts for the financial resources that will be used to pave various streets in the city.
<b>Storm Drainage</b>	Accounts for the financial resources that will be used to improve storm drainage systems within the city.
<b>Town Center Fund</b>	Accounts for financial resources provided from the Urban Redevelopment Revenue Bond Issue. In September 2002, the City issued \$1.46 million in revenue bonds to finance the costs of acquiring and improving land to be used for the future City Hall location.
<b>Town Center Fountain</b>	Accounts for financial resources that will be used to build the interactive fountain at Town Center Park. Funding for this fountain includes the funds raised by the Better Parks Campaign , SPLOST funds, and a construction assistant grant from Gwinnett County.
<b>Pedestrian Underpass Fund</b>	Accounts for financial resources to be used to construct a pedestrian tunnel that connects from City Hall to Main Street.

non-major  
governmental funds  
combining balance  
sheet

june 30, 2005

	Special Revenue					Total Special Revenue Funds
	Suwanee Day	Better Parks Campaign	Cemetery Fund	Confiscated Assets	Hotel/Motel Tax	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 24,412	\$ 1,833	\$ 8,297	\$ 12,416	\$ 9,696	\$ 56,654
Investments	-	-	-	-	58,070	58,070
Sales taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	11,910	11,910
Total assets	<u>\$ 24,412</u>	<u>\$ 1,833</u>	<u>\$ 8,297</u>	<u>\$ 12,416</u>	<u>\$ 79,676</u>	<u>\$ 126,634</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 5,465	\$ 5,465
Due to other funds	-	3,000	-	-	-	3,000
Total liabilities	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>5,465</u>	<u>8,465</u>
Fund balances:						
Unreserved, undesignated	24,412	(1,167)	8,297	12,416	74,211	118,169
Total fund balances	<u>24,412</u>	<u>(1,167)</u>	<u>8,297</u>	<u>12,416</u>	<u>74,211</u>	<u>118,169</u>
Total liabilities and fund balances	<u>\$ 24,412</u>	<u>\$ 1,833</u>	<u>\$ 8,297</u>	<u>\$ 12,416</u>	<u>\$ 79,676</u>	<u>\$ 126,634</u>

Capital Projects

2004 SPLOST	Suwanee Greenway	Paved Streets	Storm Drainage	Town Center URA	Town Center Fountain	Pedestrian Underpass	Total Capital Projects Funds	Total Non-major Governmental Funds
\$ -	\$ -	\$ 66,505	\$ 88,614	\$ 48,844	\$ 129,899	\$ 187,632	\$ 521,494	\$ 578,148
-	-	-	-	-	-	-	-	58,070
427,959	-	-	-	-	-	-	427,959	427,959
-	-	-	-	-	-	-	-	11,910
<u>\$ 427,959</u>	<u>\$ -</u>	<u>\$ 66,505</u>	<u>\$ 88,614</u>	<u>\$ 48,844</u>	<u>\$ 129,899</u>	<u>\$ 187,632</u>	<u>\$ 949,453</u>	<u>\$ 1,076,087</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,465
-	-	-	-	-	-	-	-	3,000
-	-	-	-	-	-	-	-	8,465
<u>427,959</u>	<u>-</u>	<u>66,505</u>	<u>88,614</u>	<u>48,844</u>	<u>129,899</u>	<u>187,632</u>	<u>949,453</u>	<u>1,067,622</u>
<u>427,959</u>	<u>-</u>	<u>66,505</u>	<u>88,614</u>	<u>48,844</u>	<u>129,899</u>	<u>187,632</u>	<u>949,453</u>	<u>1,067,622</u>
<u>\$ 427,959</u>	<u>\$ -</u>	<u>\$ 66,505</u>	<u>\$ 88,614</u>	<u>\$ 48,844</u>	<u>\$ 129,899</u>	<u>\$ 187,632</u>	<u>\$ 949,453</u>	<u>\$ 1,076,087</u>

**non-major  
governmental funds  
combining statement  
of revenues,  
expenditures, and  
changes in fund  
balances**

**year ended  
june 30, 2005**

	Special Revenue					Total Special Revenue Funds
	Suwanee Day	Better Parks Campaign	Cemetery Fund	Confiscated Assets	Hotel/Motel Tax	
<b>REVENUES</b>						
Hotel/motel taxes	\$ -	\$ -	\$ -	\$ -	\$ 153,562	\$ 153,562
Sales taxes	-	-	-	-	-	-
Fines and forfeitures	-	-	-	7,640	-	7,640
Investment income	44	1,428	33	45	1,416	2,966
Contributions and donations	60,885	29,000	3,974	-	-	93,859
Intergovernmental	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-
Total revenues	<u>60,929</u>	<u>30,428</u>	<u>4,007</u>	<u>7,685</u>	<u>154,978</u>	<u>258,027</u>
<b>EXPENDITURES</b>						
Current:						
Police	-	-	-	24	-	24
Culture and recreation	61,527	8,479	-	-	-	70,006
Tourism and trade	-	-	-	-	184,247	184,247
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>61,527</u>	<u>8,479</u>	<u>-</u>	<u>24</u>	<u>184,247</u>	<u>254,277</u>
Excess of revenues over expenditures	<u>(598)</u>	<u>21,949</u>	<u>4,007</u>	<u>7,661</u>	<u>(29,269)</u>	<u>3,750</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	-	-	4,290	-	-	4,290
Transfer out	(2,000)	(145,000)	-	-	-	(147,000)
Total other financing sources (uses)	<u>(2,000)</u>	<u>(145,000)</u>	<u>4,290</u>	<u>-</u>	<u>-</u>	<u>(142,710)</u>
Special item-Sale of land	-	-	-	-	-	-
Net change in fund balance	<u>(2,598)</u>	<u>(123,051)</u>	<u>8,297</u>	<u>7,661</u>	<u>(29,269)</u>	<u>(138,960)</u>
<b>FUND BALANCES - beginning of year</b>	<u>27,010</u>	<u>121,884</u>	<u>-</u>	<u>4,755</u>	<u>103,480</u>	<u>257,129</u>
<b>FUND BALANCES - end of year</b>	<u>\$ 24,412</u>	<u>\$ (1,167)</u>	<u>\$ 8,297</u>	<u>\$ 12,416</u>	<u>\$ 74,211</u>	<u>\$ 118,169</u>

Capital Projects

2004 SPLOST	Suwanee Greenway	Paved Streets	Storm Drainage	Town Center URA	Town Center Fountain	Pedestrian Underpass	Total Capital Projects Funds	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,562
427,959	-	-	-	-	-	-	427,959	427,959
-	-	-	-	-	-	-	-	7,640
-	641	120	159	15,190	775	4,321	21,206	24,172
-	-	-	-	-	-	-	-	93,859
-	42,352	-	-	-	-	-	42,352	42,352
-	-	-	-	5,000	-	-	5,000	5,000
<u>427,959</u>	<u>42,993</u>	<u>120</u>	<u>159</u>	<u>20,190</u>	<u>775</u>	<u>4,321</u>	<u>496,517</u>	<u>754,544</u>
-	-	-	-	-	-	-	-	24
-	-	-	-	-	-	-	-	70,006
-	-	-	-	-	-	-	-	184,247
-	91,061	-	-	16,113	15,876	42,783	165,833	165,833
-	91,061	-	-	16,113	15,876	42,783	165,833	420,110
<u>427,959</u>	<u>(48,068)</u>	<u>120</u>	<u>159</u>	<u>4,077</u>	<u>(15,101)</u>	<u>(38,462)</u>	<u>330,684</u>	<u>334,434</u>
-	-	66,385	88,455	-	145,000	-	299,840	304,130
-	(49,799)	-	-	(2,162,398)	-	-	(2,212,197)	(2,359,197)
-	(49,799)	66,385	88,455	(2,162,398)	145,000	-	(1,912,357)	(2,055,067)
-	-	-	-	2,208,051	-	-	2,208,051	2,208,051
427,959	(97,867)	66,505	88,614	49,730	129,899	(38,462)	626,378	487,418
-	97,867	-	-	(886)	-	226,094	323,075	580,204
<u>\$ 427,959</u>	<u>\$ -</u>	<u>\$ 66,505</u>	<u>\$ 88,614</u>	<u>\$ 48,844</u>	<u>\$ 129,899</u>	<u>\$ 187,632</u>	<u>\$ 949,453</u>	<u>\$ 1,067,622</u>

special revenue funds  
schedule of  
revenues,  
expenditures, and  
changes in  
fund balances  
budget and actual  
  
year ended  
june 30, 2005

### Suwanee Day

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 44	\$ 44
Contributions and donations	41,000	53,085	60,885	7,800
Total revenues	41,000	53,085	60,929	7,844
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	41,000	63,030	61,527	1,503
Total expenditures	41,000	63,030	61,527	1,503
Excess of revenues over (under) expenditures	-	(9,945)	(598)	9,347
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(2,000)	(2,000)	-
Total other financing uses	-	(2,000)	(2,000)	-
Net change in fund balances	-	(11,945)	(2,598)	9,347
<b>FUND BALANCES - beginning of year</b>	27,010	27,010	27,010	-
<b>FUND BALANCES - end of year</b>	\$ 27,010	\$ 15,065	\$ 24,412	\$ 9,347

special revenue funds  
 schedule of  
 revenues,  
 expenditures, and  
 changes in  
 fund balances  
 budget and actual  
  
 year ended  
 june 30, 2005

**Better Parks Campaign**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ 1,110	\$ 1,428	\$ 318
Contributions and donations	36,000	28,000	29,000	1,000
Total revenues	36,000	29,110	30,428	1,318
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	36,000	29,110	8,479	20,631
Total expenditures	36,000	29,110	8,479	20,631
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out	-	(145,000)	(145,000)	-
Net change in fund balances	-	(145,000)	(123,051)	21,949
<b>FUND BALANCES - beginning of year</b>	121,884	121,884	121,884	-
<b>FUND BALANCES - end of year</b>	\$ 121,884	\$ (23,116)	\$ (1,167)	\$ 21,949

