

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF SUWANEЕ, GA

YEAR ENDED JUNE 30, 2018





city of
Suwanee
georgia

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**
year ended
june 30, 2018

prepared by:
**Financial
Services
Department**



Jimmy Burnette
Mayor



Dick Goodman
Mayor ProTem



Dan Foster
Councilmember



Beth Hilscher
Councilmember



Doug Ireland
Councilmember



Linnea Miller
Councilmember

MANAGEMENT TEAM



Marty Allen
City Manager



Denise Brinson
Assistant City Manager



Elvira Rogers
Administrative Services Director



Jessica Roth
Business Services Director

Amie Sakmar
Financial Services Director



James Miller
Parks & Public Works Director



Josh Campbell
Planning Director



Mike Jones
Chief of Police

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INTRODUCTORY SECTION



**LETTER OF
TRANSMITTAL**

**GFOA CERTIFICATE OF
ACHIEVEMENT**

**ORGANIZATIONAL
CHART**



December 10, 2018
Citizens, Mayor, and Members of the City Council
Suwanee, Georgia:



WE DON'T DO BORING!

Boring isn't exactly in Suwanee's vocabulary, although wonky and whimsical certainly are! Please join us as we explore fiscal year 2018 in a rolling wave of Suwanee bubbles. If you look carefully, you will find Suwanee's super heroes and villains frolicking along the pages.

Suwanee's Comprehensive Annual Financial Report (CAFR) 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 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:

- 1. The Introductory Section** will 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.
- 2. 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, required supplementary information, and combining and individual fund statements and schedules.
- 3. The Statistical Section** provides readers with additional historical perspective, content, and detail to: 1) assist in understanding the information in the financial statements, notes to the financial statements, and required supplementary information, and 2) assess the City's economic condition.

A **Compliance Section** is also included in this report in order to satisfy other legal requirements. 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, including two blended component units. Blended component units are, in substance, part of the primary government. Suwanee's Urban Redevelopment Agency (URA) and Downtown Development Authority (DDA) are blended component units and are reported as part of the primary government.



OUR STORY

Suwanee originated as a Native American village along the banks of 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 11.0 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 (Buford Highway), Georgia Route 317 (Lawrenceville Suwanee Road), and Georgia Route 141 (Peachtree Industrial Boulevard). Additional demographic information is provided in the statistical section of this report.

THE HALL OF JUSTICE

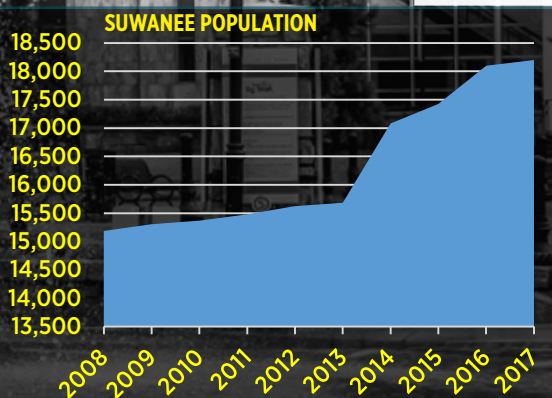
The City operates under a council-manager form of government. The City Council consists of five members elected at large to staggered four-year terms. The Mayor is the sixth voting member of council, who, along with the remaining council members is elected on a non-partisan basis. Council provides responsive, 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 number of citizens in the historic Old Town area of Suwanee. Sanitation services are provided to citizens by private firms.

ECONOMIX

On July 18, 2017, the City of Suwanee's URA issued approximately \$21.5 million in bonds at an all-in true 3.31 percent interest rate for urban redevelopment projects identified in the 2017 Urban Redevelopment Plan. The primary project associated with these bonds will be the development of a large, 25-acre extension of Town Center Park. Suwanee's strong bond rating, AAA rating from Standard & Poor's (S&P), is allowing the City to undertake a series of planned projects sooner, rather than later. The City is leveraging our excellent bond rating while rates are at near-historic lows to begin projects, rather than wait for construction costs to escalate. Additional information on long term debt can be found in the notes to the financial statements, pages 55-56.

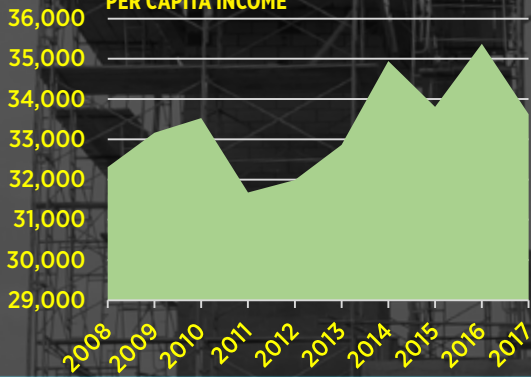
Population: The Planning Department estimates the population of Suwanee at 19,296 residents as of June 30, 2018. Suwanee's population has grown by 3,991 since 2009, a 26% increase in population over the past ten years. Per capita income, a measure of standard of living, is a useful indicator of the City's economic well being. 2010 and 2011, with the economic recession, citizens' incomes declined. In 2012, per capita personal income began to improve and to exceed the pre-recession levels. Some fluctuation is noted with fiscal years 2014 to current, but overall improvements have been maintained.



CITY OF SUWANEЕ, GA

YEAR ENDED JUNE 30, 2018

PER CAPITA INCOME



Unemployment. The national unemployment rate in June 2018 was 3.7 percent. Georgia is among several states that exceed the national average with a June 2018 unemployment rate of 4.1 percent. The Georgia Civilian Labor Force maintains unemployment rate estimates for each Census Tract within the state. A majority of the City is included in three tracts: Tracts 502.10, 502.12 and 502.13. Cumulatively, these tracts had an estimated unemployment rate of 3.7% in June 2018.

Suwanee's Development. At the end of calendar year 2016, there were only 15 single family lots remaining in Suwanee. Since the beginning of 2017, 402 new lots have become available through nine new neighborhoods. Active neighborhoods have 402 units permitted per rezoning with 224 permits issued and 178 lots remaining.

Home Values. The median home value in 30024 zip code is \$345,800. The 30024 zip code home values have gone up 5.5% over the past year and Zillow predicts they will rise 4.3% within the next year. The median list price per square foot in 30024 zip code is \$138. The median price of homes currently listed in 30024 zip code is \$394,900. The median rent price in 30024 zip code is \$1,895.

Mortgage delinquency is the first step in the foreclosure process. This is when a homeowner fails to make a mortgage payment. The percent of delinquent mortgages in 30024 zip code is 0.5%. The percent of 30024 zip code homeowners with negative equity is 4.3%, while the national average 8.2%.

WHAT'S GOING ON NOW!

Suwanee HOPE Court Named Program of the Year. The Georgia Municipal Court Clerk's Council recognized Suwanee Municipal Court with the distinguished Program of the Year award for Suwanee's HOPE Court. The program of the Year award honors municipal courts throughout the state of Georgia that are making a difference. The awards committee selected Suwanee's HOPE Court for its efforts in educating first-time youth offenders and providing them with a second chance at maintaining their driving privileges.

Superior Management and Leadership. Suwanee has been recognized by the International City/County Management Association (ICMA) for superior performance management. Suwanee is among 13 jurisdictions receiving the Certificate of Distinction, and one of 57 recognized overall. This is the ninth year that Suwanee has been recognized since the certificates were first awarded in 2002.

It's EASY being Green! The Atlanta Regional Commission (ARC) recognized Suwanee for their efforts to lead the way to a greener Atlanta region by recognizing the City as a Green Community. The community was recertified at the bronze level through ARC's Green Communities program for their commitment to environmental stewardship and leadership in sustainability practices.

Suwanee Breaks Ground. Suwanee's DDA along with developer Terwilliger Pappas and Carlyle Realty Partners, hosted a groundbreaking ceremony for Solis Town Center, a 240 apartment unit mixed-use development situated adjacent to Suwanee Town Center. Set on six acres, the property will feature 12,000 square feet of retail and restaurant space, 71 townhouses, and a parking garage around which the mixed-use structure will be built.

WE'RE #1
(In a few categories, anyway.)

City of Suwanee
Receives
Top Marks
Again from
National Citizen
Survey



***Context Sensitive**

A planning term used to describe a design that respects the existing scale and character of the surrounding environment

We're #1. (In a few categories, anyway.) In 2017, Suwanee voluntarily participated in its fifth National Citizen Survey, a statistically valid survey managed by the National Research Center that gathers resident opinions across a range of issues. As in previous years, residents' ratings put the city at or near the top in a variety of areas as compared to other communities across the country. The overall quality of life in Suwanee was rated as excellent or good by 92 percent of residents, and 95 percent rated the city as an excellent or good place to live and raise children. More than nine out of ten respondents rated the City's overall image and appearance positively with almost all reporting that they would recommend Suwanee as a place to live (97 percent).

WHAT'S GOING TO HAPPEN NEXT!

Suwanee's top priorities for the future include updating the 2040 Comprehensive Plan, preparation for reconstruction of Buford Highway as a context-sensitive* multi-modal roadway, realignment of Main Street, construction of a new park on Main Street, and continued focus on annual road resurfacing and storm drainage infrastructure with the continuation 2017 SPLOST program.

Suwanee is in the process of updating its Comprehensive Plan, the 2040 plan. In 2017, the City embarked on a major update to the Comprehensive Plan. An important tool that guides decisions about how to manage growth within the city. The 2040 Comprehensive Plan provides predictability for residents and property owners about the future use of land. This plan is scheduled to be adopted in early 2019.

Reconstruction of Buford Highway. Suwanee will use a nearly \$3.3 million Livable Centers Initiative (LCI) grant, received through the Atlanta Regional Commission (ARC), to help fund reconstruction of a portion of Buford Highway as a context-sensitive* roadway that will safely accommodate multiple modes of transportation and help connect residents and visitors to multiple activity centers. Rather than simply widening Buford Highway, Suwanee's plans call for the thoroughfare to remain a two-lane road. The City plans to add sidewalks, multi-use trails, landscaped medians, streetscaping, operational improvements such as turn lanes, and a roundabout in order to accommodate additional modes of transportation, calm existing traffic, promote Town Center styled development, and provide safer pedestrian access.

Town Center on Main. Located on approximately 25-acres known locally as DeLay Property, the site is situated behind Suwanee library and PlayTown Suwanee on Suwanee Dam Road. The park plan features a mixture of urban and rural environments, including:

A roughly 900 -foot, elevated signature bridge for pedestrian and bicycle use, spanning the entire park and crossing an approximately one-acre of water feature.

An open terrace plaza and lawn area at the peak of the park's elevation that will include a waterfall feature.

An extension of the existing PlayTown Suwanee geared towards older children, expanding the age range of PlayTown Suwanee without interfering with its existing success.

Sandpit volleyball courts and an iconic public art piece.

Realignment of Main Street will shift the road around the new park, Town Center on Main, and exit onto Suwanee Dam Road at the existing traffic signal at the library entrance. This shift will allow the median break at the existing Main Street to close, greatly improving the safety and traffic flow on Suwanee Dam.

2017 SPLOST is expected to bring nearly \$19 million in transportation improvements to Suwanee. Together, Gwinnett County and the City of Suwanee have allocated approximately \$19 million in 2017 SPLOST funding towards transportation, sidewalk improvements and recreational projects. Funding is provided by a restricted one-cent sales tax. Collections of this six year sales tax began April 2017 and will continue until March 2023.

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 to advance the goals and objectives of City Council. The CIP is a comprehensive five-year plan that helps identify priorities, provide project cost estimates and identify financial resources. Longer range planning is accomplished through the City's Comprehensive Plan, currently being updated, is developed and maintained in accordance with State of Georgia planning requirements.

FINANCIAL CONTROLS

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 is 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 department 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 section.

Debt refunding

The City recognizes that the foundation of any well-managed debt program is a comprehensive debt policy. A debt policy sets forth the parameters for issuing debt and managing outstanding debt and provides guidance to decision makers regarding timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and the structural features that may be incorporated. The policy also includes the parameters for refunding opportunities. In general, advance refunding for economic savings will be undertaken when a net present value savings of at least 3% of the refunding principal can be achieved. Additional information regarding outstanding debt can be found in Note 7, page 55.

SUWANEES ANCHOR POINTS

SUWANEES QUALITY
HIGH STANDARDS.
OTHERS TAKE NOTICE.
NOT DONE TO RECEIVE
AWARDS, BUT AWARDS ARE
LIKELY TO FOLLOW.

UNIQUE
BOLD, RISKY, QUIRKY,
ARTSY, COOL, DIFFERENT,
INNOVATIVE, EYE-CATCHING.
IT HASN'T BEEN DONE
BEFORE AND IF IT HAS IT
WILL BE DIFFERENT IN
SUWANEES.
THE NORMAL SOLUTION
IS NOT THE SOLUTION IN
SUWANEES.

REMARKABLE
ATTRACTING ATTENTION
BY BEING SPECIAL,
UNUSUAL OR
EXTRAORDINARY.
WORTHY OF REMARKS FROM
OTHERS, BOTH SUPPORTIVE
AND CRITICAL.

VISIONARY
LASTING BEYOND THOSE
WHO MAKE THE DECISIONS.

Fund balance

The City of Suwanee maintains its financial operations in a manner consistent with sound financial management principles, which require that sufficient funds be retained by the City to provide a stable financial base at all times. An adequate fund balance level is an essential element in both short-term and long-term financial planning. Maintenance of sufficient levels of fund balance enables the City to stabilize funding for operations, stabilize taxes and fees, and realize cost savings in issuing debt. While adequate levels of fund balance are important, the City strives to maintain an appropriate amount that is neither too high nor too low. The City's policy is to maintain a minimum of four months of general fund budgeted expenditures and transfers. As part of the budget resolution, City Council annually commits this funding level. Additional information on fund balance can be found on Note 1, pages 50-51.

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.

Mauldin & Jenkins, LLC, issued an unmodified ("clean") opinion on the City of Suwanee's financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

WOOHOO!

The City of Suwanee is proud that many of its initiatives and projects have earned regional, state, and national awards and certification over the past several years. Listed below are a few action-packed awards received recently.

- **#3 on the list of Most Successful Cities in Georgia** - Zippia
- **Program of the Year** - Hope Court, Georgia Municipal Court Clerks' Council
- **Best of Family Fun Winner** - Best Playground for PlayTown Suwanee, by Atlanta Parent magazine
- **#4 Best Suburb in Georgia** - Niche.com
- **100 Most Genius Places in America list, Time magazine** - 2nd consecutive year
- **Distinguished Budget Presentation Award for fiscal year 2018 budget**, Government Finance Officers Association - 12th consecutive year
- **Award for Outstanding Achievement in Popular Annual Financial Reporting**, Government Finance Officers Association, 2017 Annual Report - 8th consecutive year
- **Impact Hospitality Award** - Gwinnett Chamber



Government Finance Officers Association

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, 2017

Christopher P. Morill

Executive Director/CEO

Suwanee Awarded For Excellence In Financial Reporting. GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This was the 15th 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 CAFR 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.

THANK YOU!

The preparation and production of this document would not be possible without the dedication and cooperation of all City departments. Their willingness to work together has enabled Suwanee to exceed expectations, to boldly go where no financial document has gone, striving to be unique, remarkable, and quirky in providing a quality financial report that is readable, informative, and beneficial to Suwanee citizens. We also extend our appreciation and gratitude to our independent auditors, Mauldin & Jenkins (GASB Junkies!), for the professional guidance, assistance, and encouragement in producing a CAFR. Most importantly, we express our appreciation to Mayor Jimmy Burnette and to each of our Councilmembers for setting the tone and providing the leadership to keep Suwanee moving in the right direction. Their dedication, leadership, vision, and support in planning and conducting the affairs of the City in a responsible and progressive manner ensure that Suwanee is a well-rounded, vibrant community that residents, superheros, and villains can be proud to call home today and well into the future.

