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suwanee georgia



sims lake park



town center park



city of suwanee
comprehensive annual financial report
year ended june 30, 2010

2010



Town Center Park

city of suwanee, georgia
comprehensive annual financial report
year ended june 30, 2010

prepared by:
financial services department



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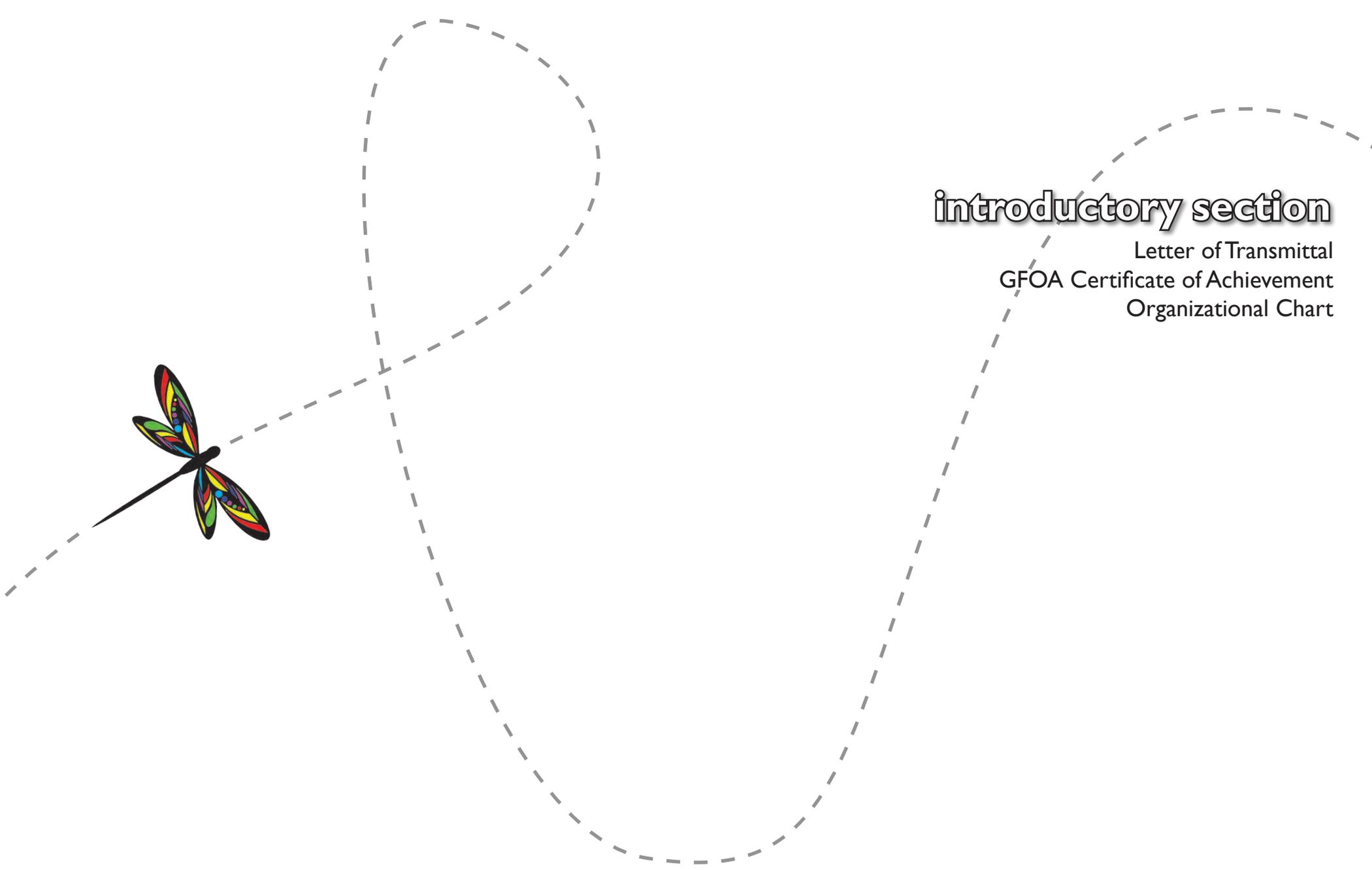
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Parker at Suwanee Creek Park



introductory section

Letter of Transmittal
GFOA Certificate of Achievement
Organizational Chart



December 20, 2010

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



Who let the dogs out! Meet Parker, Suwanee's first mascot who was unleashed at Suwanee Day 2010 by the Suwanee Day planning committee. Parker is named for Suwanee's award winning parks and represents the warm and friendly side of Suwanee. During these tough economic times, Suwanee has endeavored to continue to be a friendly, progressive community while maintaining a high quality of life for its residents. The City remains economically strong and fiscally sound. While slowing economic conditions and rising costs increase financial challenges for Suwanee, a history of conservative financial management coupled with an abundance of quality development have helped soften some of these financial difficulties. In light of the City's response to the challenging time, we are proud to present this Comprehensive Annual Financial Report for the year ended June 30, 2010.

This report illustrates how the City receives, spends, and accounts for financial resources and explains the key indicators of its financial strength. Responsibility for the accuracy of the data and the completeness and fairness of the presentation 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 presented information 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 **Introductory 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** provides users with additional historical perspective, content, and detail to assist in understanding the information in the financial statements, notes to the financial statements, required supplementary information, and for assessing the City's economic condition.

To satisfy other legal requirements, a **compliance section** is also included in this report. This section includes the independent auditor's report on internal controls and compliance with laws and regulations.

This report includes government-wide statements and fund financial statements for 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. Suwanee's Urban Redevelopment Agency is a blended component unit and is reported as part of the primary government.

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 Old Town area.

demographics

Suwanee began as an American Indian village along the banks of the Suwanee Creek and Chattahoochee River. The community was named for the Shawnee Indian tribe that settled here in the latter part of the 18th century. The City's name is thought to derive from the English mispronunciation of Shawnee. Suwanee was incorporated in 1949, and encompasses 10.5 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.

government structure

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

Communities across Georgia and throughout the nation are experiencing declines in new home construction, increases in the number of filings for foreclosures and increases in commercial vacancy rates. In these uncertain economic times, Suwanee has not been immune to the economic realities but continues to maintain a strong financial position.



Population. The Planning Department estimates the population of Suwanee at 16,692 residents as of June 30, 2010. Suwanee population has grown by 5,214 since 2005 and 8,540 since 1999.

Development. Suwanee has an estimated 4,123 single family detached residences, 593 single family attached residences and 1,394 multi-family units in Suwanee. There are approximately 7,423,000 square feet of industrial space, 1,835,000 square feet of multi-tenant retail space, and 873,000 square feet of office space.

Unemployment. The Georgia Civilian Labor Force maintains unemployment rate estimates for each Census Tract within the State. Suwanee's census tract, for May 2010, had the fifth lowest unemployment rate of Gwinnett County's seventy-two census tracts at a rate of 3.9%. In May 2009, the Suwanee census tract had an unemployment rate of 3.7%.

Property values. According to the Atlanta Journal Constitution, the average home sales price in Suwanee (30024 Zip Code in Gwinnett County) was \$210,000 in 2009. This number is down from 2008, when the average home sale price was reported as \$245,000. This drop in price represents a 14% annual decrease. The overall average sales price in Gwinnett County dropped by 17%.

Foreclosures. The growing number of housing foreclosures is a major issue both locally and nationally. The average monthly number of foreclosure filings in Gwinnett County was 2,028 in 2009. In 2010, the average monthly number of filings has decreased to 1,878.

Active Developments. There are seven active developments in Suwanee that include a single family residential component. These projects are authorized for 1,575 single family attached and detached housing units. Of these authorized 1,575 single-family units, 68 percent (1,077 units) are occupied houses while the remaining 498 units are unoccupied. These unoccupied units are a mixture of authorized but undeveloped lots (1%), platted but vacant lots (90%), homes under construction (2%) and builder owned residences (7%).



Median household income.— Suwanee's zip code was ranked 10th for wealthiest zip codes in metro Atlanta based on median household income of \$155,600 and a median home value of \$286,458.

Fortunately, due to Suwanee's strong past development patterns and unique revenue base, the City continues to be prosperous. Suwanee's mix of residential, warehouse, industrial, and commercial use helps the City avoid being dependent on only one or two revenue sources. Additional data regarding these trends may be found on page 21 of management's discussion and analysis.

major initiatives

Planting the Seed. Volunteers put community muscle into building one of Georgia's largest organic community gardens, **Harvest Farm Garden** at White Street Park. In all, construction of the community garden's 76 initial plots required:



- more than 500 volunteer hours
- 3.5 volunteer work days
- 2,940 linear feet of lumber
- 912 bolts
- 36 tons of slate chips
- 3 tandem loads of soil



In addition to the garden, **White Street Park** features a renovated barn that houses picnic tables, a tool storage area, and small classroom/gathering space. Located next to the barn is a 2,600 gallon cistern, fabricated and donated by Metal Products Company, which will collect rainwater from gutters on the barn and provide water for the garden. An

approximately half-mile of looping trail with a mixture of hard and soft surfaces circles the park.

Becoming green. Suwanee's City Hall, which opened last year, received official LEED certification from the U.S. Green Building Council. LEED stands for Leadership in Energy and Environmental Design. Suwanee's two-story, art deco styled facility is the first City Hall in the state, and one of 21 in the country, to receive LEED certification. The City achieved exemplary performance status in three areas: maximization of open space, water use reduction, and material use.



Going Paperless. Suwanee's court implemented a new paperless system becoming the first court in Gwinnett County to go essentially paperless and only the second in the state. The new system includes three courtroom computer screens, electronic signature pad, biometric fingerprint signature scanner, and a document scanner. This new system is expected to save about 860 sheets of paper per court session or about 51,600 pieces of paper a year.

Safety Improvement. The Police station along with the Municipal Court building (Crossroads Center) completed building renovations and safety improvements. Due to the relocation of the Chief Executive, Administration, Finance, Planning and Inspections, and Public Works departments to the new City Hall, the Police Department expanded into the entire former City Hall building. During the police renovation, safety improvements were also made at Crossroads Center for the court staff and judges.



Water Improvements. Suwanee's water system has replaced just over 2,000 feet of water pipes along Stonecypher and Martin Farm roads. Valves, other new equipment, and software are being installed in order to better manage the system. A new well has also been drilled. These improvements are funded primarily through a \$480,000 loan administered by the Georgia Environmental Facilities Authority; through the federal stimulus program, 40% of the loan principal and interest will be forgiven.

Property purchases. The City acquired two properties, totaling nearly 15 acres. 12 acres were purchased on Smithtown Road for a future park site. The second property, 2.9 acres located adjacent to Town Center Park, was purchased for additional parking.

for the future

Suwanee's top priorities include implementing the 2030 Comprehensive Plan and the Downtown Master Plan, moving forward with the Tax Allocation District (TAD) in the Suwanee Gateway area, completing phase one of the water system improvements, implementation of the Suwanee Sculpt Tour program which would provide exhibits of outdoor sculptures displayed year around throughout downtown Suwanee, and the rehabilitation of the Richard Trice section of the Suwanee Creek Greenway. Suwanee is committed to providing 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, provide project cost estimates and identify 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.

financial information

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 judgment 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.

cash management

The City's funds are deposited into interest-bearing accounts, from which excess cash is invested in certificates of deposits 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 adopted Investment Policy. 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 investments for fiscal year 2010 was 2.31%. The total amount earned on all investments in all funds was \$259,953. Investment earnings decreased by \$114,228 from fiscal year 2009 to 2010. This decrease was due to idle construction reserves being liquidated along with lower interest rate yields as a result of the current economic environment.

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. Mauldin & Jenkins' report on the City's basic financial statements is included in the financial section of this CAFR.

awards

Suwanee is proud that many of its initiatives and projects have earned regional, state, and national awards and certification over the past several years. Summarized below is a listing of 2010 awards:

- Program of the Year – Suwanee Municipal Court, Georgia Council of Court Administrators.
- Certificate of distinction for efforts and results in performance measurement and management from the International City/County Management Association (second consecutive year).

- Distinguished Budget Presentation Award, Government Finance Officers Association, 2009-2010 budget presentation (fourth consecutive year).
- Award of Excellence (third place) from the City-County Communications and Marketing Association for Suwanee's edgy ad campaign.
- Award of Excellence (third place) from the City-County Communications and Marketing Association in Most Creative Activity with Least Dollars Spent category for Get It in the Gateway.
- Award of Excellence (third place) from the City-County Communications and Marketing Association in the Social Media category for Suwanee's Facebook page.
- Best Sponsor, Gold - Ippolito's, Southeast Festivals and Events Association.
- Best Event Photograph, Bronze – Human Aerial Art/City Hall Grand Opening, Southeast Festivals and Events Association.

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, 2009. This was the seventh 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 go beyond the ordinary, to be unique and to strive to exceed expectations in financial reporting by producing a quality report that is readable, informative, and beneficial to Suwanee citizens. We also extend our appreciation and gratitude to our independent auditors, Mauldin & Jenkins, for the professional guidance and assistance in producing a technically sound document. Most importantly, we express our appreciation to the City Council for their dedication, leadership, vision, and support in planning and conducting the affairs of the City in a responsible and progressive manner, which ensures that Suwanee is a well-rounded, vibrant community that residents can be proud to call home.

Respectfully submitted,

Amie Sakmar
Amie Sakmar
Financial Services Director

Marty Allen
Marty Allen
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, 2009

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.

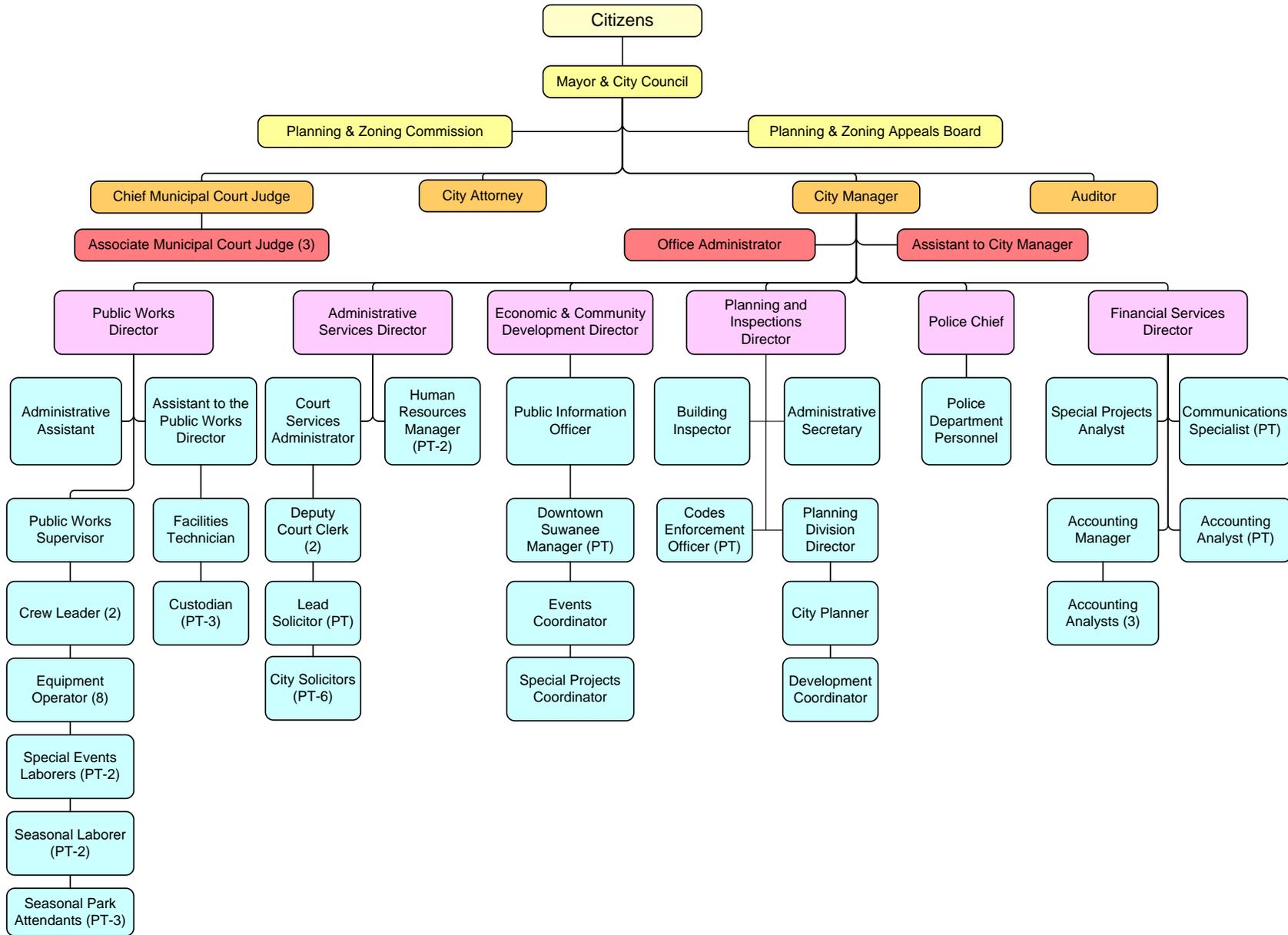


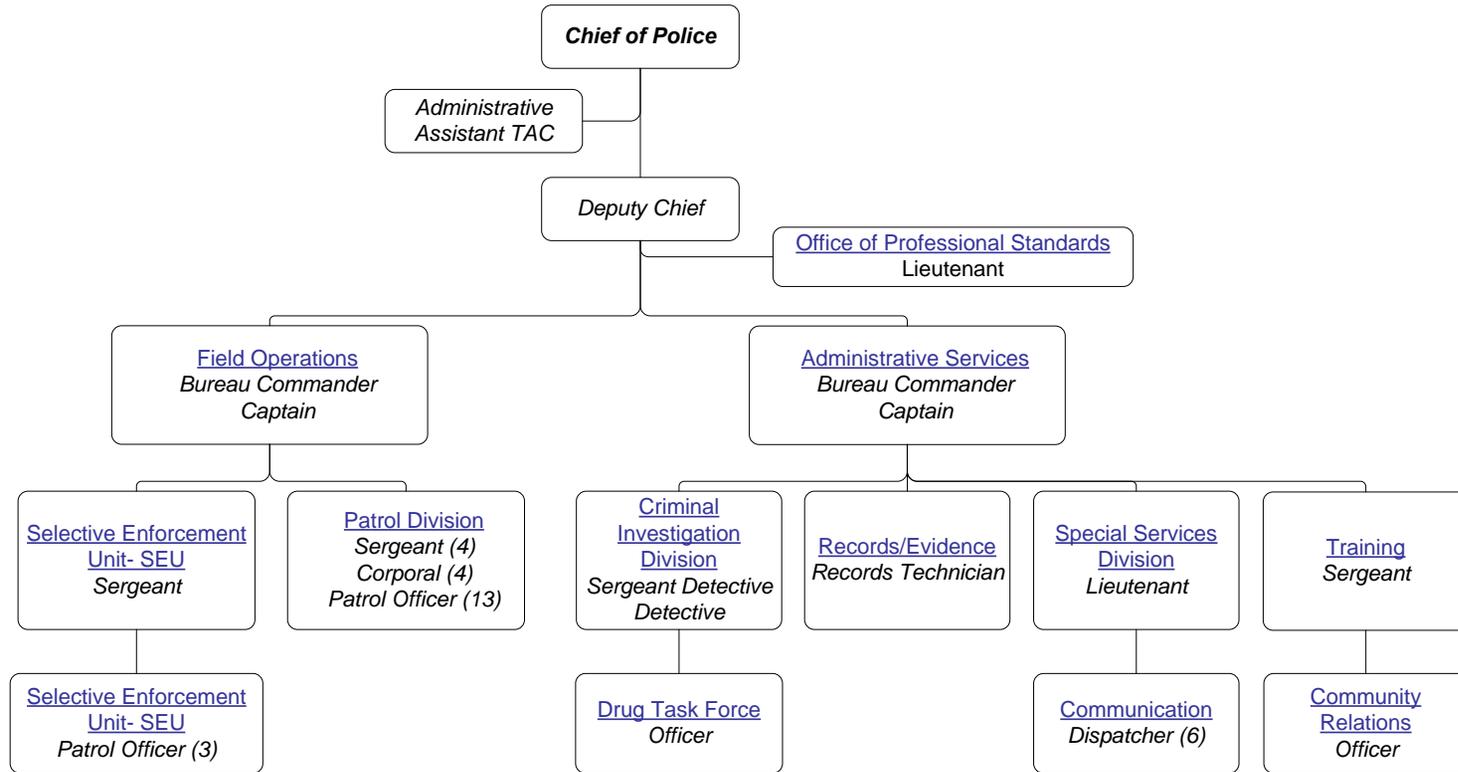
A stylized handwritten signature in black ink.

President

A stylized handwritten signature in black ink.

Executive Director







financial section

Independent Auditor's Report
Management's Discussion and Analysis



INDEPENDENT AUDITOR'S REPORT

**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, 2010, 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.

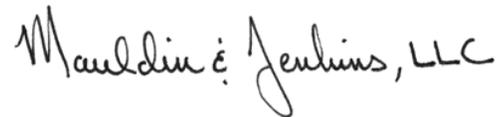
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 the 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, 2010, 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 December 20, 2010 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 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 and the Schedule of Funding Progress (on pages 11 through 22 and 49, respectively) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City'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.



Atlanta, Georgia
December 20, 2010

management discussion and analysis

The City of Suwanee management offers 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, 2010. This narrative is intended to assist the reader in understanding significant issues, provide an overview of financial activities and identify changes in financial position, material deviations from the original budget, and individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the information furnished in the City's basic financial statements and notes to the financial statements.

financial highlights

Government-wide. Assets of the City's governmental activities exceeded liabilities by \$61,248,702. This is an increase of \$2,659,359 or 4.5%, as compared to the prior year amount of \$58,589,343. The majority of the governmental activities increase is due to intergovernmental revenues received from the 2009 Special Purpose Local Option Sales Tax (SPLOST) program during the current fiscal period that will be expended in future periods. Assets of the City's business-type activities exceeded liabilities by \$2,167,478, an increase of \$223,482, or 11.5%, as compared to the prior year amount of \$1,943,996. This increase is from a general fund transfer of \$287,450 for water system improvement. These improvements were funded from a construction loan obtained from the Georgia Environmental Facilities Authority (GEFA), which includes a 40% forgiveness of each principal and interest payment due on the loan as a part of the American Recovery and Reinvestment Act of 2009, instead of the resources transferred by the General fund. In total, net assets increased by \$2,882,841 to \$63,416,180. Of this amount, unrestricted net assets on June 30, 2010 were \$16,031,679 or 25.3% of the City's total net assets.

Fund level. As of June 30, 2010, the City's governmental funds reported a combined ending fund balance of \$15,402,233, a decrease of \$24,121 or 0.1% from fiscal year 2009. This decrease was due to the net difference from local capital resources combined with 2009 SPLOST receipts to planned capital expenditures for a storm drainage improvements in Settles Bridge, purchase of property for future parks and a parking structure, renovations to the police department and court buildings, bathroom additions to Martin Farm Park, and the open space parks initiative program construction of Harvest Farm Community Garden and White Street Park. Funding for these programs was provided from a bond issue, federal financial assistance, local (General Fund) funding, and special purpose local option sales tax (SPLOST) program. At the fund level, capital expenditures reduce fund balance as funds are expended; however, at the entity-wide level, capital expenditures are added to capital assets and depreciated over the life of the asset. Enterprise fund assets exceeded liabilities resulting in total net assets of \$2,167,478 of which \$1,600,003 was invested in capital assets, leaving an unrestricted balance of \$567,475.

Long-term debt. The City's total bonds outstanding decreased by \$700,000 or 3.1% during fiscal year 2010. This decrease was due to scheduled debt service payments. Additional information regarding long-term debt can be found in the notes to the financial statements, note 7, on pages 42-44.

overview of the financial statements

Suwanee's financial reporting focuses on the City as a whole and on the major individual funds. Both reporting perspectives provide a comprehensive view of the City's financial activities and a broad basis for comparison from year to year and from government to government. 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. This report also includes statistical and economic data.

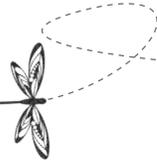
The Basic Financial Statements include government-wide financial statements, fund financial statements, and notes to the financial statements. Notes provide additional detailed information to supplement the Basic Financial Statements.

Government-wide Financial Statements. The government-wide financial statements provide an overall picture of the financial position of the City. The statement of net assets and the statement of activities 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 regarding all of the City's assets and liabilities, for all fund types except for fiduciary funds, 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.

The government-wide financial statements distinguish governmental activities (those that are principally supported by taxes and intergovernmental revenues) from business-type activities (other functions that are intended to recover all or a significant portion of their costs through user fees and charges). City governmental activities include general government, police services, judiciary, public works, planning and zoning, economic and community development, parks, tourism, and code enforcement. Business-type activities include the water system.

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, which is reported in a separate column, or row, in the government-wide statements.