special revenue funds  
schedule of  
revenues,  
expenditures, and  
changes in  
fund balances  
budget and actual  
  
year ended  
june 30, 2005

	<b>Cemetery</b>			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 33	\$ 33
Contributions and donations	-	-	3,974	3,974
Total revenues	-	-	4,007	4,007
<b>EXPENDITURES</b>				
Current:				
Public works	4,290	4,290	-	4,290
Total expenditures	4,290	4,290	-	4,290
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	4,290	4,290	4,290	-
Net change in fund balances	-	-	8,297	8,297
<b>FUND BALANCES - beginning of year</b>	-	-	-	-
<b>FUND BALANCES - end of year</b>	\$ -	\$ -	\$ 8,297	\$ 8,297

special revenue funds  
schedule of  
revenues,  
expenditures, and  
changes in  
fund balances  
budget and actual  
  
year ended  
june 30, 2005

**Confiscated Assets**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ 7,650	\$ 7,640	\$ (10)
Investment income	-	100	45	(55)
Total revenues	-	7,750	7,685	(65)
<b>EXPENDITURES</b>				
Current:				
Police	-	7,750	24	7,726
Total expenditures	-	7,750	24	7,726
Net change in fund balances	-	-	7,661	7,661
<b>FUND BALANCES - beginning of year</b>	4,755	4,755	4,755	-
<b>FUND BALANCES - end of year</b>	\$ 4,755	\$ 4,755	\$ 12,416	\$ 7,661

special revenue funds  
schedule of  
revenues,  
expenditures, and  
changes in  
fund balances  
budget and actual

year ended  
june 30, 2005

### Hotel/Motel Tax Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 120,095	\$ 132,995	\$ 153,562	\$ 20,567
Investment income	2,000	2,000	1,416	(584)
Total revenues	122,095	134,995	154,978	19,983
<b>EXPENDITURES</b>				
Current:				
Tourism and trade	268,080	268,080	184,247	83,833
Total expenditures	268,080	268,080	184,247	83,833
Net change in fund balances	(145,985)	(133,085)	(29,269)	103,816
<b>FUND BALANCES - beginning of year</b>	103,480	103,480	103,480	-
<b>FUND BALANCES - end of year</b>	\$ (42,505)	\$ (29,605)	\$ 74,211	\$ 103,816

debt service fund  
schedule of  
revenues,  
expenditures, and  
changes in  
fund balance  
budget and actual  
  
year ended  
june 30, 2005

	Debt Service			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 1,000	\$ 5,000	\$ 7,783	\$ 2,783
Total revenues	<u>1,000</u>	<u>5,000</u>	<u>7,783</u>	<u>2,783</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal retirement	454,640	1,875,455	1,584,830	290,625
Interest	953,690	953,690	939,871	13,819
Fiscal agent fees	995	995	-	995
Total expenditures	<u>1,409,325</u>	<u>2,830,140</u>	<u>2,524,701</u>	<u>305,439</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	1,408,325	2,825,140	2,809,000	16,140
Net change in fund balances	-	-	292,082	292,082
<b>FUND BALANCES - beginning of year</b>	<u>119,246</u>	<u>119,246</u>	<u>119,246</u>	-
<b>FUND BALANCES - end of year</b>	<u>\$ 119,246</u>	<u>\$ 119,246</u>	<u>\$ 411,328</u>	<u>\$ 292,082</u>

**SPLOST proceeds  
schedule of  
expenditures  
2001 issue**

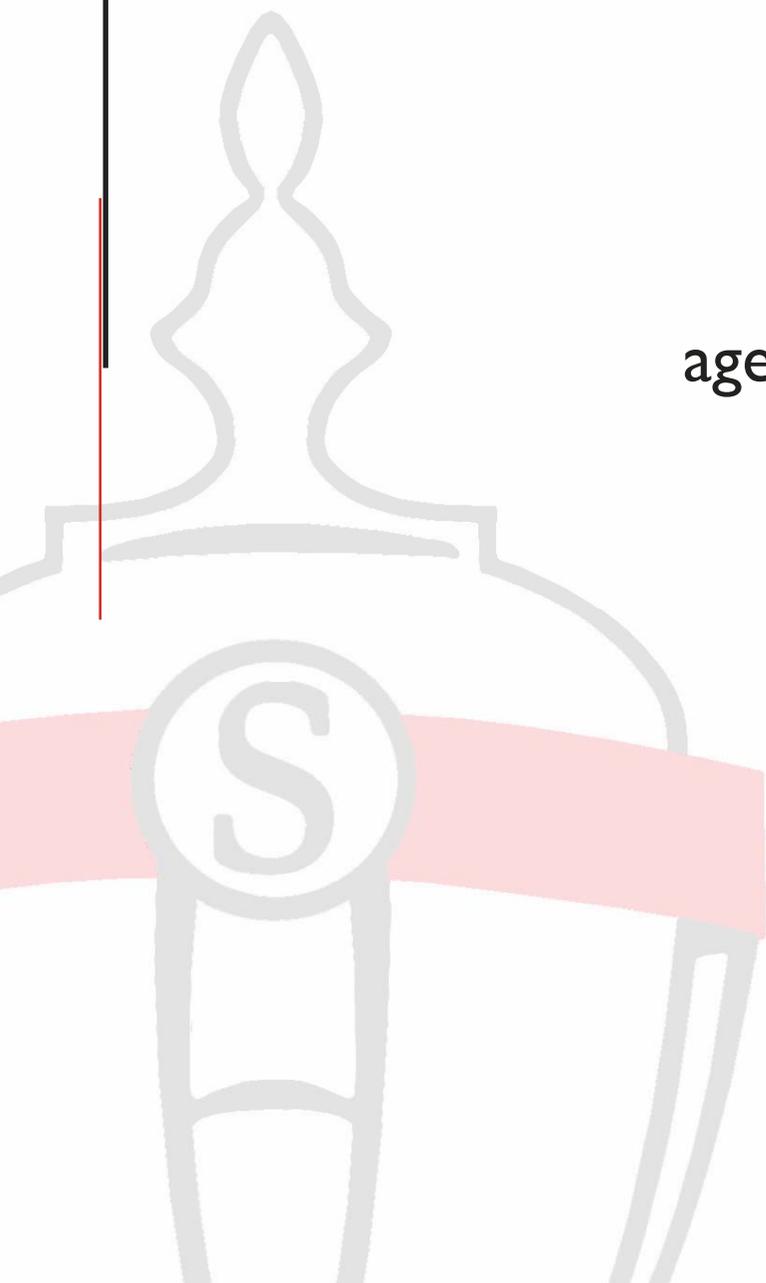
**year ended  
june 30, 2005**

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Transporation Project-Town Center	\$ 954,536	\$ 717,572	\$ 630,042	\$ 87,530	\$ 717,572
Parks & Recreation Project-Town Center	954,536	954,536	954,536	-	954,536
	<u>\$ 1,909,072</u>	<u>\$ 1,672,108</u>	<u>\$ 1,584,578</u>	<u>\$ 87,530</u>	<u>\$ 1,672,108</u>

**SPLOST proceeds  
schedule of  
expenditures  
2005 issue**

**year ended  
june 30, 2005**

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, Streets & Bridges	\$ 4,642,660	\$ 4,642,660	\$ -	\$ -	\$ -
Recreational Facilities	900,000	900,000	-	-	-
Public Safety Facilities and Equipment	1,054,400	1,054,400	-	-	-
	<u>\$ 6,597,060</u>	<u>\$ 6,597,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



agency fund



**agency fund**

**Municipal Court Fund**— Accounts for the collection of various fines and forfeitures (mostly traffic violations) which are disbursed to other parties.