Respectfully submitted,

Amie Sakmar

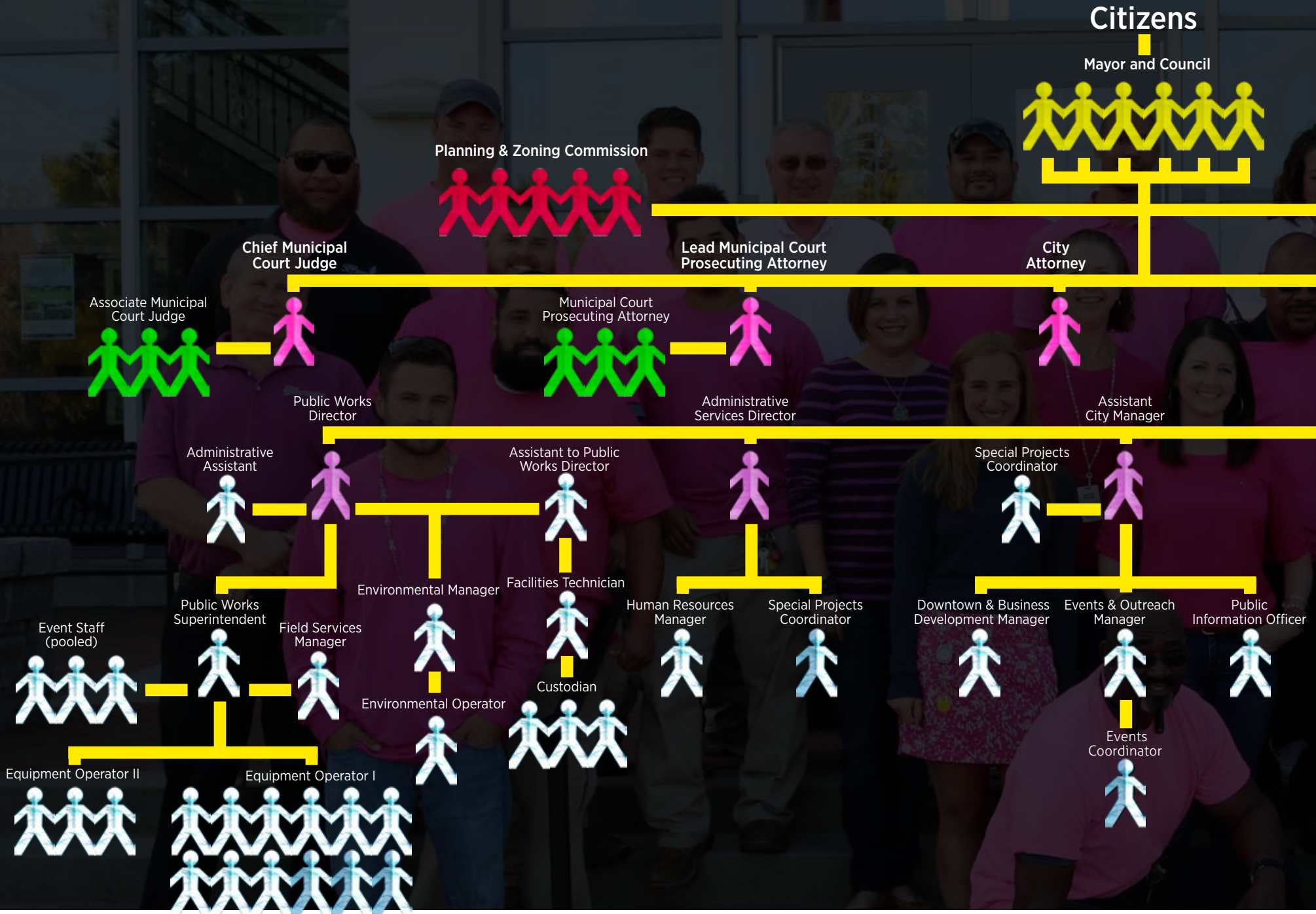
Amie Sakmar
Financial Services Director

Marty Allen

Marty Allen
City Manager



**Catch the wave and
follow the bubbles!**



CITY OF SUWANEE, GA YEAR ENDED JUNE 30, 2018

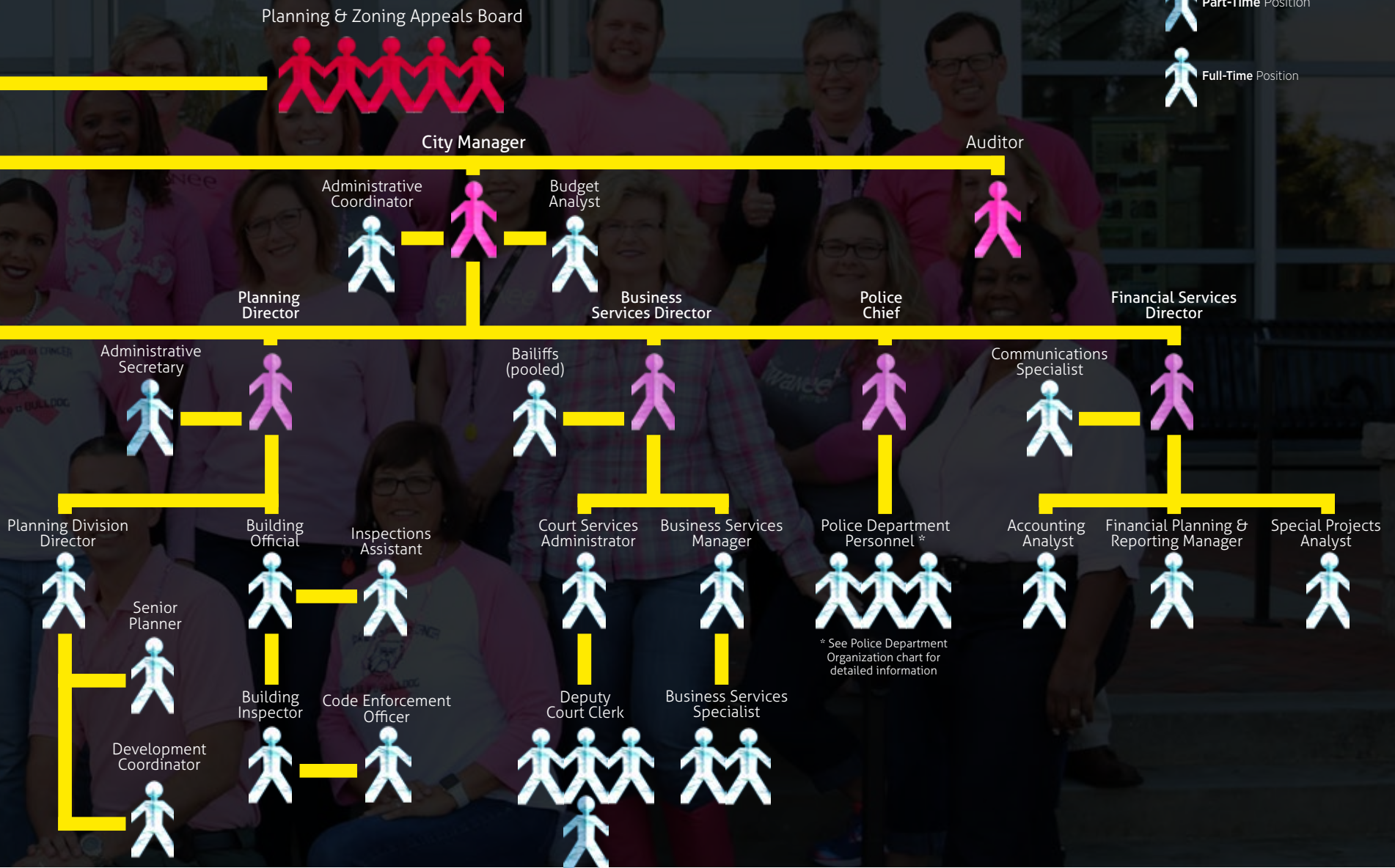
LEGEND



Part-Time Position



Full-Time Position

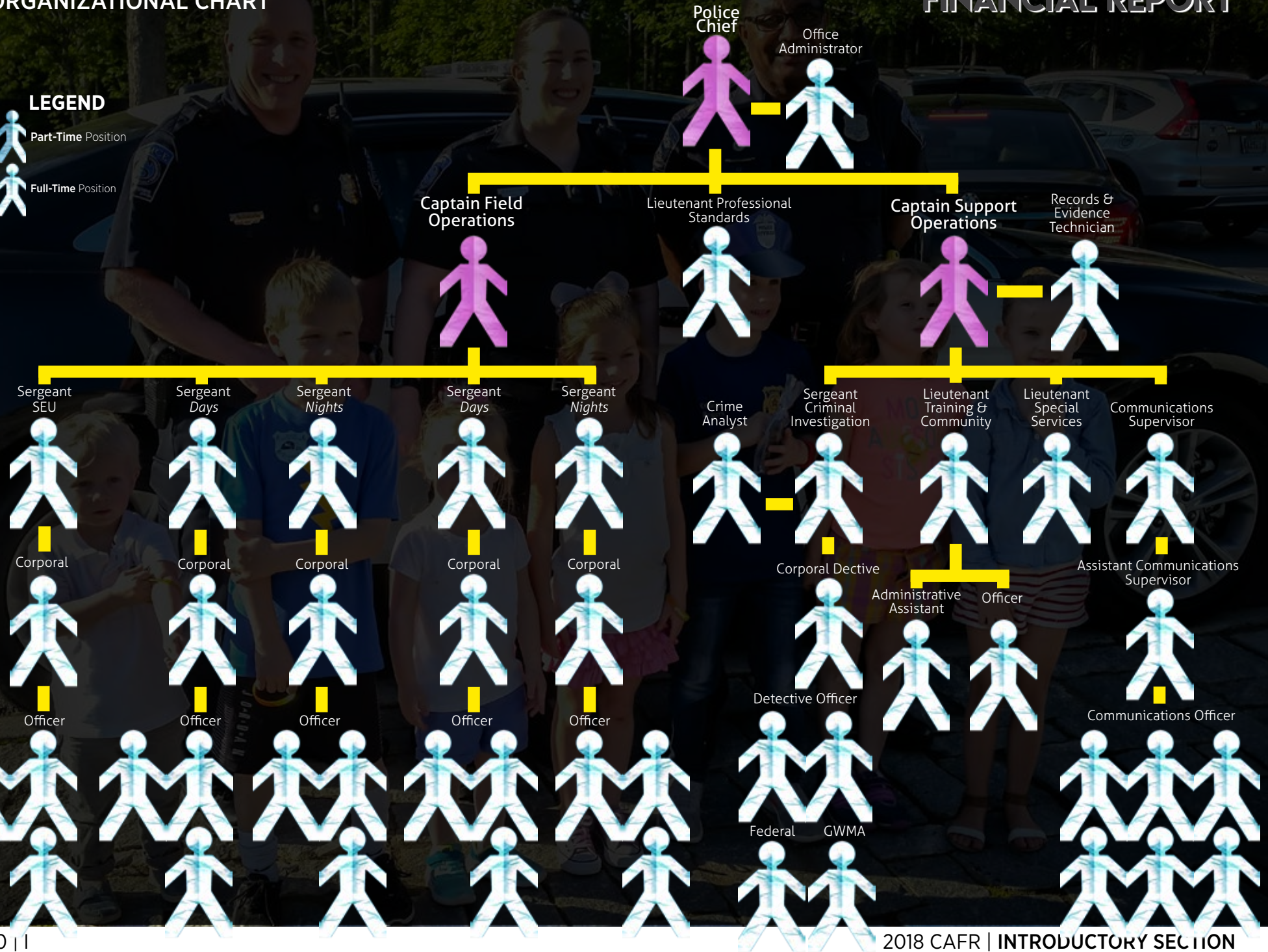


* See Police Department Organization chart for detailed information

POLICE DEPARTMENT ORGANIZATIONAL CHART

COMPREHENSIVE ANNUAL FINANCIAL REPORT

LEGEND



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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Suwanee, Georgia (the "City")**, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Suwanee, Georgia as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 14-28, the Schedule of Changes in the Net Pension Asset and Related Ratios on page 65, and the Schedule of City Contributions on page 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Suwanee, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, including the Special Purpose Local Option Sales Tax Proceeds Schedule of Expenditures and the Certification of 911 Expenditures, and the introductory and statistical sections, 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, although the Special Purpose Local Option Sales Tax Proceeds Schedule of Expenditures is required by Official Code of Georgia Annotated 48-8-121.

The combining and individual fund financial statements and schedules, including the Special Purpose Local Option Sales Tax Proceeds Schedule of Expenditures and the Certification of 911 Expenditures, (the "supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2018 on our consideration of the City of Suwanee, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Suwanee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Suwanee, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 10, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

The following management discussion and analysis is provided as an introduction to the basic financial statements for the fiscal year ended June 30, 2018. This narrative is intended to assist the reader in understanding significant financial 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.

Government-wide

Assets and deferred outflows of resources of the City's governmental activities exceeded liabilities and deferred inflows of resources by \$81,923,592. This is an increase of \$2,865,669 or 3.6%, as compared to the prior year amount of \$79,057,923. The majority of the governmental activities increase, \$2,865,669, is due to capital outlay for infrastructure from SPLOST funds. SPLOST revenues are recognized as revenue as funds are received but expenses for capitalized assets are amortized over the life of the asset instead of expensed at the time of construction or purchase as in the fund level statements. A smaller portion of this increase is due to a restatement of prior period beginning net position, \$407,419. Fiscal year 2018 includes a change in reporting entity \$1,137,006, adding ending June 30, 2017 Downtown Development Authority (DDA) balances, and (\$729,587) for a change in accounting principal, changing the capital assets capitalization threshold from \$1,000 to \$10,000. Additional information on the change in reporting entity can be found in Note 14 on page 63. Additional information on the change in accounting principal can be found in Note 6 pages 53 and 54.

Assets of the City's business-type activities exceeded liabilities by \$3,461,297 an increase of \$111,055, or 3.3%, as compared to the prior year amount of \$3,350,242. The majority of this increase is due to the \$120,000 general fund transfer during the period for future water system improvements. The business-type activities also included a small reduction for the change in accounting principal (\$7,174). This change in accounting principal is related to the change in the capitalization threshold from \$1,000 to \$10,000.

In total, net position increased by \$2,976,724 to \$85,384,889. Of this amount, unrestricted net position on June 30, 2018 was \$18,167,545 or 21.3% of the City's total net position.

Fund level

As of June 30, 2018, the City's governmental funds reported a combined ending fund balance \$41,971,586, an increase of \$17,412,932 or 70.9% increase from fiscal year 2017. This majority of this increase is due to the Urban Redevelopment Authority (URA) issuing \$21,470,000 in revenue bonds. The bond sale resulted in proceeds totaling \$23,494,404. There were decreases due to capital outlay that has been expended at the time of construction or purchase (\$6,639,848). The governmental funds also report a change in reporting entity for the DDA which increased beginning fund balance by \$722,889. Enterprise fund assets exceeded liabilities by \$3,461,297 of which \$2,467,886 was invested in capital assets leaving an unrestricted balance of \$993,411.

Long-term debt

In total the City's bonds payable outstanding increased by \$19,984,000 during fiscal year 2018. This increase is due to the URA closing on \$21,470,000 in revenue bonds on July 18, 2017. The proceeds from this bond sale are available for Town Center on Main projects, transportation improvements, and administrative facilities in the Urban Redevelopment district. During the fiscal year, the City made bond principal payments in the amount of \$1,486,000.

Additional information regarding long-term debt can be found in the notes to the financial statements, Note 7, on pages 55-56.

OVERVIEW OF
THE FINANCIAL
STATEMENTS

GOVERNMENT
WIDE 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 in four parts:

1) Management's Discussion and Analysis (MD&A), **2)** The Basic Financial Statements, **3)** Required Supplementary Information, and **4)** 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 to the financial statements provide additional detailed information to supplement the Basic Financial Statements.

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private sector business. The statement of net position 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. In addition, capital expenditures are added to capital assets and depreciated over the life of the asset.

- The statement of net position 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 deferred outflows of resources, liabilities and deferred inflows of resources, for all fund types except for fiduciary funds, with the difference between these items reported as net position. Over time, increases or decreases in net position 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 position changed during the fiscal year. The focus is on both the gross and net cost of governmental and business-type 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, judiciary, police service, public works, planning and zoning, inspections, economic and community development, parks, tourism, and code enforcement. Business-type activities include the water and sewer system.

The government-wide financial statements can be found on pages 30-32.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements focus on the most significant funds, reporting on the City's operations in greater detail than the government-wide statements. 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 statements is both short-term and long-term, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison is useful in understanding the long-term impact of the City’s near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifteen governmental funds. Seven of these funds are considered major funds for financial reporting purposes: general, debt service, 2009 SPLOST, 2014 SPLOST, 2017 SPLOST, other capital projects, and URA. 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 for non-major governmental funds are combined into a single, aggregated column. Specific fund data for each of the non-major funds is provided in the form of combining statements beginning on page 70. 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 pages 37 and 38. Budgetary comparisons for other governmental funds with legally adopted annual budgets start on page 74.

The basic governmental fund financial statements can be found on pages 33-35.

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 statements use the accrual basis of accounting. 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 39-41.

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 42.



**NOTES TO THE
 FINANCIAL
 STATEMENTS**

**REQUIRED
 SUPPLEMENTARY
 INFORMATION**

**OTHER
 INFORMATION**

**GOVERNMENT
 WIDE FINANCIAL
 ANALYSIS**

The notes to the financial statements provide additional information that is essential to 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 43-63.

Required supplementary information includes the required pension schedules and notes to the schedules. The schedule of changes in net pension assets and related ratios and the schedule of city contributions can be found on pages 65-67.

Other supplemental information includes combining financial statements for non-major governmental funds. Schedules of revenues, expenditures, and changes in fund balance budget to actual are also presented for all governmental funds with annually adopted budgets. These supplemental statements can be found on pages 70-73.

As noted earlier, changes in net position 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 and deferred outflows of resources exceeded its liabilities and deferred inflows by \$85,384,889 and \$82,808,410 at June 30, 2018 and 2017 (as restated) respectively. This represents an increase of \$2,576,479, or 3.1 percent from fiscal year 2017. The following is a condensed version of the government-wide statement of net position.

	Net Position on June 30th					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾
Assets						
Current and other assets	\$ 47,935,231	\$ 29,513,027	\$ 1,001,551	\$ 961,145	\$ 48,936,782	\$ 30,474,172
Capital assets	74,079,293	66,421,478	2,467,886	2,388,864	76,547,179	68,810,342
Total assets	122,014,524	95,934,505	3,469,437	3,350,009	125,483,961	99,284,514
Deferred outflows of resources	1,149,878	1,255,451	-	-	1,149,878	1,255,451
Liabilities						
Long-term liabilities outstanding	38,738,644	16,499,867	-	-	38,738,644	16,499,867
Other liabilities	1,830,362	1,031,151	8,140	6,941	1,838,502	1,038,092
Total liabilities	40,569,006	17,531,018	8,140	6,941	40,577,146	17,537,959
Deferred inflows of resources	671,804	193,596	-	-	671,804	193,596
Net Position						
Net investment in capital assets	59,582,331	50,688,142	2,467,886	2,388,864	62,050,217	53,077,006
Restricted	5,167,127	10,395,298	-	-	5,167,127	10,395,298
Unrestricted	17,174,134	18,381,902	993,411	954,204	18,167,545	19,336,106
Total net position	\$ 81,923,592	\$ 79,465,342	\$ 3,461,297	\$ 3,343,068	\$ 85,384,889	\$ 82,808,410

Note: (1) Fiscal year 2017 balances have been restated to reflect the change in reporting (including the DDA as a blended component unit) and entity and the change in accounting principal (changing the capital asset capitalization threshold from \$1,000 to \$10,000).

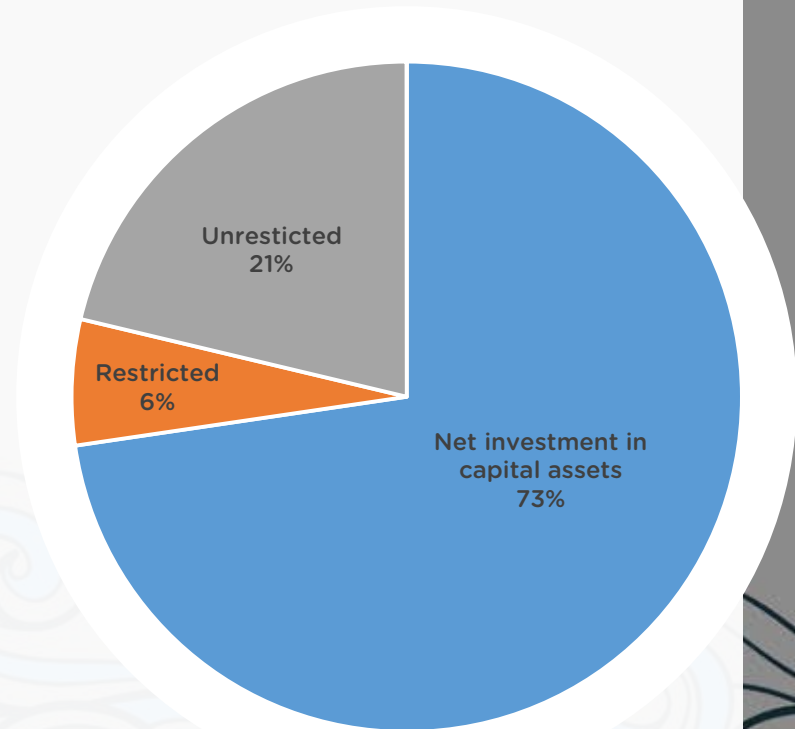
Both of these changes are shown as a restatement of net position in the government-wide statements. Additional information for the change in reporting entity can be found in Note 14 on page 63. Additional information on the change in accounting principal can be found in Note 6 on pages 53 and 54.