The government-wide financial statements can be found on pages 23 and 24.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources 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 and assist 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 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 fifteen governmental funds. There are four funds that are considered major funds for financial reporting purposes: General, Debt Service, 2009 SPLOST, and Other Capital Projects. 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 other, non-major governmental funds are combined into a single, aggregate column. Specific fund data for each of the non-major funds is provided in the form of combining statements beginning on page 52.

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 28. The basic governmental fund financial statements can be found on pages 25-26. Budgetary comparisons for other governmental funds with legally adopted annual budgets start on page 56.

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

The basic proprietary fund financial statements can be found on pages 30-32.

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 assets and liabilities on page 33.

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 35-47 of this report.

Other information. Other information includes a required pension plan funding schedule and supplemental 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.

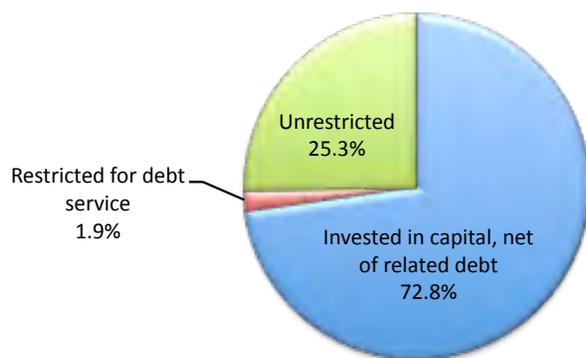
government-wide financial analysis

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 \$63,416,180 and \$60,533,339 at June 30, 2010 and 2009 respectively. The following is a condensed version of the government-wide statement of net assets.

Net assets on June 30, 2010 and June 30, 2009

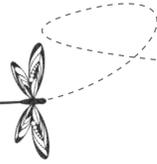
	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Assets						
Current and other assets	\$ 17,311,078	\$ 17,283,141	\$ 609,695	\$ 312,195	\$ 17,920,773	\$ 17,595,336
Capital assets	65,903,643	64,543,287	2,279,452	1,990,712	68,183,095	66,533,999
Total assets	83,214,721	81,826,428	2,889,147	2,302,907	86,103,868	84,129,335
Liabilities						
Long-term liabilities outstanding	21,712,228	22,462,056	679,449	354,392	22,391,677	22,816,448
Other liabilities	253,791	775,029	42,220	4,519	296,011	779,548
Total liabilities	21,966,019	23,237,085	721,669	358,911	22,687,688	23,595,996
Net Assets						
Invested in capital, net of related debt	44,567,430	44,325,054	1,600,003	1,636,320	46,167,433	45,961,374
Restricted for debt service	1,217,068	1,201,842	-	-	1,217,068	1,201,842
Unrestricted	15,464,204	13,062,447	567,475	307,676	16,031,679	13,370,123
Total net assets	\$ 61,248,702	\$ 58,589,343	\$ 2,167,478	\$ 1,943,996	\$ 63,416,180	\$ 60,533,339

Primary Government Net Assets – June 30, 2010



The largest portion of the City's net assets 72.8% 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 \$206,059 or .4%. 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 of \$1,217,068 of net assets to be spent on debt service. The remaining balance on unrestricted net assets 25.3% 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, both of the government as a whole as well as the separate governmental and business type activities. Growth in net assets is a positive economic indicator of the City's improved financial position from 2009.

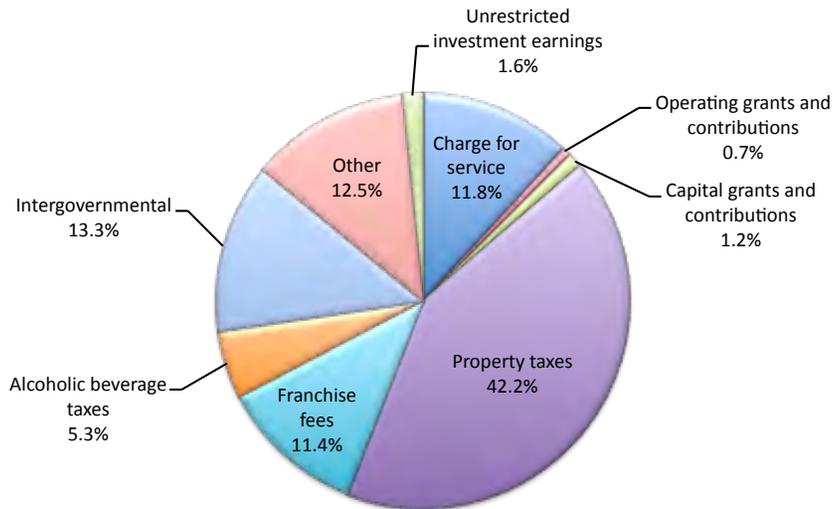


Governmental activities. Governmental activities increased the City's net assets by \$2,659,359 thereby accounting for 92.2% of the total growth in net assets. This increase in governmental activities is related to federal financial assistance capital grants for police equipment, emergency management storm repairs, and construction assistance for the pedestrian underpass along with Suwanee's continued growth in general property taxes. 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 2010.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Change in Net Assets						
Revenues						
Program revenues:						
Charges for services	\$ 1,753,216	\$ 1,508,523	\$ 62,501	\$ 64,658	\$ 1,815,717	\$ 1,573,181
Operating grants and contributions	105,380	101,024	-	-	105,380	101,024
Capital grants and contributions	171,942	3,479,457	-	-	171,942	3,479,457
General revenues:						
Property taxes	6,254,003	5,984,107	-	-	6,254,003	5,984,107
Franchise fees	1,694,211	1,777,986	-	-	1,694,211	1,777,986
Alcoholic beverage taxes	784,189	795,413	-	-	784,189	795,413
Intergovernmental taxes	1,966,295	1,521,007	-	-	1,966,295	1,521,007
Other	1,848,141	2,242,091	-	-	1,848,141	2,242,091
Unrestricted investment earnings	231,739	373,582	1,485	599	233,224	374,181
Total revenues	14,809,116	17,783,190	63,986	65,257	14,873,102	17,848,447
Expenses						
General government	2,099,857	2,126,146	-	-	2,099,857	2,126,146
Judicial	313,015	381,887	-	-	313,015	381,887
Police	3,664,152	3,524,548	-	-	3,664,152	3,524,548
Public works	3,288,472	3,663,485	-	-	3,288,472	3,663,485
Culture and recreation	404,798	464,973	-	-	404,798	464,973
Housing and development	854,357	959,983	-	-	854,357	959,983
Tourism and trade	313,034	379,703	-	-	313,034	379,703
Interest on long term debt	924,622	964,856	-	-	924,622	964,856
Water and sewer	-	-	127,954	163,963	127,954	163,963
Total expenses	11,862,307	12,465,581	127,954	163,963	11,990,261	12,629,544
Increase (decrease) in net assets before transfers	2,946,809	5,317,609	(63,968)	(98,706)	2,882,841	5,218,903
Transfers	(287,450)	(150,000)	287,450	150,000	-	-
Change in net assets	2,659,359	5,167,609	223,482	51,294	2,882,841	5,218,903
Net assets-July 1	58,589,343	53,421,734	1,943,996	1,892,702	60,533,339	55,314,436
Net assets-June 30	\$ 61,248,702	\$ 58,589,343	\$ 2,167,478	\$ 1,943,996	\$ 63,416,180	\$ 60,533,339

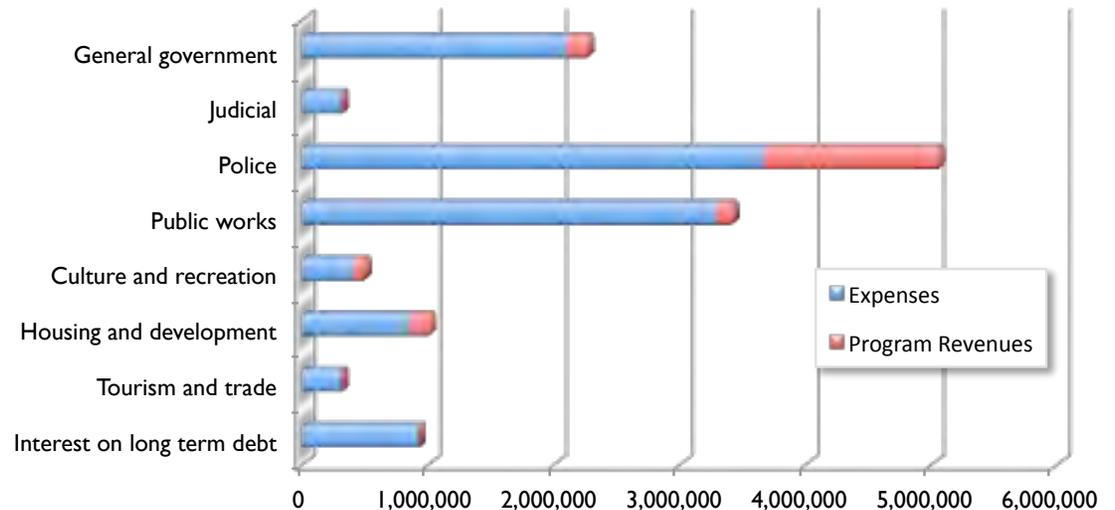
Governmental activities revenues totaled \$14,809,116 for fiscal year 2010 and \$17,783,190 for fiscal year 2009, reporting a reduction of \$2,974,074. Decreases in developers donated infrastructure is largely responsible for the reduced capital grants and contributions. Property taxes are the largest revenue source for governmental activities accounting for 42.2% of total revenues. Intergovernmental taxes and franchise fees are the second and third largest revenue source accounting for 13.3% and 11.4% of governmental revenues for the year.

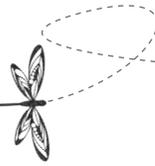
Revenues by Source-Governmental Activities



Governmental expenses totaled \$11,862,307 for the fiscal year. Of the expenses, 30.9%, or \$3,664,152, is related to police. Public works accounted for \$3,288,472, or 27.7%. Interest on long-term debt accounted for 7.8% of overall governmental expenses. The chart below compares governmental activities with their respective program revenues, if any.

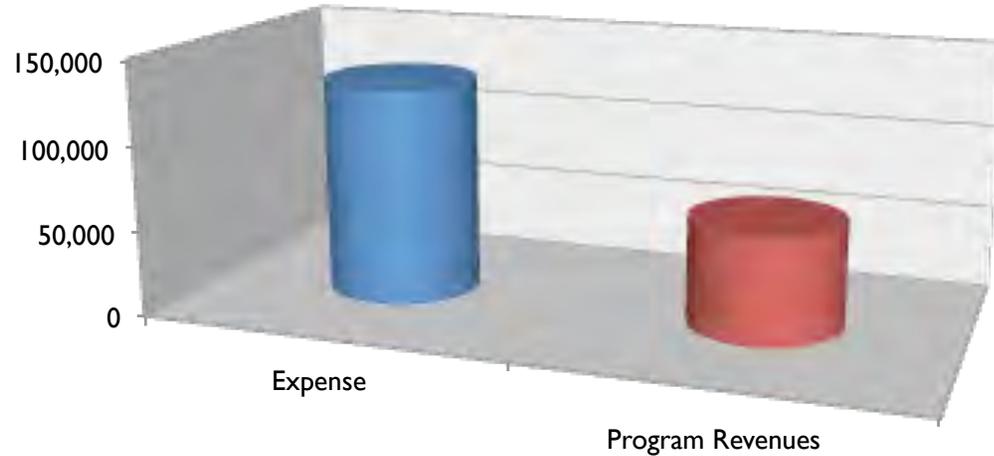
Governmental Activities, Expenses and Program Revenues





Business-type activities. Business-type activities increased the City's net assets by \$223,482 accounting for 7.7% of the City's net assets increase in fiscal year 2010. This increase is related to the transfer of \$287,450 from governmental activities to business type activities.

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, 2010, the City's governmental funds reported a combined ending fund balance of \$15,402,233, a decrease of \$24,121 in comparison with the prior year. This decrease was due to the net difference from local capital resources combined with 2009 SPLOST receipts to planned capital expenditures for storm drainage improvements, purchase of property for future parks and a parking structure, renovations to the police department and court buildings, bathroom additions to Martin Farm Park, and the open space initiative program construction of Harvest Farm Community Garden and White Street Park.

Suwanee elected to early implement Governmental Accounting Standards Board (GASB) statement number 54 which shifts the focus of fund balance reporting from the position of fund resource available to the extent government funds are constrained for specific purposes. In the governmental fund financial statements, fund balance is reported in four classifications.

Restricted. Restricted fund balance encompasses the net fund resources subject to externally enforceable legal restrictions. Such restrictions would include 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation.

Committed. Committed fund balance represents resources the use of which is constrained by limitations that the government imposes upon itself at the highest level of decision making, City Council, and can only be removed by formal action equivalent to the action taken to impose it.

Assigned. Assigned fund balance includes the portion of fund balance that reflects the City's intended use of resources. Such intent was established by formal action of the City Council or their designee.

Unassigned. Unassigned includes fund balance that has not been reported in any other classification.

At June 30, 2010, Suwanee's total fund balance for governmental funds was \$15,402,233 of which \$5,324,060 was restricted, \$4,122,132 was committed, \$2,921,975 was assigned, and \$3,034,066 was unassigned. Additional information on fund balance can be found on Note I on pages 36-39.

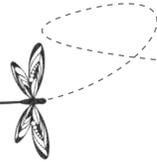
The general fund is the chief operating fund of the City. On June 30, 2010, unassigned fund balance of the general fund was \$3,034,066. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 24.6% of total general fund expenditures and transfers. Overall, fund balance of the general fund decreased by \$446,518 during the current fiscal year. This decrease was due to general fund transfers to other governmental funds for future planned capital projects.

Revenues Classified by Source - General Fund

	FY 2010		FY 2009		Increase / (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by Source:						
Taxes	\$ 9,758,288	83.4%	\$ 10,043,246	85.1%	\$ (284,958)	-2.8%
Licenses and permits	349,965	3.0%	368,872	3.1%	(18,907)	-5.1%
Intergovernmental	68,088	0.6%	-	0.0%	68,088	100.0%
Charges for service	64,237	.5%	111,630	.9%	(47,393)	-42.5%
Fines and forfeitures	1,245,968	10.6%	994,207	8.4%	251,761	25.3%
Other	222,854	1.9%	297,129	2.5%	(74,275)	-2.5%
Total	\$ 11,709,400	100.0%	\$ 11,815,084	100.0%	\$ (105,684)	-.9%

The following provides an explanation of revenues by source changes from 2009 to 2010:

- **Taxes.** Real and personal property tax collection decreased in total by \$79,490. The majority of the decrease is due to the difference in prior period collections. In fiscal year 2009 we collected \$145,583 compared to fiscal year 2010 collections of \$78,486. This difference also relates to the increase in the ending property taxes receivable reported at June 30, 2010 of \$739,476, an increase of \$428,105 from June 30, 2009. Electric franchise revenue decreased by \$78,760 based on the decrease in electrical usage. This can be attributed to warmer than normal climate temperatures reported for the winter of 2009. Occupational tax revenue decreased by \$105,726, which is attributable to the current economic conditions. The remaining difference in fiscal year 2009 comparison with 2010 is related to motor vehicle taxes which decreased by \$20,982; this is also attributable to the current economic conditions.
- **Licenses and permits.** Building permits decreased by \$18,907 from the previous period. Fiscal years 2007 and 2008 had above normal growth in building permits. Building permits dramatically decreased in fiscal year 2009 as the building and development market declined. This decline continued in fiscal year 2010.
- **Intergovernmental.** Intergovernmental grants have increased by \$68,088. In fiscal year 2010, Suwanee received \$42,610 in federal and state emergency management funds for flood repairs, \$17,990 in federal justice grant funds for police equipment, and \$7,488 in state forestry funds for a tree inventory. All of these grants are one-time grant awards.
- **Charge for service.** Special event service fees decreased by \$44,924. These services are provided to private business for events and vary from year to year.
- **Fines and forfeitures.** Municipal court fees increased by \$251,761. This increase is related to the additional technology fee that was added to court tickets to offset public safety software support fees and equipment purchases.
- **Other.** Other revenues decreased by \$74,275. The majority of this decrease is related to a lower rate of return on idle cash and a reduction of local donations for event sponsorships. Both of these reductions are related to the current economic conditions.



Expenditures by Function - General Fund

	FY 2010		FY 2009		Increase / (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General government	\$ 1,907,235	22.7%	\$ 1,968,513	22.2%	\$ (61,278)	-3.1%
Judicial	334,362	4.0%	387,298	4.4%	(52,936)	-13.7%
Police	3,642,011	43.3%	3,607,476	40.7%	34,535	1.0%
Public works	1,392,588	16.6%	1,484,689	16.7%	(92,101)	-6.2%
Culture and recreation	184,383	2.2%	262,857	3.0%	(78,474)	-29.9%
Housing and development	857,222	10.2%	1,031,681	11.6%	(174,459)	-16.9%
Debt service:						
Principal retirement	84,861	1.0%	114,215	1.3%	(29,354)	-25.7%
Interest	4,085	.0%	6,687	.1%	(2,602)	-38.9%
Total	\$ 8,406,747	100.0%	\$ 8,863,416	100.0%	\$ (456,669)	-5.2%

The following provides an explanation of expenditures by function changes from the prior period:

- **General government.** Expenditures decreased by \$61,278 or 3.1%. Factors related to this decrease are noted below:
 - During the prior period, the City started a document imaging program and digital storage project that included one time imaging fees along with software purchases, adding additional one time technology cost of \$70,287. The current period expenditures for continuation of the document imaging program were \$4,873, an overall reduction of \$65,414 from fiscal year 2009.
 - The City also had an increase in legal fees related to the Service Delivery Strategy (SDS) lawsuit that Suwanee along with the other cities in Gwinnett County are participating in against Gwinnett County. Suwanee's portion of the legal fees for this case for fiscal year 2010 resulted in an increase of \$59,188. These additional costs were offset by reductions in supplies, equipment purchases, and other small reductions that were planned due to the current economic climate.
- **Judicial.** Expenditures decreased by \$52,936 or 13.7%. This decrease is related to the closing of the red light program in fiscal year 2009.
- **Police.** Expenditures increased by \$34,535 or 1.0%. The majority of this increase is related to equipment purchased with funds provided from the federal justice grant program.
- **Public works.** Expenditures decreased by \$92,101 or 6.2%. The majority of the decrease consisted of the following:
 - Staff vacancies that occurred during the year, \$47,300.
 - Reduction in equipment purchases from fiscal year 2009, \$19,100.
 - Reduction in storm drainage consultant work for the MS4 permit, \$13,450.
 - Reduction in specialized equipment rental, \$16,410.
- **Culture and recreation.** Expenditures decreased by \$78,474 or 29.9%. Due to the current economic conditions, special events expenditures were reduced and planned events were scaled back.
- **Housing and development.** Expenditures decreased by \$174,459 or 16.9%. The majority of the decrease consisted of the following:
 - Two employees were laid off in the inspection department during fiscal year 2009 resulting in a decrease of salaries and benefits in fiscal year 2010 of \$147,214.
 - Consultant expenditures decreased by \$27,245 related to a decrease in development plan review.

Capital projects funds account for the financial resources used for the purchase and construction of major capital facilities and related equipment. During fiscal year 2010, the City had two capital project funds that were considered major funds: the 2009 SPLOST and Other Capital Projects.

The 2009 SPLOST fund consists of thirteen separate projects. These projects include: greenway rehab/extension, installation of a well at Town Center Park, park restrooms, street resurfacing and improvements, traffic calming, storm drainage and system improvements, Buford Highway reconstruction and streetscape, alternative transportation, Peachtree Industrial Boulevard pedestrian improvements, police substation, parking facility, park enhancement, and recreation projects. The City has entered into an intergovernmental agreement with Gwinnett County allocating \$11,029,861 to be paid out as collected from the County, to the City, over a five-year period. As of June 30, 2010, the fund had a restricted fund balance of \$1,855,810, 2009 SPLOST funds received and unspent, and an assigned balance of \$1,611,560, general fund transfer of resources. During fiscal year 2010, fund balance increased by \$1,861,864. This increase was the net of SPLOST funds received (\$1,986,296) along with a general fund transfer (\$750,000 for future land purchases related to the police substation project), and investment earnings (\$17,246) less funds from capital expenditures (\$821,560) and transfers to other governmental funds (\$70,117). Major projects included the restrooms at Martin Farm Park (\$307,358), concept study for the Buford High reconstruction and streetscape (\$36,140), and purchase of property for a parking structure (\$469,421).

The Other Capital Projects fund accounts for the local financial resources used for the purchase and construction of capital equipment and facilities. Assigned fund balance at year-end was \$1,310,415, an increase of \$525,714 from prior year. This increase is due to the transfer of the remaining balance in the Town Center Facility Improvement fund of \$982,170 netted against current year expenditures of \$478,597 for enhancement to current facilities.

The debt service restricted fund balance was \$1,217,068 as of June 30, 2010, all of which is restricted for future debt service payments.

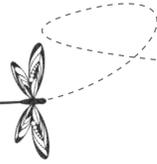
Proprietary funds. The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term financial information. At the fiscal year end, the water fund had an operating loss of \$34,796 compared with an operating loss of \$84,719 in the prior year. Operating revenues decreased 3.3% and operating expenses decreased by 34.9%, in comparison to fiscal year 2009. Operating revenues are lower than prior periods due to a decline in new meter installations and vacant rental property. Expenses have decreased due to the completion of a comprehensive study of the water system, which included identification of capital maintenance and improvement needs, review of cost of operations, and a rate study. This study was started in fiscal year 2008 and was completed in fiscal year 2009. The City is in the process of implementing phase one of the capital improvements and has implemented the changes recommended in the rate study. Based on the changes made to the rate structure, operating revenues will increase in fiscal year 2011.

general fund budgetary highlights

Differences between the original budget (\$11,335,050) and the final amended budget (\$13,519,150) amounted to an overall increase of \$2,184,100. A brief summary of these increases are explained below:

- Operational functions were increased by \$221,100 or 2.4%. Listed below is a summary of the major changes:
 - \$131,000 was added for additional police vehicles and equipment, of this additional funding \$16,610 was related to a federal grant award for police equipment and \$114,470 was for to purchase additional vehicles in fiscal year 2010 thus eliminating the need to fund these vehicles in fiscal year 2011.
 - \$50,200 was added to purchase public works equipment and vehicles. This addition was also done to pay for future capital needs in the current period.
 - \$29,750 was added for Service Delivery Strategy (SDS) legal litigation costs.
- Capital transfers were increased by \$1,963,000. Listed below is a summary of the additional transfers:
 - \$750,000 was added to provide additional funding to 2009 SPLOST program for the police substation future land acquisition.
 - \$415,000 was added to provide local funding for storm drainage repairs and street resurfacing in the Other Capital Projects fund.
 - \$815,000 was added to Other Governmental funds to provide local funding for land acquisition and park construction.
- \$17,000 was reduced from the Other Governmental funds to adjust the tax allocation district transfer to actual property tax collections received in the district.

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2010 can be found on pages 28-29. The following chart is a summary of that schedule.



	Budget			Variance with Final
	Original	Final	Actual	
Revenues, transfers, and other financing sources:				
Taxes	\$ 9,126,110	\$ 9,589,510	\$ 9,758,288	\$ 168,778
License and permits	287,310	333,220	349,965	16,745
Intergovernmental revenues	-	60,610	68,088	7,478
Charges for services	83,200	68,470	64,237	(4,233)
Fines and forfeitures	1,130,480	1,130,480	1,245,968	115,488
Investment Income	178,000	133,000	198,655	65,655
Miscellaneous revenues	21,500	23,940	24,199	259
Other financing sources	221,000	192,400	189,595	(2,805)
Total	11,047,600	11,531,630	11,898,995	367,365
Expenditures and transfers out:				
Expenditures	9,358,600	9,579,700	8,406,747	(1,172,953)
Transfer out	1,976,450	3,939,450	3,938,766	(684)
Total	11,335,050	13,519,150	12,345,513	(1,173,637)
Change in fund balance	\$ (287,450)	\$ (1,987,520)	\$ (446,518)	\$ 1,541,002

During the year, general fund revenues exceeded budgetary projections and expenditures were less than budgetary estimates. Actual revenues and other financing sources were \$367,365 higher than estimates, whereas expenditures were \$1,172,953 lower than the final budgetary appropriations. Listed below are the major areas that expenditures were lower than appropriations.

- Salaries and benefits expenditures were \$384,213 less than appropriations. This was due to several administrative, public works, and police officer vacancies during the year. In addition, group health utilization of the health reimbursement accounts were lower than projected.
- Purchased professional services expenditures were \$128,352 less than appropriations. The major consultant areas were development reviews, legal services, and landscape maintenance.
- Purchased property services, other purchased services and supplies expenditures were \$543,959 less than appropriations. These reductions were spread out over all functions with no one big reduction noted.
- Capital outlay expenditures were \$115,428 less than appropriations. Computer related projects were delayed during the transition phase to a new IT consultant (\$78,659) and budget savings from playground site improvements (\$13,744) and police vehicle purchase (\$16,868).

capital assets and debt administration

Capital assets. On June 30, 2010, the City’s investment in capital assets in both governmental and business-type activities amounted to \$68,183,095, net of accumulated 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 land purchases, completion of capital projects, and additions to construction in progress, which increased capital assets in total by \$1,649,096.