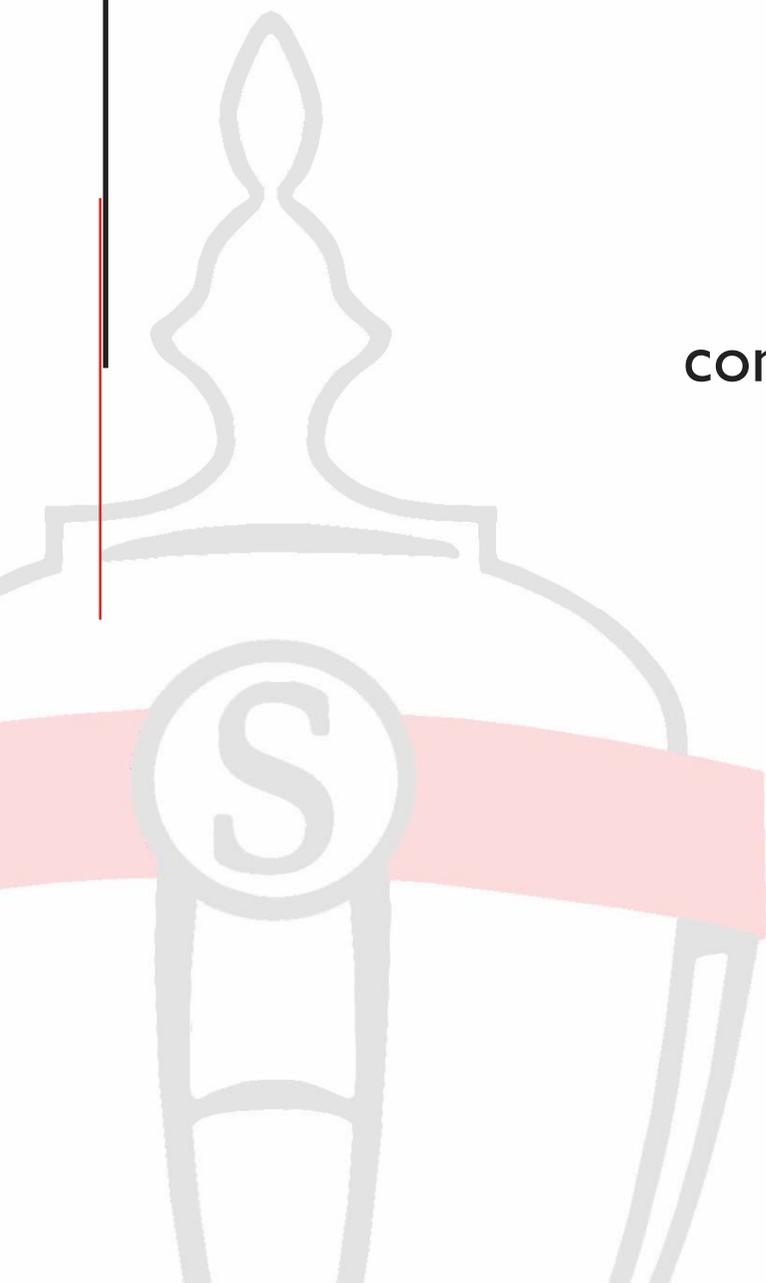


suwanee crossroads center — municipal court building

**municipal court fund  
statement of changes  
in assets and  
liabilities**

**year ended  
june 30, 2005**

	Balance June 30, 2004	Increases	Decreases	Balance June 30, 2005
Cash and cash equivalents	\$ 22,449	\$ 1,454,820	\$ 1,445,658	\$ 31,611
Accounts receivable	1,279	1,565	1,457	1,387
Total assets	<u>23,728</u>	<u>1,456,385</u>	<u>1,447,115</u>	<u>32,998</u>
Due to others	23,728	1,456,385	1,447,115	32,998
Total liabilities	<u>\$ 23,728</u>	<u>\$ 1,456,385</u>	<u>\$ 1,447,115</u>	<u>\$ 32,998</u>



component unit



**component unit**

**Downtown Development Authority** - The mission of the Downtown Development Authority of the City of Suwanee is to revitalize, create, and historically preserve, and maintain Old Town Suwanee so that it is a symbol of community pride, making it the heart of the City, and a visible example of why Suwanee is a great place to live, work, play, invest, and do business.



pierces corner — downtown suwanee

component unit  
balance sheet

june 30, 2005

	Downtown Development Authority
<b>ASSETS</b>	
Cash and cash equivalents	\$ 9,972
Total assets	<u>\$ 9,972</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$ 56
Total Liabilities	<u>56</u>
Fund Balances:	
Unreserved, undesignated	<u>9,916</u>
Total fund balances	<u>9,916</u>
Total liabilities and fund balances	<u>\$ 9,972</u>
Reconciliation of the balance sheet to the statement of net assets:	
<b>Fund balance</b>	\$ 9,916
<b>Capital assets</b> used in governmental activities are not financial resources and, therefore, are not reported in the fund.	<u>402,975</u>
<b>Net assets of governmental activities</b>	<u>\$ 412,891</u>

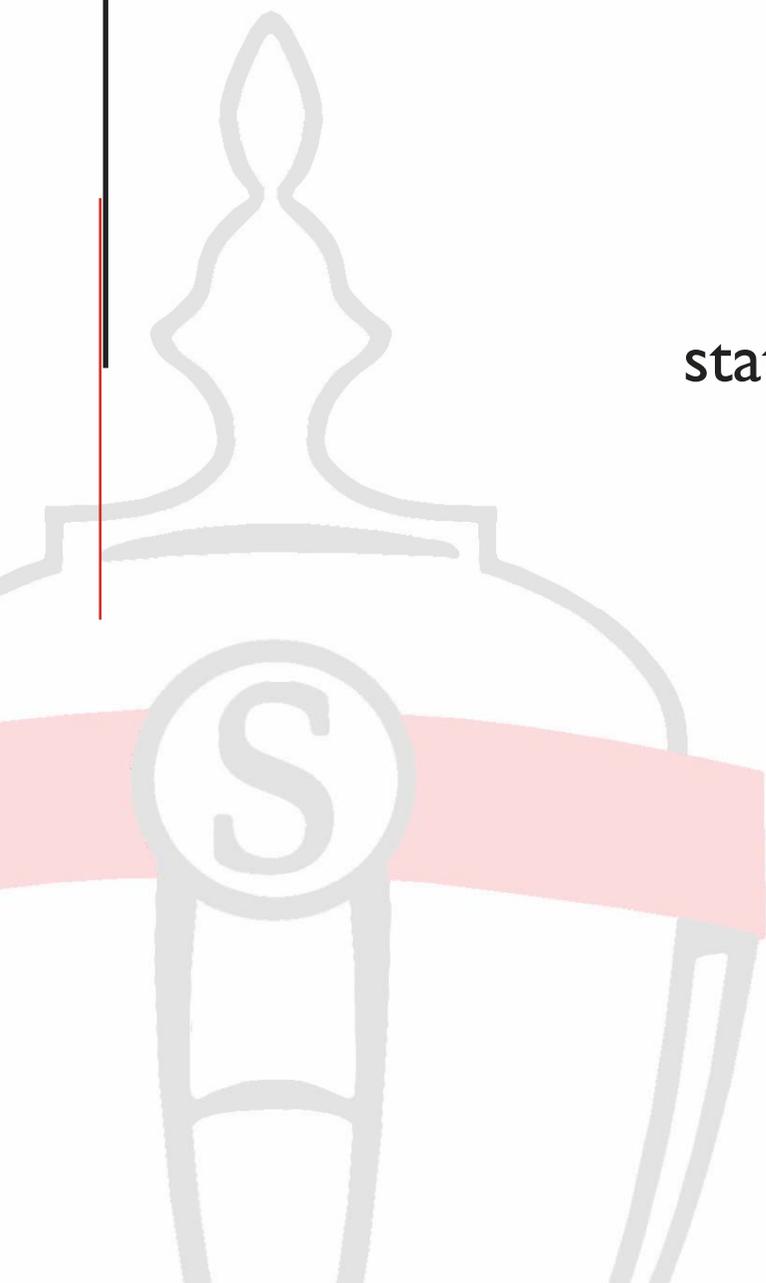
**component unit  
statement of  
revenues,  
expenditures and  
changes in  
fund balance**

**year ended  
june 30, 2005**

	Downtown Development Authority
<b>REVENUES:</b>	
Investment income	\$ 52
Contributions and donations	420,250
Total revenues	<u>420,302</u>
<b>EXPENDITURES:</b>	
Current:	
Housing and development	4,037
Capital Outlay	406,349
Total expenditures	<u>410,386</u>
Excess (deficiency) of revenues over (under) expenditures	9,916
Fund balances - beginning	-
Fund balances - ending	<u>\$ 9,916</u>
Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:	
Net change in fund balances-total governmental funds	\$ 9,916
Governmental Funds report capital outlay as expenditures. However, in the Government-wide Statements of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	
	405,000
	<u>(2,025)</u>
Change in net assets of governmental activities	<u>\$ 412,891</u>

component unit  
schedule of  
revenues,  
expenditures and  
changes in  
fund balance  
budget and actual  
  
year ended  
june 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ -	\$ 1	\$ 52	\$ 51
Contributions and donations	-	420,250	420,250	-
Miscellaneous revenue	-	-	-	-
Total revenues	-	420,251	420,302	51
<b>EXPENDITURES:</b>				
Current:				
Housing and development	-	13,902	4,037	9,865
Capital Outlay	-	406,349	406,349	-
Total expenditures	-	420,251	410,386	9,865
Excess of revenues over expenditures	-	-	9,916	9,916
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 9,916	\$ 9,916



statistical section



**statistical section  
(unaudited)**

The statistical section includes selected financial and general information often presented on a multi-year comparative basis. The statistics are used to provide detailed data on the physical, economic, social, and political characteristics of the City government.



city hall park

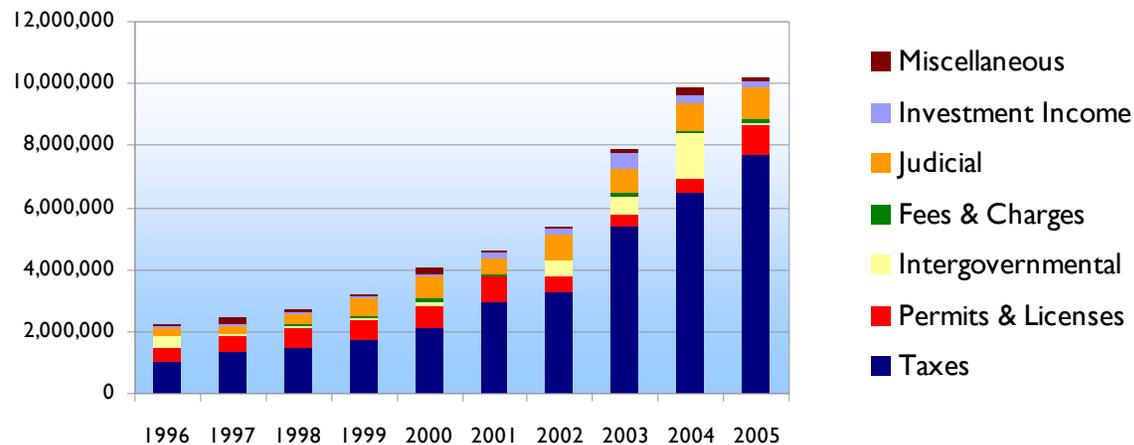
**general government revenues by source <sup>(1)</sup>  
last ten years**