PRIMARY GOVERNMENT NET POSITION JUNE 30, 2018

The largest portion of the City's net position, 73%, reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, and other immovable assets), net of any related debt used to acquire those assets. Net investment in capital assets increased by \$8,973,211 or 17%. This increase is due to additions to capital assets predominantly utilizing SPLOST funds.

The City's investment in its capital assets is reported net of related debt, 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. City has restrictions of \$5,167,127 of net position to be used on debt service, capital projects and special programs. The decrease in restricted net position is due to the use of SPLOST proceeds. The remaining portion of unrestricted net position, 21%, 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 for the governmental activities. Business type activities were also able to report positive balances in two categories. Overall growth in net position is a positive economic indicator of the City's improved financial position from 2017.



CITY OF SUWANEЕ, GA

YEAR ENDED JUNE 30, 2018

GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by \$2,458,250 thereby accounting for 95% of the total growth in net position. This increase in governmental activities is related to capital grant contributions from SPLOST revenues and intergovernmental (local, state, and federal) grants \$3,301,807. The reader should remember that the basis of accounting used in the government-wide statement of activities excluded 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 position changed during fiscal year 2018.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾
Revenues						
Program revenues:						
Charge for services	\$ 2,379,378	\$ 1,982,084	\$ 132,295	\$ 140,759	\$ 2,511,673	\$ 2,122,843
Operating grants and contributions	1,011,423	1,103,171	-	-	1,011,423	1,103,171
Capital grants and contributions	3,301,807	5,087,607	-	-	3,301,807	5,087,607
General revenues:						
Property taxes	6,001,465	5,531,567	-	-	6,001,465	5,531,567
Franchise fees	1,715,558	1,757,052	-	-	1,715,558	1,757,052
Alcoholic beverage taxes	812,385	831,638	-	-	812,385	831,638
Business and occupation taxes	1,191,440	1,201,063	-	-	1,191,440	1,201,063
Other	2,261,873	2,059,042	-	-	2,261,873	2,059,042
Unrestricted investment earnings	102,254	68,941	6,633	3,308	108,887	72,249
Total revenues	18,777,583	19,622,165	138,928	144,067	18,916,511	19,766,232
Expenses						
General government	3,202,083	2,893,685	-	-	3,202,083	2,893,685
Judicial	399,218	396,909	-	-	399,218	396,909
Public safety	4,634,147	4,592,531	-	-	4,634,147	4,592,531
Public works	4,004,108	6,080,986	-	-	4,004,108	6,080,986
Culture and recreation	1,023,763	815,305	-	-	1,023,763	815,305
Housing and development	1,368,680	1,294,426	-	-	1,368,680	1,294,426
Tourism and trade	460,706	409,850	-	-	460,706	409,850
Interest on long term debt	1,106,628	303,200	-	-	1,106,628	303,200
Water and sewer	-	-	140,699	136,401	140,699	136,401
Total expenses	16,199,333	16,786,892	140,699	136,401	16,340,032	16,923,293
Increase (decrease) in net position before transfers	2,578,250	2,835,273	(1,771)	7,666	2,576,479	2,842,939
Transfers	(120,000)	(100,000)	120,000	100,000	-	-
Change in net position	2,458,250	2,735,273	118,229	107,666	2,576,479	2,842,939
Net position - July	79,465,342	76,322,650	3,343,068	3,242,576	82,808,410	79,565,226
Net position - June 30	81,923,592	79,057,923	3,461,297	3,350,242	85,384,889	82,408,165
Net position, restatement, change in accounting principal	-	(729,587)	-	(7,174)	-	(736,761)
Net position, restatement, change in reporting entity	-	1,137,006	-	-	-	1,137,006
Net position - June 30 (restated)	\$ 81,923,592	\$ 79,465,342	\$ 3,461,297	\$ 3,343,068	\$ 85,384,889	\$ 82,808,410

Note:(1) Fiscal year 2017 balances have been restated to reflect the change in reporting entity (including the DDA as a blended component unit) and the change in accounting principal (changing the capital asset capitalization threshold from \$1,000 to \$10,000). Both of these changes are shown as a restatement of net position in the government-wide statements.

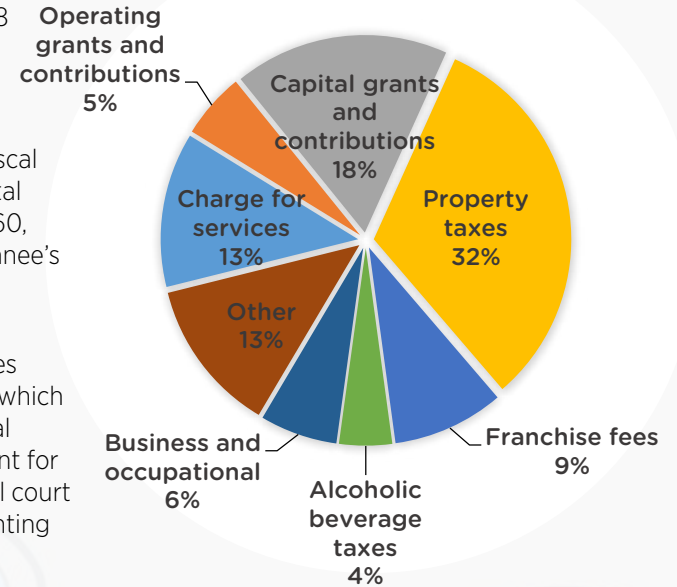
Additional information for the change in reporting entity can be found in Note 14 on page 63. Additional information on the change in accounting principal can be found in Note 6 on pages 53 and 54.

REVENUES BY SOURCE GOVERNMENTAL ACTIVITIES

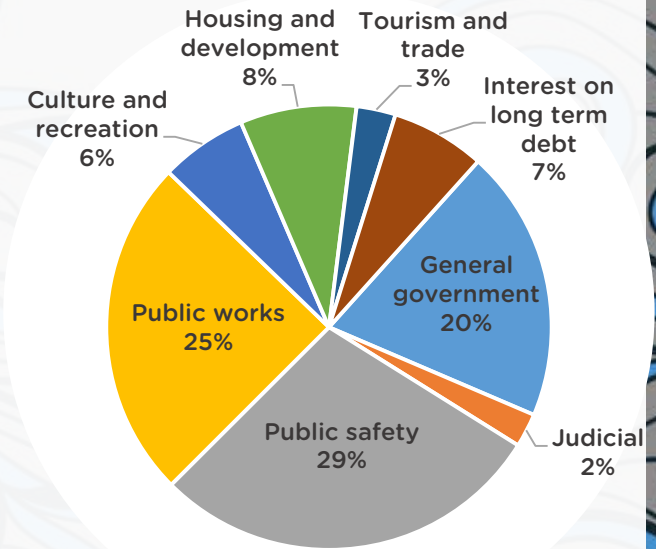
Governmental activities revenues totaled \$18,777,583 for fiscal year 2018 and \$19,622,165 for fiscal year 2017, reporting a decrease of (\$844,582). The major difference between the two fiscal years is the donated infrastructure from developers, \$1,264,683, received in fiscal year 2017.

Property tax revenue in fiscal year 2018 increased when compared to fiscal year 2017, by \$469,898. This growth is due to rising property values. Total taxable assessed values for calendar year 2017 increased by \$113,048,460, to an estimated total of \$1,287,992,820. Additional information on Suwanee's taxable assessed property values can be found in the statistical section, page S13.

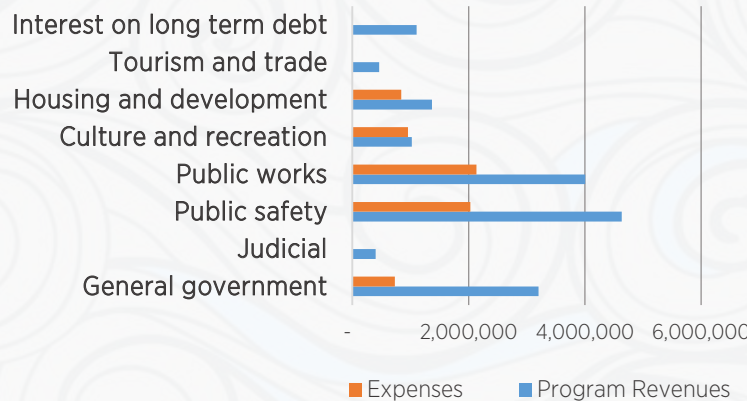
Property taxes are the largest revenue source for governmental activities accounting for 32% of total revenues. Capital grants and contributions, which include SPLOST funds received from Gwinnett County, intergovernmental grants (local, state, and federal), and developer asset donations, account for the second largest at 18%. Charges for services, which include municipal court fines and building permits, are the third largest revenue sources, accounting for 13% of governmental revenues for the year.



Governmental expenses totaled \$16,199,333 for the fiscal year. Of the expenses, 29%, or \$4,634,147, are related to public safety, while public works accounted for \$4,004,108, or 25%. General government activities accounted for the third highest with 20%. General government activities include administration, legal, IT, and facilities. The chart below compares governmental activities with their respective program revenues, if any.



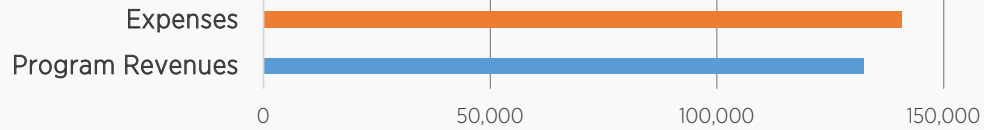
GOVERNMENTAL ACTIVITIES EXPENSES AND PROGRAM REVENUES



**BUSINESS-TYPE
 ACTIVITIES**

**FINANCIAL
 ANALYSIS OF THE
 GOVERNMENT'S
 FUNDS**

Business-type activities increased the City's net position by \$118,229 accounting for 4% of the City's net position increase in fiscal year 2018. This increase is due to general fund transfer of \$120,000 for future water system improvements.



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, 2018, the City's governmental funds reported a combined ending fund balance of \$41,971,586, an increase of \$17,412,932 in comparison with the prior year. This increase is due to the URA's issuance of \$21,470,000 in revenue bonds during fiscal year 2018. The bond sale resulted in proceeds totaling \$23,494,404 for future planned capital improvements. These projects include Town Center on Main projects, transportation improvements, and administrative facilities in the Urban Redevelopment district. In the governmental fund financial statements, the City's fund balance is reported in five classifications.

Nonspendable

Fund balances are reported as nonspendable when amounts cannot be spent because they are either 1) not in spendable form (i.e. items that are not expected to be converted to cash) or 2) legally contractually required to be maintained intact.

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 and 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.

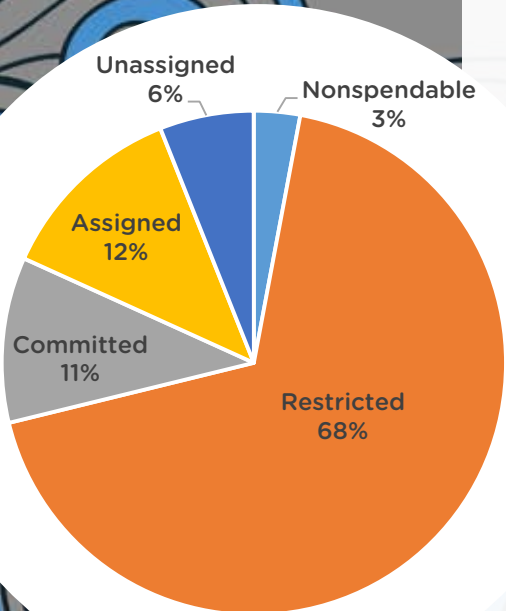
Assigned

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.

As of June 30, 2018, Suwanee's total fund balance for governmental funds was \$41,971,586 of which \$1,245,335 was nonspendable, \$28,624,320 was restricted, \$4,455,637 was committed, \$5,107,723 was assigned, and \$2,538,571 was unassigned. Additional information on fund balance can be found on Note 1 on pages 50-51.



GOVERNMENTAL FUND BALANCES

REVENUES CLASSIFIED BY SOURCE GENERAL FUND

The general fund is the chief operating fund of the City. On June 30, 2018, unassigned fund balance of the general fund was \$3,630,675. 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 28% of total general fund expenditures and transfers, compared to 34% in the prior year. The decrease in unassigned fund balance of (\$367,495) is approximately 9% lower than the previous fiscal year. This decrease in unassigned is related to a fourth quarter 2018 capital improvements prefunding of \$1,422,500. Prefunding Suwanee's capital improvement program is part of Suwanee's pay-as-you go financing for capital projects.

	FY 2018		FY 2017		Increase/ (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by Source:						
Taxes	\$ 9,376,814	74.20%	\$ 8,994,461	76.02%	\$ 382,353	4.25%
Licenses and permits	1,084,965	8.59%	674,097	5.70%	410,868	60.95%
Intergovernmental	808,945	6.40%	831,594	7.03%	(22,649)	-2.72%
Charge for services	148,967	1.18%	153,808	1.30%	(4,841)	-3.15%
Fines and forfeitures	1,064,522	8.42%	1,091,579	9.22%	(27,057)	-2.48%
Other	153,417	1.21%	86,231	.73%	67,186	77.91%
Total	\$ 12,637,630	100.00%	\$ 11,831,770	100.00%	\$ 805,860	6.81%

The following provides an explanation of revenues by source changes from 2017 to 2018:

- Taxes.** Real and personal property tax collections increased by \$329,926 from fiscal year 2017. Suwanee's property tax digest has shown value growth over the past five year. Calendar year 2017 total taxable assessed value increased by \$113,048,460 from 2016 values. Please note that property tax values are assessed at January 1 and are based on a calendar year. Taxes billed and collected are based on a fiscal year. Franchise fees decreased by (\$41,494), mainly in electric fees down (\$33,521) from the prior year.
 - License and permits.** Alcohol beverage fees remained stable with small difference \$21,750 between the two years. Building permits increased by \$384,861, this increase is due to a lower number of building permits being issued in fiscal year 2017. Due to Suwanee's size, building permit revenues tend to fluctuate. One or two permits in one period can cause a variance in the next period.
 - Intergovernmental.** Intergovernmental revenues decreased by (\$22,649) from the prior period. In fiscal year 2017, Suwanee received \$831,594 from Gwinnett County for 911 dispatch and police services provided by the City. In fiscal year 2018, Suwanee received \$808,945. This annual payment for 911 and police services provided by Suwanee was part of the Service Delivery Strategy (SDS) settlement agreed upon in March 2012. Payments are based on actual expenditures incurred. These annual payments will continue until the next SDS negotiations in 2019.
 - Fines and forfeitures.** Municipal court fees decreased by (\$27,057). During fiscal year 2018, several police positions were unfilled due to vacancies and injuries. With reduced man power, special enforcements units were re-allocated to patrol resulting in a decrease in higher fine tickets in fiscal year 2018.

**EXPENDITURES
 BY FUNCTION
 GENERAL FUND**

	FY 2018		FY 2017		Increase/ (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General government	\$ 2,474,238	21.47%	\$ 2,410,937	21.42%	\$ 63,301	2.62%
Judicial	425,474	3.69%	417,033	3.71%	8,441	2.02%
Public safety	4,763,566	41.34%	4,610,903	40.97%	152,663	3.31%
Public works	2,157,769	18.73%	2,149,211	19.09%	8,558	.40%
Culture and recreation	340,598	2.96%	347,160	3.08%	(6,562)	1.89%
Housing and development	1,361,269	11.81%	1,320,081	11.73%	41,188	3.12%
Total	\$ 11,522,914	100.00%	\$ 11,255,325	100.00%	\$ 267,589	2.38%

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

- **General government.** Expenditures increased by \$63,301 or 2.62%. The majority of this increase is due to annual performance raises (up to 4%).
- **Judicial.** Expenditures increased by \$8,441 or 2.02%. The majority of this increase is due to annual performance raises and changes in group health insurance enrollment.
- **Public safety.** Expenditures increased by \$152,663 or 3.31%. The majority of this increase is due to annual performance raises and changes in overtime calculations. During fiscal year 2018, all hours worked over 40 hours a week are overtime hours, previously hours worked over 43 hours a week were overtime.
- **Public works.** Expenditures increased by \$8,558 or .40%. This increase is due to increase in salaries and benefits due to annual performance raises. During fiscal year 2018, several positions were vacant during the period and several changes were noted in group health insurance enrollment.
- **Culture and recreation.** Expenditures decreased by (\$6,562) or -1.89%. The majority of this decrease is due to lower contracted entertainment services.
- **Housing and development.** Expenditures increased by \$41,188 or 3.12%. The majority of this increase is due to annual performance raises and consulting fees for the public art feasibility study.

Capital projects funds account for the financial resources used for the purchase and construction of major facilities and related equipment. During fiscal year 2018, the City had five capital project funds considered major funds: the 2009 SPLOST, 2014 SPLOST, 2017 SPLOST, Other Capital Projects, and the URA.

**CAPITAL
 PROJECTS**

CAPITAL PROJECTS (continued)

The 2009 SPLOST fund consists of eleven separate projects. These projects include: greenway rehabilitation/extension, installation of a well at Town Center Park, street resurfacing and improvements, storm drainage and system improvements, Buford Highway reconstruction and streetscape, implementation of the Pedestrian Bicycle Plan, police sub-station, parking facilities, park enhancements, recreation projects, and a sign reflectivity program. The City has entered into an intergovernmental agreement with Gwinnett County to allocate \$10,533,981 collected from the County and to be distributed to the City over a five-year period. As of June 30, 2018, all funds from this intergovernmental agreement have been allocated to the City. The fund had a restricted fund balance of \$951,485, comprised entirely of 2009 SPLOST funds received and unspent, and an assigned balance of \$79,463, comprised of general fund and non-major governmental funds transfer of resources. During fiscal year 2018, fund balance decreased by (\$1,122,507) due to current capital expenditures exceeding current revenue resources. The majority of capital expenditures were for sidewalks \$614,136, recreational improvements \$25,797, transportation enhancements \$14,627, and Buford Highway reconstruction \$472,348.