Additional information on capital assets can be found in Note 6 on pages 40-41 of this report.

Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land	\$ 11,772,858	\$ 10,599,337	\$ 7,500	\$ 7,500	\$ 11,780,358	\$ 10,606,837
Land Improvements	2,690,904	2,706,188	2,102	2,349	2,693,006	2,708,537
Buildings	21,926,148	12,328,138	-	-	21,926,148	12,328,138
Water system	-	-	1,911,254	1,956,029	1,911,254	1,956,029
Machinery and equipment	1,618,576	1,394,445	24,713	24,834	1,643,289	1,419,279
Vehicles	517,929	563,943	-	-	517,929	563,943
Infrastructure	26,006,676	26,641,908	-	-	26,006,676	26,641,908
Construction in progress	1,370,552	10,309,328	333,883	-	1,704,435	10,309,328
Total	\$ 65,903,643	\$ 64,543,287	\$ 2,279,452	\$ 1,990,712	\$ 68,183,095	\$ 66,533,999

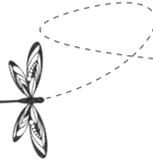
Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$21,820,000 comprised of general obligation debt (\$15,920,000) backed by the full faith and credit of the City, and revenue bonds (\$5,900,000) obligated through an intergovernmental agreement with the Urban Redevelopment Agency.

The City’s total long-term bonds decreased by \$700,000, or 3.1%, 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 \$117,471,330; current general obligation debt is below this limit with 12.52% of the legal debt limit used. Additional information regarding long-term debt can be found in Note 7 on pages 42-44 of this report.

economic factors and next year’s budget and rates

According to economists, the global recession beginning in 2008 ended earlier this year as the Gross Domestic Product (GDP) of many nations increased. However, there have been signs of a stalling recovery as home prices have flattened and unemployment remains high. Economists now fear that if home prices begin to fall again, the economy may experience a “double-dip” and the economic recession will restart. With such an unstable economic climate, Suwanee continues to take steps to reduce expenditures and control operational costs. By controlling operating cost, Suwanee has continued to maintain a positive fund balance and a stable outlook for 2011 considering the following information:

Unemployment. According to the U.S. Bureau of Labor Statistics, the national unemployment rate in June 2010 was 9.5%; Georgia is among several states that exceed the national average with a June 2010 unemployment rate of 10%. Gwinnett County is near the national average with an unemployment rate of 9.3%. Suwanee’s census tract, Tract 502.02, has the fifth lowest unemployment rate of Gwinnett County’s seventy-two census tracts at a rate of 3.9%. In June 2009, Suwanee’s tract had an unemployment rate of 3.7%.



Building Permits. Suwanee is experiencing a slowdown in the housing sector for the third consecutive year. As a result of this slowdown, permit fees have significantly declined. The outlook for fiscal year 2011 shows a continued permit fee decline.

Housing Values. According to the Atlanta Journal Constitution, the average home sales price in Suwanee (30024 Zip Code in Gwinnett County) was \$210,000 in calendar year 2009. This number is down from 2008, when the average home sales price reported was \$245,000. This drop in price represents a 14% annual decrease. The overall average sales price in Gwinnett County dropped by 17%. The 2010 property tax digest was projected, through the budget process, to decrease by 5% from fiscal year 2010 collections due to the continued declining economy property values. The millage rate was lowered from 5.77 to 5.70 mills to provide some tax relief for property owners.

General Fund Budget. The fiscal year 2011 annual budget for the general fund is \$11,223,380; this is a decrease of \$2,295,770 or 17.0% from the final amended 2010 budget. Several capital expenditures and capital transfers were completed in the last quarter of fiscal year 2010 as a means of prefunding and to reduce the operating impact on the 2011 budget.

All of these factors were taken into consideration when preparing the 2011 budget. Like the rest of the country, Suwanee is not immune to the current economic environment. The City's overall financial position remains strong due to our continued conservative approach of focusing on operational cost control and maintaining our strong fund balance.

request for information

The 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 request for additional financial information, should be addressed to the Director of Financial Services, 330 Town Center Avenue, Suwanee, Georgia 30024.



basic financial statements

Government-wide Financial Statements

Fund Financial Statements

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 6,153,296	\$ 267,972	\$ 6,421,268	\$ 42,108
Investments	9,134,555	-	9,134,555	-
Receivables:				
Property taxes	739,476	-	739,476	-
Other	135,986	3,452	139,438	-
Due from other governments	348,637	333,883	682,520	-
Due from other funds	(53)	53	-	-
Deferred charges	199,441	-	199,441	-
Net pension asset	599,740	-	599,740	-
Restricted cash	-	4,335	4,335	-
Capital assets, nondepreciable	13,143,410	341,383	13,484,793	-
Capital assets, depreciable, net of accumulated depreciation	52,760,233	1,938,069	54,698,302	362,475
Total assets	83,214,721	2,889,147	86,103,868	404,583
LIABILITIES				
Accounts payable	190,231	35,355	225,586	-
Retainage payable	63,560	2,530	66,090	-
Liabilities payable from restricted assets	-	4,335	4,335	-
Noncurrent liabilities:				
Notes payable due within one year	-	20,620	20,620	-
Notes payable due in more than one year	-	658,829	658,829	-
General obligation bonds due within one year	465,000	-	465,000	-
General obligation bonds due in more than one year	15,037,723	-	15,037,723	-
Revenue bonds due within one year	260,000	-	260,000	-
Revenue bonds due in more than one year	5,636,658	-	5,636,658	-
Capital leases due within one year	50,959	-	50,959	-
Capital leases due in more than one year	10,795	-	10,795	-
Compensated absences due within one year	80,350	-	80,350	-
Compensated absences due more than one year	170,743	-	170,743	-
Total liabilities	21,966,019	721,669	22,687,688	-
NET ASSETS				
Invested in capital assets, net of related debt	44,567,430	1,600,003	46,167,433	362,475
Restricted for debt service	1,217,068	-	1,217,068	-
Unrestricted	15,464,204	567,475	16,031,679	42,108
Total net assets	\$ 61,248,702	\$ 2,167,478	\$ 63,416,180	\$ 404,583

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



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	\$ 2,099,857	\$ 186,490	\$ -	\$ 70	\$ (1,913,297)	\$ -	\$ (1,913,297)	
Judicial	313,015	-	-	-	(313,015)	-	(313,015)	
Police	3,664,152	1,388,226	3,888	20,825	(2,251,213)	-	(2,251,213)	
Public works	3,288,472	-	-	146,942	(3,141,530)	-	(3,141,530)	
Culture and recreation	404,798	11,086	94,004	4,105	(295,603)	-	(295,603)	
Housing and development	854,357	167,414	7,488	-	(679,455)	-	(679,455)	
Tourism and trade	313,034	-	-	-	(313,034)	-	(313,034)	
Interest on long term debt	924,622	-	-	-	(924,622)	-	(924,622)	
Total governmental activities	11,862,307	1,753,216	105,380	171,942	(9,831,769)	-	(9,831,769)	
Business-type activities								
Water and Sewer	127,954	62,501	-	-	-	(65,453)	(65,453)	
Total Primary Government	\$ 11,990,261	\$ 1,815,717	\$ 105,380	\$ 171,942	\$ (9,831,769)	\$ (65,453)	\$ (9,897,222)	
Component Unit	\$ 14,959	\$ -	\$ 18,612	\$ -				\$ 3,653
General revenues:								
Taxes:								
Property taxes					\$ 6,254,003	\$ -	\$ 6,254,003	\$ -
Franchise fees					1,694,211	-	1,694,211	-
Hotel/motel taxes					393,156	-	393,156	-
Alcoholic beverage tax					784,189	-	784,189	-
Business and occupation taxes					876,513	-	876,513	-
Insurance premium taxes					483,741	-	483,741	-
Intergovernmental revenues					1,966,295	-	1,966,295	-
Other taxes penalties					73,032	-	73,032	-
Unrestricted investment earnings					231,739	1,485	233,224	38
Miscellaneous					21,699	-	21,699	-
Transfers					(287,450)	287,450	-	-
Total general revenues and transfers					12,491,128	288,935	12,780,063	38
Change in net assets					2,659,359	223,482	2,882,841	3,691
Net assets - beginning					58,589,343	1,943,996	60,533,339	400,892
Net assets - ending					\$ 61,248,702	\$ 2,167,478	\$ 63,416,180	\$ 404,583

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

	General	Debt Service	2009 SPLOST	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,003,736	\$ -	\$ 2,692,825	\$ 1,463,540	\$ 993,195	\$ 6,153,296
Investments	6,056,570	1,217,068	502,306	-	1,358,611	9,134,555
Receivables:						
Property taxes	739,476	-	-	-	-	739,476
Due from other governments	17,203	-	331,434	-	-	348,637
Due from other funds	7,630	-	-	-	-	7,630
Other	103,121	-	-	-	32,865	135,986
Total assets	\$ 7,927,736	\$ 1,217,068	\$ 3,526,565	\$ 1,463,540	\$ 2,384,671	\$ 16,519,580
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 68,737	\$ -	\$ 47,641	\$ -	\$ 73,853	\$ 190,231
Retainage payable	-	-	11,554	-	52,006	63,560
Due to other funds	53	-	-	-	7,630	7,683
Deferred revenue	702,748	-	-	153,125	-	855,873
Total Liabilities	771,538	-	59,195	153,125	133,489	1,117,347
Fund Balances:						
Restricted	-	1,217,068	1,855,810	-	2,251,182	5,324,060
Committed	4,122,132	-	-	-	-	4,122,132
Assigned						
Capital project funds	-	-	1,611,560	1,310,415	-	2,921,975
Unassigned	3,034,066	-	-	-	-	3,034,066
Total fund balances	7,156,198	1,217,068	3,467,370	1,310,415	2,251,182	15,402,233
Total liabilities and fund balances	\$ 7,927,736	\$ 1,217,068	\$ 3,526,565	\$ 1,463,540	\$ 2,384,671	
Deferred charges are available in the current period and, therefore, are not reported in the funds.						199,441
Net pension asset is not recorded in the governmental fund statements.						599,740
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						65,903,643
Revenue deferred in the governmental funds susceptible to full accrual on the government wide statements						855,873
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(21,712,228)
						\$ 61,248,702

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



	General	Debt Service	2009 SPLOST	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 5,846,602	\$ -	\$ -	\$ -	\$ -	\$ 5,846,602
Franchise taxes	1,694,211	-	-	-	-	1,694,211
Alcoholic beverage taxes	784,189	-	-	-	-	784,189
Business taxes	1,360,254	-	-	-	-	1,360,254
Hotel/motel taxes	-	-	-	-	393,156	393,156
Other taxes penalties	73,032	-	-	-	-	73,032
Licenses and permits	349,965	-	-	-	-	349,965
Intergovernmental revenues	68,088	-	1,986,295	-	66,000	2,120,383
Charges for services	64,237	-	-	-	-	64,237
Fines and forfeitures	1,245,968	-	-	-	88,413	1,334,381
Investment income	198,655	6,404	17,246	4,641	31,522	258,468
Rental income	-	-	-	17,500	4,634	22,134
Contributions and donations	2,500	-	-	-	94,004	96,504
Miscellaneous revenue	21,699	-	-	-	-	21,699
Total revenues	11,709,400	6,404	2,003,541	22,141	677,729	14,419,215
EXPENDITURES						
Current:						
General government	1,907,235	-	-	-	-	1,907,235
Judicial	334,362	-	-	-	-	334,362
Police	3,642,011	-	-	-	22,112	3,664,123
Public works	1,392,588	-	-	-	-	1,392,588
Culture and recreation	184,383	-	-	-	79,836	264,219
Housing and development	857,222	-	-	-	-	857,222
Tourism and trade	-	-	-	-	313,034	313,034
Capital outlay	-	-	821,560	478,597	2,434,987	3,735,144
Debt service:						
Principal	84,861	700,000	-	-	-	784,861
Interest and fiscal charges	4,085	920,178	-	-	-	924,263
Total expenditures	8,406,747	1,620,178	821,560	478,597	2,849,969	14,177,051
Excess (deficiency) of revenues over (under) expenditures	3,302,653	(1,613,774)	1,181,981	(456,456)	(2,172,240)	242,164
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	21,165	-	-	-	-	21,165
Transfers in	168,430	1,629,000	750,000	982,170	931,499	4,461,099
Transfers out	(3,938,766)	-	(70,117)	-	(739,666)	(4,748,549)
Total other financing sources (uses)	(3,749,171)	1,629,000	679,883	982,170	191,833	(266,285)
Net change in fund balances	(446,518)	15,226	1,861,864	525,714	(1,980,407)	(24,121)
FUND BALANCES, beginning of year	7,602,716	1,201,842	1,605,506	784,701	4,231,589	15,426,354
FUND BALANCES, end of year	\$ 7,156,198	\$ 1,217,068	\$ 3,467,370	\$ 1,310,415	\$ 2,251,182	\$ 15,402,233

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

Amounts reported for governmental activities in the statement of activities are different because:													
Net change in fund balances-total governmental funds	\$ (24,121)												
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements.	389,902												
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement 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.													
	<table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">Additions</td> <td style="text-align: right;">\$ 3,635,039</td> <td></td> </tr> <tr> <td style="text-align: right;">Net effect of deletions</td> <td style="text-align: right;">(33,367)</td> <td></td> </tr> <tr> <td style="text-align: right;">Depreciation expense</td> <td style="text-align: right;">(2,241,316)</td> <td style="text-align: right;">1,360,354</td> </tr> </table>	Additions	\$ 3,635,039		Net effect of deletions	(33,367)		Depreciation expense	(2,241,316)	1,360,354			
Additions	\$ 3,635,039												
Net effect of deletions	(33,367)												
Depreciation expense	(2,241,316)	1,360,354											
Capital 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.													
	<table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">Principal payments of capital leases</td> <td style="text-align: right;">84,861</td> </tr> </table>	Principal payments of capital leases	84,861										
Principal payments of capital leases	84,861												
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure.													
	<table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">Principal payment</td> <td style="text-align: right;">700,000</td> </tr> </table>	Principal payment	700,000										
Principal payment	700,000												
The current year's increase in the net pension asset creates a balance sheet item while reducing net expenses of the functions on the government wide statements	200,375												
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.													
	<table border="0" style="width: 100%;"> <tr> <td colspan="2" style="text-align: right;">Amortization of:</td> <td></td> </tr> <tr> <td style="text-align: right;">Premium/Discount</td> <td style="text-align: right;">\$ 1,506</td> <td></td> </tr> <tr> <td style="text-align: right;">Bond Issuance Cost</td> <td style="text-align: right;">(16,979)</td> <td></td> </tr> <tr> <td style="text-align: right;">Loss on Refunding</td> <td style="text-align: right;">(33,497)</td> <td style="text-align: right;">(48,970)</td> </tr> </table>	Amortization of:			Premium/Discount	\$ 1,506		Bond Issuance Cost	(16,979)		Loss on Refunding	(33,497)	(48,970)
Amortization of:													
Premium/Discount	\$ 1,506												
Bond Issuance Cost	(16,979)												
Loss on Refunding	(33,497)	(48,970)											
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. This is the change in compensated absence payable.	(3,042)												
Change in net assets of governmental activities	\$ 2,659,359												

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



	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive(Negative)
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 5,189,990	\$ 5,760,910	\$ 5,846,602	\$ 85,692
Franchise taxes	1,844,120	1,707,330	1,694,211	(13,119)
Alcoholic beverage taxes	772,000	762,000	784,189	22,189
Business taxes	1,305,000	1,344,270	1,360,254	15,984
Other taxes penalties	15,000	15,000	73,032	58,032
Total taxes	9,126,110	9,589,510	9,758,288	168,778
Licenses and permits:				
Alcoholic beverage fees	166,500	165,040	165,040	-
Business licenses	18,300	21,200	21,450	250
Building permits	102,510	146,980	163,475	16,495
Total licenses and permits	287,310	333,220	349,965	16,745
Intergovernmental revenues:				
Federal grants	-	60,610	60,600	(10)
State grants	-	-	7,488	7,488
Total intergovernmental revenues	-	60,610	68,088	7,478
Charges for services:				
Planning and development fees	7,700	3,500	3,939	439
Public safety services	68,000	58,180	53,847	(4,333)
Special events	7,500	6,790	6,451	(339)
Total charges for services	83,200	68,470	64,237	(4,233)
Fines and forfeitures	1,130,480	1,130,480	1,245,968	115,488
Investment income	178,000	133,000	198,655	65,655
Contributions and donations	5,000	2,500	2,500	-
Miscellaneous revenue	16,500	21,440	21,699	259
Total revenues	10,826,600	11,339,230	11,709,400	370,170
EXPENDITURES				
Current:				
General Government:				
Governing body	128,620	192,570	170,549	22,021
Legislative committees	8,750	8,750	3,709	5,041
Chief executive	386,520	396,470	368,059	28,411
General administration	202,990	204,740	183,859	20,881
Financial administration	593,190	593,890	534,180	59,710
Accounting	35,500	35,500	33,000	2,500
Law	65,000	61,000	48,419	12,581
Data processing	243,840	279,940	171,199	108,741
General government building and plant	385,840	368,840	279,236	89,604
Public information	136,910	136,080	115,025	21,055
Total general government	\$ 2,187,160	\$ 2,277,780	\$ 1,907,235	\$ 370,545

(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, 2010 (continued)

EXPENDITURES (contiued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive(Negative)
	Original	Final		
Judicial	\$ 368,270	\$ 368,270	\$ 334,362	\$ 33,908
Public safety:				
Police administration	331,380	339,730	313,593	26,137
Criminal investigation	346,770	343,720	315,594	28,126
Patrol	2,069,354	2,204,944	2,095,552	109,392
Records and identification	149,720	165,570	140,886	24,684
Police training	101,190	109,940	98,232	11,708
Special detail services	50,000	45,000	30,878	14,122
Police stations and buildings	247,300	172,150	123,066	49,084
Dispatcher	437,670	441,920	420,568	21,352
Public relations	86,510	92,360	83,350	9,010
Park police	124,250	46,940	20,292	26,648
Total public safety	3,944,144	3,962,274	3,642,011	320,263
Public Works:				
Public works administration	1,459,520	1,514,220	1,355,916	158,304
Paved streets	21,600	25,600	14,507	11,093
Storm drainage	61,800	61,800	22,165	39,635
Total public works	1,542,920	1,601,620	1,392,588	209,032
Culture and recreation:				
Special facilities and activities	116,500	124,300	80,913	43,387
Park areas	130,250	136,250	103,470	32,780
Total culture and recreation	246,750	260,550	184,383	76,167
Housing and development:				
Protective inspection administration	151,930	154,330	117,748	36,582
Planning and zoning	409,700	411,400	354,222	57,178
Code enforcement	39,010	39,610	37,001	2,609
Economic development and assistance	284,170	302,270	259,610	42,660
Downtown Suwanee	95,600	112,650	88,641	24,009
Total housing and development	980,410	1,020,260	857,222	163,038
Debt service:				
Principal retirement	84,861	84,861	84,861	-
Interest and fiscal charges	4,085	4,085	4,085	-
Total debt service	88,946	88,946	88,946	-
Total expenditures	9,358,600	9,579,700	8,406,747	1,172,953
Excess of revenues over expenditures	1,468,000	1,759,530	3,302,653	1,543,123
OTHER FINANCING SOURCES (USES):				
Transfer in	218,500	183,500	168,430	(15,070)
Transfer out	(1,976,450)	(3,939,450)	(3,938,766)	684
Sale of capital assets	2,500	8,900	21,165	12,265
Total other financing sources (uses)	(1,755,450)	(3,747,050)	(3,749,171)	(2,121)
Net change in fund balances	(287,450)	(1,987,520)	(446,518)	1,541,002
FUND BALANCES - beginning of year	7,602,716	7,602,716	7,602,716	-
FUND BALANCES - end of year	\$ 7,315,266	\$ 5,615,196	\$ 7,156,198	\$ 1,541,002

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



	Major Enterprise Fund Water & Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 267,972
Receivables:	
Due from other governments	333,883
Accounts	3,452
Due from other funds	53
Total current assets	605,360
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	4,335
Capital assets, nondepreciable	341,383
Capital assets, depreciable, net of accumulated depreciation	1,938,069
Total noncurrent assets	2,283,787
Total assets	2,889,147
LIABILITIES	
Current liabilities:	
Accounts payable	35,355
Retainage payable	2,530
Notes payable	20,620
Total current liabilities	58,505
Noncurrent liabilities:	
Payable from restricted assets:	
Customer deposits payable	4,335
Notes payable	658,829
Total noncurrent liabilities	663,164
Total liabilities	721,669
NET ASSETS	
Invested in capital assets, net of related debt	1,600,003
Unrestricted	567,475
Total net assets	\$ 2,167,478

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

	Major Enterprise Fund Water & Sewer Fund
OPERATING REVENUES	
Water and sewer charges	\$ 62,501
OPERATING EXPENSES	
Salaries and benefits	23,860
Contracted services	11,481
Supplies	22,274
Depreciation	39,682
Total operating expenses	97,297
Operating income (loss)	(34,796)
NONOPERATING REVENUES (EXPENSES)	
Investment income	1,485
Interest expense	(23,619)
Loss on disposal of capital asset	(7,038)
Total nonoperating revenues (expenses)	(29,172)
Income (loss) before transfers	(63,968)
Transfer in	287,450
Change in net assets	223,482
Total net assets - beginning of year	1,943,996
Total net assets - ending	\$ 2,167,478

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



	Major Enterprise Fund Water & Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 62,702
Payments to employees	(23,860)
Payments to suppliers for goods and services	(34,219)
Net cash provided (used) by operating activities	<u>4,623</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from other fund	287,450
Net cash provided by noncapital financing activities	<u>287,450</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital asset	(297,629)
Principal paid on capital debt	(18,427)
Interest paid on capital debt	(14,017)
Net cash used by capital and related financing activities	<u>(330,073)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,485
Net cash provided by investing activities	<u>1,485</u>
Net decrease in cash and cash equivalents	(36,515)
Cash and cash equivalents - beginning	308,822
Cash and cash equivalents - ending	<u>\$ 272,307</u>
Reconciliation of operating income to net cash provided by operating activities:	
Cash flows from operating activities	
Operating income (loss)	\$ (34,796)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	39,682
Change in assets and liabilities	
(Increase) decrease in accounts receivable	(79)
Increase (decrease) in accounts payable not related to a capital assets	(464)
Increase (decrease) in customer deposits	280
Net cash provided (used) by operating activities	<u>\$ 4,623</u>

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

		Agency Fund
ASSETS		
Cash and cash equivalents	\$	47,693
Total assets		<u>47,693</u>
LIABILITIES		
Due to other funds		47,693
Total liabilities	\$	<u>47,693</u>

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



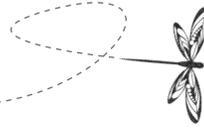
Parker at Sims Lake Park



notes to the 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, data from this unit is 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 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, 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 noncurrent assets and noncurrent 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 and report all financial resources traditionally associated with government, which are not accounted for and reported in another fund.

The **Debt Service Fund** accounts for and reports financial resources that are restricted to principal and interest expenditures.

The **2009 Special Purpose Local Option Sales Tax (SPLOST) Fund** accounts for and reports financial resources that are restricted or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Funding is provided by a restricted one-cent special local option sales tax approved by voters in 2008, restricted federal funds, and local assigned funds.

The **Other Capital Projects Fund** accounts for and reports financial resources that are assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Funding is provided from local assigned funds.

The City aggregates other nonmajor 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 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 financial statements. The fiduciary fund financial statements report on the *accrual basis of accounting* yet the agency funds have no measurement focus. 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, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and 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.

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.

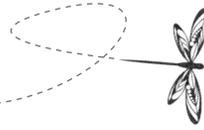
State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime banker's acceptances; repurchase agreements; and the Georgia local government investment pool (Georgia Fund I). The City's 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.



NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

Assets	Years
Land improvements	50
Buildings	50
Public domain infrastructure	50 – 100
System infrastructure	10 – 40
Machinery, equipment and vehicles	3 - 30

G. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay 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

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.

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.

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.

K. Fund Balance

The City has elected to early implement GASB Statement Number 54 which shifts the focus of fund balance reporting from the concept of availability of fund resources to the extent a government is bound to constraints on the specific purposes for which the funds can be spent. In the governmental fund financial statements, fund balance is presented in four classifications.