Fiscal Year	<u>Taxes</u>		<u>Permits &amp; Licenses</u>		<u>Intergovernmental</u>		<u>General Governmental Fees &amp; Charges</u>	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
1996	\$ 1,022,743	45.3%	\$ 448,806	19.9%	\$ 401,201	17.8%	\$ -	-
1997	1,355,512	56.3%	487,250	20.2%	88,122	3.7%	-	-
1998	1,462,402	54.5%	640,086	23.9%	77,248	2.9%	45,286	1.7%
1999	1,754,631	54.7%	617,037	19.2%	80,805	2.5%	57,845	1.8%
2000	2,139,854	53.3%	687,939	17.1%	155,579	3.9%	65,213	1.6%
2001	2,939,938	63.8%	820,391	17.8%	10,156	0.2%	55,324	1.2%
2002	3,303,845	61.4%	477,914	8.9%	488,316	9.1%	48,905	0.9%
2003 <sup>(2)</sup>	5,398,952	68.3%	406,198	5.1%	578,561	7.3%	125,183	1.6%
2004 <sup>(3)</sup>	6,510,250	65.8%	427,549	4.3%	1,455,554	14.7%	68,244	0.7%
2005 <sup>(4)</sup>	7,702,971	75.3%	944,046	9.2%	111,427	1.1%	124,957	1.2%

## NOTES:

- (1) General Government revenues include revenues for General, Special Revenue, Debt Service and Capital Projects Funds.
- (2) In fiscal year 2003, the City's millage rate increased from 2.5 to 5.999. This increase was used to pay the debt service on the 2002 General Obligation Bonds.
- (3) In fiscal year 2004, the large increase in Intergovernmental funds is due to the \$1,404,392 in Federal Transportation funds received to complete phase III of the Suwanee Greenway Trail System. The City also received \$715,902 from Gwinnett County's 2001 Special Purpose Local Option Sales Tax (SPLOST) for the Town Center Park Project.
- (4) Intergovernmental revenues decrease in fiscal year 2005 due to the completion of the Suwanee Greenway project and the related federal funds received in fiscal year 2004.

<u>Judicial Fees &amp; Charges</u>		<u>Investment Income</u>		<u>Miscellaneous</u>		<u>Total</u>		Annual Percentage Increase (Decrease)
Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	
\$ 272,605	12.1%	\$ 46,542	2.1%	\$ 65,995	2.9%	\$ 2,257,892	100.0%	25.8%
249,091	10.3%	39,315	1.6%	189,433	7.9%	2,408,723	100.0%	6.3%
351,210	13.1%	37,033	1.4%	69,458	2.6%	2,682,723	100.0%	10.2%
585,680	18.3%	35,991	1.1%	75,025	2.3%	3,207,014	100.0%	16.3%
752,000	18.7%	55,837	1.4%	158,873	4.0%	4,015,295	100.0%	20.1%
543,730	11.8%	171,317	3.7%	68,546	1.5%	4,609,402	100.0%	12.9%
821,387	15.3%	191,296	3.6%	50,690	0.9%	5,382,353	100.0%	14.4%
772,931	9.8%	462,793	5.9%	164,546	2.1%	7,909,164	100.0%	31.9%
929,865	9.4%	249,547	2.6%	247,201	2.5%	9,888,210	100.0%	20.0%
980,134	9.6%	236,064	2.3%	133,241	1.3%	10,232,840	100.0%	3.4%



**general government expenditures by function <sup>(1)</sup>  
last ten years**

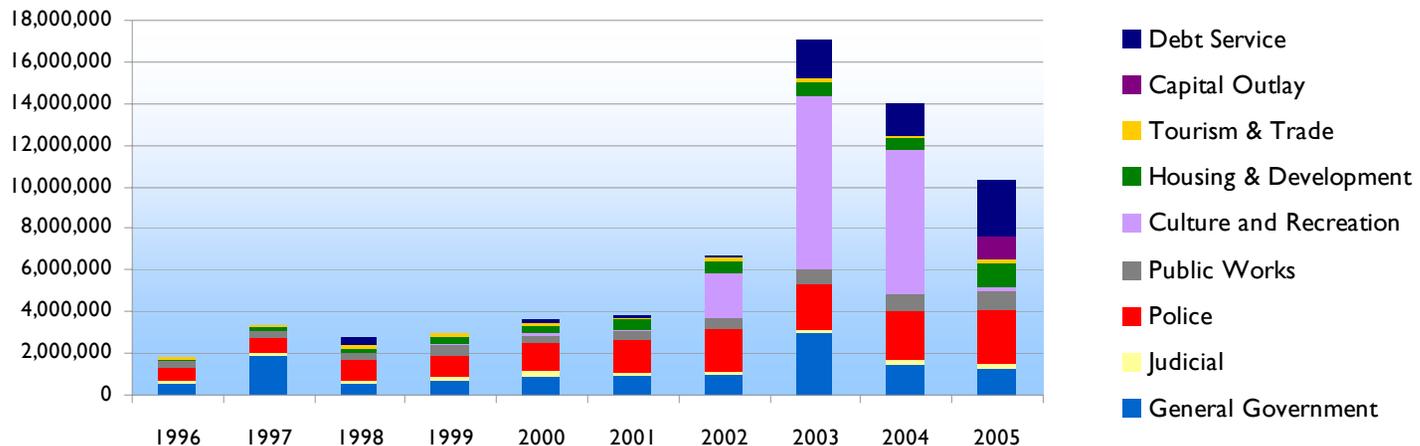
Function	1996		1997 <sup>(2)</sup>		1998		1999		2000	
	Amount	Percent of Total								
General government	\$ 576,107	31.6%	\$ 1,897,836	56.6%	\$ 607,042	22.0%	\$ 662,836	22.0%	\$ 816,896	22.6%
Judicial	108,877	6.0%	103,365	3.1%	110,608	4.0%	236,306	7.8%	296,892	8.2%
Public safety	668,684	36.6%	822,808	24.5%	999,376	36.3%	1,043,092	34.6%	1,350,912	37.4%
Public works	251,668	13.8%	242,236	7.2%	275,092	10.0%	478,058	15.9%	439,534	12.2%
Culture and recreation	60,521	3.3%	12,724	0.4%	31,945	1.2%	34,691	1.2%	58,729	1.6%
Housing & development	54,274	3.0%	193,601	5.8%	192,988	7.0%	297,198	9.9%	401,011	11.1%
Tourism & trade	105,170	5.8%	80,414	2.4%	179,118	6.5%	214,494	7.1%	104,103	2.9%
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	359,534	13.0%	46,351	1.5%	146,643	4.1%
<b>TOTAL</b>	<b>\$ 1,825,300</b>	<b>100.0%</b>	<b>\$ 3,352,984</b>	<b>100.0%</b>	<b>\$ 2,755,703</b>	<b>100.0%</b>	<b>\$ 3,013,026</b>	<b>100.0%</b>	<b>\$ 3,614,720</b>	<b>100.0%</b>
Annual Increase or (Decrease)	19%		84%		51%		9%		20%	

## NOTES:

- (1) General Government expenditures include expenditures for General, Special Revenue, Debt Service and Capital Projects Funds.
- (2) In fiscal year 1997, the City constructed a new City Hall.
- (3) In fiscal year 2003, the City purchased over 200 acres of open/green space for park lands. The City also acquired 13 acres of land for a new town center.
- (4) In fiscal year 2004, the City completed phase III of the Suwanee Greenway and completed construction of three new parks.
- (5) In fiscal year 2005, the City paid off the Urban Redevelopment loan.

	2001		2002		2003 <sup>(3)</sup>		2004 <sup>(4)</sup>		2005 <sup>(5)</sup>	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
\$	920,349	24.2%	\$ 948,744	14.1%	\$ 2,947,950	17.3%	\$ 1,471,703	10.5%	\$ 1,269,468	12.3%
	151,298	4.0%	161,403	2.4%	182,857	1.1%	218,740	1.6%	236,046	2.3%
	1,604,515	42.2%	2,001,586	29.8%	2,251,708	13.2%	2,376,153	16.9%	2,614,816	25.4%
	401,371	10.5%	656,913	9.8%	615,526	3.6%	829,520	5.9%	855,276	8.3%
	72,394	1.9%	2,105,738	31.4%	8,407,577	49.5%	6,839,057	48.8%	213,019	2.1%
	454,266	11.9%	581,551	8.7%	617,171	3.6%	623,757	4.4%	1,158,423	11.3%
	115,575	3.0%	125,976	1.9%	160,021	0.9%	134,362	1.0%	184,247	1.8%
	-	-	-	-	-	-	-	-	1,121,063	10.9%
	86,403	2.3%	124,337	1.9%	1,815,873	10.7%	1,532,517	10.9%	2,641,211	25.6%
\$	3,806,171	100.0%	\$ 6,706,248	100.0%	\$ 16,998,683	100.0%	\$ 14,025,809	100.0%	\$ 10,293,569	100.00%