The 2014 SPLOST fund consists of six separate projects. These projects include: park enhancements, master plan implementation projects, street resurfacing and improvements, storm drainage and system improvements, transportation enhancements, and additional funding for the Buford Highway reconstruction and streetscape. The City has entered into an intergovernmental agreement with Gwinnett County to allocate \$7,398,255 collected from the County and to be distributed to the City over a three-year period. As of June 30, 2018, all funds from this intergovernmental agreement have been allocated to the City. The fund had a restricted fund balance of \$1,151,438, comprised entirely of 2014 SPLOST funds received and unspent. The majority of capital expenditures includes Town Center on Main park design \$371,659, street resurfacing \$120,217, storm water system improvements \$59,593, I-85 bridge enhancements \$336,105, sidewalk improvements \$169,453, and Buford Highway reconstruction \$2,630,498.

The 2017 SPLOST fund consists of eight separate projects focusing on transportation projects 34%, recreation improvements 16%, and administrative facilities 16%. The 2017 SPLOST program was approved by voters on November 8, 2016. This SPLOST program is a six year program with 72 months of revenue collections. Collections began on April 1, 2017 and will continue through March 31, 2023. The fund has a negative unassigned fund balance of (\$1,092,104). This negative balance is due to project expenditures exceeding current SPLOST receipts. For cash flow purposes, an inter fund payable has been set up to cover negative cash flow. On average, this fund receives \$250,000 in SPLOST funds per month. It is anticipated that this payable and negative fund balance will be cleared by next fiscal period. The majority of capital expenditures include administrative facilities \$2,313,100, Martin Farm Bridge improvements \$315,000, and Buford Highway reconstruction \$2,118,489.

Other capital projects fund accounts for the local financial resources used for the purchase and construction of capital equipment, facilities, master plan implementation, and community stabilization. As of June 30, 2018, the fund had nonspendable fund balance of \$1,245,335 (redevelopment land held for development), restricted balance of \$177,733 (intergovernmental funds for paving) and assigned fund balance of \$5,003,445. During fiscal year 2018, fund balance decreased by (\$33,456). The majority of the capital expenditures were for facility maintenance \$215,522, facility enhancements \$160,670, paved streets \$53,057, storm drainage \$46,368, and master plan implementation \$470,688.

The URA fund accounts for the financial resources provided from the 2017 URA bond issue. These funds will finance the costs associated with the cash flow bond repayment (2017 SPLOST) program, construction of a new park (Town Center on Main), administrative facilities renovations, and transportation projects within the URA district. The fund had a restricted fund balance of \$23,730,396, comprised entirely of unspent bond proceeds and investment income.



CITY OF SUWANEЕ, GA

YEAR ENDED JUNE 30, 2018

DEBT SERVICES

PROPRIETARY FUNDS

GENERAL FUND BUDGETARY HIGHLIGHTS

GENERAL FUND BUDGET COMPARISON

The debt service restricted fund balance was \$344,098 as of June 30, 2018, all of which is restricted for future debt service payments.

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term financial activity. For the fiscal year end, the water and sewer fund had an operating loss of (\$3,836) compared to an operating income of \$13,367 in the prior year. Operating revenues decreased by (\$8,464). Operating expenses increased by \$8,739. Changes in net position increased by \$118,229. The majority of this increase is from the general fund transfer of \$120,000 for future water system improvements.

Differences between the original budget, \$12,926,090, and the final amended budget, \$14,349,090, amounted to an overall increase of \$1,423,000. Operational functions decreased by \$(7,600), or less than 1%. Capital transfers were increased by \$1,430,600. Listed below is a summary of the additional capital transfers:

- \$650,000 master plan implementation.
- \$207,500, prefunding for fiscal year 2018 facilities maintenance.
- \$8,100, tax allocation funding.
- \$195,000, prefunding for fiscal year 2018 street maintenance, resurfacing, and storm drainage.
- \$250,000, prefunding for public facilities and park enhancements.
- \$120,000, for future water system improvements.

A detail budgetary comparison schedule for the fiscal year ended June 30, 2018 can be found on pages 37-38. The following chart is a summary of that schedule:

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues, transfers, and other financing sources:				
Taxes	\$ 9,356,290	\$ 9,356,290	\$ 9,376,814	\$ 20,524
Licenses and permits	890,770	890,770	1,084,965	194,195
Intergovernmental revenues	859,000	859,000	808,945	(50,055)
Charges for services	146,520	146,520	148,967	2,447
Fines and forfeitures	1,385,010	1,385,010	1,064,522	(320,488)
Investment income	41,000	41,000	61,326	20,326
Miscellaneous revenues	69,000	69,500	92,091	22,591
Other financing sources	178,500	178,500	196,060	17,560
Total	12,926,090	12,926,590	12,833,690	(92,900)
Expenditures and transfers out:				
Expenditures	12,825,290	12,817,690	11,522,914	1,294,776
Transfer out	100,800	1,531,400	1,531,331	69
Total	12,926,090	14,349,090	13,054,245	1,294,845
Change in fund balance	\$ -	\$ (1,422,500)	\$ (220,555)	\$ 1,201,945

During the year, general fund revenues were less than budgetary appropriations by (\$92,900), or less than 1%. The majority of this decrease was due to lower than projected fines and forfeitures collections (municipal court revenues). This reduction in resources was due to police vacancies. General fund expenditures were less (\$1,294,776), than budgetary estimates. Listed below are the major areas that expenditures were lower than appropriations.

GENERAL FUND BUDGET COMPARISON (continued)

- Salaries and benefits expenditures were (\$587,000) less than appropriations. This was due to staff vacancies. Salaries and wages were 96% of budgetary projections and employee benefits were 88%.
- Purchased professional services expenditures were (\$187,000) less than appropriations, 79% expended. The major consultant areas were development reviews, legal services and landscape maintenance. This category also includes the expenditures for the 2040 Comprehensive Master Plan that was started in fiscal year 2017.
- Other purchase services expenditures were (\$237,000) less than appropriations, 81% expended. This classification includes training, education, travel, printing, and dues and fees.
- Supplies expenditures were (\$156,000) less than appropriations, 85% expended. This was due to utilities projections being higher than actual costs.
- Purchase property services were (\$75,000) less than appropriations, 74% expended. This was due to repairs and rental projections being higher than actual costs.
- Capital outlay expenditures were (\$45,000) less than appropriations, 92% expended.

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital assets

On June 30, 2018, the City's investments in capital assets in both governmental and business-type activities amounted to \$76,547,179 net of accumulated depreciation. This includes land, land improvements, buildings, machinery and equipment, park facilities and infrastructure. The majority of the increase in capital assets is due to the purchase of a new public works facility. The large increase in construction in progress is due to the Buford Highway reconstruction project, Town Center on Main recreational project, and several sidewalk projects. Once complete, these projects will be transferred from construction in progress to capital assets. Additional information on capital assets can be found in Note 6 on pages 53-54 of this report.

CAPITAL ASSETS-NET OF ACCUMULATED DEPRECIATION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾
Land	\$ 13,727,281	\$ 12,832,337	\$ 7,500	\$ 7,500	\$ 13,734,781	\$ 12,839,837
Land improvements	690,435	525,444	-	-	690,435	525,444
Buildings	26,841,642	25,820,133	-	-	26,841,642	25,820,133
Water system	-	-	2,267,867	2,353,281	2,267,867	2,353,281
Machinery and equipment	799,771	882,358	-	-	799,771	882,358
Vehicles	748,110	661,614	-	-	748,110	661,614
Infrastructure	18,848,358	19,593,404	-	-	18,848,358	19,593,404
Construction in progress	12,423,696	6,106,188	192,519	28,083	12,616,215	6,134,271
Total	\$ 74,079,293	\$ 66,421,478	\$ 2,467,886	\$ 2,388,864	\$ 76,547,179	\$ 68,810,342

Note: (1) 2017 balances have been restated to include the change in reporting entity \$414,117, including the DDA as a blended component unit, and the change in accounting principal (\$729,587), capitalization threshold change from \$1,000 to \$10,000. Additional information of the amounts restated for capital assets can be found in note 6 on pages 53 and 54.

**LONG-TERM
DEBT**

Long-term debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$38,428,133 comprised of general obligation debt \$10,965,000 backed by the full faith and credit of the City, and revenue bonds \$27,463,133 obligated through an intergovernmental agreement with the Urban Redevelopment Agency.

The City's total long-term bonds increased by \$22,247,133 during the current fiscal year. This increase is due to the issuance of \$21,470,000 in URA revenue bonds. The bond sale resulted in proceeds totaling \$23,494,400 available for Town Center on Main projects, transportation improvements, and administrative facilities in the Urban Redevelopment district. The City's bond rating is AAA from Standard & Poor's, which was re-affirmed in June 2017. State statutes limit the amount of general obligation debt a government entity may issue up to 10% of its total assessed valuation. The current debt limit for the City is \$128,799,282; current general obligation debt is below this limit with 8.25% of the legal debt limit used. Additional information regarding long-term debt can be found in Note 7 on pages 55-56 of this report.

**ECONOMIC
FACTORS AND
NEXT YEAR'S
BUDGET & RATES**

Unemployment

According to the U.S. Bureau of Labor Statistics, the national unemployment rate in June 2018 was 3.7 percent. Georgia is among several states that exceed the national average with a June 2018 unemployment rate of 4.1 percent. The Georgia Civilian Labor Force maintains unemployment rate estimates for each Census Tract within the state. Suwanee's census includes three tracts; Tracts 502.10, 502.12, and 502.13 had an unemployment rate of 3.7 percent in June 2018.

New home starts

At the end of calendar year 2016, there were only 15 single family lots remaining in the City, 12 located in the Reserve at Moore Road and 3 on Jackson Street. 402 new lots have become available through 9 new neighborhoods since the beginning of 2017, meeting the need for new buildable lots. 85 of these were single family detached lots and 317 were single family attached lots. Of the 402 lots created in calendar year 2017, 224 lots have already been built out with new homes (over 50%). At the end of calendar year 2017, there were 178 lots remaining.

Active neighborhood developments

Active neighborhoods have 402 units permitted per rezoning with 224 permits issued and 178 lots remaining.

Single family resales

187 single family homes were resold in calendar year 2017. Prices for 2017 single family homes ranged from \$295,000 to \$402,500, with an average price of \$327,375. Townhome resale prices ranged from \$180,000 to \$280,000 with an average resale price of \$250,000, while new townhomes are selling in the high \$200,000's to low \$300,000's.

Commerical

In calendar year 2017, over 5,000 square feet of freestanding commercial and 21,000 square feet of multi-tenant commercial completed construction and became available for lease. All spaces have leased with the exception of 6,000 square feet of multi-tenant commercial. The vacancy rate has dropped from 15% to 14% during calendar year 2017.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET & RATES (continued)

Housing values

According to Zillow, Suwanee home values have gone up 5.5% over the past year and Zillow predicts they will rise 4.3% within the next year. The median list price per square foot in Suwanee is \$138, which is higher than the Atlanta Metro average of \$125. The median price of homes currently listed in Suwanee is \$394,900 while the median price of homes that sold is \$326,100. The median rent price in Suwanee is \$1,895, which is higher than the Atlanta Metro median of \$1,450.

General fund budget

The City takes a conservative approach on budgeting, placing emphasis on ensuring financial stability and long term sustainability. Suwanee recognizes the balancing of results (current services, new services, and capital projects) and resources (long term sustainability, debt and long term obligations, and the community's tax burden). The balancing of results to resources creates public value in city services. The fiscal year 2019 annual budget for the general fund is \$13,366,910; this is a decrease of (\$982,180) or -6.8% from the final amended 2018 budget. The majority of the difference in the fiscal year 2018 final budget and the fiscal year 2019 budget is due to the fourth quarter fiscal year 2018 capital improvements prefunding of \$1,430,600. Prefunding Suwanee's capital improvement program is part of Suwanee's pay-as-you go financing for capital projects.

This financial report is designed to provide a general overview of Suwanee's finances to our citizens, taxpayers, customers, investors, creditors, and other interested parties. Questions concerning any of the information contained in this report, or requests for additional financial information, should be addressed to the Financial Services Director, 330 Town Center Avenue, Suwanee, Georgia 30024.



REQUEST FOR
INFORMATION



BASIC FINANCIAL STATEMENTS

GOVERNMENT-
WIDE FINANCIAL
STATEMENTS

FUND FINANCIAL
STATEMENTS



	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 18,576,617	\$ 685,393	\$ 19,262,010
Investments	23,140,910	305,264	23,446,174
Receivables:			
Property taxes	177,033	-	177,033
Other	296,455	7,689	304,144
Due from other governments	508,733	-	508,733
Inventory land held for development	1,245,335	-	1,245,335
Net pension asset	3,990,148	-	3,990,148
Restricted cash	-	3,205	3,205
Capital assets, nondepreciable	26,150,977	200,019	26,350,996
Capital assets, depreciable, net of accumulated depreciation	47,928,316	2,267,867	50,196,183
Total assets	122,014,524	3,469,437	125,483,961
DEFERRED OUTFLOW OF RESOURCES			
Pension contribution subsequent to measurement date	306,004	-	306,004
Pension assumption changes	55,644	-	55,644
Pension demographic changes	320,851	-	320,851
Deferred loss on refunding of bonds	467,379	-	467,379
Total deferred outflow of resources	1,149,878	-	1,149,878
LIABILITIES			
Current liabilities:			
Accounts payable	1,789,746	4,935	1,794,681
Retainage payable	27,491	-	27,491
Liabilities payable from restricted assets	-	3,205	3,205
Unearned revenue	13,125	-	13,125
Noncurrent liabilities:			
General obligation bonds due within one year	1,130,000	-	1,130,000
General obligation bonds due in more than one year	9,835,000	-	9,835,000
Revenue bonds due within one year	382,000	-	382,000
Revenue bonds due in more than one year	27,081,133	-	27,081,133
Compensated absences due within one year	99,364	-	99,364
Compensated absences due more than one year	211,147	-	211,147
Total liabilities	40,569,006	8,140	40,577,146

(continued)

	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOW OF RESOURCES			
Pension demographic changes	181,539	-	181,539
Pension investment differences	490,265	-	490,265
Total deferred inflow of resources	671,804	-	671,804
NET POSITION			
Net investment in capital assets	59,582,331	2,467,886	62,050,217
Restricted for:			
Capital projects	4,169,770	-	4,169,770
Debt service	378,188	-	378,188
Special programs	619,169	-	619,169
Unrestricted	17,174,134	993,411	18,167,545
Total net position	\$ 81,923,592	\$ 3,461,297	\$ 85,384,889

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



STATEMENT OF ACTIVITIES
year ended June 30, 2018

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:							
General government	\$ 3,202,083	\$ 273,788	\$ -	\$ 455,078	\$ (2,473,217)	\$ -	\$ (2,473,217)
Judicial	399,218	-	-	-	(399,218)	-	(399,218)
Public safety	4,634,147	1,213,058	816,945	660	(2,603,484)	-	(2,603,484)
Public works	4,004,108	-	-	2,135,530	(1,868,578)	-	(1,868,578)
Culture and recreation	1,023,763	52,859	194,478	710,539	(65,887)	-	(65,887)
Housing and development	1,368,680	839,673	-	-	(529,007)	-	(529,007)
Tourism and trade	460,706	-	-	-	(460,706)	-	(460,706)
Interest on long term debt	1,106,628	-	-	-	(1,106,628)	-	(1,106,628)
Total governmental activities	16,199,333	2,379,378	1,011,423	3,301,807	(9,506,725)	-	(9,506,725)
Business-type activities:							
Water and Sewer	140,699	132,295	-	-	-	(8,404)	(8,404)
Total	\$ 16,340,032	\$ 2,511,673	\$ 1,011,423	\$ 3,301,807	\$ (9,506,725)	\$ (8,404)	\$ (9,515,129)
General revenues:							
Taxes:							
Property taxes					\$ 6,001,465	\$ -	\$ 6,001,465
Franchise fees					1,715,558	-	1,715,558
Alcoholic beverage tax					812,385	-	812,385
Business and occupation taxes					1,191,440	-	1,191,440
Hotel/motel taxes					651,105	-	651,105
Insurance premium taxes					1,020,508	-	1,020,508
Other taxes					494,459	-	494,459
Unrestricted investment earnings					102,254	6,633	108,887
Miscellaneous					95,801	-	95,801
Transfers					(120,000)	120,000	-
Total general revenues and transfers					11,964,975	126,633	12,091,608
Change in net position					2,458,250	118,229	2,576,479
Net position - beginning					79,057,923	3,350,242	82,408,165
Net position - restatement, change in accounting principal					(729,587)	(7,174)	(736,761)
Net position - restatement, change in reporting entity					1,137,006	-	1,137,006
Net position - beginning, restated					79,465,342	3,343,068	82,808,410
Net position - ending					\$ 81,923,592	\$ 3,461,297	\$ 85,384,889

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

	General	Debt Service	2009 SPLOST	2014 SPLOST	2017 SPLOST	Other Capital Projects	Urban Redevelopment Authority	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 4,368,353	\$ 333,802	\$ 1,792,948	\$ 1,245,772	\$ 99,614	\$ 3,314,927	\$ 5,122,113	\$ 2,299,088	\$ 18,576,617
Investments	3,761,109	-	-	-	-	730,625	18,608,283	40,893	23,140,910
Receivables:									
Property taxes	132,647	44,386	-	-	-	-	-	-	177,033
Due from other governments	-	-	-	-	508,733	-	-	-	508,733
Due from other funds	-	-	-	-	-	1,313,100	-	-	1,313,100
Other	241,347	-	-	-	-	-	-	55,108	296,455
Inventory land held for development	-	-	-	-	-	1,245,335	-	-	1,245,335
Total assets	\$ 8,503,456	\$ 378,188	\$ 1,792,948	\$ 1,245,772	\$ 608,347	\$ 6,603,987	\$ 23,730,396	\$ 2,395,089	\$ 45,258,183
LIABILITIES									
Accounts payable	\$ 308,099	\$ -	\$ 762,000	\$ 77,084	\$ 387,351	\$ 154,108	\$ -	\$ 101,104	\$ 1,789,746
Retainage payable	-	-	-	17,250	-	10,241	-	-	27,491
Due to other funds	-	-	-	-	1,313,100	-	-	-	1,313,100
Unearned revenue	-	-	-	-	-	13,125	-	-	13,125
Total liabilities	308,099	-	762,000	94,334	1,700,451	177,474	-	101,104	3,143,462
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	109,045	34,090	-	-	-	-	-	-	143,135
Total deferred inflows of resources	109,045	34,090	-	-	-	-	-	-	143,135
FUND BALANCES									
Nonspendable	-	-	-	-	-	1,245,335	-	-	1,245,335
Restricted	-	344,098	951,485	1,151,438	-	177,733	23,730,396	2,269,170	28,624,320
Committed	4,455,637	-	-	-	-	-	-	-	4,455,637
Assigned:									
Capital project funds	-	-	79,463	-	-	5,003,445	-	24,815	5,107,723
Unassigned	3,630,675	-	-	-	(1,092,104)	-	-	-	2,538,571
Total fund balances	8,086,312	344,098	1,030,948	1,151,438	(1,092,104)	6,426,513	23,730,396	2,293,985	41,971,586
Total liabilities, deferred inflows of resources and fund balances	\$ 8,503,456	\$ 378,188	\$ 1,792,948	\$ 1,245,772	\$ 608,347	\$ 6,603,987	\$ 23,730,396	\$ 2,395,089	