1. **Restricted.** Restricted fund balance encompasses the net fund resources subject to externally enforceable legal restrictions. Such restrictions would include 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The City has the following restricted fund balances:
 - Debt Service Fund - \$1,217,068 externally imposed by bond covenant.
 - 2009 SPLOST Fund - \$1,855,810 externally imposed by laws or regulations of other governments.
 - Other Governmental Funds - \$2,251,182 externally imposed by grantors and laws or regulations of other governments.
2. **Committed.** Committed fund balance represents resources the use of which is constrained by limitations that the government imposes upon itself at the highest level of decision making, City Council, and can only be removed by formal action equivalent to the action taken to impose it. The City has committed \$4,122,132 in the general fund for stabilization. The stabilization account consists of a minimum of four months of general fund expenditures and transfers. These funds were committed by the City Council by adopted resolution.

The stabilization account reserves shall only be used to provide a short term solution to maintaining services until projected revenue growth or necessary expenditure reductions are achieved to balance the preceding budget. When it becomes necessary for the City to draw funds from the stabilization account, by formal action, the City will develop a plan

to replenish the account to the minimum level from net revenue surpluses in subsequent fiscal year(s) until the balance is restored to the minimum level.

3. **Assigned.** Assigned fund balance includes the portion of fund balance that reflects the City's intended use of resources. Such intent was established by formal action of the City Council. Modifications require action by the City Council. The City has the following assigned fund balances:
 - 2009 SPLOST Fund - \$1,611,560 assigned by City Council for capital projects appropriation.
 - Other Capital Projects - \$1,310,415 assigned by City Council for capital projects appropriation.
4. **Unassigned.** Unassigned includes fund balance that has not been reported in any other classification. The City has \$3,034,066 in unassigned general fund balance.

Suwanee has a revenue spending policy that provides for resources to be used in the following hierarchy: bond proceeds, federal funds, state funds, and local funds. For the purpose of the fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed, assigned and unassigned.

NOTE 2 RECONCILIATION OF GOVERNMENTWIDE 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 \$21,712,228 difference are as follows:

Capital leases payable	\$	(61,754)
Compensated absences payable		(251,093)
Bonds payable		(21,399,381)
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – government activities	\$	<u>(21,712,228)</u>

NOTE 3 LEGAL COMPLIANCE - BUDGETS

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 ensure 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 25, 2009. The level of legal budgetary control is at 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.

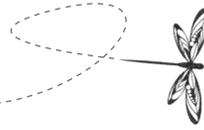
Material supplementary budgetary appropriations were made to increase overall general government expenditures by (\$221,100). These funds were used to purchase additional vehicles and equipment for the police and public works departments. Transfers out increased by (\$1,936,000) to provide funding for a police substation land purchase, future park land purchase, and funding for repairs to the City's storm drainage system.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At June 30, 2010, there were no outstanding encumbrances.

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, 2010 the City has no uncollateralized deposits.

Investments. At June 30, 2010, the City's investments consisted solely of certificates of deposit which do 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, 2009 and were mailed to taxpayers on October 1, 2009. The due date for these taxes was December 20, 2009, and after that date, both penalty and interest are accrued until the taxes are collected. The lien date was January 1, 2010. Receivables are recorded when taxes are levied and billed (October 1).

Receivables at June 30, 2010 for the City's individual major funds and nonmajor funds in the aggregate are as follows. There is no allowance for uncollectible accounts related to these receivables.

	General	2009 SPLOST	Other Governmental Funds	Water and Sewer	Total
Receivables					
Property taxes	\$ 739,476	\$ -	\$ -	\$ -	\$ 739,476
Due from other governments	17,203	331,434	-	333,883	682,520
Due from other funds	7,630	-	-	53	7,683
Other	103,121	-	32,865	3,452	139,438
Net total receivables	\$ 867,430	\$ 331,434	\$ 32,865	\$ 337,388	\$ 1,569,117

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 is as follows:

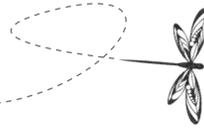
	Beginning Balances	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 10,599,337	\$ 1,173,521	\$ -	\$ -	\$ 11,772,858
Construction in progress	10,309,328	2,030,864	-	(10,969,640)	1,370,552
Total	20,908,665	3,204,385	-	(10,969,640)	13,143,410
Capital assets, being depreciated:					
Land improvements	2,866,279	-	-	-	2,866,279
Buildings and improvements	13,454,989	-	-	9,844,438	23,299,427
Machinery and equipment	2,208,589	159,806	(211,545)	251,957	2,408,807
Vehicles	1,308,849	66,999	(61,465)	-	1,314,383
Infrastructure	38,844,168	203,849	(3,173)	873,245	39,918,089
Total	58,682,874	430,654	(276,183)	10,969,640	69,806,985
Less accumulated depreciation for:					
Land improvements	160,091	15,284	-	-	175,375
Buildings and improvements	1,126,851	246,428	-	-	1,373,279
Machinery and equipment	814,144	156,146	(180,059)	-	790,231
Vehicles	744,906	113,012	(61,464)	-	796,454
Infrastructure	12,202,260	1,710,446	(1,293)	-	13,911,413
Total	15,048,252	2,241,316	(242,816)	-	17,046,752
Total capital assets, being depreciated, net	43,634,622	(1,810,662)	(33,367)	10,969,640	52,760,233
Governmental activities capital assets, net	\$ 64,543,287	\$ 1,393,723	\$ (33,367)	\$ -	\$ 65,903,643

Business capital assets activity for the year ended June 30, 2010 is as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balance
Business-type activities/Water and Sewer fund:					
Capital assets, not being depreciated:					
Land	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500
Construction in progress	-	333,883	-	-	333,883
Total	7,500	333,883	-	-	341,383
Capital assets, being depreciated:					
Land improvements	4,944	-	-	-	4,944
Machinery and equipment	32,989	1,577	-	-	34,566
Water system	2,452,842	-	(48,395)	-	2,404,447
Total	2,490,775	1,577	(48,395)	-	2,443,957
Less accumulated depreciation for:					
Land improvements	2,595	247	-	-	2,842
Machinery and equipment	8,155	1,698	-	-	9,853
Water system	496,813	37,737	(41,357)	-	493,193
Total	507,563	39,682	(41,357)	-	505,888
Total capital assets, being depreciated, net	1,983,212	(38,105)	(7,038)	-	1,938,069
Business-type activities capital assets, net	\$ 1,990,712	\$ 295,778	\$ (7,038)	\$ -	\$ 2,279,452

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

Governmental activities	
General government	\$ 131,920
Judicial	325
Public safety	190,994
Public works	1,751,177
Culture and recreation	140,579
Housing and development	26,321
Total depreciation expenses-governmental activities	\$ 2,241,316



NOTE 7 LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2010.

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 16,370,000	\$ -	\$ (450,000)	\$ 15,920,000	\$ 465,000
Add: Issuance Premium	26,472	-	(1,865)	24,607	-
Less: Deferred loss on refunding	(475,381)	-	33,497	(441,884)	-
Total general obligation bonds payable	15,921,091	-	(418,368)	15,502,723	465,000
Revenue bonds	6,150,000	-	(250,000)	5,900,000	260,000
Less: Issuance discount	(3,701)	-	359	(3,342)	-
Total revenue bonds payable	6,146,299	-	(249,641)	5,896,658	260,000
Capital leases	146,615	-	(84,861)	61,754	50,959
Compensated absences	248,051	189,187	(186,145)	251,093	80,350
Governmental activities long term liabilities	\$ 22,462,056	\$ 189,187	\$ (939,015)	\$ 21,712,228	\$ 856,309

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

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Business-type activities					
Notes payable	\$ 354,392	\$ 343,484	\$ (18,427)	\$ 679,449	\$ 20,620

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, 2010.

	Governmental Activities
Machinery, Equipment, and Vehicles	\$ 166,891

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

Fiscal year ending June 30,	
2011	52,421
2012	11,113
Total minimum lease payments	63,534
Less amount representing interest	(1,780)
Present value of future minimum lease payments	\$ 61,754

2002 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. In 2006, the City advanced a portion of the outstanding 2002 general obligation bonds series 2013 through 2032. The debt remaining after 2012 is considered defeased by the 2006 general obligation refunding series. The remaining bonds, maturing in January 2012, have interest rates that range from 6.0% to 7.0%. The amount of general obligation bonds outstanding at June 30, 2010 is \$825,000.

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

Year ending June 30,	Principal	Interest
2011	\$ 405,000	\$ 39,375
2012	420,000	12,600
Total	\$ 825,000	\$ 51,975

2006 General Obligation Refunding Series. The 2006 general obligation refunding bonds in the amount of \$15,250,000, were issued to advance refund a portion of the City's 2002 general obligation bond series, maturing January 2013 through 2032, the aggregate principal amount of \$14,110,000. After the effect of refunding and defeasance of the refunding, the City has an outstanding balance of \$17,195,000 in aggregate principal amount of the 2002 general obligation bonds and 2006 general obligation refunding bonds. The weighted average interest rate of the 2002 general obligation bonds is approximately 4.20% and the weighted average interest rate of the 2006 general obligation refunding bonds is approximately 5.15%. The City has determined that refunding the 2002 general obligation bonds will reduce the City's total debt service payments by approximately \$1,019,146 on aggregate basis and by approximately \$775,588 on a net present value basis, economic gain.

The bonds, maturing in January 2032, have interest rates that range from 4.0% to 4.3%. The amount of general obligation bonds outstanding at June 30, 2010 is \$15,095,000.

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

Year ending June 30,	Principal	Interest
2011	\$ 60,000	\$ 631,730
2012	65,000	629,074
2013	505,000	616,330
2014	525,000	593,811
2015	545,000	571,074
2016 - 2020	3,065,000	2,488,389
2021 - 2025	3,725,000	1,801,460
2026 - 2030	4,525,000	945,177
2031 - 2032	2,080,000	90,300
Total	\$ 15,095,000	\$ 8,367,345

The net proceeds of the general obligation refunding bond issuance was irrevocably deposited in escrow with the Bank of New York Trust Company, as escrow agent. The escrow obligations will bear interest and will be scheduled to mature at times sufficient to pay the principal and premium interest on the refunding bonds until January 2012, the earliest date of redemption. At June 30, 2010, the amount of the defeased bonds outstanding was \$14,110,000.

Revenue Bonds

2006 Urban Redevelopment Revenue Bonds. During fiscal year 2007, the City issued \$6,620,000 in revenue bonds to finance the cost of a new City Hall. The bonds, maturing in January 2027, have interest rate that range from 3.50% to 3.85%. The amount of revenue bonds outstanding at June 30, 2010 is \$5,900,000.

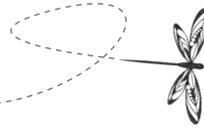
The debt service requirements to maturity on the revenue bonds are as follows:

Year ending June 30,	Principal	Interest
2011	\$ 260,000	\$ 214,323
2012	270,000	205,223
2013	275,000	195,773
2014	285,000	186,148
2015	295,000	176,173
2016 - 2020	1,650,000	717,770
2021 - 2025	1,970,000	397,976
2026 - 2027	895,000	51,756
Total	\$ 5,900,000	\$ 2,145,142

Notes Payable. During the year ended June 30, 2007, the Water and Sewer Fund closed out a construction loan, with Georgia Environmental Facilities Authority (GEFA), and converted the loan to an amortizing loan on October 31, 2006. The principal amount of the amortized loan was \$390,143. The loan accrues interest at the rate of 4.03%. Monthly principal and interest payments of \$2,370 are due the first of each month for 240 months. The amount outstanding at June 30, 2010 is \$339,965.

The debt service requirements to maturity on the notes are as follows:

Year ending June 30,	Principal	Interest
2011	\$ 15,019	\$ 13,425
2012	15,636	12,809
2013	16,278	12,167
2014	16,946	11,498
2015	17,642	10,803
2016 - 2020	99,686	42,539
2021 - 2025	121,897	20,324
2026 - 2027	36,861	1,061
Total	\$ 339,965	\$ 124,626



GEFA Construction loan. In fiscal year 2010, the City was awarded a GEFA construction loan for \$480,044. In accordance with Title VII of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA), GEFA agrees to forgive 40% of each principal and interest payment due on the loan. As of June 30, 2010, the City has incurred \$333,883 in construction cost and \$9,601 in closing cost related to this construction loan. This construction loan bears an interest rate of 4.3%. When construction is complete, the City has an agreement with GEFA to transfer the principal amount of \$288,026 of the construction loan into a long-term note payable. Closing cost are being amortized and paid over twelve months, the first payment was made on March 1, 2010. The remaining closing cost of \$5,601 has been classified as due within one year.

NOTE 8 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

I. The composition of interfund transfers for the year ended June 30, 2010 is as follows:

Transfer In	Transfer Out	Amount
General fund	Non-major governmental funds	\$ 168,430
Debt Service fund	General fund	1,629,000
2009 SPLOST fund	General fund	750,000
Non-major governmental funds	2009 SPLOST fund	70,117
Other Capital Projects fund	Non-major governmental funds	567,170
Other Capital Projects fund	General fund	415,000
Non-major governmental funds	General fund	857,316
Non-major governmental funds	Non-major governmental funds	4,066
Water and Sewer fund	General fund	287,450
		\$ 4,748,549

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.

2. Interfund receivable and payable balances as of June 30, 2010, are as follows

Due to	Due From	Amount
General fund	Non-major governmental funds	\$ 7,630
Water and Sewer fund	General	53
		\$ 7,683

Interfund receivables and payables result from timing differences related to year end transactions which normally clear within one month.

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, 2010, 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
Office of Financial Services Manager
40 Courtland Street NE
Atlanta, GA 30303

NOTE 10 PENSION PLAN

Effective November 1, 2005, the City changed its retirement program for full time employees from a 401(a) defined contribution plan, the **City of Suwanee Money Purchase Pension Plan**, to a defined benefit plan, the **Georgia Municipal Association Employee Pension Plan for the City of Suwanee**. Employees hired or rehired on or after November 1, 2005 automatically participate in the defined benefit plan. Current employees hired before November 1, 2005 had a choice of remaining in the 401(a) plan or electing to participate in the defined benefit plan. Employees that remained in the 401(a) plan will continue to receive contributions under the terms of the 401(a) plan.

Defined Contribution Plan

The **City of Suwanee Money Purchase Pension Plan**, a defined contribution plan is administered by an insurance company, the Principal Financial Group. A participant is 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. The City's total payroll for the fiscal year was \$4,390,576, including \$456,809 of payroll covered by this plan. Contributions by the City totaled \$22,142 for the fiscal year ended June 30, 2010. Plan provisions and contribution requirements are established by City ordinance and may be amended by the Suwanee City Council.

The employee vesting schedule for the 401 (a) plan is as follows:

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

Defined Benefit Plan

Employees electing to participate in the **Georgia Municipal Association Employee Pension Plan for the City of Suwanee**, (the GMA plan), ceased contributions to the 401(a) plan on November 1, 2005 and all related, subsequent contributions were made to the GMA plan. Prior full time service with the City was counted for eligibility for retirement and death benefits for vesting. The City contributed 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 GMA plan currently requires an annual employee contribution of 2% and a City contribution of 4.94%. However, the City has elected to contribute at a higher rate of 11% for employer contributions. This rate was determined by a separate actuarial study that was performed in 2005 to provide for an even level of funding year to year and to prevent large fluctuation of pension contributions from year to year. Due to this difference in required contribution and contributions actual paid by the City, the statement of net assets reports a net pension asset of \$599,740.

The GMA plan board elected to change the valuation schedule from November 1 to January 1 to assist the plan members with their financial forecasting and budgeting process. Commencing with the 2010 valuation, the annual contribution rate will not change until the commencement of a new fiscal year.

The GMA plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The GMA Plan is an agent multiple-employer pension plan, administered by The Segal Company. The City Council, in its role as the Plan Sponsor, has the sole authority to amend the provisions, including specific benefit provisions and contribution requirements, of the GMA Plan, as provided in the Plan document. Benefits are provided by the GMA plan whereby retirees receive 1.5% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. GMA issued a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street SW, Atlanta, Georgia 30303, or by calling (404) 688-0472.

Membership

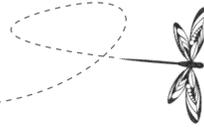
At June 30, 2010, the Plan consisted of the following:	
Retired participants and beneficiaries currently receiving benefits	1
Terminated participants and beneficiaries entitled to benefits, but not yet receiving benefits	10
Active participants	79
Total	<u>90</u>

Funding Policy. The City is required to contribute an actuarially determined amount annually to the Plan's trust. The plans contribution amount is determined using actuarial methods and assumptions approved by the GMA Plan of trustees and meets or exceeds the minimum contribution requirement contained in the State of Georgia statutes. However, as noted above, the City has chosen to contribute at a higher rate of 11% instead of the plan's contribution amount of 4.94%. This excess funding does not represent any additional postemployment benefit obligation to the City.

Annual Pension Cost. The City's annual pension cost and net pension obligation for the current year were determined as follows:

Derivation of annual pension cost	June 30, 2010	
Annual required contribution	\$	167,828
Interest on net pension asset		(16,566)
Adjustment of net pension asset		16,566
Annual pension cost	\$	<u>167,828</u>

Fiscal Year Beginning	Annual Pension Costs (APC)	Actual City Contribution	Percentage of APC Contributed	Net Pension Asset
7/1/2007	\$ 138,721	\$ 312,112	225%	\$ 173,391
7/1/2008	149,951	375,925	251%	399,365
7/1/2009	167,828	368,203	219%	599,740



NOTE 10 PENSION PLAN (CONTINUED)

Basis of Valuation

Valuation date	January 1, 2010
Actuarial cost method	Aggregate: Because the aggregate method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.
Amortization method	n/a – Aggregate method does not identify or separately amortize unfunded actuarial accrued liabilities.
Remaining amortization period	n/a
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at year end. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial assumptions:

Investment rate of return	8.00%
Projected salary increases	4.50%
Cost of living adjustments	0.00%
Expected annual inflation	3.00%

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability* (AAL) (b)	Unfunded/(Surplus) AAL (UAAL) (b) – (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ** ((b)-(a))/(c)
01/01/2010	\$ 2,697,575	\$ 1,608,679	\$ (1,088,896)	167.69%	\$ 3,340,099	0.00%

* Calculated under the Entry Age actuarial cost method.

** Not less than zero

Prior trend information to the extent it exists is presented as required supplementary information. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010.

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, 2010, the City has contractual commitments on uncompleted construction contracts of approximately \$27,182 for pedestrian improvements and park improvements.

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 \$393,156 as reported in the City's Hotel/Motel Tax Fund. Expenditures and transfers totaled \$481,464 leaving a fund balance of \$17,277 to be used for tourism and trade.



Parker at City Hall



Parker at Playtown Suwannee

required supplementary information





Required Supplementary Information Schedule of Funding Progress (unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability ⁽¹⁾ (AAL) (b)	Funding Ratio (a)/(b)	Unfunded/(Surplus) AAL(UAAL) (b) – (a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ⁽²⁾ ((b) – (a))/(c)
11/01/2006	\$ 1,233,052	\$ 1,193,207	103.34%	\$ (39,845)	\$ 2,540,356	0.00%
11/01/2007	1,671,429	1,399,596	119.42%	(271,833)	2,663,043	0.00%
11/01/2008	2,110,054	1,662,754	126.90%	(447,300)	3,167,880	0.00%
01/01/2010 ⁽³⁾	2,697,575	1,608,679	167.69%	(1,088,896)	3,340,099	0.00%

NOTES:

- (1) Calculated under the Entry Age actuarial cost method.
- (2) Not Less than zero
- (3) The GMA plan board elected to change the valuation schedule from November 1 to January 1 to assist the plan members with their financial forecasting and budget process. Commencing with the 2010 valuation, the annual contribution rate will not change until the commencement of a new fiscal year.

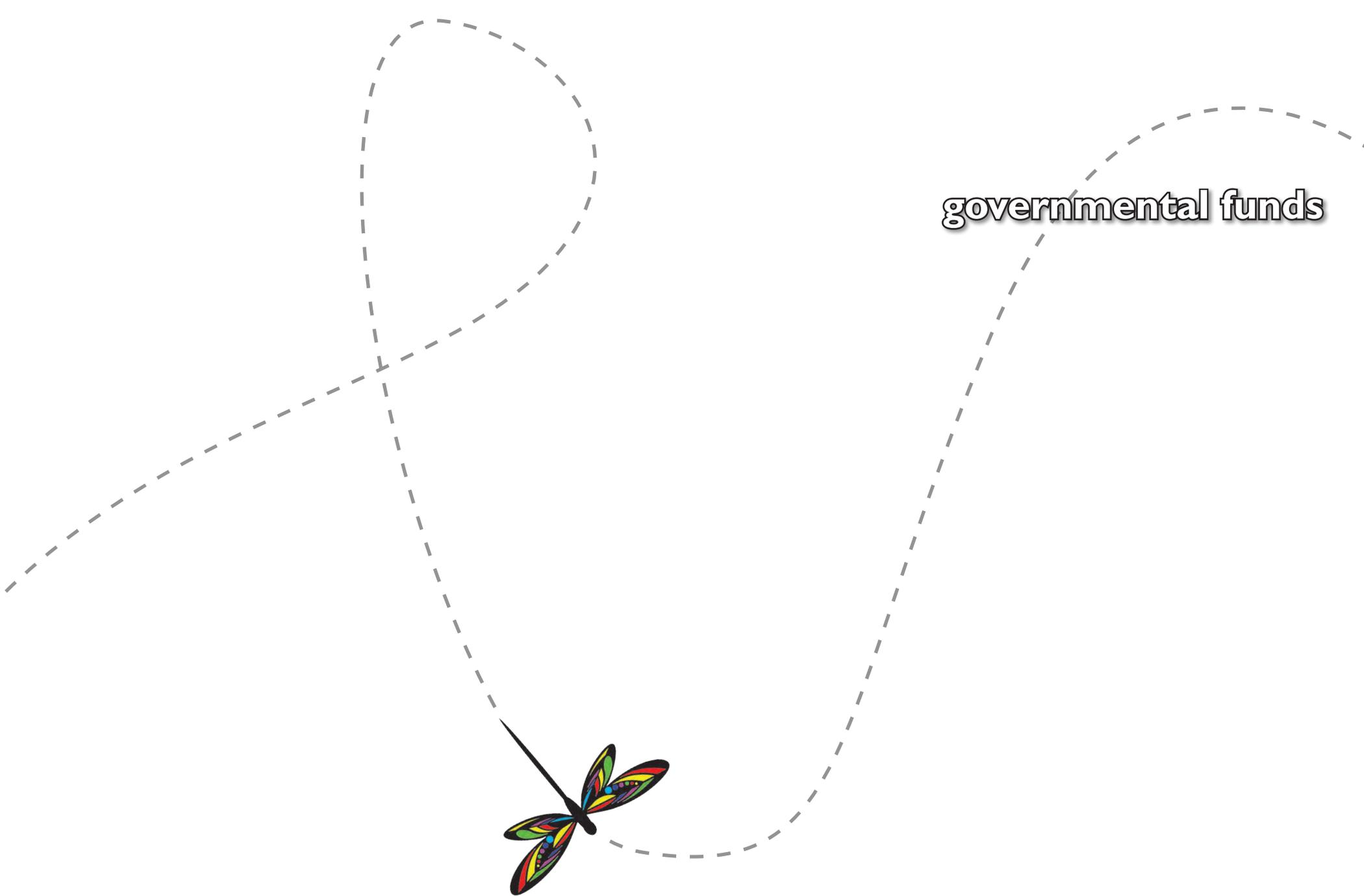
The assumptions used in the preparations of the above schedules are disclosed in Note 10 to the financial statements.

Complete financial statements for Suwanee's Defined Benefit Plan can be obtained at the following address:

City of Suwanee
Human Resource Department
330 Town Center Avenue
Suwanee, Georgia 30024



Parker on the Suwanee Creek Greenway



governmental funds



special revenue

Suwanee Day	The purpose of the Suwanee Day Festival is to provide a high-quality family festival for the citizens of Suwanee. The festival is self-funded whereby it generates sponsorship dollars to offset the cost of the festival. These funds are restricted by contribution requirements from sponsors.
Public Art	The City Council-appointed Public Arts Commission was established to work with and encourage developers to include public art or support public art as a component of new projects and to create programs that bring and promote public art in Suwanee. The Suwanee Public Arts Partnership, a volunteer-based organization, was launched to raise funds for and build community awareness of public art initiatives. These funds are restricted by contribution requirements from sponsors.
Cemetery	This fund was created to receive donations and contributions for the Jackson Street, Shadowbrook, and the Sims Lake cemetery projects. These funds are restricted by contribution requirements from sponsors.
Confiscated Assets	Georgia law allows police agencies to file for seizure of property related to illegal substances or activities. These funds must be used to purchase police equipment. Suwanee also participates in the State Drug Task force.
Community Garden	Suwanee's Community Garden, Harvest Farm, was established in 2010 to offer residents and members of the community the opportunity to enjoy nature, build community, learn about gardening and grow fresh produce. Contributions to this fund include plot rental fees and donations received from corporations, individuals, and citizen groups. These funds are restricted by plot rental agreements and contribution requirements from sponsors.
Hotel/Motel Tax	This fund accounts for the accommodation taxes collected from the 7% Hotel/Motel tax. These revenues are collected on a monthly basis from each hotel or motel in Suwanee. By state law, the City is required to spend 57% of the collections on programs and initiatives that promote tourism.

capital projects

2005 SPLOST	The special purpose local option sales tax (splost) fund accounts for the financial resources provided from a one-cent special local option sales tax approved by Gwinnett County voters in 2004.
Open/Green Space	This fund accounts for the financial resources provided from the 2002 General Obligation Bond Issue. In March 2002, \$17.7 million in general obligation bonds were issued to fund the purchase of land and green space.
Pedestrian Underpass	This fund accounts for the financial resources used to construct a pedestrian tunnel that connects Main Street to Buford Highway. Funding for this project includes federal, local, and splost funds.
Town Center Facility Improvements	This fund accounts for the capital facility project at the Town Center URA property site. Funding for this project has been provided by the funds raised from the parcels sold at the URA property site along with resources provided from the 2006 URA Revenue Bond Issue.
Tax Allocation District	Suwanee's Tax Allocation District (TAD) was created to revitalize Suwanee's commercial district along I-85, Suwanee's Gateway. Funds obtained through the creation of a tax allocation district will ignite additional private investment and growth.