5%                      76%                      153%                      (17%)                      (27%)



local tax revenues by source  
last ten years

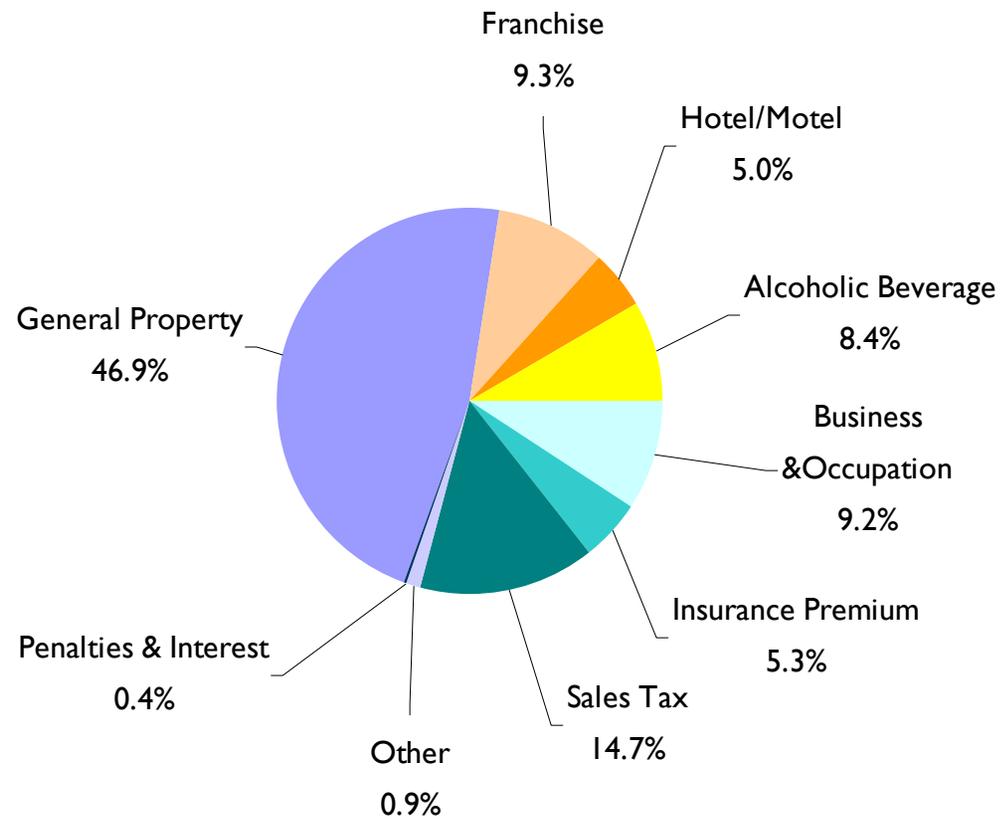
	1996	1997 <sup>(1)</sup>	1998	1990	2000 <sup>(2)</sup>	2001	2002
General property	\$ 286,589	\$ 402,207	\$ 459,913	\$ 530,651	\$ 689,689	\$ 856,804	\$ 955,639
Franchise	175,929	220,988	254,767	399,268	450,699	506,978	579,100
Hotel/Motel	248,854	339,242	286,725	309,321	388,981	441,520	370,329
Alcoholic beverage	199,238	269,026	335,973	410,289	435,884	507,384	469,714
Business & occupation	448,806	262,584	322,468	383,945	397,325	424,903	511,941
Insurance premium	79,619	85,090	90,254	94,671	98,065	104,558	316,927
Sales tax	-	-	-	-	-	-	-
Other	32,515	38,960	34,770	56,403	69,698	85,821	87,323
Penalties & interest on delinquent taxes	-	-	-	-	6,838	11,970	12,872
<b>TOTAL</b>	<b>\$ 1,471,550</b>	<b>\$ 1,618,097</b>	<b>\$ 1,784,870</b>	<b>\$ 2,184,548</b>	<b>\$ 2,537,179</b>	<b>\$ 2,939,938</b>	<b>\$ 3,303,845</b>

## NOTES:

- (1) In fiscal year 1997, the City passed an ordinance lowering the maximum amount to be charge for occupational certificates.
- (2) For fiscal periods prior to 2000, penalties and interest on delinquent taxes were recorded in the revenue source and not posted in separate revenue accounts.
- (3) In fiscal year 2003, the City's millage rate increased from 2.5 to 5.999. This increase was used to pay the debt service on the 2002 General Obligation Bonds.

2003 <sup>(3)</sup>	2004	2005
\$ 2,799,231	\$ 2,946,897	\$ 3,615,028
616,263	618,509	714,216
308,685	305,757	383,905
636,986	601,034	646,093
610,026	622,759	705,250
347,742	374,783	406,163
-	780,604	1,134,738
46,525	199,652	67,133
33,494	60,255	30,445
<b>\$ 5,398,952</b>	<b>\$ 6,510,250</b>	<b>\$ 7,702,971</b>

**2005**  
**Local tax revenue by source**



**assessed and estimated value of taxable property<sup>(1)</sup>  
last ten years**

Calendar Year	Real & Personal Property		Motor Vehicles		Total		Assessment Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1995	\$ 122,528,190	\$ 306,320,475	\$ 7,604,688	\$ 19,011,720	\$ 130,132,878	\$ 325,332,195	40%
1996	148,612,020	371,530,050	10,161,530	25,403,825	158,773,550	396,933,875	40%
1997	177,254,009	443,135,023	14,032,861	35,082,153	191,286,870	478,217,175	40%
1998	206,361,997	515,904,993	17,705,092	44,262,730	224,067,089	560,167,723	40%
1999 <sup>(2)</sup>	300,843,710	752,109,275	17,705,092	44,262,730	318,548,802	796,372,005	40%
2000	343,791,152	859,477,880	22,449,155	56,122,888	366,240,307	915,600,768	40%
2001	415,304,489	1,038,261,223	28,292,690	70,731,725	443,597,179	1,108,992,948	40%
2002	452,705,802	1,131,764,505	34,262,410	85,656,025	486,968,212	1,217,420,530	40%
2003	502,632,580	1,256,581,450	37,014,660	92,536,650	539,647,240	1,349,118,100	40%
2004	551,629,260	1,379,073,150	37,110,630	92,776,575	588,739,890	1,471,849,725	40%

## NOTES:

(1) Tax digest gross values before exemptions.

(2) The significant increase in property value from 1998 to 1999 is the result of a major reappraisal in 1999.

Source: Consolidated Digest Reports provided by Gwinnett County Tax Commissioner's Office

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real property value  
last ten years

<b>TAXABLE PROPERTY:</b>	1995	1996	1997	1998
Residence	\$ 169,267,400	\$ 212,204,750	\$ 260,144,450	\$ 307,143,300
Land	2,136,075	2,566,275	2,383,100	2,480,700
Commercial	96,443,600	109,824,725	130,610,300	159,320,500
Industrial	12,964,100	11,802,775	12,294,800	13,284,200
Conservation Use	3,705,525	4,779,425	4,026,300	4,084,300
<b>Total Taxable</b>	<b>\$ 284,516,700</b>	<b>\$ 341,177,950</b>	<b>\$ 409,458,950</b>	<b>\$ 486,313,000</b>
<b>TAX EXEMPT PROPERTY:</b>				
Public Property	\$ 2,349,800	\$ 2,391,700	\$ 2,457,600	\$ 3,177,100
Places of Religious Worship	4,547,400	4,781,500	4,858,600	4,858,600
Places of Religious Burial	77,700	77,700	77,700	77,700
Charity Hospitals	4,104,800	4,101,400	4,186,400	4,194,300
Educational Institutions	5,711,100	5,711,100	5,711,100	5,711,100
<b>Total Tax Exempt</b>	<b>\$ 16,790,800</b>	<b>\$ 17,063,400</b>	<b>\$ 17,291,400</b>	<b>\$ 18,018,800</b>
<b>Total Real Property Value</b>	<b>\$ 301,307,500</b>	<b>\$ 358,241,350</b>	<b>\$ 426,750,350</b>	<b>\$ 504,331,800</b>

Source: Consolidated Digest Reports provided by Gwinnett County Tax Commissioner's Office

	1999	2000	2001	2002	2003	2004
\$	371,267,400	\$ 422,773,375	\$ 502,901,975	\$ 558,025,725	\$ 594,492,225	\$ 648,248,825
	3,660,500	4,564,700	1,495,100	2,355,300	2,656,600	2,262,500
	221,647,800	229,176,925	233,446,850	291,775,625	361,258,625	381,957,975
	50,001,800	75,190,000	163,948,350	171,502,725	170,974,600	169,469,600
	9,477,300	9,803,600	3,453,500	6,096,800	5,279,300	5,439,700
\$	656,054,800	\$ 741,508,600	\$ 905,245,775	\$ 1,029,756,175	\$ 1,134,661,350	\$ 1,207,380,604
\$	7,184,100	\$ 7,687,400	\$ 8,464,000	\$ 9,514,100	\$ 14,366,300	\$ 18,187,900
	6,100,000	9,461,900	9,461,900	9,470,500	9,638,200	11,550,500
	195,400	195,400	195,400	195,400	195,400	195,400
	4,286,500	4,455,400	4,455,400	4,529,200	4,815,200	4,815,200
	6,217,700	6,217,700	6,217,700	8,550,300	8,550,300	8,550,300
\$	23,983,700	\$ 28,017,800	\$ 28,794,400	\$ 32,259,500	\$ 37,565,400	\$ 43,299,300
\$	680,038,500	\$ 769,526,400	\$ 934,040,175	\$ 1,062,015,675	\$ 1,172,226,750	\$ 1,250,679,904

**exempt real and personal property  
last ten years**

	1995	1996	1997	1998	1999
<b>EXEMPTIONS ALLOWED</b>					
Public Property	\$ 939,920	\$ 956,680	\$ 983,040	\$ 1,270,840	\$ 2,873,640
Places of Religious Worship	1,818,960	1,912,600	1,943,440	1,943,440	2,440,000
Places of Religious Burial	31,080	31,080	31,080	31,080	78,160
Charity Hospitals	1,641,920	1,640,560	1,674,560	1,677,720	1,714,600
Educational Institutions	2,284,440	2,284,440	2,284,440	2,284,440	2,487,080
Total Exempt	\$ 6,716,320	\$ 6,825,360	\$ 6,916,560	\$ 7,207,520	\$ 9,593,480
Taxable	\$ 122,528,190	\$ 148,612,020	\$ 177,254,009	\$ 206,361,997	\$ 300,843,710
Exempt	6,716,320	6,825,360	6,916,560	7,207,520	9,593,480
Total	\$ 129,244,510	\$ 155,437,380	\$ 184,170,569	\$ 213,569,517	\$ 310,437,190
Exempt as % of Total	5.2%	4.4%	3.8%	3.4%	3.1%
Taxable as % of Total	94.8%	95.6%	96.2%	96.6%	96.9%

## NOTES:

(1) The significant increase in 2003 and 2004 Public Property is due to the City's purchase of over 200 acres of open/green space for park land.