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

Net pension asset is not a current financial resource and is not recorded in the governmental fund statements.	3,990,148
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	74,079,293
Deferred outflows related to pension contributions, demographic, investment differences, and pension assumption changes, are not current financial resources and, therefore, are not reported in the governmental funds.	682,499
Deferred outflows related to losses on bond refunding, are not current financial resources and, therefore, are not reported in the governmental funds.	467,379
Deferred inflows in the governmental funds for unavailable revenue, are susceptible to full accrual on the government wide statements.	143,135
Deferred inflows related to pensions are not related to current financial resources and, therefore, not reported in the governmental funds.	(671,804)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(38,738,644)
Net position of governmental activities	\$ 81,923,592

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

	General	Debt Service	2009 SPLOST	2014 SPLOST	2017 SPLOST	Other Capital Projects	Urban Redevelopment Authority	Other Governmental Funds	Total Governmental Funds
REVENUES									
Property taxes	\$ 4,245,332	\$ 1,770,272	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,015,604
Franchise taxes	1,715,558	-	-	-	-	-	-	-	1,715,558
Alcoholic beverage taxes	812,385	-	-	-	-	-	-	-	812,385
Business taxes	2,211,948	-	-	-	-	-	-	-	2,211,948
Hotel/motel taxes	-	-	-	-	-	-	-	651,105	651,105
Other taxes	391,591	-	-	-	102,868	-	-	-	494,459
Licenses and permits	1,084,965	-	-	-	-	-	-	-	1,084,965
Intergovernmental revenues	808,945	-	-	-	2,843,549	177,733	-	-	3,830,227
Charges for services	148,967	-	-	-	-	-	-	-	148,967
Fines and forfeitures	1,064,522	-	-	-	-	-	-	48,762	1,113,284
Investment income	61,326	9,588	4,401	5,126	686	20,640	239,112	10,700	351,579
Rental income	4,300	-	-	-	-	47,210	-	27,862	79,372
Contributions and donations	39,779	-	-	-	-	-	-	194,478	234,257
Miscellaneous revenue	48,012	-	-	-	-	-	-	-	48,012
Total revenues	\$ 12,637,630	\$ 1,779,860	\$ 4,401	\$ 5,126	\$ 2,947,103	\$ 245,583	\$ 239,112	\$ 932,907	\$ 18,791,722
EXPENDITURES									
Current:									
General government	\$ 2,474,238	\$ -	\$ -	\$ -	\$ -	\$ 215,522	\$ -	\$ -	\$ 2,689,760
Judicial	425,474	-	-	-	-	-	-	-	425,474
Public safety	4,763,566	-	-	-	-	-	-	39,502	4,803,068
Public works	2,157,769	-	-	-	-	-	-	4,086	2,161,855
Culture and recreation	340,598	-	-	-	-	-	-	196,551	537,149
Housing and development	1,361,269	-	-	-	-	-	-	58,552	1,419,821
Tourism and trade	-	-	-	-	-	-	-	460,706	460,706
Capital outlay	-	-	1,126,908	3,687,525	4,746,589	743,120	-	45,339	10,349,481
Debt service:									
Principal	-	1,486,000	-	-	-	-	-	-	1,486,000
Interest and fiscal charges	-	1,151,045	-	-	-	-	-	-	1,151,045
Issuance costs	-	-	-	-	-	-	392,463	-	392,463
Total expenditures	\$ 11,522,914	\$ 2,637,045	\$ 1,126,908	\$ 3,687,525	\$ 4,746,589	\$ 958,642	\$ 392,463	\$ 804,736	\$ 25,876,822
Excess (deficiency) of revenues over (under) expenditures	1,114,716	(857,185)	(1,122,507)	(3,682,399)	(1,799,486)	(713,059)	(153,351)	128,171	(7,085,100)

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

(continued)

(continued)

	General	Debt Service	2009 SPLOST	2014 SPLOST	2017 SPLOST	Other Capital Projects	Urban Redevelopment Authority	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	\$ 10,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 915	\$ 11,396
Transfers in	185,579	-	-	-	-	1,302,500	-	733,728	2,221,807
Transfers out	(1,531,331)	-	-	-	-	(624,897)	-	(185,579)	(2,341,807)
Bonds issued:									
Principal	-	-	-	-	-	-	21,470,000	-	21,470,000
Premium	-	-	-	-	-	-	2,413,747	-	2,413,747
Total other financing sources (uses)	(1,335,271)	-	-	-	-	677,603	23,883,747	549,064	23,775,143
Net change in fund balances	(220,555)	(857,185)	(1,122,507)	(3,682,399)	(1,799,486)	(35,456)	23,730,396	677,235	16,690,043
FUND BALANCES - beginning of year	8,306,867	1,201,283	2,153,455	4,833,837	707,382	6,461,969	-	893,861	24,558,654
FUND BALANCE, restated change in reporting entity	-	-	-	-	-	-	-	722,889	722,889
FUND BALANCES, beginning restated	8,306,867	1,201,283	2,153,455	4,833,837	707,382	6,461,969	-	1,616,750	25,281,543
FUND BALANCES - end of year	\$ 8,086,312	\$ 344,098	\$ 1,030,948	\$ 1,151,438	\$ (1,092,104)	\$ 6,426,513	\$ 23,730,396	\$ 2,293,985	\$ 41,971,586

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



**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
year ended June 30, 2018

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

Net change in fund balances-total governmental funds.		\$	16,690,043
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements. Revenues earned that are deferred in governmental funds due to availability criteria.			(14,139)
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.			
	Additions	\$	10,114,221
	Net effect of deletions		(9,106)
	Depreciation expense		<u>(2,447,300)</u>
			7,657,815
The Governmental Funds report bond proceeds as another financing source, while repayment of bond principal is reported as an expenditure.			
	Principal payment		1,486,000
Government-Wide Statement of Activities, report pension expense using long term financial resources. The following adjustments were made at the governmental wide level:			
	Deferred outflow assumption changes	\$	(134)
	Deferred outflow demographic changes		(22,894)
	Deferred outflow pension investment return		(94,937)
	Deferred inflow demographic changes		12,057
	Deferred inflow pension investment return		209,126
	Service costs		(326,373)
	Interest on TPL		(390,116)
	Employee contributions		91,837
	Plan administrative expenses		(26,623)
	Expected rate of return		644,145
	Deferred outflow for pension payments		<u>373,417</u>
			469,505
Governmental Funds report the effect of issuance, premiums, discounts, and similar items when debt is first issued, whereas these amounts are accrued and amortized in the statement of activities. This amount is the net effect of these differences.			
	Revenue bonds issued principal	\$	(21,470,000)
	Revenue bonds premium		<u>(2,413,747)</u>
			(23,883,747)
	Amortization of:		
	Premium/Discount	\$	150,614
	Loss on Refunding		<u>(106,197)</u>
			44,417
Long-term compensated absences are reported in the Government-Wide Statement of Activities, 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.			8,356
Change in net position of governmental activities.		\$	<u>2,458,250</u>

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	\$ 4,090,560	\$ 4,090,560	\$ 4,245,332	\$ 154,772
Franchise taxes	1,851,610	1,851,610	1,715,558	(136,052)
Alcoholic beverage taxes	841,700	841,700	812,385	(29,315)
Business taxes	2,241,000	2,241,000	2,211,948	(29,052)
Other taxes	331,420	331,420	391,591	60,171
Total taxes	9,356,290	9,356,290	9,376,814	20,524
Licenses and permits:				
Alcoholic beverage fees	227,150	227,150	240,200	13,050
Business licenses	36,120	36,120	33,588	(2,532)
Building permits	627,500	627,500	811,177	183,677
Total licenses and permits	890,770	890,770	1,084,965	194,195
Intergovernmental revenues:				
Local grants	859,000	859,000	808,945	(50,055)
Total intergovernmental revenues	859,000	859,000	808,945	(50,055)
Charges for services:				
Planning and development fees	25,000	25,000	28,496	3,496
Public safety services	103,720	103,720	99,774	(3,946)
Special events	17,800	17,800	20,697	2,897
Total charges for services	146,520	146,520	148,967	2,447
Fines and forfeitures	1,385,010	1,385,010	1,064,522	(320,488)
Investment income	41,000	41,000	61,326	20,326
Rental income	-	-	4,300	4,300
Contributions and donations	29,000	29,500	39,779	10,279
Miscellaneous revenue	40,000	40,000	48,012	8,012
Total revenues	12,747,590	12,748,090	12,637,630	(110,460)
EXPENDITURES				
Current:				
General Government:				
Governing body	145,550	145,550	141,982	3,568
Legislative committees	7,250	7,250	3,460	3,790
Chief executive	441,100	466,100	420,768	45,332
General administration	374,810	374,810	302,198	72,612
Financial administration	560,250	572,250	549,203	23,047
Law	38,000	53,000	48,228	4,772
Data processing	232,000	240,000	209,993	30,007
General government building and plant	332,450	314,450	224,476	89,974
Public information	214,200	220,200	189,620	30,580
Business services	400,460	403,660	384,310	19,350
Total general government	\$ 2,746,070	\$ 2,797,270	\$ 2,474,238	\$ 323,032

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

(continued)

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
year ended June 30, 2018 (continued)

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Judicial	\$ 477,290	\$ 474,090	\$ 425,474	\$ 48,616
Public safety:				
Police administration	431,600	450,600	420,593	30,007
Criminal investigation	594,980	590,980	506,306	84,674
Patrol	2,936,920	2,905,620	2,717,323	188,297
Records and identification	91,840	81,340	63,949	17,391
Police training	216,250	223,000	193,548	29,452
Special detail services	65,400	66,650	62,625	4,025
Police stations and buildings	193,100	195,600	168,598	27,002
Police substation and training center	50,400	50,400	28,896	21,504
Dispatcher	621,300	585,050	511,627	73,423
Public relations	90,100	94,150	90,101	4,049
Total public safety	5,291,890	5,243,390	4,763,566	479,824
Public works:				
Public works administration	2,255,340	2,232,240	2,038,532	193,708
Paved streets	129,780	119,780	77,508	42,272
Storm drainage	43,500	43,500	41,729	1,771
Total public works	2,428,620	2,395,520	2,157,769	237,751
Culture and recreation:				
Special facilities and activities	151,000	151,000	145,053	5,947
Park areas	215,400	225,400	195,545	29,855
Total culture and recreation	366,400	376,400	340,598	35,802
Housing and development:				
Protective inspection administration	182,680	204,830	175,921	28,909
Planning and zoning	645,730	626,530	548,404	78,126
Code enforcement	79,090	86,140	81,164	4,976
Economic development and assistance	499,130	499,130	447,248	51,882
Downtown Suwanee	108,390	114,390	108,532	5,858
Total housing and development	1,515,020	1,531,020	1,361,269	169,751
Total expenditures	12,825,290	12,817,690	11,522,914	1,294,776
Excess of revenues over expenditures	(77,700)	(69,600)	1,114,716	1,184,316
OTHER FINANCING SOURCES (USES):				
Transfer in	173,500	173,500	185,579	12,079
Transfer out	(100,800)	(1,531,400)	(1,531,331)	69
Sale of capital assets	5,000	5,000	10,481	5,481
Total other financing sources (uses)	77,700	(1,352,900)	(1,335,271)	17,629
Net change in fund balances	-	(1,422,500)	(220,555)	1,201,945
FUND BALANCES - beginning of year	8,306,867	8,306,867	8,306,867	-
FUND BALANCES - end of year	\$ 8,306,867	\$ 6,884,367	\$ 8,086,312	\$ 1,201,945

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	\$	685,393
Investments		305,264
Accounts receivable		7,689
Total current assets		998,346
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents		3,205
Capital assets, nondepreciable		200,019
Capital assets, depreciable, net of accumulated depreciation		2,267,867
Total noncurrent assets		2,471,091
Total assets	\$	3,469,437
LIABILITIES		
Current liabilities:		
Accounts payable	\$	4,935
Noncurrent liabilities:		
Payable from restricted assets:		
Customer deposits payable		3,205
Total liabilities		8,140
NET POSITION		
Investment in capital assets		2,467,886
Unrestricted		993,411
Total net position	\$	3,461,297

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	\$	132,295
Total operating revenues		132,295
OPERATING EXPENSES		
Contracted services		22,307
Supplies		32,978
Depreciation		80,846
Total operating expenses		136,131
Operating income (loss)		(3,836)
NONOPERATING REVENUES (EXPENSES)		
Investment income		6,633
Loss on disposal of capital assets		(4,568)
Total nonoperating revenues (expenses)		2,065
Income (loss) before transfers		(1,771)
Transfer in		120,000
Change in net position		118,229
Total net position - beginning of year		3,350,242
Net position restated, change in accounting principal		(7,174)
Net position, beginning restated		3,343,068
Total net position - ending	\$	3,461,297

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	\$ 132,713
Payments to suppliers for goods and services	(54,036)
Net cash provided (used) by operating activities	78,677
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	120,000
Net cash provided by noncapital activities	120,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital asset	(164,436)
Net cash used by capital and related financing activities	(164,436)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	3,585
Net cash provided by investing activities	3,585
Net increase in cash and cash equivalents	37,826
Cash and cash equivalents - beginning	650,772
Cash and cash equivalents - ending	\$ 688,598
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating loss	\$ (3,836)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	80,846
Change in assets and liabilities	
(Increase) decrease in accounts receivable	467
Increase (decrease) in accounts payable not related to a capital asset	1,250
Increase (decrease) in customer deposits	(50)
Net cash provided (used) by operating activities	\$ 78,677

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

	Agency Fund	
ASSETS		
Cash and cash equivalents	\$	149,103
Total assets		149,103
LIABILITIES		
Due to others		149,103
Total liabilities	\$	149,103

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





NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1
SUMMARY OF
SIGNIFICANT
ACCOUNTING
POLICIES

The financial statements of the City of Suwanee (the “City”), have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below:

A. Reporting Entity

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.

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 units discussed below are included in the City’s reporting entity because of the significance of their operational and financial relationships with the City. In conformity with GASB Statement No. 14, “The Financial Reporting Entity”, as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units”, and GASB Statement No. 61, “The Financial Reporting Entity”, both of the component unit’s financial statements have been included as blended component units.

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

The Downtown Development Authority (DDA) was established as a legally separate entity in 2001. The seven (7) members of the DDA are appointed by the Mayor and City Council and they may also be removed by the Mayor and City Council. Day to day operations are managed by the Downtown Development Manager, a City of Suwanee staff member, and the financial information is maintained by the Financial Services Director, a City of Suwanee staff member. The DDA is charged with financing the revitalization of Suwanee’s downtown district, particularly the historic Old Town area, and in performing this financing, only serves the City. The DDA has been included in this year’s financial statements as a blended component unit of the City of Suwanee. This inclusion is a change in reporting entity. In prior periods the DDA has not been included as blended component unit due to the immateriality of the DDA activity. In recent months the DDA activity has become material to Suwanee’s financial statements and it would be misleading to the financial statements to not include the DDA.

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 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 position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. (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 if there are any reported. The statement of net position 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 purpose local option sales tax approved by voters in 2008, restricted federal funds, and local assigned funds.
- The **2014 Special Purpose Local Option Sales Tax (SPLOST) Fund** accounts for and reports financial resources that are restricted or assigned to expenditures for capital outlays. The 2014 SPLOST program focuses on various transportation projects, sidewalk improvement projects, and recreational improvements. Funding is provided by a restricted one-cent special purpose local option sales tax approved by voters in 2013, restricted federal funds, and local assigned funds.
- The **2017 Special Purpose Local Option Sales Tax (SPLOST) Fund** accounts for and reports financial resources that are restricted or assigned to expenditures for capital outlays. The 2017 SPLOST program focuses on various transportation projects (68%), recreation improvements (16%), and administrative facilities (16%). Funding is provided by a restricted one-cent special purpose local option sales tax approved by voters in 2016.

NOTE 1
SUMMARY OF
SIGNIFICANT
ACCOUNTING
POLICIES
(continued)

- The **Other Capital Projects Fund** accounts for and reports financial resources that are assigned to expenditures primarily for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Funding is provided from local assigned funds.
- The **Urban Redevelopment Authority (URA) Fund** accounts for the financial resources provided from the 2017 URA bond issue. The URA bonds will finance the costs associated with construction of a new park and quality-of-life amenities (34%), administrative facilities renovations (19%), transportation projects (11%), and cash flow for the 2017 SPLOST program (36%).

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 type:

- 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 flow. 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.

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 non-operating 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 fund are charges for goods and services provided. Operating expenses of the enterprise fund 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 non-operating revenues and expenses.

D. Deferred Outflow/Inflow of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports the following deferred charges that are reported on the full accrual in the government-wide statement of net position:

Pension contribution made subsequent to the measurement date	\$	306,004
Pension assumption changes		55,644
Pension demographic changes		320,851
Deferred loss on refunding bonds		467,379
Total deferred outflow of resources, statement of net position	\$	1,149,878

The deferred charge on refunding resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has the following types of deferred inflow that are reported on the full accrual in the government-wide statement of net position:

Pension demographic changes	\$	181,539
Pension investment differences		490,265
Total deferred inflow of resources, statement of net position	\$	671,804

Unavailable revenue, which arise only under a modified accrual basis of accounting, qualifies for reporting in this category on the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes (\$143,135), as these amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Additional information regarding pension related deferred inflows and outflows is located in note 10, on pages 57-61.