SPECIAL REVENUE

	Suwanee Day	Public Art	Cemetery Fund	Confiscated Assets	Community Garden	Hotel/Motel Tax	Total
ASSETS							
Cash and cash equivalents	\$ 19,571	\$ 9,432	\$ 14,568	\$ 97,101	\$ 7,837	\$ 2,526	\$ 151,035
Investments	-	-	-	-	-	-	-
Accounts receivable							
Other	-	-	-	-	-	32,865	32,865
Total assets	\$ 19,571	\$ 9,432	\$ 14,568	\$ 97,101	\$ 7,837	\$ 35,391	\$ 183,900
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,181	\$ -	\$ -	\$ -	\$ -	\$ 10,484	\$ 11,665
Retainage payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	7,630	7,630
Total liabilities	1,181	-	-	-	-	18,114	19,295
Fund Balances:							
Restricted	18,390	9,432	14,568	97,101	7,837	17,277	164,605
Total fund balances	18,390	9,432	14,568	97,101	7,837	17,277	164,605
Total liabilities and fund balances	\$ 19,571	\$ 9,432	\$ 14,568	\$ 97,101	\$ 7,837	\$ 35,391	\$ 183,900



C A P I T A L P R O J E C T S

	2005 SPLOST	Open/Green Space	Pedestrian Underpass	TC Facility Improvements	Tax Allocation District	Total	Total Non-major Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 630,978	\$ 161,279	\$ -	\$ -	\$ 49,903	\$ 842,160	\$ 993,195
Investments	902,375	404,756	-	-	51,480	1,358,611	1,358,611
Accounts receivable							
Other	-	-	-	-	-	-	32,865
Total assets	\$ 1,533,353	\$ 566,035	\$ -	\$ -	\$ 101,383	\$ 2,200,771	\$ 2,384,671
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 40,897	\$ 21,291	\$ -	\$ -	\$ -	\$ 62,188	\$ 73,853
Retainage payable	36,940	15,066	-	-	-	52,006	52,006
Due to other funds	-	-	-	-	-	-	7,630
Total liabilities	77,837	36,357	-	-	-	114,194	133,489
Fund Balances:							
Restricted	1,455,516	529,678	-	-	101,383	2,086,577	2,251,182
Total fund balances	1,455,516	529,678	-	-	101,383	2,086,577	2,251,182
Total liabilities and fund balances	\$ 1,533,353	\$ 566,035	\$ -	\$ -	\$ 101,383	\$ 2,200,771	\$ 2,384,671

SPECIAL REVENUE

	Suwanee Day	Public Art	Cemetery Fund	Confiscated Assets	Community Garden	Hotel/Motel Tax	Total
REVENUES							
Hotel/motel taxes	\$ -	\$ -	\$ -	\$ -	\$ -	393,156	\$ 393,156
Intergovernmental	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	88,413	-	-	88,413
Investment income	145	6	66	315	7	740	1,279
Rental income	-	-	-	-	4,634	-	4,634
Contributions and donations	79,606	9,426	-	-	4,972	-	94,004
Total revenues	79,751	9,432	66	88,728	9,613	393,896	581,486
EXPENDITURES							
Current:							
Police	-	-	-	22,112	-	-	22,112
Culture and recreation	78,060	-	-	-	1,776	-	79,836
Tourism and trade	-	-	-	-	-	313,034	313,034
Capital outlay	-	-	-	-	-	-	-
Total expenditures	78,060	-	-	22,112	1,776	313,034	414,982
Excess of revenues over (under) expenditures	1,691	9,432	66	66,616	7,837	80,862	166,504
OTHER FINANCING SOURCES (USES)							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	(168,430)	(168,430)
Total other financing sources (uses)	-	-	-	-	-	(168,430)	(168,430)
Net change in fund balances	1,691	9,432	66	66,616	7,837	(87,568)	(1,926)
FUND BALANCES - beginning of year	16,699	-	14,502	30,485	-	104,845	166,531
FUND BALANCES - end of year	\$ 18,390	\$ 9,432	\$ 14,568	\$ 97,101	\$ 7,837	\$ 17,277	\$ 164,605



CAPITAL PROJECTS

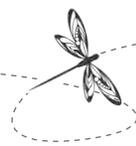
	2005 SPLOST	Open/Green Space	Pedestrian Underpass	TC Facility Improvements	Tax Allocation District	Total	Total Non-major Governmental Funds
REVENUES							
Hotel/motel taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	393,156
Intergovernmental	66,000	-	-	-	-	66,000	66,000
Fines and forfeitures	-	-	-	-	-	-	88,413
Investment income	20,325	6,090	14	2,244	1,570	30,243	31,522
Rental income	-	-	-	-	-	-	4,634
Contributions and donations	-	-	-	-	-	-	94,004
Total revenues	86,325	6,090	14	2,244	1,570	96,243	677,729
EXPENDITURES							
Current:							
Police	-	-	-	-	-	-	22,112
Culture and recreation	-	-	-	-	-	-	79,836
Tourism and trade	-	-	-	-	-	-	313,034
Capital outlay	1,084,331	1,230,476	2,880	117,300	-	2,434,987	2,434,987
Total expenditures	1,084,331	1,230,476	2,880	117,300	-	2,434,987	2,849,969
Excess of revenues over (under) expenditures	(998,006)	(1,224,386)	(2,866)	(115,056)	1,570	(2,338,744)	(2,172,240)
OTHER FINANCING SOURCES (USES)							
Transfer in	70,117	815,000	4,066	-	42,316	931,499	931,499
Transfer out	(4,066)	-	-	(567,170)	-	(571,236)	(739,666)
Total other financing sources (uses)	66,051	815,000	4,066	(567,170)	42,316	360,263	191,833
Net change in fund balances	(931,955)	(409,386)	1,200	(682,226)	43,886	(1,978,481)	(1,980,407)
FUND BALANCES - beginning of year	2,387,471	939,064	(1,200)	682,226	57,497	4,065,058	4,231,589
FUND BALANCES - end of year	\$ 1,455,516	\$ 529,678	\$ -	\$ -	\$ 101,383	\$ 2,086,577	\$ 2,251,182

S U W A N E E D A Y

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 700	\$ 700	\$ 145	\$ (555)
Contributions and donations	81,000	85,500	79,606	(5,894)
Total revenues	81,700	86,200	79,751	(6,449)
EXPENDITURES				
Current:				
Culture and recreation	81,700	86,200	78,060	8,140
Total expenditures	81,700	86,200	78,060	8,140
Excess of revenues over expenditures	-	-	1,691	1,691
Net change in fund balances	-	-	1,691	1,691
FUND BALANCES - beginning of year	16,699	16,699	16,699	-
FUND BALANCES - end of year	\$ 16,699	\$ 16,699	\$ 18,390	\$ 1,691

P U B L I C A R T

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ 500	\$ 6	\$ (494)
Contributions and donations	-	80,000	9,426	(70,574)
Total revenues	-	80,500	9,432	(71,068)
EXPENDITURES				
Current:				
Culture and recreation	-	80,500	-	80,500
Total expenditures	-	80,500	-	80,500
Excess of revenues over expenditures	-	-	9,432	9,432
Net change in fund balances	-	-	9,432	9,432
FUND BALANCES - beginning of year	-	-	-	-
FUND BALANCES - end of year	\$ -	\$ -	\$ 9,432	\$ 9,432



CEMETERY

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 360	\$ 360	\$ 66	\$ (294)
Total revenues	360	360	66	(294)
EXPENDITURES				
Current:				
Public works	34,360	34,360	-	34,360
Total expenditures	34,360	34,360	-	34,360
Excess of revenues over (under) expenditures	(34,000)	(34,000)	66	34,066
Net change in fund balances	(34,000)	(34,000)	66	34,066
FUND BALANCES - beginning of year	14,502	14,502	14,502	-
FUND BALANCES - end of year	\$ (19,498)	\$ (19,498)	\$ 14,568	\$ 34,066

CONFISCATED ASSETS

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 22,500	\$ 22,500	\$ 88,413	\$ 65,913
Investment income	250	250	315	65
Total revenues	22,750	22,750	88,728	65,978
EXPENDITURES				
Current:				
Police	22,750	22,750	22,112	638
Total expenditures	22,750	22,750	22,112	638
Excess of revenues over expenditures	-	-	66,616	66,616
Net change in fund balances	-	-	66,616	66,616
FUND BALANCES - beginning of year	30,485	30,485	30,485	-
FUND BALANCES - end of year	\$ 30,485	\$ 30,485	\$ 97,101	\$ 66,616

COMMUNITY GARDEN

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ 100	\$ 7	\$ (93)
Rental Income	-	4,300	4,634	334
Contributions and donations	-	4,500	4,972	472
Total revenues	-	8,900	9,613	713
EXPENDITURES				
Current:				
Culture and recreation	-	8,900	1,776	7,124
Total expenditures	-	8,900	1,776	7,124
Excess of revenues over expenditures	-	-	7,837	7,837
Net change in fund balances	-	-	7,837	7,837
FUND BALANCES - beginning of year	-	-	-	-
FUND BALANCES - end of year	\$ -	\$ -	\$ 7,837	\$ 7,837

HOTELMOTEL TAX

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Hotel/motel taxes	\$ 508,170	\$ 452,670	\$ 393,156	\$ (59,514)
Investment income	4,580	1,000	740	(260)
Total revenues	512,750	453,670	393,896	(59,774)
EXPENDITURES				
Current:				
Tourism and trade	294,230	312,530	313,034	(504)
Total expenditures	294,230	312,530	313,034	(504)
Excess of revenues over (under) expenditures	218,520	141,140	80,862	(60,278)
OTHER FINANCING SOURCES (USES)				
Transfer out	(218,520)	(168,440)	(168,430)	(10)
Net change in fund balances	-	(27,300)	(87,568)	(60,268)
FUND BALANCES - beginning of year	104,845	104,845	104,845	-
FUND BALANCES - end of year	\$ 104,845	\$ 77,545	\$ 17,277	\$ (60,268)



DEBT SERVICE

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 7,000	\$ 7,000	\$ 6,404	\$ (596)
Total revenues	7,000	7,000	6,404	(596)
EXPENDITURES				
Debt Service:				
Principal retirement	700,000	700,000	700,000	-
Interest	924,560	924,560	920,178	4,382
Fiscal agent fees	2,500	2,500	-	2,500
Total expenditures	1,627,060	1,627,060	1,620,178	6,882
Excess of revenues over (under) expenditures	(1,620,060)	(1,620,060)	(1,613,774)	6,286
OTHER FINANCING SOURCES				
Transfer in	1,620,060	1,620,060	1,629,000	8,940
Total other financing sources	1,620,060	1,620,060	1,629,000	8,940
Net change in fund balances	-	-	15,226	15,226
FUND BALANCES - beginning of year	1,201,842	1,201,842	1,201,842	-
FUND BALANCES - end of year	\$ 1,201,842	\$ 1,201,842	\$ 1,217,068	\$ 15,226

SPLOST
2005

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, Streets & Bridges	\$ 4,642,660	\$ 5,028,720	\$ 3,457,934	\$ 387,779	\$ 3,845,713
Recreational Facilities	900,000	1,042,156	825,313	84,194	909,507
Public Safety Facilities and Equipment	1,054,400	1,170,763	590,085	480,307	1,070,392
	\$ 6,597,060	\$ 7,241,639	\$ 4,873,332	\$ 952,280	\$ 5,825,612
Amounts reported for 2005 SPLOST current year expenditures are different because:					
Current year expenditures	\$ 952,280				
Intergovernmental grants	66,000				
2009 SPLOST transfer in	70,117				
Pedestrian Underpass transfer out	(4,066)				
Total 2005 SPLOST expenditures (1)	\$ 1,084,331				

NOTES:

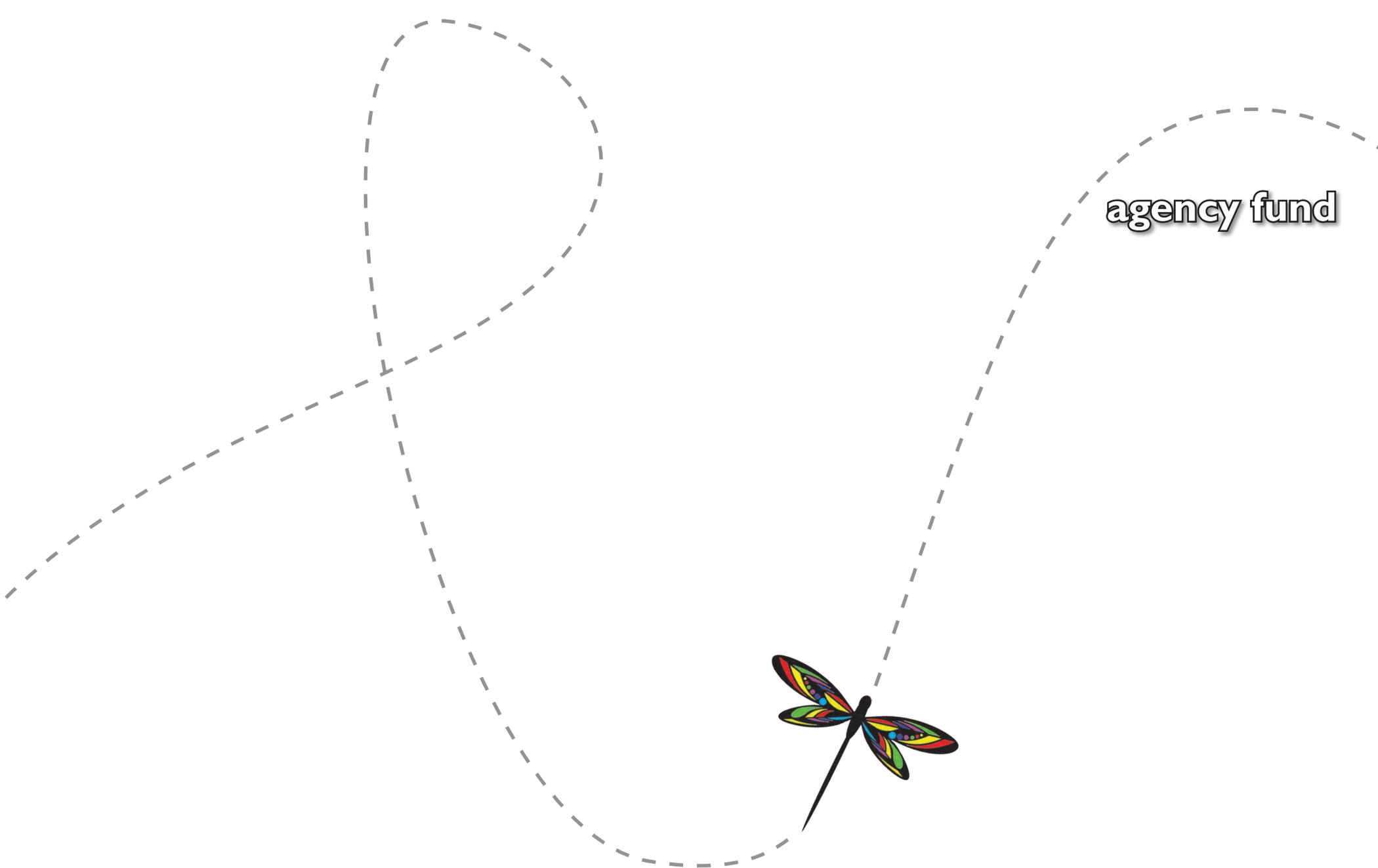
(1) Reconciliation to the statement of non-major governmental funds combining statement of revenues, expenditures, and changes in fund balances, page 55.

SPLOST
2009

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Administrative Buildings	\$ 118,780	\$ 118,780	\$ -	\$ 70,117	\$ 70,117
Recreational Facilities	2,256,827	2,026,262	-	314,099	314,099
Parking Facilities	2,256,780	2,167,604	-	18,950	18,950
Public Safety Facilities and Equipment	1,781,710	1,600,000	-	1,900	1,900
Roads, Streets & Bridges	5,463,953	5,087,215	-	36,140	36,140
	\$ 11,878,050	\$ 10,999,861	\$ -	\$ 441,206	\$ 441,206
Amounts reported for 2009 SPLOST current year expenditures are different because:					
Current year expenditures	\$ 441,206				
Capital Outlay using local funds	450,471				
2005 SPLOST transfer out	(70,117)				
Total 2009 SPLOST expenditures (1)	\$ 821,560				

NOTES:

(1) Reconciliation to the statement of governmental funds statement of revenues, expenditures, and changes in fund balances, page 26.

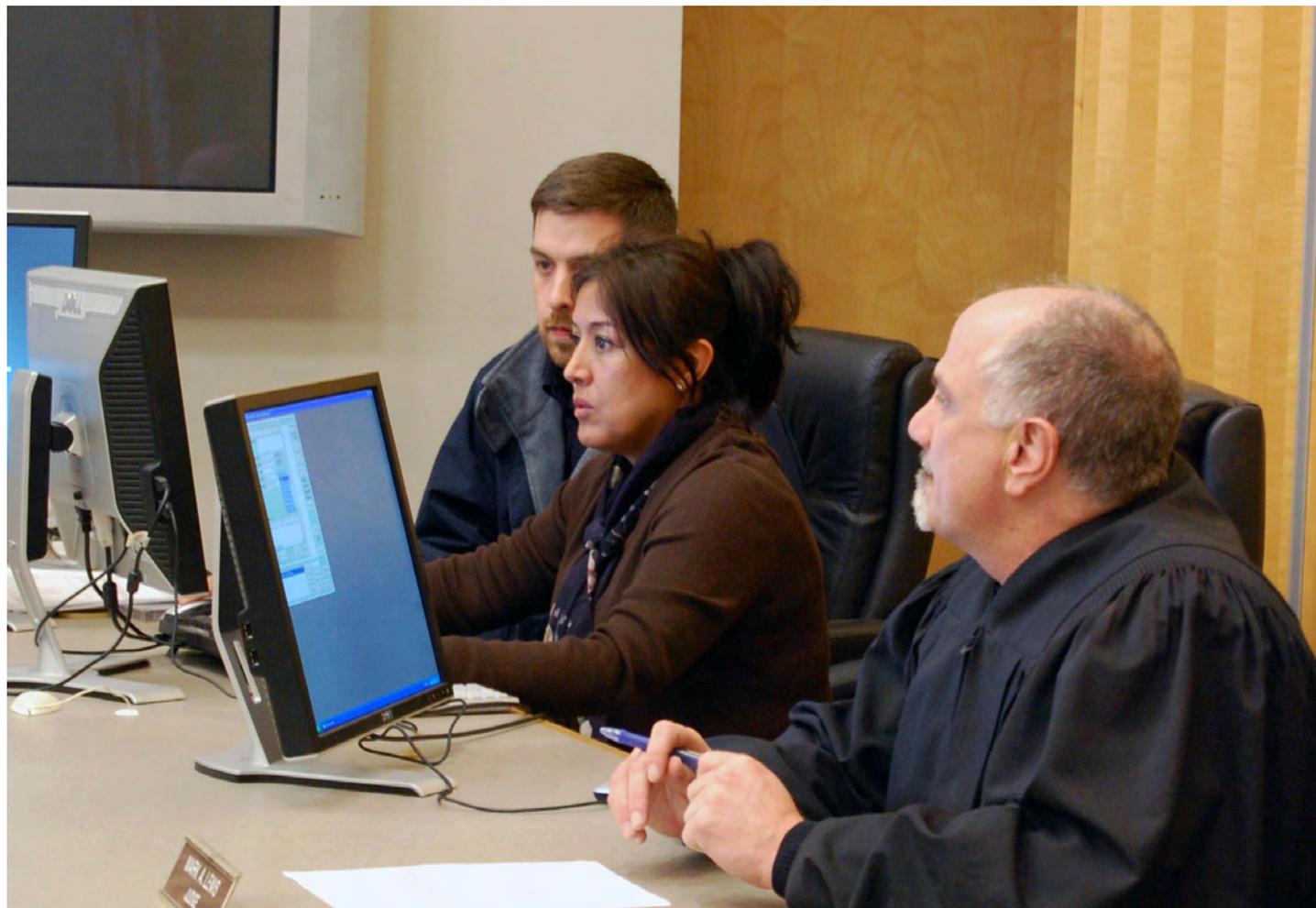


agency fund



agency fund

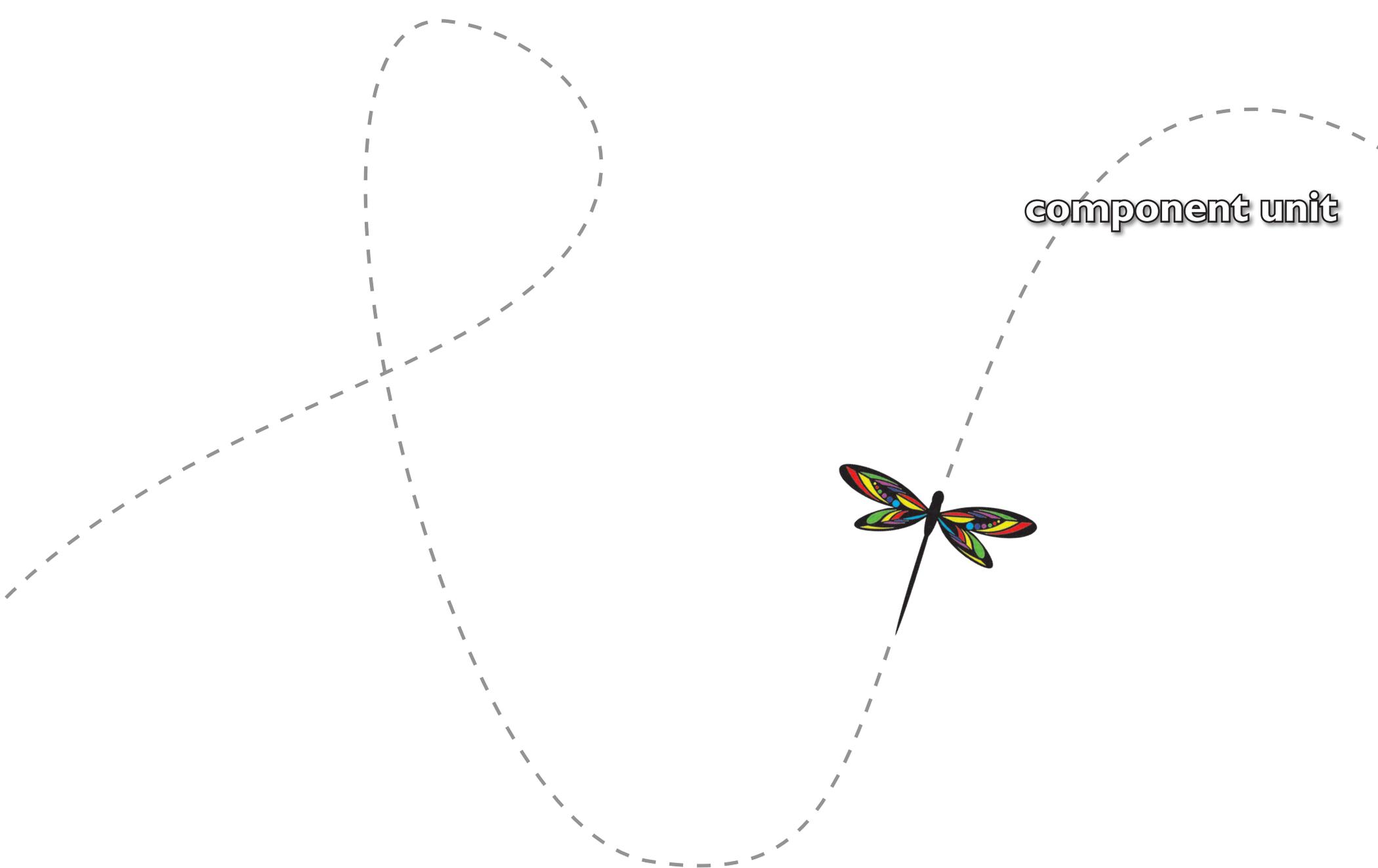
Municipal Court Fund - Accounts for the collection of various fines and forfeitures (mostly traffic violations) which are disbursed to other parties.