Source: Consolidated Digest Reports provided by Gwinnett County Tax Commissioner's Office

	2000	2001	2002	2003 <sup>(1)</sup>	2004 <sup>(1)</sup>	Percent Increase (Decrease) 1995-2004
\$	3,074,960	\$ 3,385,600	\$ 3,805,640	\$ 5,746,520	\$ 7,275,160	674.0%
	3,784,760	3,784,760	3,788,200	3,855,280	4,620,200	154.0%
	78,160	78,160	78,160	78,160	78,160	151.5%
	1,782,160	1,782,160	1,811,680	1,926,080	1,926,080	17.3%
	2,487,080	2,487,080	3,420,120	3,420,120	3,420,120	49.7%
\$	11,207,120	\$ 11,517,760	\$ 12,903,800	\$ 15,026,160	\$ 17,319,720	157.9%
\$	343,791,152	\$ 415,304,489	\$ 452,705,802	\$ 502,632,580	\$ 551,629,260	
	11,207,120	11,517,760	12,903,800	15,026,160	17,319,720	
\$	354,998,272	\$ 426,822,249	\$ 465,609,602	\$ 517,658,740	\$ 568,948,980	
	3.2%	2.7%	2.8%	2.9%	3.0%	
	96.8%	97.3%	97.2%	97.1%	97.0%	

tax digest  
last two years

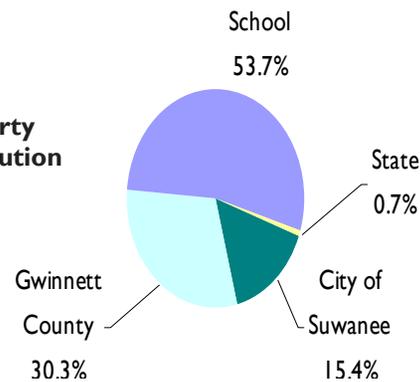
Digest	General Fund	
	2003	2004
Gross Property	\$ 502,632,580	\$ 551,629,260
Motor Vehicles	37,014,660	37,110,630
Mobile Homes	9,400	9,400
Gross Tax Digest	\$ 539,656,640	\$ 588,749,290
Less Exemptions:		
Homestead	\$ 1,661,640	\$ 1,808,640
Real Property	2,019,290	2,074,690
Personal Property	6,484,540	11,458,960
Total Exemptions	\$ 10,165,470	\$ 15,342,290
Net Tax Digest	\$ 529,491,170	\$ 573,407,000

Source: Consolidated Digest Reports provided by Gwinnett County Tax Commissioner's

**property tax rates direct and overlapping governments  
(per \$1,000 of assessed value) last ten years**

<b>JURISDICTION</b>	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>City of Suwanee</b>										
Maintenance and Operations	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.500	2.50	2.50
Debt Service								3.242	2.94	2.79
Capital								0.257	0.45	0.52
<b>Total City of Suwanee</b>	<b>2.50</b>	<b>5.999</b>	<b>5.89</b>	<b>5.81</b>						
<b>Gwinnett County</b>										
Maintenance and Operations										
Unincorporated/Municipalities	10.10	10.10	9.30	9.40	8.65	8.48	8.43	8.30	8.29	8.27
Debt Service	0.95	0.95	0.75	0.75	0.60	0.57	0.30	0.30	0.49	0.49
Fire Protection	2.90	2.90	2.40	2.30	2.10	2.06	1.90	1.87	1.87	1.87
Recreation	1.00	1.00	1.00	1.00	0.90	0.88	0.86	0.85	0.85	0.84
<b>Total Gwinnett County</b>	<b>14.95</b>	<b>14.95</b>	<b>13.45</b>	<b>13.45</b>	<b>12.25</b>	<b>11.99</b>	<b>11.49</b>	<b>11.32</b>	<b>11.50</b>	<b>11.47</b>
<b>School</b>										
Maintenance and Operations	17.10	17.10	17.10	18.10	17.45	17.12	18.62	18.62	18.87	18.87
Debt Service	4.75	3.65	3.65	2.65	2.30	2.05	1.80	1.68	1.43	1.43
<b>Total School</b>	<b>21.85</b>	<b>20.75</b>	<b>20.75</b>	<b>20.75</b>	<b>19.75</b>	<b>19.17</b>	<b>20.42</b>	<b>20.30</b>	<b>20.30</b>	<b>20.30</b>
<b>State</b>	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
<b>Total</b>	<b>39.55</b>	<b>38.45</b>	<b>36.95</b>	<b>36.95</b>	<b>34.75</b>	<b>33.91</b>	<b>34.66</b>	<b>37.869</b>	<b>37.94</b>	<b>37.83</b>

**2004 Property Tax Distribution**



Source: Gwinnett County Comprehensive Annual Financial Report for December 31, 2004

property tax levies and collections  
last ten years

Year	Total Tax Levy <sup>(1)</sup>	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
1996	\$ 327,679	\$ 279,623	85.3%	\$ 6,966	\$ 286,589	87.5%	\$ 18,539	5.7%
1997	390,177	383,320	98.2%	18,887	402,207	103.1%	21,344	5.5%
1998	482,638	457,346	94.8%	2,567	459,913	95.3%	56,255	11.7%
1999	569,190	512,844	90.1%	17,807	530,651	93.2%	33,321	5.9%
2000	710,344	671,228	94.5%	18,461	689,689	97.1%	59,824	8.4%
2001	835,607	820,058	98.1%	36,746	856,804	102.5%	33,552	4.0%
2002	1,087,771	944,110	86.8%	11,529	955,639	87.9%	95,688	8.8%
2003	2,787,421	2,779,439	99.7%	19,792	2,799,231	100.4%	94,681	3.4%
2004	2,909,099	2,875,854	98.9%	71,043	2,946,897	101.3%	162,072	5.6%
2005	3,291,780	3,255,174	98.9%	49,152	3,304,326	100.4%	132,844	4.0%

## NOTE:

(1) Relates to preceding calendar year digest.

**principal taxpayers  
june 30, 2005**

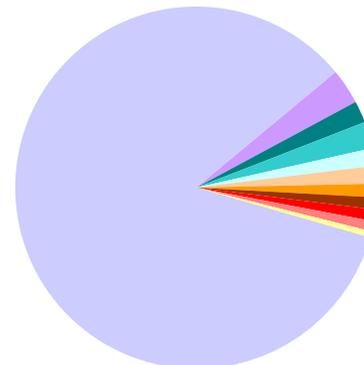
Taxpayer	Type of Business	Assessed Valuation	Percentage of Assessed Valuation	Current Year Tax Levy	Percentage of Current Year's Tax Levy
Caswyck-McGinnis LLC	Apartments	\$ 18,444,680	3.34%	\$ 101,687	3.09%
Schwans Bakery Operations LLC	Bakery Products	11,427,010	2.07%	56,793	1.73%
Harrington Farms LLC	Apartments	11,343,880	2.06%	54,536	1.66%
Wal-Mart	Retail	9,136,920	1.66%	54,121	1.64%
AMB Property LP	Office/Warehouse	8,877,130	1.61%	50,355	1.53%
Motorola, Inc.	Vacant Land	6,670,800	1.21%	41,583	1.26%
AMB-SCP Georgia	Office/Warehouse	6,600,000	1.20%	39,291	1.19%
Gwinnett Prado LP	Shopping Center and Vacant Land	5,289,600	0.96%	29,142	0.89%
Systemax Suwanee LLC	Technology	4,518,800	0.82%	26,616	0.81%
Horizon Creek I LP	Office/Warehouse and Vacant Land	4,105,980	0.74%	23,336	0.71%
All Other Taxpayers		465,214,460	84.33%	2,814,320	85.50%
<b>Total</b>		<b>\$ 551,629,260</b>	<b>100.00%</b>	<b>\$ 3,291,780</b>	<b>100.00%</b>

**NOTE:**

Assessed valuation for principal taxpayers includes real property, and utilities taxes and does not include intangible or motor vehicle taxes. Selection is based on the taxpayers with the largest assessed valuation.

Source: 2004 Tax Digest

**All Other Taxpayers 85.5%**



- Caswyck-McGinnis LLC
- Schwans Bakery Operations LLC
- Harrington Farms LLC
- Wal-Mart
- AMB Property LP
- Motorola, Inc.
- AMB-SCP Georgia
- Gwinnett Prado LP
- Systemax Suwanee LLC
- Horizon Creek I LP

**computation of  
legal debt margin  
june 30, 2005**

---

Assessed Value of All Taxable Property	\$ 573,407,000
Debt Limit: 10% of Assessed Value	57,340,700
Less: Amount of Debt Applicable to Constitutional Debt Limit	16,327,672
Legal Debt Margin	41,013,028
Percent of Debt Limit Used	28.5%

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## NOTE:

Assessed value of all taxable property has been reduced to reflect bond tax exemptions in the Amount of \$15,342,290; therefore, this reflects the conservative net bond digest amount.