NOTE 1
SUMMARY OF
SIGNIFICANT
ACCOUNTING
POLICIES
(continued)

E. 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 State of Georgia Office of State Treasurer Georgia Fund-1 Liquidity Pool. The City's investments are all certificates of deposit, which are non-participating interest earning investment contracts, that are reported at cost.

F. 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."

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the balance sheet date are recorded as prepaid assets and are recognized as expenditures when consumed (consumption method).

H. Inventory Land Held for Development

Land held for development is valued at cost. Additional costs for demolition were expended, since these costs are not anticipated to be recovered and do not add to the service capacity of the asset.

I. 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 \$10,000 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 acquisition value at the date of donation.

During fiscal year 2018, Suwanee changed the accounting threshold for reporting capital assets from \$1,000 to \$10,000. This change in accounting principal resulted in a beginning net position restatement of (\$736,761).

Additional information can be found in note 6 Capital Assets on pages 53-54.

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	0*
Land Improvements	8-50
Buildings/Construction	50
Infrastructure	10-75
Machinery and equipment	5-20
Licensed Vehicles	8
Water System Infrastructure	30-65

**Useful Live = 0 years. Land has an inexhaustible life and does not depreciate*

J. 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.

K. 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 are accrued 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 expenses in the year of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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. Bond issuance costs are reported as debt service expenditures in the year of issuance.

L. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Georgia Municipal Association Employee Pension Plan for the City of Suwanee (the GMA plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1
SUMMARY OF
SIGNIFICANT
ACCOUNTING
POLICIES
(continued)

M. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in government-wide financial statements and proprietary fund financial statements, which utilizes the economic resources measurement focus. Net position in the statement of net position is 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.

N. 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, liabilities, deferred outflows of resources, and deferred inflows of resources, 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.

O. Fund Balance

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," 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 reported in five classifications.

1. **Nonspendable.** Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally contractually required to be maintained intact. The City has the following nonspendable fund balance:
 - *Other Capital Projects Fund* - \$1,245,335 in inventory land held for development.
2. **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* - \$344,098 externally imposed by bond covenant for debt.
 - *2009 SPLOST Fund* - \$951,485 externally imposed by laws or regulations of other governments for capital projects.
 - *2014 SPLOST Fund* - \$1,151,438 externally imposed by laws or regulations of other governments for capital projects.
 - *Other Capital Projects Fund* - \$177,733 externally imposed by laws or regulations of other governments for capital paving.
 - *Urban Redevelopment Authority* - \$23,730,396 externally imposed by bond covenant for capital projects.
 - *Other Governmental Funds* - \$2,269,170 externally imposed by grantors and laws or regulations of other governments.
 - Of this amount, \$1,650,001 is for capital projects, \$164,562 for public safety, \$183,153 for economic development, and \$271,454 for cultural and recreation.

3. Committed. Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council, through a resolution, may modify or rescind the commitment. The City has committed \$4,455,637 in the general fund by resolution adopted on June 26, 2018 for stabilization. The stabilization account consists of a minimum of four months of general fund expenditures and transfers.

If it becomes necessary for the City to draw funds from the stabilization account, a new resolution will need to be adopted to authorize any use. 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. This plan, which would be a component of the ten year projections, would be submitted and approved along with the resolution authorizing the use of the stabilization account.

4. Assigned. Assigned fund balance includes the portion of fund balance that reflects the City’s intended use of resources. Such intent is established by formal action of the City Council, including an allocation of resources by approved budget adjustment, and City Council has not delegated the ability to assign fund balance to any member of management. Modifications require action by the City Council. These funds are expended last after all other revenue sources have been depleted. The City has the following assigned fund balances:

- **2009 SPLOST Fund** - \$79,463 assigned by City Council for capital projects appropriation.
- **Other Capital Funds** - \$5,003,445 assigned by City Council for capital projects appropriation.
- **Other Governmental Funds** - \$24,815 assigned by City Council for capital projects appropriation.

5. Unassigned. Unassigned includes fund balance that has not been reported in any other classification. The City has \$2,538,571 in unassigned fund balance, \$3,630,675 general fund and (\$1,092,104) 2017 SPLOST. Negative unassigned balance in the 2017 SPLOST program is due to cash flow from the monthly receipts of the 1% SPLOST collection.

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. Suwanee considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed, assigned, or unassigned amounts are also considered to have been spent when an expenditure has been incurred.

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. 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 governmental funds.” The details of this \$38,738,644 difference are as follows:

Compensated absences payable	\$ 310,511
Bonds payable	38,428,133
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 38,738,644</u>

NOTE 2
RECONCILIATION OF
GOVERNMENT-WIDE
FINANCIAL
STATEMENTS
AND
FUND FINANCIAL
STATEMENTS

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 27, 2017. 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 changes were made to increase transfer out by (\$1,430,600). These funds were transferred to provide funding for fiscal year 2019 capital improvement program. Transfer of these local funds provided the necessary resources to maintain the current capital projects budgets for fiscal year 2019.

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 re-appropriated and honored during the subsequent year. At June 30, 2018, there were no outstanding encumbrances.

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 or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2018, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

Investments.

At June 30, 2018, 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.

The City receives property tax assessments from Gwinnett County. Tax bills were levied on all real and personal property as of January 1, 2017 and were mailed to taxpayers on October 1, 2017. The due date for these taxes was December 20, 2017, and after that date, both penalty and interest are accrued until the taxes are collected. The lien date was January 1, 2018. Receivables are recorded when taxes are levied and billed (October 1).

NOTE 4
DEPOSITS
AND
INVESTMENTS

NOTE 5
RECEIVABLES

CITY OF SUWANEЕ, GA

YEAR ENDED JUNE 30, 2018

Receivables at June 30, 2018 for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	General	Debt Service	2017 SPLOST	Other Governmental Funds	Water and Sewer	Total
Receivables						
Property taxes	\$ 132,647	\$ 44,386	\$ -	\$ -	\$ -	\$ 177,033
Due from other governments	-	-	508,733	-	-	508,733
Other	241,347	-	-	55,108	7,689	304,144
Net total receivables	\$ 373,994	\$ 44,386	\$ 508,733	\$ 55,108	\$ 7,689	\$ 989,910

There is no allowance for uncollectible accounts related to these receivables.

Capital asset activity for the year ended June 30, 2018 is as follows:

	Beginning Balances	Change in			Beginning Balances Restated	Increases	Decreases	Transfer	Ending Balance
		Reporting Entity	Accounting Principal						
Governmental activities									
Capital assets, not being depreciated:									
Land	\$ 12,832,337	\$ -	\$ -	\$ 12,832,337	\$ 894,944	\$ -	\$ -	\$ 13,727,281	
Construction in progress	6,097,071	9,117	-	6,106,188	7,222,757	(9,106)	(896,143)	12,423,696	
Total	18,929,408	9,117	-	18,938,525	8,117,701	(9,106)	(896,143)	26,150,977	
Capital assets, being depreciated									
Land improvements	803,312	-	(32,632)	770,680	-	-	215,880	986,560	
Buildings and improvements	31,580,017	405,000	-	31,985,017	1,737,244	-	-	33,722,261	
Machinery and equipment	3,125,438	-	(1,602,588)	1,522,850	39,545	-	13,500	1,575,895	
Vehicles	1,927,957	-	(52,879)	1,875,078	219,731	(205,022)	-	1,889,787	
Infrastructure	45,319,572	-	(7,602)	45,311,970	-	-	666,763	45,978,733	
Total	82,756,296	405,000	(1,695,701)	81,465,595	1,996,520	(205,022)	896,143	84,153,236	
Less accumulated depreciation for									
Land improvements	258,456	-	(13,220)	245,236	50,889	-	-	296,125	
Buildings and improvements	6,164,884	-	-	6,164,884	715,735	-	-	6,880,619	
Machinery and equipment	1,557,451	-	(916,959)	640,492	135,632	-	-	776,124	
Vehicles	1,242,367	-	(28,903)	1,213,464	133,235	(205,022)	-	1,141,677	
Infrastructure	25,725,598	-	(7,032)	25,718,566	1,411,809	-	-	27,130,375	
Total	34,948,756	-	(966,114)	33,982,642	2,447,300	(205,022)	-	36,224,920	
Total capital assets, being depreciated, net	47,807,540	405,000	(729,587)	47,482,953	(450,780)	-	896,143	47,928,316	
Governmental activities capital assets, net	\$ 66,736,948	\$ 414,117	\$ (729,587)	\$ 66,421,478	\$ 7,666,921	\$ (9,106)	\$ -	\$ 74,079,293	

The change in reporting entity column represents the DDA capital assets as of July 1, 2017. In fiscal year 2018, it was determined that the financial activity of the DDA was material to Suwanee's financial statements and that it would be misleading to the financial statements to not include the DDA as a blended component unit.

The change in accounting principal column shows the beginning effect of the changed the accounting threshold for reporting capital assets from \$1,000 to \$10,000 that was implemented in fiscal year 2018.

NOTE 6
CAPITAL ASSETS
(continued)

Business capital assets activity for the year ended June 30, 2018 is as follows:

	Beginning Balances	Change in Accounting Principal	Beginning Balances Restated	Increases	Decreases	Ending Balances
Business-type activities/Water and Sewer fund						
Capital assets, not being depreciated:						
Land	\$ 7,500	\$ -	\$ 7,500	\$ -	\$ -	\$ 7,500
Construction in progress	28,083	-	28,083	164,436	-	192,519
Total	35,583	-	35,583	164,436	-	200,019
Capital assets, being depreciated						
Land improvements	4,944	(4,944)	-	-	-	-
Water system	3,257,838	(16,067)	3,241,771	-	(6,550)	3,235,221
Total	3,262,782	(21,011)	3,241,771	-	(6,550)	3,235,221
Less accumulated depreciation for						
Land improvements	4,572	(4,572)	-	-	-	-
Water system	897,755	(9,265)	888,490	80,846	(1,982)	967,354
Total	902,327	(13,837)	888,490	80,846	(1,982)	967,354
Total capital assets, being depreciated, net	2,360,455	(7,174)	2,353,281	(80,846)	(4,568)	2,267,867
Business-type activities capital assets, net	\$ 2,396,038	\$ (7,174)	\$ 2,388,864	\$ 83,590	\$ (4,568)	\$ 2,467,886

The change in accounting principal column shows the beginning effect of the changed the accounting threshold for reporting capital assets from \$1,000 to \$10,000 that was implemented in fiscal year 2018.

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

Governmental activities	
General government	\$ 247,856
Judicial	176
Public safety	209,371
Public works	1,503,835
Culture and recreation	473,914
Housing and development	12,148
Total depreciation expenses-governmental activities	\$ 2,447,300

NOTE 7
LONG TERM
DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2018:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds payable					
General obligation bonds	\$ 12,075,000	\$ -	\$ (1,110,000)	\$ 10,965,000	\$ 1,130,000
Total general obligation bonds payable	12,075,000	-	(1,110,000)	10,965,000	1,130,000
Revenue bonds	4,106,000	21,470,000	(376,000)	25,200,000	382,000
Add: Issuance premium	-	2,413,747	(150,614)	2,263,133	-
Total revenue bonds payable	4,106,000	23,883,747	(526,614)	27,463,133	382,000
Compensated absences	318,867	273,338	(281,694)	310,511	99,364
Governmental activities long term liabilities	\$ 16,499,867	\$ 24,157,085	\$ (1,918,308)	\$ 38,738,644	\$ 1,611,364

For governmental activities, compensated absences are liquidated by the General Fund.

2016 General Obligation Refunding Series.

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds have been issued for general government activities, parks and open space, and are reported in the governmental column of the governmentwide statement of net position.

On October 4, 2016, the City entered into a private placement, bank qualified refunding bond agreement with JP Morgan Chase bank, (2016 General Obligation Refunding series). The City refunded \$12,235,000 of the City's 2006 General Obligation Refunding series, maturing January 2017 through 2032. This refunding is considered a legal defeasement of the 2006 General Obligation Refunding series January 2017 through 2032. The 2016 General Obligation Refunding series were issued with a principal amount of \$12,635,000 and a non-callable rate of 1.96%, which has been determined to have a savings in total debt service of \$2,968,250, which has a present value savings of \$1,939,041.

NOTE 7
LONG TERM
DEBT
(continued)

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

Year ending June 30,	Principal	Interest
2019	\$ 1,130,000	\$ 203,840
2020	1,150,000	181,496
2021	1,175,000	158,711
2022	1,195,000	135,485
2023	1,220,000	111,818
2024 - 2027	5,095,000	201,831
Total	\$ 10,965,000	\$ 993,181

Revenue Bonds.

On November 12, 2015, the City entered into a private placement, bank qualified refunding bond agreement with JP Morgan Chase Bank, 2015 URA refunding series. The City advanced refunded \$3,890,000 of the 2006 URA Bond series, maturing January 2017 through 2027. This advanced refunding is considered a legal defeasement of the 2006 URA bonds series January 2017 through 2027. The 2015 URA refunding series has a non-callable rate of 1.94% and has been determined to create debt service savings of \$200,012, which has a present value savings of \$180,855.

On July 18, 2017, the URA closed on \$21,470,000 of revenue bonds. The bond sale resulted in proceeds totaling \$23,494,404 available for Town Center on Main projects, transportation improvements, and administrative facilities in the Urban Redevelopment district. The all-in true interest cost is 3.313% and the average coupon is 4.158%. The 20 year bonds mature on January 1, 2038, and have interest only payments for the first five years

The amount of revenue bonds outstanding at June 30, 2018 is \$25,200,000. There is no required revenue coverage for these bonds. The revenue source of these bonds is pledged by the City of Suwanee through an intergovernmental agreement with the URA. Revenue bonds have been issued for general government activities, financing a new City Hall, and are reported in the governmental column of the governmentwide statement of net position.

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

Year ending June 30,	Principal	Interest
2019	\$ 382,000	\$ 961,407
2020	392,000	953,899
2021	397,000	946,245
2022	407,000	938,447
2023	661,000	925,564
2024-2028	4,091,000	4,336,260
2029-2033	8,065,000	2,957,225
2034-2038	10,805,000	1,096,900
Total	\$ 25,200,000	\$ 13,115,947

NOTE 8
INTERFUND
TRANSFERS AND
BALANCES

The composition of interfund transfers for the year ended June 30, 2018 is as follows:

Transfer In	Transfer Out	Amount
General fund	Non-major governmental funds	\$ 185,579
Other capital projects fund	General fund	1,302,500
Non-major governmental funds	Other capital projects fund	624,897
Non-major governmental funds	General fund	108,831
Water and Sewer fund	General fund	120,000
	Total	\$ 2,341,807

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 and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund receivable and payable balance as of June 30, 2018 is as follows:

Due to	Due From	Amount
Other Capital Projects	2017 SPLOST fund	\$ 1,313,100

The interfund receivables and payables noted above is due cash flow related to year end transactions. SPLOST funds are received on a monthly basis and this payable is expected to clear within four months.

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 (the ARC) and is required to pay annual dues thereto. During its fiscal year ended June 30, 2018, the City's membership dues were paid by Gwinnett County, Georgia. The City did not pay any annual dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia.

The ARC 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 the ARC. Separate financial statements may be obtained from:

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

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.

NOTE 9
JOINT
VENTURE

NOTE 10
PENSION
PLAN

NOTE 10
PENSION PLAN
(continued)

Defined Contribution Plan

The City of Suwanee Money Purchase Pension Plan, a defined contribution plan is administered by ICMA-RC, International City/County Management Association Retirement Center. 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 \$5,830,061 including \$563,320 of payroll covered by this plan. Contributions by the City totaled \$28,166 for the fiscal year ended June 30, 2018. 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

General Information

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 have the option to 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 .56%. However, the City has elected to contribute a higher rate of 8% for employer contributions. This rate was determined by a separate actuarial study that was performed in 2017 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 paid by the City, the statement of net position reports a net pension asset of \$3,990,148.

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.

Benefit Terms

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.

Employees Covered

At June 30, 2018, the Plan consisted of the following:

Inactive employees and beneficiaries currently receiving benefits	9
Inactive employees and beneficiaries entitled to benefits, but not yet receiving benefits	23
Active employees	95

Contribution Requirements

The City is required to contribute an actuarially determined amount annually to the Plan’s trust. The plan’s 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, as authorized by the City Council, has chosen to contribute at a higher rate of 8% instead of the plan’s contribution amount of .56%. This excess funding does not represent any additional postemployment benefit obligation to the City. City contributions to the GMA Plan were \$412,975 for the year ended June 30, 2018.

Net Pension Liability

The City’s net pension asset was measured as of September 30, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2017, with update procedures performed by the actuary to roll forward to the total pension liability as of September 30, 2017.

Actuarial Assumptions

The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases (including inflation)	3.75%
Cost of living adjustments	0.00%
Investment rate of return	7.50%

The demographic and economic actuarial used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

Mortality rates:

Healthy	1994 Group Annuity Reserving Unisex Table
Disabled	RP-2000 Disabled Retiree Mortality Table with sex-distinct rates
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

NOTE 10
PENSION PLAN
(continued)

The long-term expected rate of return on pension plan investments, 7.50% on-going basis, was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*	Long-term Nominal Real Rate of Return
Domestic equity	45%	6.71%	9.46%
International equity	20%	7.71%	10.46%
Domestic fixed income	20%	2.11%	4.86%
Real estate	10%	5.21%	7.96%
Global fixed income	5%	3.36%	6.11%
Total	100%		

*Rates shown here are net of the 2.75% assumed rate of inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. This is a decrease from the discount rate used in the prior year, which was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate of 2% and the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current and active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Change in the Net Pension Asset	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at 6/30/2017	\$ 5,083,083	\$ 8,126,142	\$(3,043,059)
Changes for the year:			
Service Cost	326,373	-	326,373
Interest	390,116	-	390,116
Difference between expected and actual experience	4,010	-	4,010
Contributions employer	-	404,249	(404,249)
Contributions employee	-	91,837	(91,837)
Net investment income	-	1,252,027	(1,252,027)
Benefit payments, including refunds of employee contributions	(98,660)	(98,660)	-
Administrative expense	-	(26,623)	26,623
Change in assumptions	53,902	-	53,902
Net change	675,741	1,622,830	(947,089)
Balances at 6/30/2018	\$ 5,758,824	\$ 9,748,972	\$(3,990,148)

Sensitivity of the Net Pension Asset

The following represents the net pension asset of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1% point lower (6.50%) or 1% point higher (8.50%) than the current rate:

	1% decrease (6.50%)	Current discount rate (7.50%)	1% increase (8.50%)
City's net pension (asset)	\$ (3,188,057)	\$ (3,990,148)	\$ (4,648,207)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the City recognized a negative pension expense of (\$96,088). The statement of net position includes a deferred outflows for employer pension contributions of \$306,004 subsequent to the measurement date. This amount includes employer payments made to the plan after 9/30/2017, the measurement date, and prior to 6/30/2018, the City's fiscal year end.