Municipal Court in Session



	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Cash and cash equivalents	\$ 81,680	\$ 1,765,981	\$ 1,799,968	\$ 47,693
Accounts receivable	239	266	505	-
Total assets	81,919	1,766,247	1,800,473	47,693
Due to others	81,919	1,766,247	1,800,473	47,693
Total liabilities	\$ 81,919	\$ 1,766,247	\$ 1,800,473	\$ 47,693



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.



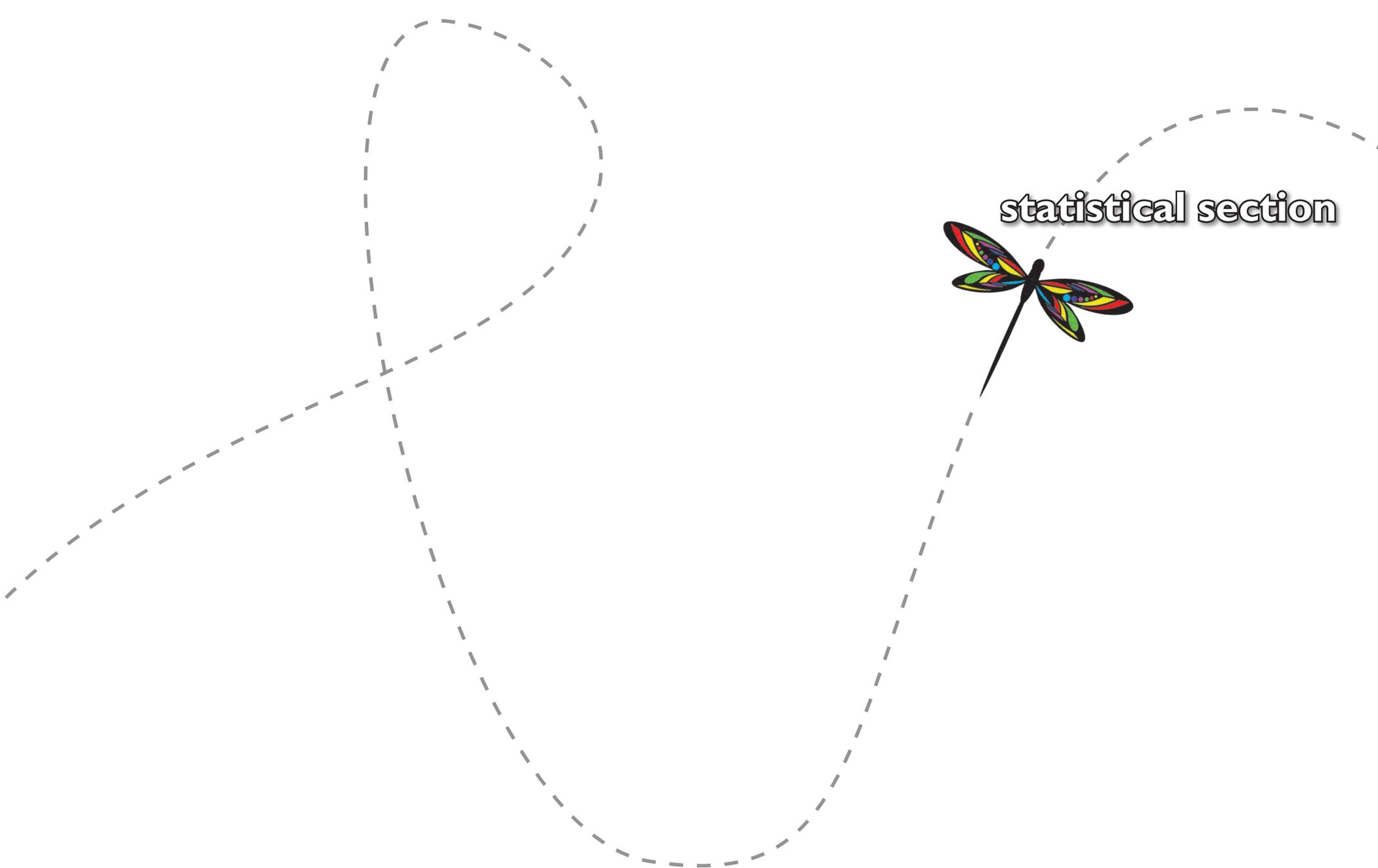
Old Town Suwanee

	Downtown Development Authority
ASSETS	
Cash and cash equivalents	\$ 42,108
Total assets	<u>42,108</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	-
Total Liabilities	<u>-</u>
Fund Balances:	
Unassigned	42,108
Total fund balances	<u>42,108</u>
Total liabilities and fund balances	<u>\$ 42,108</u>
Reconciliation of the balance sheet to the statement of net assets:	
Fund balance	\$ 42,108
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>362,475</u>
Net assets of governmental activities	<u>\$ 404,583</u>



	Downtown Development Authority
REVENUES	
Investment income	\$ 38
Contributions and donations	18,612
Total revenues	<u>18,650</u>
EXPENDITURES	
Current:	
Housing and development	6,859
Total expenditures	<u>6,859</u>
Excess of revenues over expenditures	11,791
FUND BALANCES, beginning of year	30,317
FUND BALANCES, end of year	<u>\$ 42,108</u>
Reconciliation of the statement of revenues, expenditures, and changes in fund balance to the statement of activities:	
Net change in fund balance	\$ 11,791
Governmental funds report capital outlay as expenditures. However, in the Government-wide Statement of Activities and Changes in Net Assets, the costs of those assets are allocated over their estimated useful lives as depreciation expense.	
Depreciation expense	(8,100)
Changes in net assets of governmental activities	<u>\$ 3,691</u>

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 500	\$ 500	\$ 38	\$ (462)
Contributions and donations	12,000	12,000	18,612	6,612
Total revenues	12,500	12,500	18,650	6,150
EXPENDITURES				
Current:				
Housing and development	12,500	12,500	6,859	5,641
Total expenditures	12,500	12,500	6,859	5,641
Excess of revenues over expenditures	-	-	11,791	11,791
FUND BALANCES - beginning of year	30,317	30,317	30,317	-
FUND BALANCES - end of year	\$ 30,317	\$ 30,317	\$ 42,108	\$ 11,791



statistical section



**statistical
section**

The statistical section provides users with additional historical perspective, content, and detail to assist in understanding the information in the financial statements, notes to financial statements, required supplementary information, and for assessing the City's economic condition.

contents..... page

financial trendsS-2
 These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

revenue capacity S-10
 These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

debt capacity S-14
 These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

demographic and economic information S-17
 These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

operating information S-19
 These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

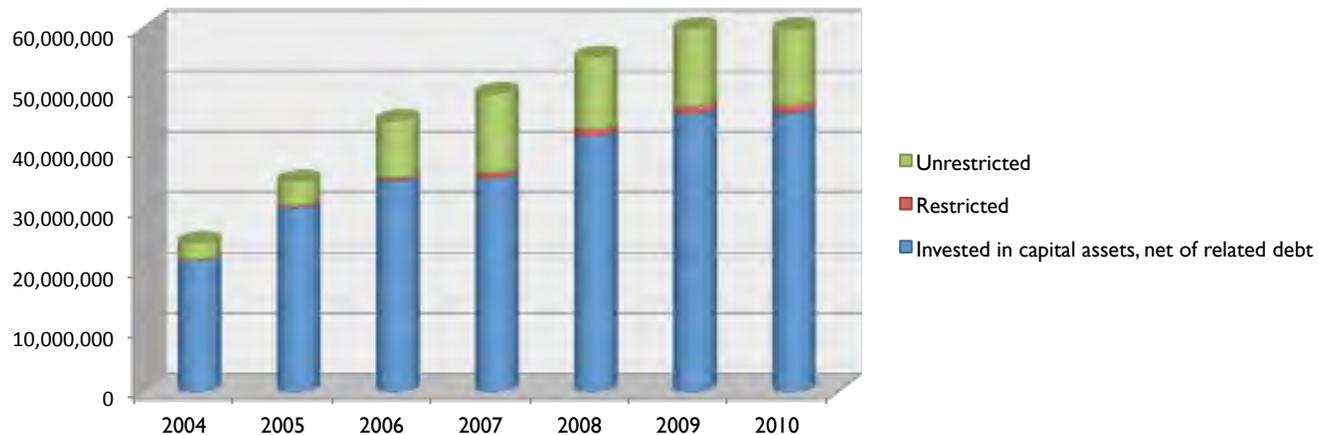
*Sources:
 Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. The City implemented GASB statement 34 for fiscal year June 30, 2004; schedules presenting government-wide information start with fiscal year 2004.*

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Governmental activities ⁽¹⁾							
Invested in capital assets, net of related debt	\$ 19,798,930	\$ 28,249,009	\$ 33,073,810	\$ 33,646,308	\$ 40,607,100	\$ 44,325,054	\$ 44,567,430
Restricted	119,246	412,328	431,859	896,330	1,187,335	1,201,842	1,217,068
Unrestricted	2,834,037	4,286,986	9,364,267	12,900,880	11,627,299	13,062,447	15,464,204
Total governmental activities net assets	22,752,213	32,948,323	42,869,936	47,443,518	53,421,734	58,589,343	61,248,702
Business-type activities ⁽²⁾							
Invested in capital assets, net of related debt	1,870,458	2,095,895	1,843,832	1,679,987	1,654,001	1,636,320	1,600,003
Unrestricted	40,893	(212,792)	91,143	168,686	238,701	307,676	567,475
Total business-type activities net assets	1,911,351	1,883,103	1,934,975	1,848,673	1,892,702	1,943,996	2,167,478
Primary government							
Invested in capital assets, net of related debt	21,669,388	30,344,904	34,917,642	35,326,295	42,261,101	45,961,374	46,167,433
Restricted	119,246	412,328	431,859	896,330	1,187,335	1,201,842	1,217,068
Unrestricted	2,874,930	4,074,194	9,455,410	13,069,566	11,866,000	13,370,123	16,031,679
Total primary government net assets	\$ 24,663,564	\$ 34,831,426	\$ 44,804,911	\$ 49,292,191	\$ 55,314,436	\$ 60,533,339	\$ 63,416,180

NOTES:

- (1) Unrestricted net assets growth is due to the 2005 special purpose local option sales tax (SPLOST) revenue received from Gwinnett County for future construction projects. Growth in 2008 and 2009 is related to the construction of the New City Hall. Growth in 2010 is related to the 2009 SPLOST revenue received from Gwinnett County for future construction projects.
- (2) Business-type activities growth in 2010 net assets is due to the GEFA construction loan for \$480,044. In accordance with Title VII of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA), GEFA agrees to forgive 40% of each principal and interest payment due on the loan.

Primary Government Net Assets





Parker at Harvest Farm Park

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities:							
General government	\$ 1,202,975	\$ 1,385,716	\$ 1,464,204	\$ 1,772,717	\$ 2,139,085	\$ 2,126,146	\$ 2,099,857
Judicial	213,200	236,030	273,744	338,893	375,035	381,887	313,015
Police	2,384,653	2,643,854	2,800,988	3,117,470	3,364,444	3,524,548	3,664,152
Public works ⁽¹⁾	1,334,086	1,742,494	1,697,500	3,139,104	3,005,155	3,663,485	3,288,472
Culture and recreation	146,780	185,431	359,366	445,790	523,503	464,973	404,798
Housing and development ⁽²⁾	641,826	1,166,798	811,030	1,030,864	1,172,061	959,983	854,357
Tourism and trade	134,362	184,247	95,361	106,490	150,132	379,703	313,034
Interest on long-term debt	980,909	943,654	890,884	984,469	1,001,643	964,856	924,622
Total governmental activities expenses	7,038,791	8,488,224	8,393,077	10,935,797	11,731,058	12,465,581	11,862,307
Business-type activities:							
Water and sewer	71,267	102,649	89,076	221,391	121,573	163,963	127,954
Total business-type activities expenses	71,267	102,649	89,076	221,391	121,573	163,963	127,954
Total primary government expenses	\$ 7,110,058	\$ 8,590,873	\$ 8,482,153	\$ 11,157,188	\$ 11,852,631	\$ 12,629,544	\$ 11,990,261
Program revenues							
Governmental activities:							
Charge for services:							
General government	\$ 164,643	\$ 157,176	\$ 153,187	\$ 191,775	\$ 181,725	\$ 192,180	\$ 186,490
Police	977,670	1,049,768	1,099,754	1,598,134	1,398,958	1,119,116	1,388,226
Public works	376	118	3,428	-	-	-	-
Culture and recreation	-	-	-	44,603	40,017	13,260	11,086
Housing and development ⁽³⁾	298,109	842,076	1,222,129	958,265	940,952	183,967	167,414
Operating grants and contributions	1,685,783	70,721	112,663	15,878	56,104	101,024	105,380
Capital grants and contributions ⁽⁴⁾	1,477,448	9,217,917	5,824,160	1,532,186	2,076,235	3,479,457	171,942
Total governmental activities program revenues	4,604,029	11,337,776	8,415,321	4,340,841	4,693,991	5,089,004	2,030,538
Business-type activities:							
Charge for services:							
Water and sewer	56,849	73,964	103,714	97,296	93,405	64,658	62,501
Total business-type activities program revenues	56,849	73,964	103,714	97,296	93,405	64,658	62,501
Total primary government program revenues	\$ 4,660,878	\$ 11,411,740	\$ 8,519,035	\$ 4,438,137	\$ 4,787,396	\$ 5,153,662	\$ 2,093,039
Net (expense)/revenue							
Governmental activities	\$ (2,434,762)	\$ 2,849,552	\$ 22,244	\$ (6,594,956)	\$ (7,037,067)	\$ (7,376,577)	\$ (9,831,769)
Business-type activities	(14,418)	(28,685)	14,638	(124,095)	(28,168)	(99,305)	(65,453)
Total primary government net expenses (continued)	\$ (2,449,180)	\$ 2,820,867	\$ 36,882	\$ (6,719,051)	\$ (7,065,235)	\$ (7,475,882)	\$ (9,897,222)

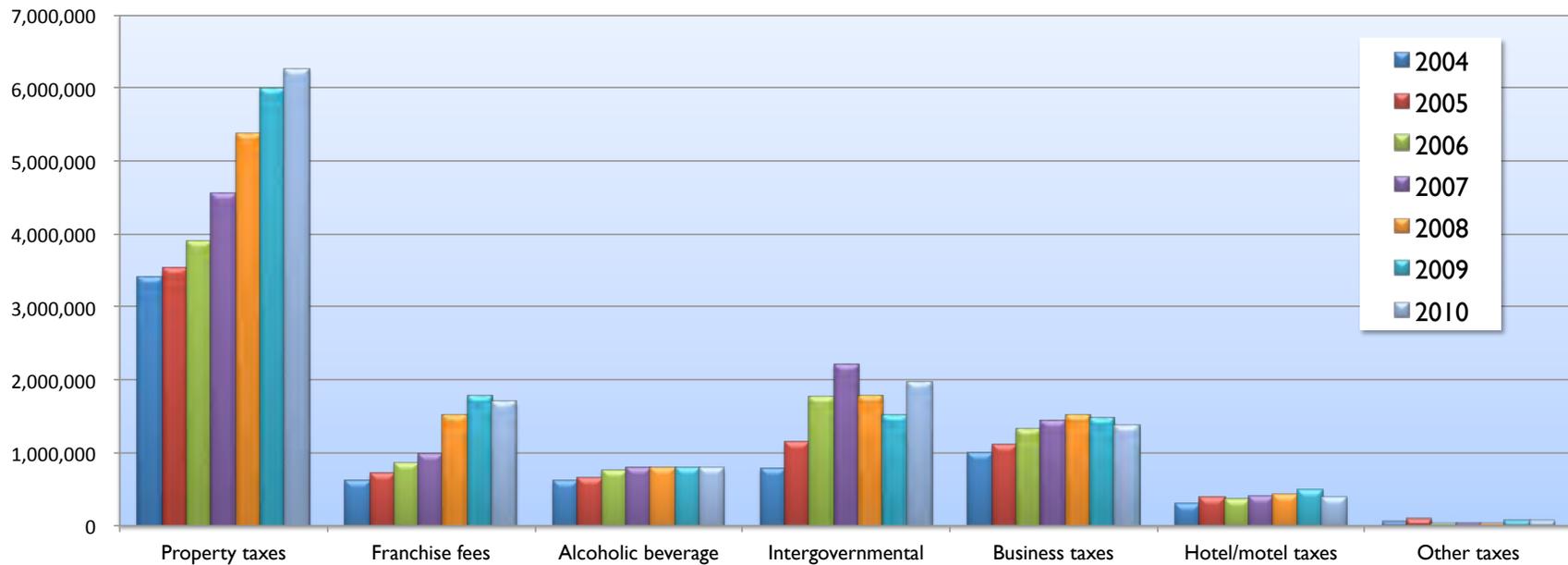
	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
General revenues and other changes in net assets							
Governmental activities:							
Taxes							
Property taxes	\$ 3,410,401	\$ 3,525,468	\$ 3,892,897	\$ 4,553,033	\$ 5,371,353	\$ 5,984,107	\$ 6,254,003
Franchise fees	618,509	714,216	851,466	982,694	1,521,682	1,777,986	1,694,211
Alcoholic beverage taxes	601,034	646,093	759,968	799,075	794,986	795,413	784,189
Intergovernmental revenues ⁽⁵⁾	780,604	1,134,738	1,767,147	2,214,634	1,779,252	1,521,007	1,966,295
Other taxes	1,363,554	1,592,896	1,720,586	1,894,874	1,976,529	2,019,643	1,826,442
Rental Income	-	-	-	-	-	175,000	-
Unrestricted investment earnings	249,547	236,064	368,047	741,932	911,384	373,582	231,739
Miscellaneous	-	25,982	18,397	18,696	42,697	47,448	21,699
Contribution	-	4,290	-	-	-	-	-
Transfers	-	-	(36,400)	(36,400)	(70,600)	(150,000)	(287,450)
Special item gain on sale of capital asset ⁽⁶⁾	-	1,445,096	557,261	-	688,000	-	-
Total governmental activities	7,023,649	9,324,843	9,899,369	11,168,538	13,015,283	12,544,186	12,491,128
Business-type activities:							
Unrestricted investment earnings	71	437	834	1,393	1,597	599	1,485
Transfers	-	-	36,400	36,400	70,600	150,000	287,450
Total business-type activities	71	437	37,234	37,793	72,197	150,599	288,935
Total primary government	\$ 7,023,720	\$ 9,325,280	\$ 9,936,603	\$ 11,206,331	\$ 13,087,480	\$ 12,694,785	\$ 12,780,063
Change in net assets							
Governmental activities	\$ 4,588,887	\$ 12,174,395	\$ 9,921,613	\$ 4,573,582	\$ 5,978,216	\$ 5,167,609	\$ 2,659,359
Business-type activities	(14,347)	(28,248)	51,872	(86,302)	44,029	51,294	223,482
Total primary government	\$ 4,574,540	\$ 12,146,147	\$ 9,973,485	\$ 4,487,280	\$ 6,022,245	\$ 5,218,903	\$ 2,882,841

NOTES:

- (1) Public works increase from fiscal year 2006 forward is due to depreciation expense of donated infrastructure.
- (2) Fiscal year 2005 large increase in housing and development was due to start up funding for the DDA of \$420,000. Fiscal year 2007 and 2008 increases were due to several comprehensive plans that were started during fiscal year 2007 and completed in fiscal year 2008.
- (3) License and permit fees large increase in fiscal year 2005, 2006, and 2007 is due to the significant increase in the number of permits issued. We are anticipating that this growth will continue over the next four years, however, at a slower pace than fiscal year 2006.
- (4) Capital grants and contributions large increases reported in fiscal year 2005 and 2006 is due to donations of infrastructure by developers and annexed properties. Due to the slow growth in construction, no donated infrastructure was reported in fiscal year 2010.
- (5) In fiscal year 2005, the City entered into an intergovernmental agreement with Gwinnett County for the 2004 special purpose local option sales tax. In total the City will be allocated \$6,597,000 over the next four years. In fiscal year 2010, a new 2009 sales tax program was started. The City should receive \$11,029,861 over the next five years.
- (6) During fiscal year 2005, 2006, and 2008 the City sold 4 tracks of land resulting in a gain of \$1,445,096 in 2005, \$557,261 in 2006, and \$688,000 in 2008.

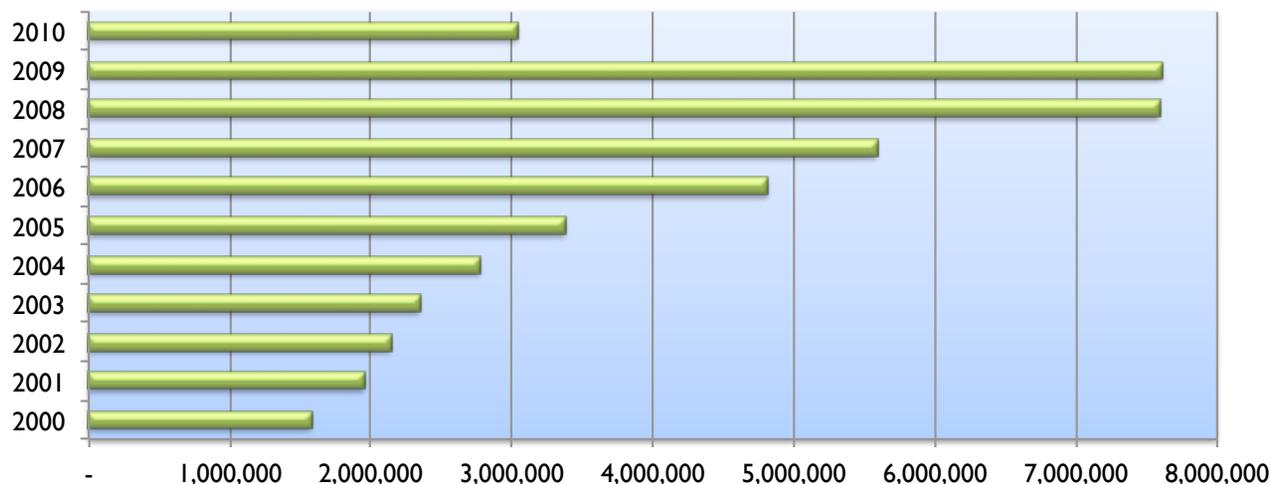
Fiscal Year	Property Taxes	Franchise Fees	Alcoholic Beverage Taxes	Intergovernmental Taxes	Business Taxes	Hotel/Motel Taxes	Other Taxes	Total
2004	\$ 3,410,401	\$ 618,509	\$ 601,034	\$ 780,604	\$ 997,542	\$ 305,757	\$ 60,255	\$ 6,774,102
2005	3,525,468	714,216	646,093	1,134,738	1,111,413	383,905	97,578	7,613,411
2006	3,892,897	851,466	759,968	1,767,147	1,325,263	361,321	34,002	8,992,064
2007	4,553,033	982,694	799,075	2,214,634	1,438,956	412,667	43,251	10,444,310
2008	5,371,353	1,521,682	794,986	1,779,252	1,517,270	421,497	37,762	11,443,802
2009	5,984,107	1,777,986	795,413	1,521,007	1,465,980	475,888	77,775	12,098,156
2010	6,254,003	1,694,211	784,189	1,966,295	1,360,254	393,156	73,032	12,525,140

Tax Revenue by Year



	Fiscal Year									
	2001	2002 ⁽¹⁾	2003	2004	2005	2006	2007 ⁽²⁾	2008 ⁽³⁾	2009	2010 ⁽⁴⁾
General fund										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,122,132
Unassigned	1,946,613	2,135,102	2,340,953	2,766,402	3,372,190	4,811,236	5,580,537	7,585,561	7,602,716	3,034,066
Total general fund	1,946,613	2,135,102	2,340,953	2,766,402	3,372,190	4,811,236	5,580,537	7,585,561	7,602,716	7,156,198
All other governmental funds										
Restricted	230,522	16,188,302	8,458,663	4,683,849	4,936,628	6,022,560	14,696,502	11,044,085	5,056,712	5,324,060
Assigned reported in:										
Capital projects funds	410,674	724,261	649,800	-	1,361,902	2,366,254	3,421,677	3,554,015	2,766,928	2,921,975
Total all other governmental funds	641,196	16,912,563	9,108,463	4,683,849	6,298,530	8,388,814	18,118,179	14,598,100	7,823,640	8,246,035
Total all governmental funds	\$ 2,587,809	\$ 19,047,665	\$ 11,449,416	\$ 7,450,251	\$ 9,670,720	\$ 13,200,050	\$ 23,698,716	\$ 22,183,661	\$ 15,426,356	\$ 15,402,233

General Fund Unassigned Fund Balance



NOTES:

- (1) During fiscal year 2002, the City issued \$17.69 million in general obligation bonds to finance the costs of acquiring and improving land to be used for greenspace, passive parks, and recreational areas.
- (2) During fiscal year 2007, the Urban Redevelopment Authority (URA) issued \$6,620,000 in revenue bonds for the construction of the new City Hall at the Town Center URA property site.
- (3) In fiscal year 2008, general fund revenues exceeded budgetary projections and planned property acquisitions were not made. Capital projects decrease in fund balance is due to expenditures for construction of the new City Hall, Sims Lake Park, and the Pedestrian Bridge projects.
- (4) In fiscal year 2010, the City early implemented GASB 54 and adopted a new fund balance policy. The City also transferred \$1,565,000 to capital projects for land purchases.