**computation of direct and overlapping debt  
june 30, 2005**

Jurisdiction	Gross Debt Outstanding	Percent Applicable to City of Suwanee	Amount Applicable to City of Suwanee
<b>Direct Debt:</b>			
City of Suwanee General Obligation Bonds	\$ 16,740,000	100.00%	\$ 16,740,000
<b>Overlapping Debt: <sup>(1)</sup></b>			
Gwinnett County General Obligation Bonds	\$ 125,965,000	2.46%	\$ 3,098,739
Gwinnett County Board of Education	226,725,000	2.46%	5,577,435
Total Overlapping Debt	\$ 352,690,000		\$ 8,676,174
Total Direct General Obligation and Overlapping Debt	\$ 369,430,000		\$ 25,416,174
City of Suwanee Debt per Capita <sup>(2)</sup>			
Direct General Obligation Debt			\$ 1,458
Overlapping Debt			756
Total			\$ 2,214

**NOTES:**

(1) The percentage of each overlapping debt chargeable to property in the City is calculated by dividing the gross assessed valuation of property in the City by the gross assessed valuation of property in the overlapping entity.

(2) Based on estimated City population of 11,478.

Source: Gwinnett County, Georgia, 2004 Comprehensive Annual Financial Report.

**ratio of net general bonded debt to assessed value and net bonded debt  
per capita last ten years**

Year	Population <sup>(1)</sup>	Assessed Value <sup>(2)</sup>	Gross Bonded Debt	Less Debt Service Fund Balance	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita <sup>(3)</sup>
1996	4,642	\$ 122,528,190	\$ -	\$ -	\$ -	-	\$ -
1997	5,956	148,612,020	-	-	-	-	-
1998	6,924	177,254,009	-	-	-	-	-
1999	8,152	206,361,997	-	-	-	-	-
2000	8,725	300,843,710	-	-	-	-	-
2001	9,100	343,791,152	-	-	-	-	-
2002	9,979	442,605,246	17,695,000	310,109	17,384,891	0.0393	1,742
2003	10,318	478,249,462	18,766,502	63,702	18,702,800	0.0391	1,813
2004	10,800	529,491,170	18,324,830	119,246	18,205,584	0.0344	1,686
2005	11,478	573,407,000	16,740,000	412,328	16,327,672	0.0285	1,423

## NOTES:

- (1) Source: 1993-1999; Annual Estimates, U.S. Bureau of Census  
2000; Actual Census Data  
2001-2005; Planning Department estimates from building permits
- (2) Reflects the net bond digest values.
- (3) Rounded to the nearest dollar.

**ratio of annual debt service for general<sup>(1)</sup> bonded debt to total governmental funds expenditures last ten years**

Year	Principal	Interest and Other	Total Debt Service	Total Governmental Funds Expenditures	Ratio of Debt Service to Governmental Funds Expenditures
1996	\$ -	\$ -	\$ -	\$ 1,825,300	-
1997	-	-	-	3,352,984	-
1998	-	-	-	2,755,703	-
1999	-	-	-	3,013,026	-
2000	-	-	-	3,614,720	-
2001	-	-	-	3,806,171	-
2002	-	-	-	6,706,248	-
2003	392,818	1,283,038	1,675,856	16,998,683	9.86%
2004	441,672	973,730	1,415,402	14,025,809	10.09%
2005 <sup>(2)</sup>	1,697,556	943,655	2,641,211	10,293,569	25.66%

NOTE:

(1) Includes all governmental fund types.

(2) In fiscal year 2005, the City paid off the Urban Redevelopment bond eight years early.

**construction and  
bank deposits  
last ten years**

Calendar Year	Construction (1)				Bank Deposit (2)
	Residential		Total Construction		
	Units	Estimated Cost	Units	Estimated Cost	
1995	279	30,126,400	429	37,020,400	16,365,000
1996	217	38,746,000	437	50,943,600	45,447,000
1997	259	27,644,600	521	46,164,000	86,332,000
1998	215	36,365,000	533	47,895,400	141,471,000
1999	98	22,339,400	403	210,967,086	206,349,000
2000	164	45,786,000	459	117,823,400	259,339,000
2001	87	15,971,300	392	59,107,000	348,183,000
2002	82	15,179,070	319	37,033,743	426,539,000
2003	117	16,150,315	384	33,272,685	440,135,000
2004	310	54,164,261	553	74,953,048	563,409,000

Source: (1) City of Suwanee Planning and Development Permit Summary  
(2) FDIC Data as of June 30, 2005

**salaries of  
principal officers  
for year ended  
june 30, 2005**

Title	Annual Salary
Mayor	\$ 6,000
Mayor Pro Tem	4,200
Council Member	3,600
City Manager	90,565
Chief of Police	88,600
Public Works & Inspection Director	77,940
Planning & Community Development Director	67,680
Financial Services Director	67,500
Administrative Services Director	60,008
Chief Judge	400 per session
Court Solicitor	300 per session

Source: City of Suwanee Payroll Department, salaries effective 6/30/2005

surety bond coverage  
for year ended june 30, 2005

Title	Insurer	Policy Number	Coverage	Annual Premium	Renewal Date
Mayor	Old Republic Surety Company	APO1168533	\$ 250,000	\$ 875	12/31/2005
City Manager	Old Republic Surety Company	APO1168534	250,000	875	12/31/2005
Financial Services Director	Old Republic Surety Company	APO1168535	250,000	875	12/31/2005

Source: Risk Management Policy-Old Republic Surety Company

**schedule of insurance in force, june 30, 2005**

Type of Insurance	Coverage	Liability Limit	Company <sup>(1)</sup>	Policy Number	Policy Period From	To	Annual Premium
<b>LIABILITY</b>							
General Liability	Damages of bodily injury or property caused by an occurrence	\$1,000,000 limit each claim with a \$5,000,000 aggregate \$1,000 deductible	GIRMA	SU-3	05/01/05	04/30/06	\$ 33,175
Public Officials Liability	Employment practices Zoning Claims	\$1,000,000 limit each claim with a \$5,000,000 aggregate \$2,500 deductible	GIRMA	SU-3	05/01/05	04/30/06	34,853
Automobile Liability	Damages of bodily injury or property caused by an occurrence	\$1,000,000 combined single limit \$1,000 deductible	GIRMA	SU-3	05/01/05	04/30/06	22,016
Law Enforcement Liability	False arrest/wrongful imprisonment Assault & Battery	\$1,000,000 limit each claim no aggregate limit \$2,500 deductible	GIRMA	SU-3	05/01/05	04/30/06	20,978
<b>PROPERTY</b>							
Property Including Equipment	Blanket building & content Business interruption Property in Transit	\$4,778,108 total insured value building & content replacement cost	GIRMA	SU-3	05/01/05	04/30/06	8,381
Boiler & Machinery	Blanket building & content	\$4,778,108 total insured value building & content replacement cost	GIRMA	SU-3	05/01/05	04/30/06	1,081
Environment Impairment Liability	Pollution coverage	combined single limit \$1,000,000 per occurrence deductible \$1,000	GIRMA	SU-3	05/01/05	04/30/06	11,071
<b>OTHER CASUALTY</b>							
Workers Compensation	While Working		GMA	Cust # 312	01/01/05	12/31/05	80,774
Self Insurance Fund							
Automobile Physical Damage	All risks for scheduled City vehicles only	Automatic coverage for vehicles up to \$100,000 deductible \$1,000	GIRMA	SU-3	05/01/05	04/30/06	6,961
Crime Coverage	Public employee dishonesty per loss	\$500,000 limit with \$1,000 deductible	GIRMA	SU-3	05/01/05	04/30/06	713

NOTES:

- (1) Georgia Interlocal Risk Management Agency (GIRMA)  
Georgia Municipal Association (GMA)

## schedule of insurance in force, june 30, 2005

Type of Insurance	Coverage	Liability Limit	Company <sup>(1)</sup>	Policy Number	Policy Period		Annual Premium
					From	To	
<b>OTHER INSURANCE</b>							
Employee Life insurance	Basic Life	Varies by employee salary / max. \$50,000	Greater Georgia Life	IM547	07/01/04	06/30/05	\$ 7,460
Dependent Life Insurance	Basic Life	\$5,000 coverage for the spouse \$2,500 coverage for each child (if covered by medical plan)	Greater Georgia Life	IM547	07/01/04	06/30/05	(2)
Long Term Disability	90 day elimination period 60% benefit until age 65	N/A	Medical Life	MG18818	07/01/04	06/30/05	12,635
Short Term Disability	1st day accident/8th day illness 13 week/ \$200 weekly benefit	N/A	Medical Life	MG18818	07/01/04	06/30/05	5,470
Medical	1st of the month following 30 days 100% coinsurance	Lifetime Maximum - Unlimited	Blue Cross/ Blue Shield HMO	1018871	07/01/04	06/30/05	330,875
	1st of the month following 30 days	Lifetime Maximum - Unlimited \$2,000,000 \$500 individual deductible \$1,500 family deductible 90% coinsurance	Blue Cross/ Blue Shield PPO	1018871	07/01/04	06/30/05	(3)
Dental	Employee and Family	\$1,000 Max benefit per person per year \$1,000 Ortho Benefit	Guardian Life	G-359487	07/01/04	06/30/05	51,215

## NOTES:

- (1) Georgia Interlocal Risk Management Agency (GIRMA); Georgia Municipal Association (GMA)  
(2) Total cost paid for by the employee.  
(3) Premiums for HMO and PPO are included together under the HMO premiums total.

Source: City of Suwanee Human Resource Department

**employment  
statistics  
june 30, 2005**

<b>Area</b>	<b>Employment</b>	<b>Unemployment Rate</b>
Cherokee	90,351	4.1%
Clayton	128,413	6.4%
Cobb	360,169	4.7%
DeKalb	359,409	6.2%
Douglas	53,075	5.5%
Fayette	50,292	4.6%
Forsyth	66,550	3.5%
Fulton	402,224	6.3%
<b>Gwinnett</b>	<b>367,594</b>	<b>4.8%</b>
Henry	78,323	5.0%
Rockdale	36,700	6.1%
Atlanta Metropolitan Statistical Area	2,389,068	5.5%
Georgia	4,283,911	5.6%
United States	143,283,000	5.2%

Note: Based on Suwanee's population, individual statistics for the city are not available. Suwanee is located in Gwinnett County and the county's statistics are comparable.