As of June 30, 2018, the City reported deferred outflows and inflows of resources related to pensions, except for employer pension contributions subsequent to the measurement dated noted above, to the following sources:

	Deferred Outflows	Deferred Inflows
Assumption changes	\$ 55,644	\$ -
Demographic changes	320,851	181,539
Net difference between projected and actual earnings on pension investments	-	490,265
Total	\$ 376,495	\$ 671,804

City contributions subsequent to the measurement date of \$306,004 are reported as deferred outflows of resources and will be recognized as an increase of the net pension asset in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30	
2019	\$ (103,208)
2020	(63,753)
2021	(155,323)
2022	(107,230)
2023	14,346
Thereafter	119,859

NOTE 11
RISK
MANAGEMENT

The City is exposed to various risks of losses related to: torts, damage to, theft of, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The goal is to provide resources to reduce loss-related expenses and enhance delivery of public services. Therefore in 2018, City Council approved changing insurance providers to Travelers Property Casualty Insurance Company. Apex Insurance Agency, LLC acts as the broker and provides Loss Control and Risk Management Services to the City. The policy covers workers' compensation, general liability, property liability and automobile liability (including comprehensive and collision coverage). The current coverage agreement period is from March 31, 2018 to March 31, 2019 and covers all buildings, vehicles, mobile equipment and other City owned property which are included on our exposure schedules. Upon knowledge of an occurrence, wrongful act or any other happening or incident which may result in a loss, Apex and Travelers are notified as promptly as possible. Travelers is responsible for payment for covered losses, covered damages and defense costs on behalf of the City of Suwanee in excess of the \$1,000 deductible per occurrence and shall not exceed \$1,000,000 per each occurrence. A Certificate of Coverage is provided and is used to verify the existence of insurance coverage. It lists the effective dates of the policy, the types of insurance coverage purchased, and the applicable limits of liability. Annually, a renewal package is reviewed for accuracy and updated with any applicable changes for the new year. The renewal package provides the most current information and is prepared in an effort to gather updated exposure information including three exposure schedules for property, mobile equipment and vehicles.

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

Contractual Commitments:

In addition to the liabilities enumerated in the balance sheet at June 30, 2018, the City has contractual commitments on uncompleted contracts of approximately \$1,921,786 for the following projects: \$600,328 Town Center on Main, \$5,000 for the 2040 Comp Plan, \$10,971 Stonecypher Road Sidewalks, \$680,591 Buford Highway Reconstruction and Streetscape, and \$624,896 Pierce's Corner Renovation .

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.

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 \$653,709 as reported in the City's Hotel/Motel Tax Fund. Expenditures and transfers totaled \$646,285 leaving a fund balance of \$183,153 to be used for tourism and trade.

NOTE 12
COMMITMENTS
AND CONTINGENCIES

NOTE 13
HOTEL / MOTEL
TAX

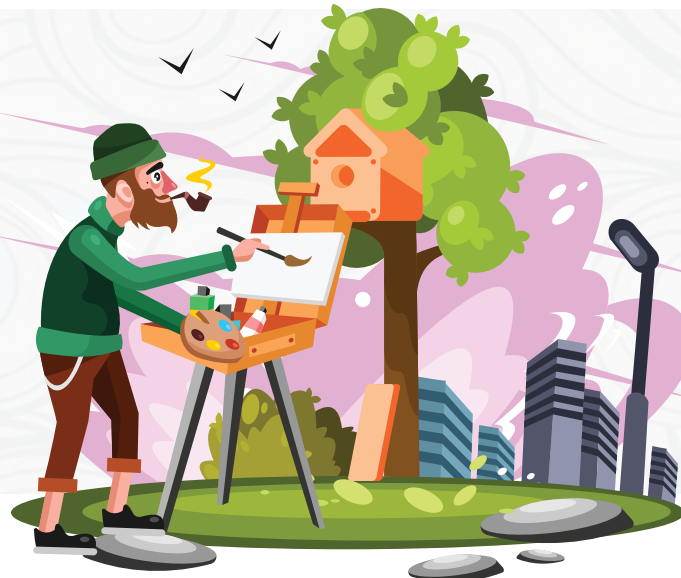
NOTE 14
CHANGE IN
REPORTING
ENTITY

The DDA has been included in this year financial statements as a blended component unit of the City of Suwanee.

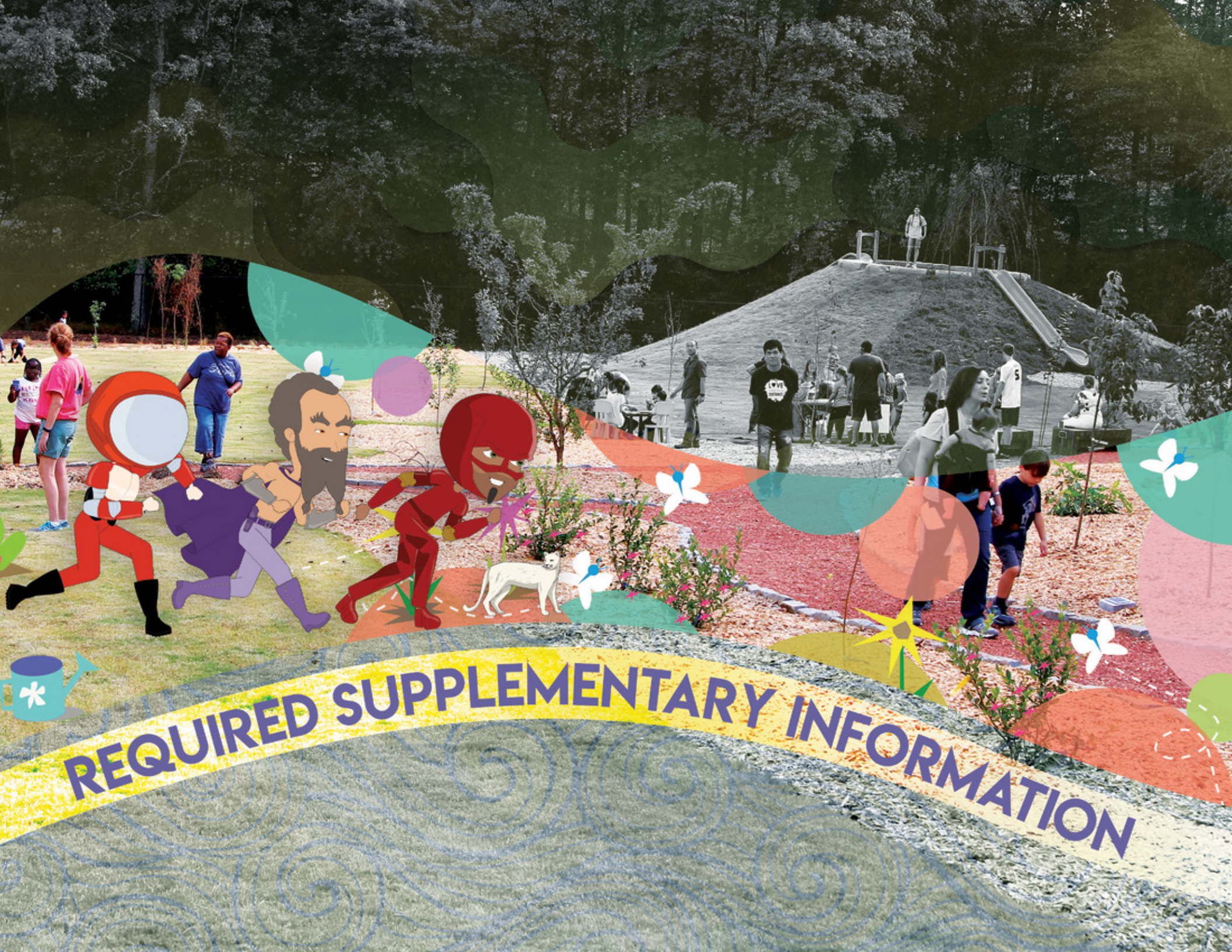
This inclusion is a change in reporting entity. In fiscal year 2018, Suwanee added the DDA, for which the activity had previously been determined to be immaterial, as a blended component unit. Summarized below is the DDA June 30, 2017 ended balances that have been brought into the financial statements as beginning fund balance or net position adjustments for change in reporting entity.

DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS	
Cash and cash equivalents	\$ 722,889
Capital assets, nondepreciable	9,117
Capital assets, depreciable, net of accumulated depreciation	405,000
Total Assets	1,137,006
LIABILITIES	
Accounts payable	-
Total Liabilities	-
NET POSITION	
Invested in capital assets	414,117
Unrestricted	722,889
Total Net Position	\$ 1,137,006
FY 2018 RESTATEMENT	
Net position, beginning- restated change in reporting entity	\$ 1,137,006
Fund balance, beginning-restated change in reporting entity	\$ 722,889







REQUIRED SUPPLEMENTARY INFORMATION

	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
TOTAL PENSION LIABILITY				
Service cost	\$ 326,373	\$ 291,552	\$ 317,834	\$ 313,930
Interest	390,116	357,340	284,715	250,350
Difference between expected and actual experience	4,010	(148,787)	385,032	(64,451)
Changes of assumptions	53,902	-	-	2,284
Benefit payments, including refunds of employee contributions	(98,660)	(55,731)	(45,240)	(72,134)
Net change in pension liability	675,741	444,374	942,341	429,979
Total pension liability, beginning	5,083,083	4,638,709	3,696,368	3,266,389
Total pension liability, ending (a)	\$ 5,758,824	\$ 5,083,083	\$ 4,638,709	\$ 3,696,368
PLAN FIDUCIARY NET POSITION				
Contributions employer	\$ 404,249	\$ 384,200	\$ 361,750	\$ 341,092
Contributions employee	91,837	90,104	80,779	73,029
Net investment income	1,252,027	793,135	59,795	638,016
Benefit payments, including refunds of employee contributions	(98,660)	(55,731)	(45,240)	(72,134)
Administrative expense	(26,623)	(15,071)	(16,447)	(14,301)
Net change in fiduciary net position	1,622,830	1,196,637	440,637	965,702
Plan fiduciary net position, beginning	8,126,142	6,929,505	6,488,868	5,523,166
Plan fiduciary net position, ending (b)	\$ 9,748,972	\$ 8,126,142	\$ 6,929,505	\$ 6,488,868
Net pension asset, ending (a) - (b)	\$ (3,990,148)	\$ (3,043,059)	\$ (2,290,796)	\$ (2,792,500)
Plan's fiduciary net position as a percent of the total pension liability	169.29%	159.87%	149.38%	175.55%
Covered payroll	\$ 4,657,826	\$ 4,421,301	\$ 3,979,442	\$ 3,427,605
Net pension asset as a percentage of covered payroll	-85.67%	-68.83%	-57.57%	-81.47%

The pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to schedule:

1. Changes of assumptions:

- a. As a result of the plan change to provide immediate participation for employees and officials, for the fiscal year ending 2015, the eligibility assumption has been changed from three months to immediate. The decrease in the plan's net pension asset is minimal and has been included in the differences between the expected and actuarial experience.
- b. As a result of the new administrative fee approved by the Board, the administrative expense assumption was updated for fiscal years beginning in 2016.

		FY 2016		Prior to FY 2016
Base fee	\$	9,000	\$	7,000
Per active and terminated vested participant	\$	66	\$	65
Per retiree and beneficiary	\$	78	\$	65
Percentage of the market value of assets		.06%		.05%
Per active participant for the administration of employee contributions	\$	18	\$	10
Per inactive participant for the administration of employee contributions	\$	9	\$	0

- c. Amounts reported for the fiscal year ending in 2016 and later, reflect the following assumption changes based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:
1. The mortality table for disabled participants was changed to remove the two-year set-forward for females.
 2. The inflation assumption was decreased from 3.50% to 3.25%.
- d. Amounts reported for the fiscal year ending in 2018, reflect the following assumption changes based on the results of an actuarial experience study conducted in September 2017.
1. The investment return assumption was decreased from 7.75% to 7.50%.
 2. The inflation assumption was decreased from 3.25% to 2.75%.
 3. The salary increase rate was reduced from 4.25% to 3.75%.

2. Benefit changes:

Effective January 1, 2015, the plan was amended to provide for immediate participation for employees and officials. This change has no impact on the service credited under the plan and has no impact on benefits.





GOVERNMENTAL FUNDS

**SPECIAL
 REVENUE**

Suwanee Fest	The purpose of the Suwanee Fest is to provide a high-quality two day 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.
Community Arts	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.
Confiscated Assets	Georgia law allows police agencies to file for seizure of property related to illegal substances or activities. These funds must be used, under federal and state law, to purchase police equipment. Suwanee participates in the Federal Drug Task Force and the Joint Gwinnett Municipal Drug Task Force. These task forces provide the participants a percentage of the amount of funds/property seized. Currently, Suwanee has one police officer assigned to each of these task forces.
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**

Cemetery	The cemetery fund was created to implement landscaping and other infrastructure improvements to Suwanee's small cemeteries as outlined in the 2009 Cemetery Preservation Assessment. Cemeteries included in the study were Jackson Street, Shadowbrook and Sims Lake.
Downtown Development Authority	The mission of Suwanee's Downtown Development Authority (DDA) is to revitalize, create, historically preserve, and maintain downtown 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.
Tax Allocation District	Suwanee's Tax Allocation District (TAD) was created to revitalize Suwanee's commercial district along I-85, Suwanee's Gateway, through capital investment. Funds obtained through the creation of a tax allocation district will ignite additional private investment and growth.

SPECIAL REVENUE

	Suwanee Fest	Community Arts	Confiscated Assets	Community Garden	Hotel/Motel Tax	Total
ASSETS						
Cash and cash equivalents	\$ 100,272	\$ 148,465	\$ 134,157	\$ 32,481	\$ 167,608	\$ 582,983
Investments	-	-	40,893	-	-	40,893
Receivables:						
Other	-	-	-	-	55,108	55,108
Total assets	\$ 100,272	\$ 148,465	\$ 175,050	\$ 32,481	\$ 222,716	\$ 678,984
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 8,643	\$ -	\$ 10,488	\$ 1,121	\$ 39,563	\$ 59,815
Total liabilities	8,643	-	10,488	1,121	39,563	59,815
Fund Balances:						
Restricted	91,629	148,465	164,562	31,360	183,153	619,169
Assigned	-	-	-	-	-	-
Total fund balances	91,629	148,465	164,562	31,360	183,153	619,169
TOTAL LIABILITIES AND FUND BALANCES	\$ 100,272	\$ 148,465	\$ 175,050	\$ 32,481	\$ 222,716	\$ 678,984

CAPITAL PROJECTS

	Cemetery	Downtown Development Authority	Tax Allocation District	Total	Total Non-major Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 25,915	\$ 1,358,473	\$ 331,717	\$ 1,716,105	\$ 2,299,088
Investments	-	-	-	-	40,893
Receivables:					
Other	-	-	-	-	55,108
Total assets	\$ 25,915	\$ 1,358,473	\$ 331,717	\$ 1,716,105	\$ 2,395,089
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,100	\$ 38,739	\$ 1,450	\$ 41,289	\$ 101,104
Total liabilities	1,100	38,739	1,450	41,289	101,104
Fund Balances:					
Restricted	-	1,319,734	330,267	1,650,001	2,269,170
Assigned	24,815	-	-	24,815	24,815
Total fund balances	24,815	1,319,734	330,267	1,674,816	2,293,985
TOTAL LIABILITIES AND FUND BALANCES	\$ 25,915	\$ 1,358,473	\$ 331,717	\$ 1,716,105	\$ 2,395,089

SPECIAL REVENUE

	Suwanee Fest	Community Arts	Confiscated Assets	Community Garden	Hotel/Motel Tax	Total
REVENUES						
Hotel/motel taxes	\$ -	\$ -	\$ -	\$ -	\$ 651,105	\$ 651,105
Fines and forfeitures	-	-	48,762	-	-	48,762
Investment income	-	-	224	8	181	413
Rental income	-	21,395	-	6,467	-	27,862
Contributions and donations	175,427	9,179	-	7,449	2,423	194,478
Total revenues	175,427	30,574	48,986	13,924	653,709	922,620
EXPENDITURES						
Current:						
Public safety	-	-	39,502	-	-	39,502
Public works	-	-	-	-	-	-
Culture and recreation	178,460	-	-	18,091	-	196,551
Housing and development	-	-	-	-	-	-
Tourism and trade	-	-	-	-	460,706	460,706
Capital Outlay	-	-	-	-	-	-
Total expenditures	178,460	-	39,502	18,091	460,706	696,759
Excess of revenues over (under) expenditures	(3,033)	30,574	9,484	(4,167)	193,003	225,861
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	915	-	-	915
Transfer in	-	-	-	1,000	-	1,000
Transfer out	-	-	-	-	(185,579)	(185,579)
Total other financing sources (uses)	-	-	915	1,000	(185,579)	(183,664)
Net change in fund balances	(3,033)	30,574	10,399	(3,167)	7,424	42,197
FUND BALANCES - beginning of year	94,662	117,891	154,163	34,527	175,729	576,972
FUND BALANCE, restated change in reporting entity	-	-	-	-	-	-
FUND BALANCE - beginning, restated	94,662	117,891	154,163	34,527	175,729	576,972
FUND BALANCES - end of year	\$ 91,629	\$ 148,465	\$ 164,562	\$ 31,360	\$ 183,153	\$ 619,169

CAPITAL PROJECTS

	Cemetery	Downtown Development Authority	Tax Allocation District	Total	Total Non-major Governmental Funds
REVENUES					
Hotel/motel taxes	\$ -	\$ -	\$ -	\$ -	651,105
Fines and forfeitures	-	-	-	-	48,762
Investment income	-	10,287	-	10,287	10,700
Rental income	-	-	-	-	27,862
Contributions and donations	-	-	-	-	194,478
Total revenues	-	10,287	-	10,287	932,907
EXPENDITURES					
Current:					
Public safety	-	-	-	-	39,502
Public works	4,086	-	-	4,086	4,086
Culture and recreation	-	-	-	-	196,551
Housing and development	-	-	58,552	58,552	58,552
Tourism and trade	-	-	-	-	460,706
Capital outlay	-	45,339	-	45,339	45,339
Total expenditures	4,086	45,339	58,552	107,977	804,736
Excess of revenues over (under) expenditures	(4,086)	(35,052)	(58,552)	(97,690)	128,171
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	915
Transfer in	-	631,897	100,831	732,728	733,728
Transfer out	-	-	-	-	(185,579)
Total other financing sources (uses)	-	631,897	100,831	732,728	549,064
Net change in fund balances	(4,086)	596,845	42,279	635,038	677,235
FUND BALANCES - beginning of year	28,901	-	287,988	316,889	893,861
FUND BALANCE, restated change in reporting entity	-	722,889	-	722,889	722,889
FUND BALANCE - beginning, restated	28,901	722,889	287,988	1,039,778	1,616,750
FUND BALANCES - end of year	\$ 24,815	\$ 1,319,734	\$ 330,267	\$ 1,674,816	\$ 2,293,985