	Fiscal Year					
	2001	2002	2003	2004	2005	2006
Revenues						
Taxes ⁽¹⁾	\$ 2,939,938	\$ 3,303,845	\$ 5,398,952	\$ 5,729,646	\$ 6,568,233	\$ 6,964,788
Licenses and permits	820,391	477,914	406,198	427,549	944,046	1,295,038
Intergovernmental revenues ⁽²⁾	10,156	488,316	578,561	2,236,158	1,246,165	1,791,220
Charges for services	55,324	48,905	125,183	68,244	124,957	121,907
Fines and forfeitures ⁽³⁾	543,730	821,387	772,931	929,865	980,134	1,061,554
Investment income	171,317	191,296	462,793	249,547	236,064	368,047
Rental Income	-	-	-	-	-	-
Contributions and donations	11,344	29,803	48,298	232,061	107,259	107,765
Miscellaneous	57,202	20,887	116,248	15,140	25,982	18,397
Total revenues	4,609,402	5,382,353	7,909,164	9,888,210	10,232,840	11,728,716
Expenditures						
General government	793,424	948,744	1,040,264	1,195,145	1,269,468	1,425,760
Judicial	151,298	161,403	182,857	218,740	236,046	293,230
Police	1,604,515	2,001,586	2,251,708	2,376,153	2,614,816	2,857,796
Public works	401,371	501,163	494,649	617,473	855,276	727,045
Culture and recreation	72,394	90,878	51,478	109,103	213,019	252,213
Housing and development	454,266	581,551	617,171	623,757	1,158,423	820,148
Tourism and trade	115,575	125,976	160,021	134,362	184,247	95,361
Capital outlay ⁽⁴⁾	126,925	2,170,610	10,384,662	7,218,559	1,121,063	1,279,304
Debt service: ⁽⁵⁾						
Principal	77,416	115,371	521,610	551,608	1,697,556	429,648
Interest and fiscal charges	8,987	8,966	1,294,263	980,909	943,655	890,884
Bond issuance costs	-	(213,393)	(65,509)	-	-	-
Total expenditures	3,806,171	6,492,855	16,933,174	14,025,809	10,293,569	9,071,389
Excess of revenues over (under) expenditures	803,231	(1,110,502)	(9,024,010)	(4,137,599)	(60,729)	2,657,327
Other financing sources (uses)						
Proceeds from capital lease	143,216	152,035	92,459	94,266	68,725	133,403
Transfer in	10,200	311,069	1,655,063	1,865,619	4,196,919	2,897,396
Transfer out	(10,200)	(311,069)	(1,655,063)	(1,865,619)	(4,196,919)	(2,933,796)
Sale of capital assets	-	-	-	-	4,422	-
Bond proceeds ⁽⁶⁾	-	17,845,110	1,464,320	-	-	-
Refunded bonds issued ⁽⁷⁾	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Bond discount	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	143,216	17,997,145	1,556,779	94,266	73,147	97,003
Special item - Sale of land	-	-	-	-	2,208,051	775,000
Net change in fund balances	\$ 946,447	\$ 16,886,643	\$ (7,467,231)	\$ (4,043,333)	\$ 2,220,469	\$ 3,529,330
Total non capital expenditures ⁽⁸⁾	\$ 3,370,386	\$ 4,397,234	\$ 4,891,320	\$ 5,198,535	\$ 6,540,086	\$ 6,552,674
Debt service as a percentage of non capital expenditures	2.6%	2.8%	37.1%	29.5%	40.4%	20.2%

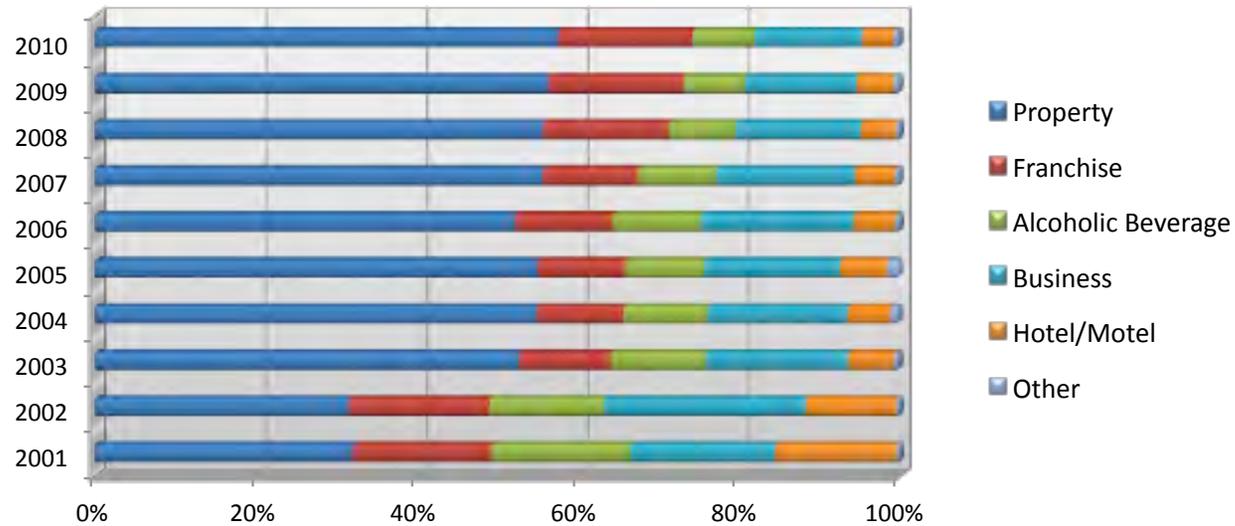
	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Taxes ⁽¹⁾	\$ 8,294,787	\$ 9,691,558	\$ 10,519,134	\$ 10,151,444
Licenses and permits	1,112,874	1,057,705	368,872	349,965
Intergovernmental revenues ⁽²⁾	2,404,446	1,839,454	2,409,230	2,120,383
Charges for services	252,617	227,015	111,630	64,237
Fines and forfeitures ⁽³⁾	1,427,286	1,276,932	1,028,021	1,334,381
Investment income	741,932	911,384	373,583	258,468
Rental Income	-	-	4,375	22,134
Contributions and donations	89,459	120,792	101,024	96,504
Miscellaneous	18,696	35,147	47,448	21,699
Total revenues	14,342,097	15,159,987	14,963,317	14,419,215
Expenditures				
General government	1,790,183	1,819,852	1,968,513	1,907,235
Judicial	336,751	380,788	387,298	334,362
Police	3,263,380	3,352,436	3,616,191	3,664,123
Public works	945,779	1,244,904	1,508,438	1,392,588
Culture and recreation	397,830	408,287	350,835	264,219
Housing and development	1,043,695	1,186,880	1,031,681	857,222
Tourism and trade	106,490	150,132	379,703	313,034
Capital outlay ⁽⁴⁾	1,593,194	7,090,436	10,678,581	3,735,144
Debt service: ⁽⁵⁾				
Principal	460,637	737,594	779,215	784,861
Interest and fiscal charges	973,937	1,001,255	964,483	924,263
Bond issuance costs	260,392	-	-	-
Total expenditures	11,172,268	17,372,564	21,664,938	14,177,051
Excess of revenues over (under) expenditures	3,169,829	(2,212,577)	(6,701,621)	242,164
Other financing sources (uses)				
Proceeds from capital lease	139,247	72,573	94,316	-
Transfer in	2,688,110	2,952,926	4,192,169	4,461,099
Transfer out	(2,724,510)	(3,023,526)	(4,342,169)	(4,748,549)
Sale of capital assets	-	7,550	-	21,165
Bond proceeds ⁽⁶⁾	6,620,000	-	-	-
Refunded bonds issued ⁽⁷⁾	15,250,000	-	-	-
Bond premium	31,216	-	-	-
Bond discount	(4,660)	-	-	-
Payment to refunded bond escrow agent	(14,670,566)	-	-	-
Total other financing sources (uses)	7,328,837	9,523	(55,684)	(266,285)
Special item - Sale of land	-	688,000	-	-
Net change in fund balances	\$ 10,498,666	\$ (1,515,054)	\$ (6,757,305)	\$ (24,121)
Total non capital expenditures ⁽⁸⁾	\$ 8,559,028	\$ 8,641,844	\$ 8,680,600	\$ 10,542,012
Debt service as a percentage of non capital expenditures	19.8%	20.1%	20.1%	16.2%

NOTES:

- (1) 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.
- (2) In fiscal year 2004, the large increase in Intergovernmental funds is due to receiving \$1,404,392 in Federal Transportation funds for phase III of the Suwanee Greenway Trail System. In fiscal year 2005, the City entered into an intergovernmental agreement with Gwinnett County for the 2004 special purpose local option sales tax. In total the City will be allocated \$6,597,000 over four years. In fiscal year 2010, a new 2009 sales tax program was started. The City should receive \$11,029,861 over the next five years.
- (3) Fines and forfeitures increased in 2007 due to the new red light camera program started in the fourth quarter of fiscal year 2006.
- (4) During fiscal year 2002 and 2003, the City purchased over 200 acres of open/green space for park lands. In fiscal year 2004, the City completed phase III of the Suwanee Greenway and completed construction of three new parks. The large increase in capital outlay for 2008 is due to three major construction projects; the new City Hall, Sims Lake Park, and Pedestrian Bridge projects.
- (5) In March of 2002, the City issued \$17.6 million in General Obligation Bonds. The first bond principal and interest payment was deferred nine months, causing a large interest payment in fiscal year 2003. In fiscal year 2005, the City paid off the Urban Redevelopment loan.
- (6) In fiscal year 2007, the URA issued \$6,620,000 in revenue bonds for the construction of the new City Hall at the URA property site.
- (7) During fiscal year 2007, the City refunded a portion of the 2002 general obligation bond series.
- (8) The total amount of non capital expenditures excludes amounts that are reported in governmental funds as capital outlay as a separate capital outlay line item and the amounts that are included within the functional expenditure categories.

Fiscal Year	Property Taxes	Franchise Fees	Alcoholic Beverage Taxes	Business Taxes	Hotel/Motel Taxes	Other Taxes	Total
2001	\$ 942,625	\$ 506,978	\$ 507,384	\$ 529,461	\$ 441,520	\$ 11,970	\$ 2,939,938
2002	1,042,962	579,100	469,714	828,868	370,329	12,872	3,303,845
2003	2,845,756	616,263	636,986	957,768	308,685	33,494	5,398,952
2004	3,146,549	618,509	601,034	997,542	305,757	60,255	5,729,646
2005	3,615,028	714,216	646,093	1,111,413	383,905	97,578	6,568,233
2006	3,632,768	851,466	759,968	1,325,263	361,321	34,002	6,964,788
2007	4,618,144	982,694	799,075	1,438,956	412,667	43,251	8,294,787
2008	5,398,361	1,521,682	794,986	1,517,270	421,497	37,762	9,691,558
2009	5,926,092	1,777,986	795,413	1,465,980	475,888	77,775	10,519,134
2010	5,846,602	1,694,211	784,189	1,360,254	393,156	73,032	10,151,444

Tax Revenue Percentage by Year

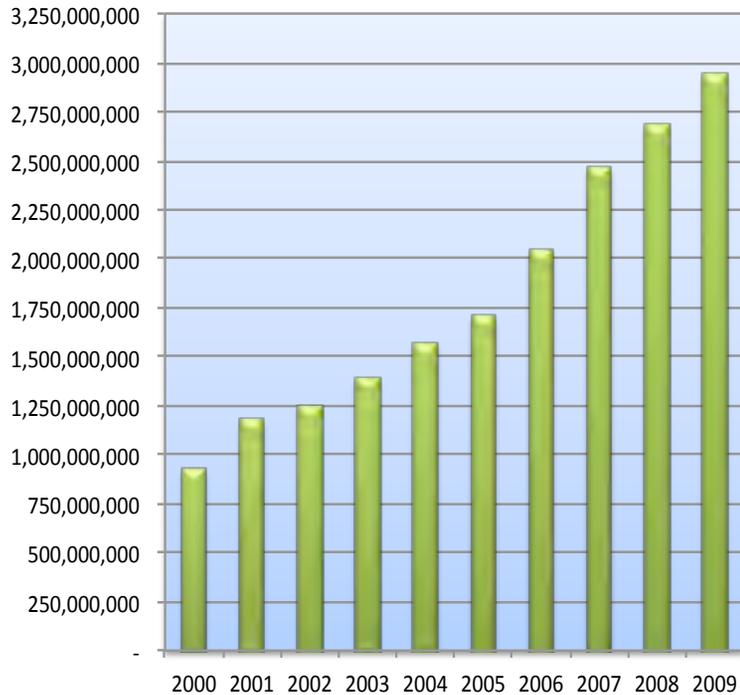


Calendar Year	Real Property		Personal Property		Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate ⁽²⁾	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value ⁽³⁾
	Residential Property	Commercial Property	Motor Vehicle	Other ⁽¹⁾					
2000	\$ 186,362,940	\$ 173,578,084	\$ 22,449,155	\$ 32,352	\$ 11,207,120	\$ 371,215,411	2.50	\$ 928,038,528	40%
2001	214,848,040	238,941,057	28,292,690	46,949	11,517,760	470,610,976	2.50	1,176,527,440	40%
2002	252,571,320	225,944,082	34,262,410	55,460	12,903,800	499,929,472	5.999	1,249,823,680	40%
2003	271,224,790	261,460,110	37,014,660	23,780	15,026,160	554,697,180	5.89	1,386,742,950	40%
2004	297,238,210	309,531,654	37,110,630	33,880	17,319,720	626,594,654	5.81	1,566,486,635	40%
2005	313,871,478	347,844,146	36,509,110	25,290	16,549,490	681,700,534	5.77	1,704,251,335	40%
2006	381,837,510	419,657,837	36,827,660	62,720	20,575,480	817,810,247	5.77	2,044,525,618	40%
2007	489,632,600	479,933,633	43,015,330	62,720	28,238,160	984,406,123	5.77	2,461,015,308	40%
2008	522,795,234	531,603,102	47,323,460	46,560	30,126,440	1,071,641,916	5.77	2,679,104,790	40%
2009	520,627,280	633,975,788	50,619,070	41,480	30,550,320	1,174,713,298	5.77	2,936,783,245	40%

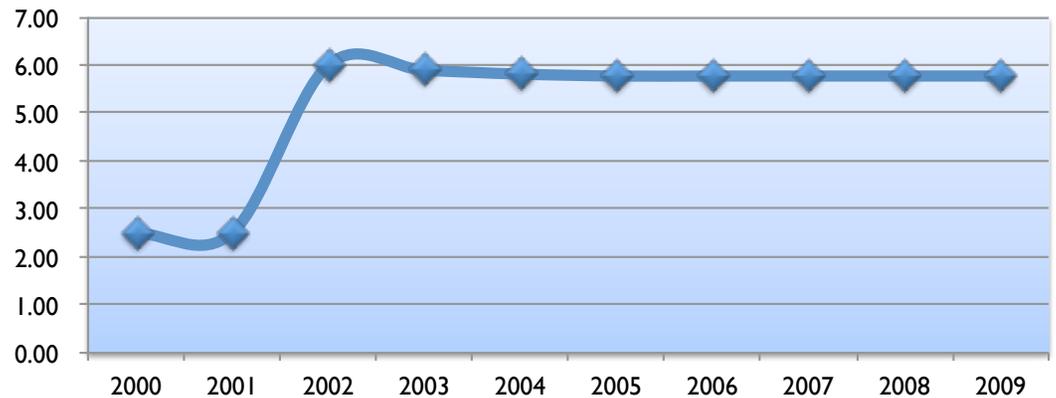
- NOTES:
- (1) Includes mobile homes, timber, and heavy equipment.
 - (2) In fiscal year 2003, the City's millage rate increased from 2.5 to 5.999. This increase was used to pay the debt service on the 2002 General Obligation Bonds.
 - (3) Property in Gwinnett County is reassessed on a rotating three year period by tax district as required by State law. Gwinnett County assesses property at 40% of actual value for all types of real and personal property.

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

Estimated Taxable Value 2000 - 2009



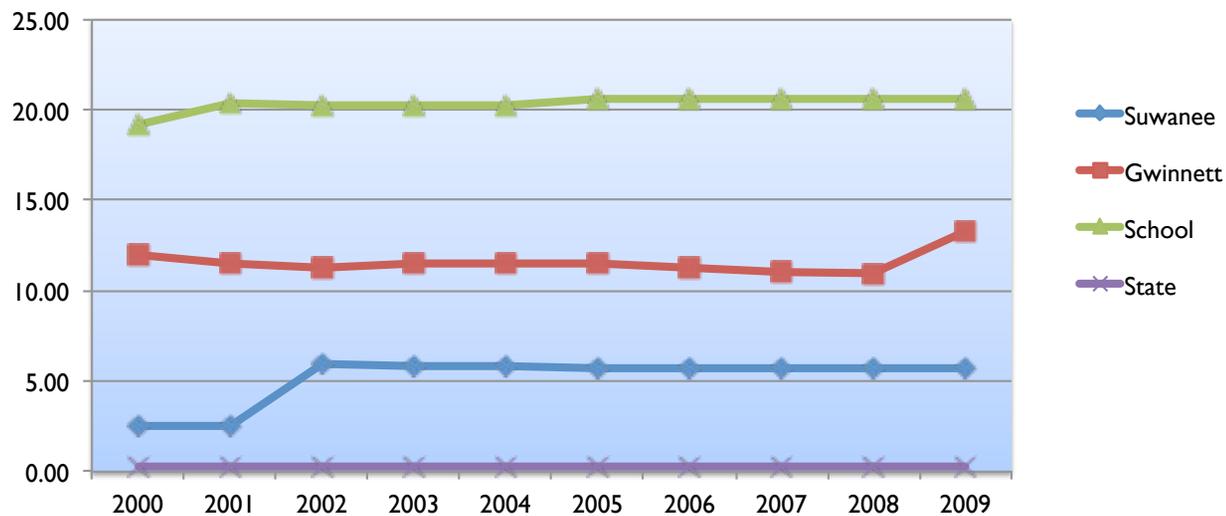
Millage Rate 2000 - 2009



Calendar Year	City of Suwanee Millage				Overlapping Rates									Total Direct & Overlapping Rates
					Gwinnett County Millage					Gwinnett County School Board Millage			State	
	Operating	Debt Service	Capital	Total	Operating	Debt Service	Fire Protection	Recreation	Total	Operations	Debt Service	Total		
2000	2.50			2.50	8.48	0.57	2.06	0.88	11.99	17.12	2.05	19.17	0.25	33.91
2001	2.50			2.50	8.43	0.30	1.90	0.86	11.49	18.62	1.80	20.42	0.25	34.66
2002	2.50	3.242	0.257	5.999	8.30	0.30	1.87	0.85	11.32	18.62	1.68	20.30	0.25	37.869
2003	2.50	2.94	0.45	5.89	8.29	0.49	1.87	0.85	11.50	18.87	1.43	20.30	0.25	37.94
2004	2.50	2.79	0.52	5.81	8.27	0.49	1.87	0.84	11.47	18.87	1.43	20.30	0.25	37.83
2005	3.18	2.25	0.34	5.77	10.14	0.49	-	0.84	11.47	19.25	1.30	20.55	0.25	38.04
2006	3.18	1.87	0.72	5.77	10.00	0.48	-	0.82	11.30	19.25	1.30	20.55	0.25	37.87
2007	3.73	2.04	0.00	5.77	9.81	0.47	-	0.80	11.08	19.25	1.30	20.55	0.25	37.65
2008	4.09	1.68	0.00	5.77	9.72	0.46	-	0.79	10.97	19.25	1.30	20.55	0.25	37.54
2009	3.84	1.93	0.00	5.77	11.78	0.47	-	1.00	13.25	19.25	1.30	20.55	0.25	39.82

Source: Gwinnett County Comprehensive Annual Financial Report for December 31, 2009.

Direct and Overlapping Property Tax Rates



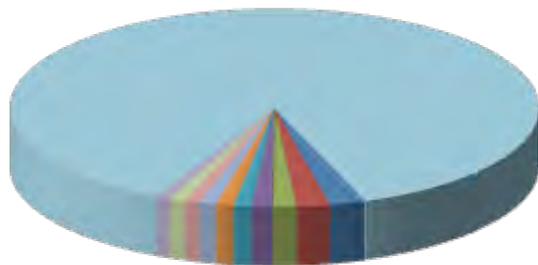
Taxpayer	2009			2002		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Google Inc.	\$ 25,680,870	1	2.2%			
AMLI Residential Properties LP	24,000,000	2	2.0%			
Hewlett Packard Company	16,757,490	3	1.4%			
CRLP McGinnis Ferry Road LLC	15,230,120	4	1.3%	\$ 9,643,880	2	1.9%
Gwinnett Prado LP	12,721,200	5	1.1%	4,714,680	6	0.9%
Carlyle Centennial Suwanee Station LP	12,480,000	6	1.1%			
Flowers Bakery of Suwanee	12,118,080	7	1.0%			
CLPF Horizon Creek LP	11,252,280	8	1.0%			
Wal-Mart	11,232,350	9	1.0%			
James Campbell Company LLC	9,893,640	10	0.8%			
California State Teachers Retirement System				11,343,880	1	2.3%
Falcons Nest II LTD				6,132,480	3	1.2%
E-deltacom/Interstate Fibernet				6,060,200	4	1.2%
Mrs. Smith Bakeries, LLC				5,338,120	5	1.1%
Continental Dynamics Corporation				4,518,800	7	0.9%
Patillo Collier LLC				4,091,120	8	0.8%
Georgia Power Company				4,272,884	9	0.9%
Falcons Nest I LTD				3,200,000	10	0.6%
Totals	\$ 151,366,030		12.9%	\$ 59,316,044		11.9%

NOTES:

(1) Detail property records by owner names are not available prior to 2002.

Source: 2009 and 2002 Tax Digest.

2009 Principal Property Taxpayers



- Google Inc.
- AMLI Residential Properties LP
- Hewlett Packard Company
- CRLP McGinnis Ferry Road LLC
- Gwinnett Prado LP
- Carlyle Centennial Suwanee Station LP
- Flowers Bakery of Suwanee
- CLPF Horizon Creek LP
- Wal-Mart
- James Campbell Company LLC
- All Other Taxpayers

2002 Principal Property Taxpayers



- California State Teachers Retirement System
- CRLP McGinnis Ferry Road LLC
- Falcons Nest II LTD
- E-deltacom/Interstate Fibernet
- Mrs. Smith Bakeries, LLC
- Gwinnett Prado LP
- Continental Dynamics Corporation
- Patillo Collier LLC
- Georgia Power Company
- Falcons Nest I LTD
- All Other Taxpayers

Fiscal Year Ended ⁽¹⁾	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date		Outstanding Delinquent Taxes Taxes ⁽²⁾	Outstanding Delinquent Taxes as Percentage of Current Levy ⁽²⁾
		Amount	Percentage of Levy		Amount	Percentage of Levy		
2001	\$ 835,607	\$ 820,058	98.1%	\$ 15,549	\$ 835,607	100.0%	\$ 33,552	4.0%
2002	1,087,771	944,110	86.8%	143,661	1,087,771	100.0%	95,688	8.8%
2003	2,787,421	2,779,439	99.7%	7,982	2,787,421	100.0%	94,681	3.4%
2004	2,909,099	2,875,854	98.9%	25,047	2,900,901	99.7%	162,072	5.6%
2005	3,291,780	3,255,174	98.9%	28,770	3,283,944	99.8%	132,844	4.0%
2006	3,518,199	3,266,243	92.8%	233,667	3,499,910	99.5%	354,740	10.1%
2007	4,296,745	4,201,861	97.8%	77,528	4,279,389	99.6%	272,965	6.4%
2008	5,113,824	4,948,534	96.8%	145,015	5,093,549	99.6%	247,824	4.8%
2009	5,655,551	5,441,113	96.2%	52,204	5,493,317	97.1%	311,371	5.5%
2010	5,972,640	5,467,352	91.5%	-	5,467,352	91.5%	739,476	12.4%

NOTES:

- (1) Relates to preceding calendar year digest.
- (2) These columns are presented to satisfy continuing disclosure requirements for the 2002 general obligation bond issue and the 2006 general obligation refunding issue. Liens are filed on outstanding property accounts in May of each year. Outstanding amount ties to all property taxes outstanding at fiscal year end.