Source: Georgia Department of Labor, preliminary July 2005 - not seasonally adjusted.

per capita  
personal income

County	Income
Cherokee	\$ 30,450
Clayton	21,585
Cobb	36,357
DeKalb	34,118
Douglas	26,085
Fayette	37,553
Fulton	47,478
<b>Gwinnett</b>	<b>30,138</b>
Henry	26,658
Rockdale	28,903

Source: Bureau of Economic Analysis, data from April 2004.

per capita  
personal income

Employer	Number of Employees
Dish Network/Echosphere Corporation	507
Wal-Mart	400
Schwans Bakery Operations LLC	377
Southeastern Freight Lines, Inc.	355
Systemax-Global Computer Supplies, Inc.	300
Publix Supermarkets	211
Cracker Barrel Old County Store, Inc.	132
TruGreen Chemlawn	131
Kroger Company	123
Precision Industries	113

Source: City of Suwanee Business License Division

**miscellaneous  
statistical  
information  
june 30, 2005**

The City of Suwanee was originally chartered on February 25, 1949.

**Form of Government:**

The governing authority of the City consists of a five-member City Council and Mayor. The Mayor and all Councilmembers are elected at large, serving staggered four-year terms. Suwanee operates under a council-manager form of government in which the City Council hires a professional manager to handle the day-to-day operations of City government.

**Location:**

Suwanee is located in the north central portion of the State of Georgia, approximately 30 miles northeast of the City of Atlanta. The City is located in the northwestern portion of Gwinnett County.

Suwanee is part of the Atlanta Standard Metropolitan Statistical Area, as designated by the Bureau of the Census of the United States Department of Commerce.

**Area:**

10.4 square miles

**Altitude:**

The City's elevation ranges from 900 to 1,200 feet above sea level, and the terrain is rolling.

**Climate:**

**Average Temperature:**

January – 41.0 Degrees Fahrenheit

July – 78.8 Degrees Fahrenheit

Average Mean Temperature: 61.3 Degrees Fahrenheit

**Average Rainfall:**

50.77 Inches Annually

Prevailing Winds: Northwest, Mean Speed – 9.1 MP

**Humidity:**

80-90% Mornings

50-60% Afternoons

**Miles of Roads:**

The City maintains approximately 44 miles of streets.

**Number of Street Lights:**

Approximately 620

miscellaneous  
statistical  
information  
june 30, 2005**Parks:**

Number of Park Sites: 13

Total Acreage of Parks Open to the Public: 137

Total Acreage of Parks (including undeveloped): 233

<b>Park Sites</b>	<b>Acres</b>	<b>Publicly Accessible</b>
Town Center Park	10	10
Suwanee Creek Park	85.41	85.41
Playtown Suwanee (Hardy DeLay Tract 1)	4	4
Hardy DeLay Tract 2	19.94	-
Martin Farm Park	15.4	15.4
Hovendick Tract	9.7	9.7
Moore Road Tract 1 (River Moore Tract)	1.88	-
Moore Road Tract 2 (River Club Tract)	4.5	-
Main Street Park	0.51	0.51
City Hall Park	0.5	0.5
Annandale Tract	12.3	12.3
The Farm Tract	6.9	-
Sims Lake Tract	62.1	-
<b>Total</b>	<b>233.14</b>	<b>137.82</b>

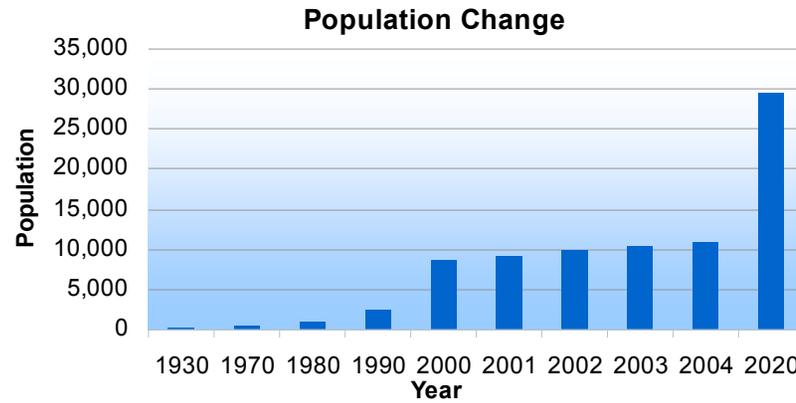
**Water System:**

The City of Suwanee owns and operates a water supply, treatment, and distribution system serving approximately 230 metered customers. The current average consumption of water from the City's water system is approximately 62,000 gallons per day. Water is supplied to the City's water system by a 700-foot deep well and stored in a 60,000 gallon tank owned by the City. Water drawn from the well requires treatment for fluoridation and chlorination. Suwanee's water system has approximately 5.5 miles of water mains, with primarily 6-inch and 8-inch lines.

**miscellaneous  
statistical  
information  
june 30, 2005**

**Population:**

Suwanee was the 5<sup>th</sup> fastest-growing City in Georgia and the fastest growing small City in metro Atlanta during the 1990s. Its population grew 262% from 1990-2000.



Population figures from previous years provide a good indicator of Suwanee's growth trends:

1930	214
1970	615
1980	1,026
1990	2,412
2000	8,725
2001*	9,100
2002*	9,979
2003*	10,318
2004*	10,800
2005*	11,478
2020**	29,551

\*Estimated population 2001 – 2005 Planning Department estimates from building permits.

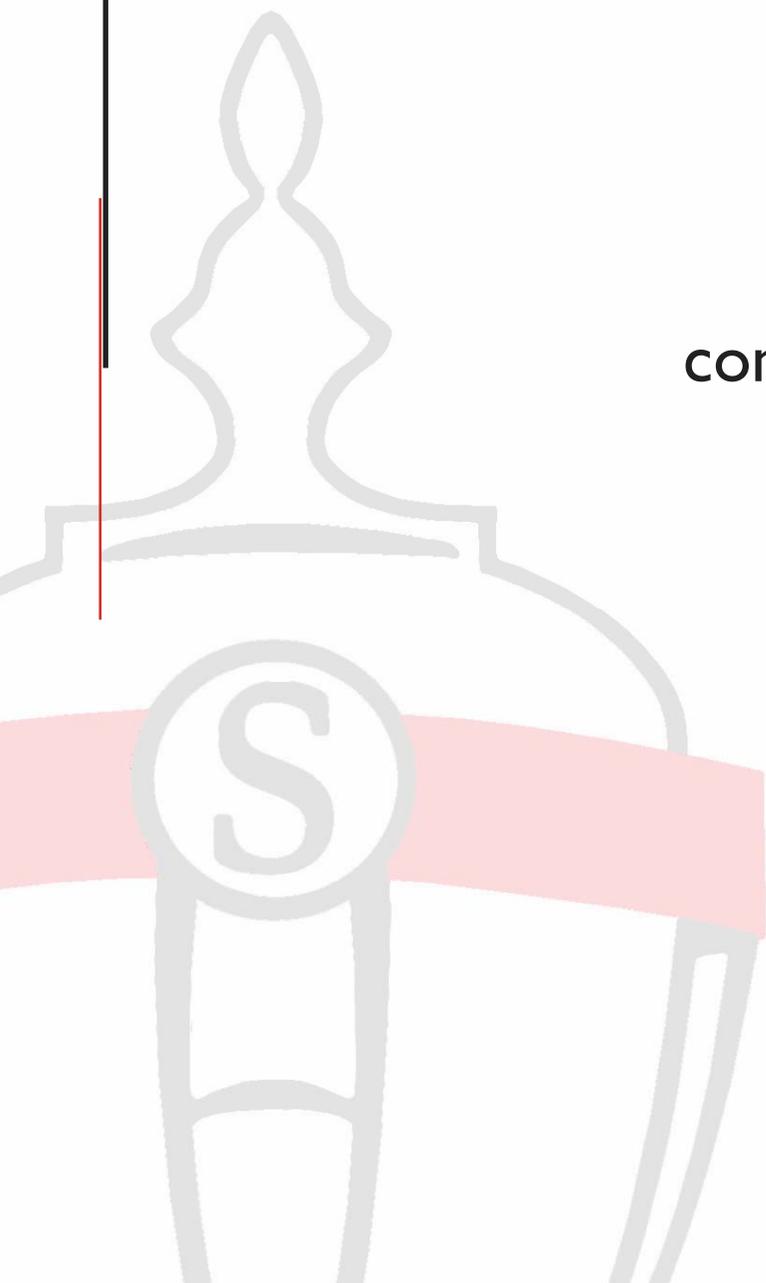
\*\* Estimated population for 2020 provided by the City's Comprehensive Master Plan.

Minority population for greater Suwanee area (2000): 15.5%

**Home Sales:**

According to the 2004 Atlanta Business Chronicle, Book of List, Suwanee's zip code was ranked 8<sup>th</sup> by median household income. The 2004 median household income was \$98,766 and the median home value was \$254,527.

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compliance section





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

---

Honorable Mayor and Members  
Of City Council  
City of Suwanee  
Suwanee, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Suwanee, Georgia (the "City")**, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 2, 2005. 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

## Compliance and Other Matters

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

This report is intended solely for the information and use of management, members of the City Council, and federal awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
September 2, 2005



city of **suwanee**  
373 hwy 23  
suwanee, georgia

[www.suwanee.com](http://www.suwanee.com)