Sources:

Consolidated Digest Reports provided by Gwinnett County Tax Commissioner's, City of Suwanee Finance Department, property tax billed and collection reports.

ratio of outstanding debt by type - last ten fiscal years

Fiscal Year	Governmental Activities			Business-type Activities Note Payable ⁽³⁾	Total Primary Government	Percentage of Personal Income ⁽⁴⁾	Per Capita ⁽⁴⁾
	General Obligation Bonds ⁽¹⁾	Revenue Bonds ⁽²⁾	Capital Leases				
2001	\$ -	\$ -	\$ 193,510	\$ -	\$ 193,510	0.07%	21
2002	17,695,000	-	230,174	-	17,925,174	5.97%	1,796
2003	17,385,000	1,381,502	193,841	-	18,960,343	6.16%	1,838
2004	17,065,000	1,259,830	178,171	57,833	18,560,834	5.62%	1,719
2005	16,740,000	-	134,170	106,685	16,980,855	4.91%	1,479
2006	16,405,000	-	172,925	367,384	16,945,309	3.69%	1,119
2007	17,195,000	6,620,000	201,535	381,562	24,398,097	4.86%	1,512
2008	16,795,000	6,390,000	166,514	368,250	23,719,764	4.46%	1,443
2009	16,370,000	6,150,000	146,615	354,392	23,021,007	4.18%	1,386
2010	15,920,000	5,900,000	61,754	679,449	22,561,203	4.03%	1,352

NOTES:

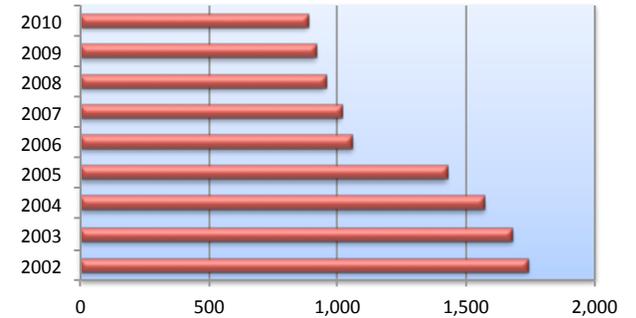
- (1) During fiscal year 2002, the City issued \$17.69 million in general obligation bonds to finance the costs of acquiring and improving land to be used for greenspace, passive parks, and recreational areas. In fiscal year 2007, the City refinanced a portion of the 2002 series.
- (2) During fiscal year 2003, the Urban Redevelopment Authority (URA) 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. In fiscal year 2005, these bonds were paid in full. In fiscal year 2007, the URA issued \$6,620,000 in revenue bonds to finance the cost of the new City Hall.
- (3) The City entered into a construction line of credit with the Georgia Environmental Facilities Authority (GEFA) for improvements to the City's water system. During fiscal year 2007, the construction loan was closed and converted to an amortizing loan. In fiscal year 2010, the City was awarded a GEFA construction loan for \$480,044. In accordance with Title VII of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA), GEFA agrees to forgive 40% of each principal and interest payment due on the loan.
- (4) The schedule of Demographic and Economic Statistics on page S-17 provides information on personal income and population.

ratio of general bonded debt outstanding - last ten fiscal years

Fiscal Year	General Obligation Bond	Less: Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
2001	\$ -	\$ -	\$ -	-	\$ -
2002	17,695,000	310,109	17,384,891	1.48%	1,742
2003	17,385,000	63,702	17,321,298	1.39%	1,679
2004	17,065,000	119,246	16,945,754	1.22%	1,569
2005	16,740,000	412,328	16,327,672	1.04%	1,423
2006	16,405,000	431,859	15,973,141	0.94%	1,055
2007	17,195,000	896,330	16,298,670	0.80%	1,012
2008	16,795,000	1,187,335	15,607,665	0.63%	950
2009	16,370,000	1,201,842	15,168,158	0.57%	913
2010	15,920,000	1,217,068	14,702,932	0.50%	881

NOTES:
 (1) Details of estimated actual taxable value of property can be found on page S-11.
 (2) Details of population data can be found on page S-17

Debt Per Capita 2002 - 2010



direct and overlapping governmental activities debt as of June 30, 2010

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
City of Suwanee General Obligation Bonds	\$ 15,920,000	100.00%	\$ 15,920,000
Overlapping Debt: ⁽¹⁾			
Gwinnett County General Obligation Bonds	74,845,000	4.05%	3,031,222
Gwinnett County Board of Education	922,125,000	4.05%	37,346,063
Total Overlapping Debt	996,970,000		40,377,285
Total Direct General Obligation and Overlapping Debt	\$ 1,012,890,000		\$ 56,297,285

NOTES:
 (1) The percentage of 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.

Sources:
 Gwinnett County Comprehensive Annual Financial Report for December 31, 2009.
 Gwinnett County Board of Education, June 30, 2010.

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assessed value of all taxable property	\$ 371,215,411	\$ 470,610,976	\$ 499,929,472	\$ 554,697,180	\$ 626,594,654	\$ 681,700,534	\$ 817,810,247	\$ 984,406,123	\$ 1,071,641,916	\$ 1,174,713,298
Debt limit: 10% of assessed value	37,121,541	47,061,098	49,992,947	55,469,718	62,659,465	68,170,053	81,781,025	98,440,612	107,164,192	117,471,330
Total net debt applicable to limit	-	17,384,891	17,321,298	16,945,754	16,327,672	15,973,141	16,298,670	15,607,665	15,168,158	14,702,932
Legal debt margin	\$ 37,121,541	\$ 29,676,207	\$ 32,671,649	\$ 38,523,964	\$ 46,331,793	\$ 52,196,912	\$ 65,482,355	\$ 82,832,947	\$ 91,996,034	\$ 102,768,398
Total net debt applicable to the limit as a percentage of debt limit	-	36.94%	34.65%	30.55%	26.06%	23.43%	19.93%	15.85%	14.15%	12.52%

Legal Debt Margin Calculation for Fiscal Year 2010	
Assessed value	\$ 1,174,713,298
Debt limit: 10% of total assessed value	117,471,330
Debt applicable to limit	
General obligation bond	15,920,000
Less: Amount set aside for repayment of general obligation debt	1,217,068
Total net debt applicable to limit	14,702,932
Legal debt margin	\$ 102,768,398

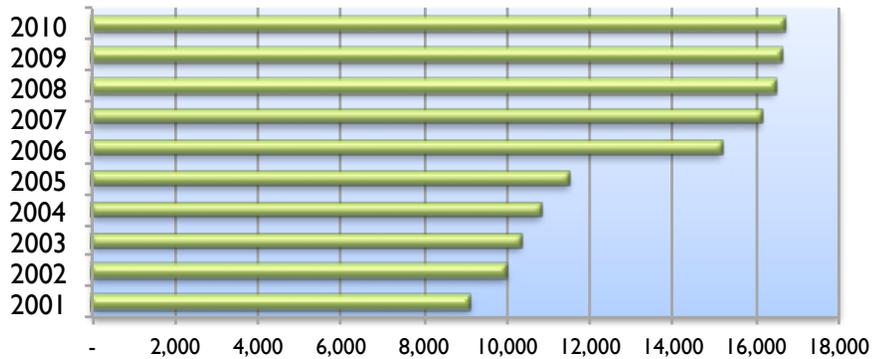
NOTES:

Under Georgia financing laws, the City's outstanding general obligation debt should not exceed 10 percent of the total assessed property value and may be offset by amounts set aside for repaying the general obligation bonds.

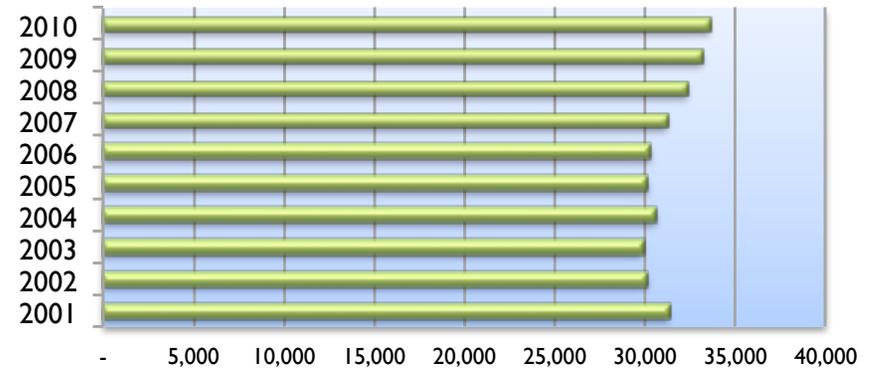
Fiscal Year	Population ^(a)	Personal Income ^(b)	Per Capita Personal Income	Unemployment Rate ^(c)	Residential Construction Value ^(d)	Commercial Construction Value ^(d)
2001	9,100	\$ 284,711,700	\$ 31,287	3.2%	\$ 45,786,000	\$ 72,037,400
2002	9,979	300,377,879	30,101	4.6%	15,971,300	43,135,700
2003	10,318	307,754,986	29,827	4.4%	15,179,070	21,854,673
2004	10,800	330,156,000	30,570	4.3%	16,150,315	17,122,370
2005	11,478	345,923,964	30,138	4.8%	31,482,503	20,788,787
2006	15,147	458,605,719	30,277	4.5%	72,932,181	25,619,202
2007	16,102	502,156,972	31,186	3.9%	56,535,984	172,569,393
2008	16,437	531,063,033	32,309	4.1%	35,471,399	91,217,370
2009	16,608	550,771,104	33,163	3.7%	17,641,225	72,360,272
2010	16,692	559,632,684	33,527	3.9%	8,443,880	3,137,027

Sources:
 (a) City of Suwanee Planning Department.
 (b) Bureau of Economic Analysis.
 (c) Georgia Department of Labor, not seasonally adjusted.
 (d) City of Suwanee Planning and Development Permit Summary Calendar Year.

Population Changes 2001 - 2010



Per Capita Personal Income 2001 - 2010



Employer	2010 ^(a)			2001 ^(b)		
	Employees	Rank	% of Total City Employment ^(c)	Employees	Rank	% of Total City Employment ^(c)
Southeastern Freight Lines, Inc.	375	1	4.24%	360	1	5.83%
Dish Network/Echosphere Corporation	305	2	3.45%	350	2	5.67%
Meggitt Training Systems, Inc.	292	3	3.30%			
Wal-Mart	287	4	3.25%			
Kroger Company	153	5	1.73%	125	7	2.03%
Zebra Construction Company	144	6	1.63%			
Publix Supermarkets ⁽¹⁾	133	7	1.51%	270	5	4.37%
Mitsubishi Electric & Electronics	132	8	1.49%			
Quality Construction Service Inc.	129	9	1.46%			
Flowers Bakers	118	10	1.34%			
Mrs. Smith's/Schwans Bakery Operations LLC				330	3	5.35%
Systemax-Global Computer Supplies, Inc. ⁽²⁾				300	4	4.86%
Cracker Barrel Old County Store, Inc.				140	6	2.27%
E-deltacom/Interstate Fibernet, Inc.				117	8	1.90%
Atlanta Cable Sales, Inc.				100	9	1.62%
TruGreen Chemlawn				99	10	1.60%

NOTES:

(1) Publix Supermarket closed one store in fiscal year 2007. Previously, they had two stores open in Suwanee.

(2) Systemax-Global Computer Supplies moved outside of the Suwanee city limits in 2005.

Sources:

(a) City of Suwanee Business License Division.

(b) Gwinnett Chamber of Commerce, 2001 Issued Occupation Licenses Report.

(c) US Census Bureau

Function	Full-time Equivalent Employees as of June 30, 2010									
	2001	2002	2003	2004	2005	2006	2007	2008	2009 ⁽¹⁾	2010 ⁽²⁾
General Government										
Chief Executive	2	2	3	3	3	4	4	4	3	3
General Administration	1	1	2	2	3	2	2	2	2	2
Financial Administration	5	5	5	5	5	5	5	7	7	7
Public Information	-	-	-	-	-	-	1	1	1	1
Judicial	2	2	2	2	2	3	4	4	3	3
Police										
Police Administration	3	3	3	3	3	3	3	3	3	3
Criminal Investigation	2	2	2	2	3	3	3	4	4	4
Patrol	20	22	23	23	23	22	23	24	26	25
Records and Identification	1	1	1	1	1	1	1	1	1	1
Police Training	-	-	-	-	-	-	-	-	-	1
Dispatcher	3	4	6	6	6	7	7	7	7	7
Public Relations	1	1	1	1	1	1	1	1	1	1
Targeted Police	-	-	-	1	2	2	2	2	2	2
Public Works	4	4	5	7	8	9	10	13	15	15
Housing and Development										
Protective Inspection	4	4	4	4	4	4	4	4	1	1
Planning & Zoning	2	3	3	3	3	4	4	4	5	5
Economic Development	1	1	1	1	1	1	1	2	3	3
Total	51	55	61	64	68	71	75	83	84	84

NOTES:

(1) In fiscal year 2009, the Administrative Secretary position was moved from Chief Executive to Planning & Zoning and the Public Works & Inspection Director was moved to Public Works from Protective Inspection. One position in Judicial and two positions in Protective Inspections were eliminated in fiscal year 2009.

(2) In fiscal year 2010, one police sergeant position was moved from patrol to police training.

Sources:

City of Suwanee Payroll Department.

Function	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
Business licenses issued	692	761	1,048	1,319	1,219	1,376	1,501	1,563	1,687	1,550
Number of parcels and improvements	6,013	6,375	6,747	6,902	7,260	7,854	9,018	10,950	11,693	11,859
Judicial										
Cases processed	5,295	7,656	8,400	8,979	8,945	10,941	11,860	11,102	9,680	12,411
Non-jury trials	*	*	*	*	*	325	300	240	288	335
Jury trials	*	*	*	*	*	130	80	98	84	171
Warrants issued	*	390	235	250	321	510	347	242	205	180
Police										
Calls for service	24,845	28,741	26,340	26,845	26,668	27,125	25,076	28,153	37,511	39,453
Traffic accidents	745	814	893	1,085	1,099	1,140	1,223	1,219	1,141	1,113
Part I offenses	395	278	342	368	445	416	408	511	633	528
Traffic citations	5,350	7,990	8,103	8,377	9,981	11,407	10,650	10,271	10,627	11,715
Public works										
Work orders	*	*	*	*	*	3,699	3,780	4,176	4,690	6,151
Street overlay (sq. ft.)	78,186	66,211	182,092	71,976	79,960	106,695	73,810	324,265	329,220	95,823
Hours of litter pick-up service provided	388	295	385	499	434	516	538	645	791	585
Culture and recreation										
Number of annual city- sponsored events	6	8	8	13	16	14	16	25	21	17
Number of annual non-city sponsored events	*	*	*	*	2	10	8	7	11	15
Suwanee Day attendance	6,000	10,000	4,000	10,000	30,000	30,000	28,000	40,000	42,000	8,000
Protective Inspection										
Number of residential permits	164	87	82	117	295	557	460	184	101	51
Number of total construction permits	459	392	319	384	538	793	686	538	359	174
Number of sign permits	137	136	223	214	210	250	292	380	373	255
Planning and Zoning										
Zoning certification letters	21	14	11	17	24	29	25	29	12	7
Rezoning cases processed	36	11	21	22	13	14	18	11	2	1
Special use permits processed	*	6	3	6	4	2	4	6	10	2
Variances processed	20	22	23	11	16	13	16	24	17	7
Development review	38	42	32	29	24	35	40	52	26	6
Development permits	38	38	27	26	21	26	34	25	14	6
Water										
Average daily consumption in gallons	44,537	50,112	43,049	40,970	45,128	46,848	48,508	46,817	48,739	43,306

* Detailed information not available.

Sources:
Various City departments

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Administration										
Vehicles	1	2	2	2	2	2	2	2	1	1
Police										
Patrol Units	20	21	22	24	27	26	30	32	39	41
Other Police Vehicles	2	2	3	4	4	5	4	4	4	4
Public Works										
Vehicles	5	5	6	6	5	6	8	10	11	15
Street (miles)	35	40	40	44	44	54	59	60	60	62
Streetlights	375	430	510	609	620	710	710	791	835	855
Culture and Recreation										
Acreage	16	141	217	226	233	233	246	293	342	366
Park sites	3	5	10	12	13	13	15	15	15	15
Water										
Water mains (miles)	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.5	6.5	6.5
Storage capacity ⁽¹⁾	60,000	60,000	60,000	60,000	60,000	150,000	150,000	150,000	150,000	150,000
Housing and development										
Vehicles	4	4	5	5	5	5	5	5	4	4

NOTES:

(1) In 2006 the City completed major renovations and improvements to the water system.

Sources:

Various City departments

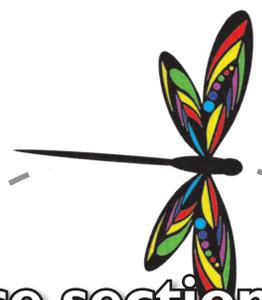
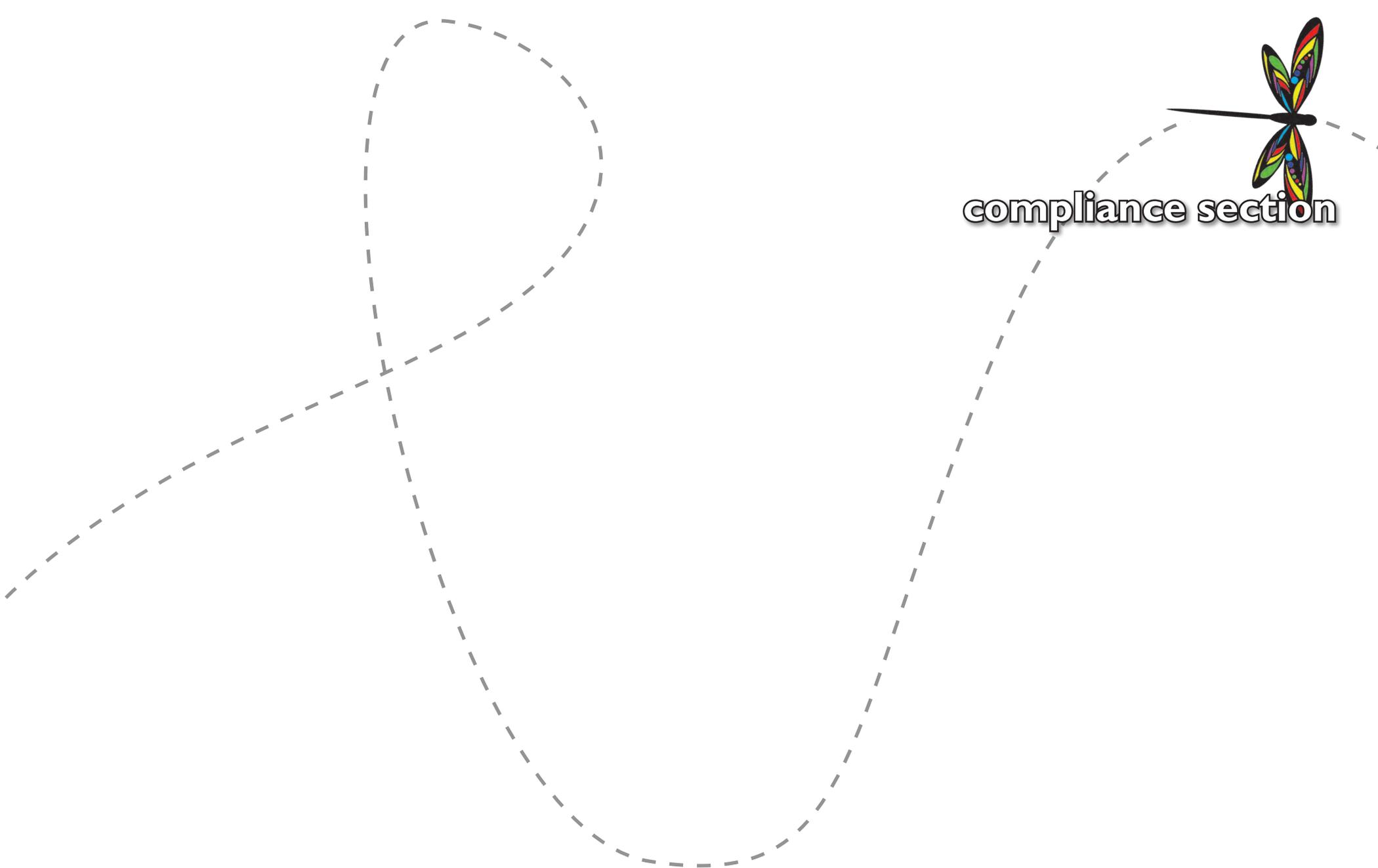
Type of Insurance	Coverage	Liability Limit	Company ⁽²⁾	Policy Number	Policy Period		Annual Premium
					From	To	
LIABILITY							
General Liability	Damages of bodily injury or property caused by an occurrence	\$1,000,000 limit each claim with a \$5,000,000 aggregate \$1,000 deductible	GIRMA	SU-3	05/01/10	04/30/11	\$ 11,907
Public Officials Liability	Employment practices Zoning Claims	\$1,000,000 limit each claim with a \$5,000,000 aggregate \$1,000 deductible	GIRMA	SU-3	05/01/10	04/30/11	32,130
Automobile Liability	Damages of bodily injury or property caused by an occurrence	\$1,000,000 combined single limit \$1,000 deductible	GIRMA	SU-3	05/01/10	04/30/11	21,384
Law Enforcement Liability	False arrest/wrongful imprisonment Assault & Battery	\$1,000,000 limit each claim no aggregate limit \$1,000 deductible	GIRMA	SU-3	05/01/10	04/30/11	8,902
PROPERTY							
Property Including Equipment	Blanket building & content Business interruption Property in Transit	\$20,298,396 total insured value building & content replacement cost	GIRMA	SU-3	05/01/10	04/30/11	8,947
Boiler & Machinery	Blanket building & content	\$20,298,396 total insured value building & content replacement cost	GIRMA	SU-3	05/01/10	04/30/11	3,466
Environment Impairment Liability	Pollution coverage	combined single limit \$1,000,000 with a \$12,000,000 aggregate per occurrence deductible \$1,000	GIRMA	SU-3	05/01/10	04/30/11	24,656
OTHER CASUALTY							
Workers Compensation Self Insurance Fund	While Working		GMA	Cust # 312	01/01/10	12/31/10	129,613
Automobile Physical Damage	All risks for scheduled City vehicles only	Automatic coverage for vehicles up to \$100,000 deductible \$1,000	GIRMA	SU-3	05/01/10	04/30/11	7,063
Crime Coverage	Public employee dishonesty per loss	\$500,000 limit with \$1,000 deductible	GIRMA	SU-3	05/01/10	04/30/11	\$ 894
OTHER INSURANCE							
Employee Life Insurance	Basic Life	Varies by employee salary / max. 75,000	Greater Georgia Life	1M547	07/01/09	06/30/10	\$ 10,728
Dependent Life Insurance	Basic Life	\$5,000 coverage for the spouse (if covered by medical plan) \$2,500 coverage for each child (if covered by medical plan)	Greater Georgia Life	1M547	07/01/09	06/30/10	(3)
Long Term Disability	90 day elimination period 60% benefit up to \$5,000, until age 65	N/A	Lincoln Nat'l Life	10105 - 23700000	07/01/09	06/30/10	14,359
Short Term Disability	1st day accident/8th day illness 13 week/ 60% weekly compensation up to \$1000	N/A	Lincoln Nat'l Life	10105 - 23800000	07/01/09	06/30/10	14,660
Medical	1st of the month following 30 days	Lifetime Maximum - Unlimited \$500 individual / \$1,500 family deductible 100% coinsurance after deductible	Blue Cross/ Blue Shield HMO	1018871	07/01/09	06/30/10	673,510
	1st of the month following 30 days	Lifetime Maximum - \$5,000,000 \$2,000 individual / \$6,000 family deductible in-network \$4,000 ind. / \$12,000 family deductible out of network coinsurance: 80% in-network / 60% out of network	Blue Cross/ Blue Shield PPO	1018871	07/01/09	06/30/10	(4)
Dental	Employee and Family	\$1,500 Max benefit per person per year \$1,500 Ortho Benefit	Blue Cross / Blue Shield	1018871 plan 135	07/01/09	06/30/10	\$ 78,257

NOTES:

- (1) This schedule has been included to satisfy continuing bond disclosure requirements for the 2002 General Obligation bond issue.
- (2) Georgia Interlocal Risk Management Agency (GIRMA) Georgia Municipal Association (GMA)
- (3) Total cost paid for by the employee.
- (4) Premiums for HMO and PPO are included together under the HMO premiums total.

Sources:

City of Suwanee Human Resource Department



compliance section

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Honorable Mayor and Members
Of the 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, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 20, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

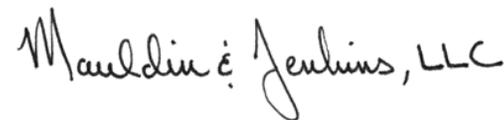
Compliance and Other Matters

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*.

We noted certain matters that we reported to management of the City in a separate letter dated December 20, 2010.

This report is intended solely for the information and use of the management, members of the City Council, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Atlanta, Georgia
December 20, 2010





www.suwanee.com



city of **suwanee**
330 town center ave
suwanee, ga 30024