SPECIAL REVENUE FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 budget and actual-year ended June 30, 2018

COMPREHENSIVE ANNUAL
 FINANCIAL REPORT

SUWANEE
 FEST

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Contributions and donations	\$ 171,000	\$ 222,000	\$ 175,427	\$ (46,573)
Total revenues	171,000	222,000	175,427	(46,573)
EXPENDITURES				
Current:				
Culture and recreation	171,000	222,000	178,460	43,540
Total expenditures	171,000	222,000	178,460	43,540
Net change in fund balances	-	-	(3,033)	(3,033)
FUND BALANCES - beginning of year	94,662	94,662	94,662	-
FUND BALANCES - end of year	\$ 94,662	\$ 94,662	\$ 91,629	\$ (3,033)

COMMUNITY
 ARTS

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Rental income	\$ 19,000	\$ 19,000	\$ 21,395	\$ 2,395
Contributions and donations	126,000	126,000	9,179	(116,821)
Total revenues	145,000	145,000	30,574	(114,426)
EXPENDITURES				
Current:				
Culture and recreation	145,000	145,000	-	145,000
Total expenditures	145,000	145,000	-	145,000
Net change in fund balances	-	-	30,574	30,574
FUND BALANCES - beginning of year	117,891	117,891	117,891	-
FUND BALANCES - end of year	\$ 117,891	\$ 117,891	\$ 148,465	\$ 30,574

**CONFISCATED
 ASSETS**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 149,500	\$ 149,500	\$ 48,762	\$ (100,738)
Investment income	500	500	224	(276)
Total revenues	150,000	150,000	48,986	(101,014)
EXPENDITURES				
Current:				
Public safety	150,000	150,000	39,502	110,498
Total expenditures	150,000	150,000	39,502	110,498
Excess of revenues over expenditures	-	-	9,484	9,484
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	915	915
Net change in fund balances	-	-	10,399	10,399
FUND BALANCES - beginning of year	154,163	154,163	154,163	-
FUND BALANCES - end of year	\$ 154,163	\$ 154,163	\$ 164,562	\$ 10,399

**COMMUNITY
 GARDEN**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 100	\$ 100	\$ 8	\$ (92)
Rental Income	8,000	8,000	6,467	(1,533)
Contributions and donations	2,000	11,000	7,449	(3,551)
Total revenues	10,100	19,100	13,924	(5,176)
EXPENDITURES				
Current:				
Culture and recreation	10,100	27,100	18,091	9,009
Total expenditures	10,100	27,100	18,091	9,009
Excess of revenues over expenditures	-	(8,000)	(4,167)	3,833
OTHER FINANCING SOURCES (USES)				
Transfer in	-	1,000	1,000	-
Net change in fund balances	-	(7,000)	(3,167)	3,833
FUND BALANCES - beginning of year	34,527	34,527	34,527	-
FUND BALANCES - end of year	\$ 34,527	\$ 27,527	\$ 31,360	\$ 3,833

SPECIAL REVENUE FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 budget and actual-year ended june 30, 2018

COMPREHENSIVE ANNUAL
 FINANCIAL REPORT

HOTEL/MOTEL
 TAX

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Hotel/motel taxes	\$ 605,000	\$ 688,000	\$ 651,105	\$ (36,895)
Investment income	500	500	181	(319)
Contributions and donations	5,000	5,000	2,423	(2,577)
Total revenues	610,500	693,500	653,709	(39,791)
EXPENDITURES				
Current:				
Tourism and trade	428,500	496,500	460,706	35,794
Total expenditures	428,500	496,500	460,706	35,794
Excess of revenues over expenditures	182,000	197,000	193,003	(3,997)
OTHER FINANCING SOURCES (USES)				
Transfer out	(182,000)	(197,000)	(185,579)	(11,421)
Net change in fund balances	-	-	7,424	7,424
FUND BALANCES - beginning of year	175,729	175,729	175,729	-
FUND BALANCES - end of year	\$ 175,729	\$ 175,729	\$ 183,153	\$ 7,424

**DEBT
 SERVICE**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,693,180	\$ 1,693,180	\$ 1,770,272	\$ 77,092
Investment income	5,000	5,000	9,588	4,588
Total revenues	1,698,180	1,698,180	1,779,860	81,680
EXPENDITURES				
Debt Service:				
Principal retirement	1,486,000	1,486,000	1,486,000	-
Interest	302,000	1,152,600	1,150,295	2,305
Fiscal agent fees	5,000	5,000	750	4,250
Total expenditures	1,793,000	2,643,600	2,637,045	6,555
Net change in fund balances	(94,820)	(945,420)	(857,185)	88,235
FUND BALANCES - beginning of year	1,201,283	1,201,283	1,201,283	-
FUND BALANCES - end of year	\$ 1,106,463	\$ 255,863	\$ 344,098	\$ 88,235

SPLOST
2009

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Administrative buildings	\$ 118,780	\$ 80,802	\$ 80,802	\$ -	\$ 80,802
Recreational facilities	2,256,827	2,012,188	1,438,714	25,797	1,464,511
Parking facilities	2,256,780	2,035,585	1,563,237	472,348	2,035,585
Public safety facilities and equipment	1,781,710	1,532,302	1,532,302	-	1,532,302
Roads, streets and bridges	5,463,953	4,873,104	3,917,730	591,411	4,509,141
Total	\$ 11,878,050	\$ 10,533,981	\$ 8,532,785	\$ 1,089,556	\$ 9,622,341
Amounts reported for 2009 SPLOST current year expenditures are different because:					
Current year expenditures	\$ 1,089,556				
Capital outlay using local funds and grant funds	37,352				
Total 2009 SPLOST expenditures (1)	\$ 1,126,908				

NOTE:

(1) Reconciliation to the statement of governmental funds statement of revenues, expenditures, and changes in fund balances, pages 34 and 35.

SPLOST
2014

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, streets and bridges	\$ 7,239,371	\$ 6,712,866	\$ 2,565,791	\$ 3,315,866	\$ 5,881,657
Recreational facilities	804,375	685,389	4	371,659	371,663
Total	\$ 8,043,746	\$ 7,398,255	\$ 2,565,795	\$ 3,687,525	\$ 6,253,320

SPLOST
2017

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Administrative facilities	\$ 2,313,100	\$ 2,313,100	\$ -	\$ 2,313,100	\$ 2,313,100
Recreational facilities	2,313,053	2,313,053	-	-	-
Roads, streets and bridges	9,680,709	9,995,709	-	2,433,489	2,433,489
Total	\$ 14,306,862	\$ 14,621,862	\$ -	\$ 4,746,589	\$ 4,746,589

		O.C.G.A. Reference:		
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): _____ Special Revenue Fund _____ Enterprise Fund <u> X </u> General Fund Expenditures (UCOA Activity 3800)			
2	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary) _____ _____	46-5-134(e)	\$	_____
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:			
3a	Lease costs	46-5-134(f)(1)(A)	\$	
3b	Purchase costs	46-5-134(f)(1)(A)	\$	
3c	Maintenance costs	46-5-134(f)(1)(A)	\$	
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	\$	
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2			
5a	Salaries and wages	46-5-134(f)(1)(C)	\$	274,537
5b	Employee benefit	46-5-134(f)(1)(C)	\$	82,081
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	\$	
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	\$	1,450
8	Building used as a public safety answering point:			
8a	Lease costs	46-5-134(f)(1)(F)	\$	
8b	Purchase costs	46-5-134(f)(1)(F)	\$	1,128
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:			
9a	Lease costs	46-5-134(f)(1)(G)	\$	135,521
9b	Purchase costs	46-5-134(f)(1)(G)	\$	
9c	Maintenance costs	46-5-134(f)(1)(G)	\$	
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	\$	
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:			
11a	Lease costs	46-5-134(f)(1)(I)	\$	2,688
11b	Purchase costs	46-5-134(f)(1)(I)	\$	
11c	Maintenance costs	46-5-134(f)(1)(I)	\$	

(continued)


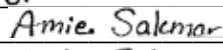
CITY OF SUWANEE
CERTIFICATION OF 911 EXPENDITURES
for the year ended June 30, 2018 (continued)

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

(Continued)

		O.C.G.A. Reference:	
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	\$ _____
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2)(B)(ii)	\$ _____
13b	Purchase costs	46-5-134(f)(2)(B)(ii)	\$ _____
13c	Maintenance costs	46-5-134(f)(2)(B)(ii)	\$ _____
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	\$ _____
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2)(B)(iv)	\$ 11,800
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$ _____
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$ _____
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2)(B)(v)	\$ _____
16b	Purchase costs	46-5-134(f)(2)(B)(v)	\$ _____
16c	Maintenance costs	46-5-134(f)(2)(B)(v)	\$ _____
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.		
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)		\$ 509,205

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134 (m) (2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official 
Print Name of Chief Elected Official Jimmy Burnette
Title of Chief Elected Official Mayor
Signature of Chief Financial Officer 
Print Name of Chief Financial Officer Amie Sakmar

Date 12/01/2018
Date 12/01/2018

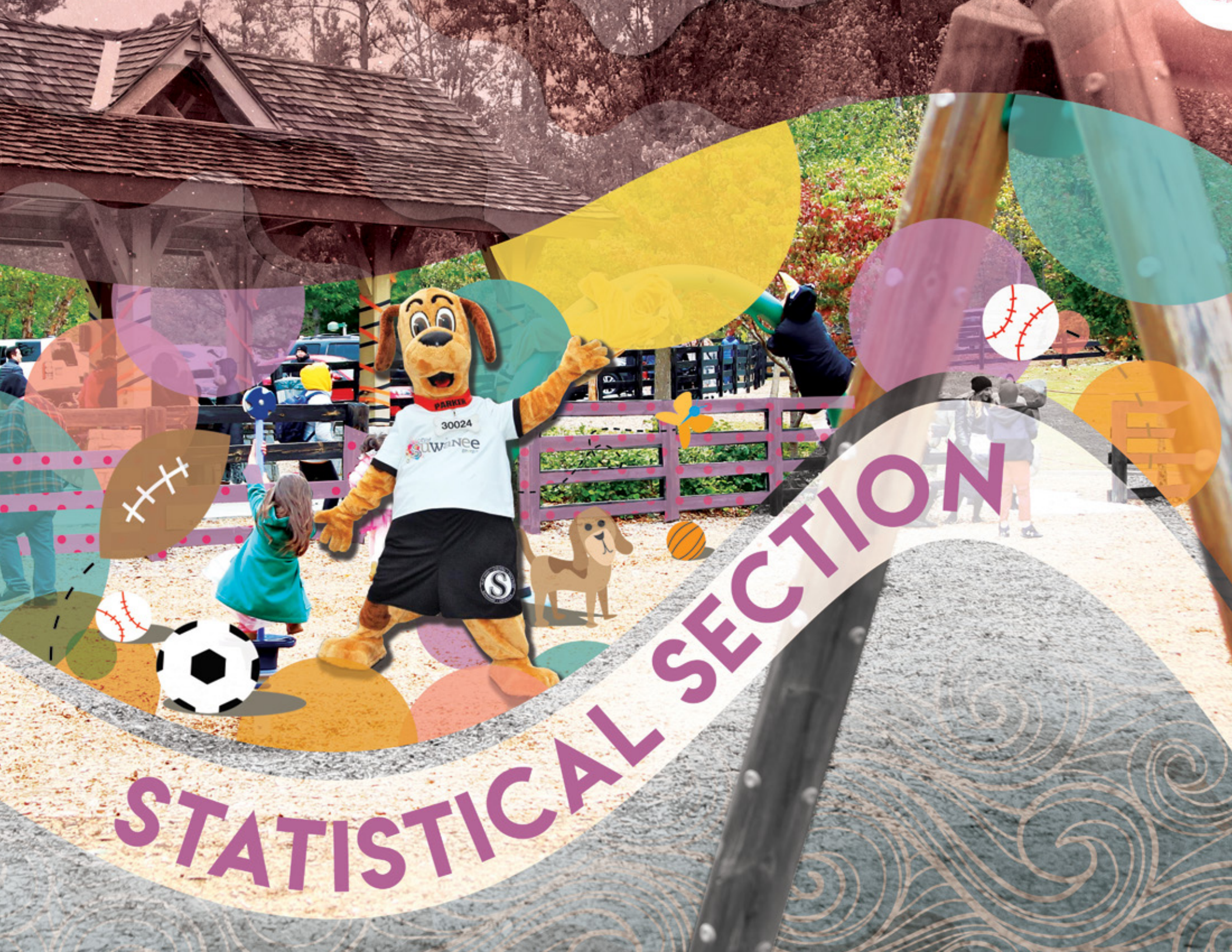
AGENCY FUND



Municipal Court Fund - Accounts for the collection of various fines and forfeitures (mostly traffic violations) which are disbursed to other parties. The City of Suwanee Municipal Court was established to adjudicate violations of the City Charter, ordinances and the laws of the State of Georgia thereby maintaining the public respect, confidence and satisfaction. The Suwanee Court adjudicates citations written by the Suwanee Police Department and the Suwanee Code Enforcement Officers. The court also receives citations from the Gwinnett County and the Georgia State Patrol that are written in the City limits of Suwanee.

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
ASSETS				
Cash and cash equivalents	\$ 126,412	\$ 1,596,332	\$ 1,573,641	\$ 149,103
Total assets	126,412	1,596,332	1,573,641	149,103
LIABILITIES				
Due to others	126,412	1,596,332	1,573,641	149,103
Total liabilities	\$ 126,412	\$ 1,596,332	\$ 1,573,641	\$ 149,103





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 overall financial health.

Financial Trends..... S2 - S11

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..... S12 - S16

These schedules contain information to help the reader assess the City's most significant local revenue source.

Debt Capacity..... S16 - S18

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..... S19 - S20

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..... S21 - S23

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.

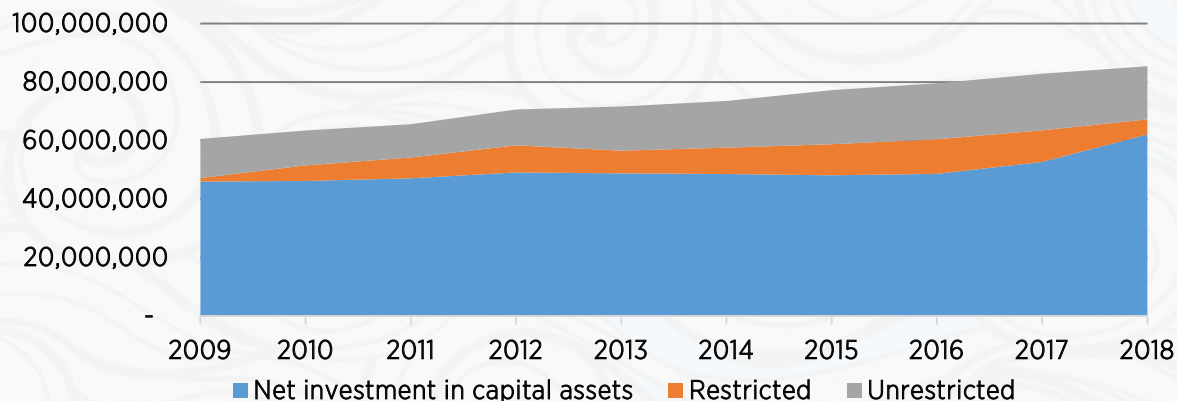
Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 accrual basis of accounting

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017 ⁽¹⁾	2018 ⁽²⁾
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 44,325,054	\$ 44,567,430	\$ 44,574,711	\$ 46,621,467	\$ 46,345,264	\$ 46,099,920	\$ 45,677,292	\$ 46,227,029	\$ 50,688,142	\$ 59,582,331
Restricted	1,201,842	5,324,060	7,106,408	9,258,180	7,751,943	9,014,457	10,619,460	11,805,962	10,395,298	5,167,127
Unrestricted	13,062,447	11,357,212	11,402,670	12,074,139	14,650,624	15,397,429	17,885,344	18,289,659	18,381,902	17,174,134
Total governmental activities net position	58,589,343	61,248,702	63,083,789	67,953,786	68,747,831	70,511,806	74,182,096	76,322,650	79,465,342	81,923,592
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	1,636,320	1,600,503	2,493,896	2,462,489	2,417,932	2,435,908	2,419,524	2,365,189	2,388,864	2,467,886
Unrestricted	307,676	566,975	(18,533)	171,054	460,124	557,100	596,118	877,387	954,204	993,411
Total business-type activities net position	1,943,996	2,167,478	2,475,363	2,633,543	2,878,056	2,993,008	3,015,642	3,242,576	3,343,068	3,461,297
PRIMARY GOVERNMENT										
Net investment in capital assets	45,961,374	46,167,933	47,068,607	49,083,956	48,763,196	48,535,828	48,096,816	48,592,218	53,077,006	62,050,217
Restricted	1,201,842	5,324,060	7,106,408	9,258,180	7,751,943	9,014,457	10,619,460	11,805,962	10,395,298	5,167,127
Unrestricted	13,370,123	11,924,187	11,384,137	12,245,193	15,110,748	15,954,529	18,481,462	19,167,046	19,336,106	18,167,545
Total government net position	\$ 60,533,339	\$ 63,416,180	\$ 65,559,152	\$ 70,587,329	\$ 71,625,887	\$ 73,504,814	\$ 77,197,738	\$ 79,565,226	\$ 82,808,410	\$ 85,384,889

Government Net Position



NOTES:

1. Fiscal year 2017 balances have been restated to reflect the change in reporting entity and change in accounting principal. See note 14 on page 63 for additional information.

2. The decrease in net investment in capital assets and the increase in restricted net position, in 2018, is due to issuance of \$21,470,000 in revenue bonds. See note 7 on page 56 for additional information.



CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
accrual basis of accounting

	Fiscal Year				
	2009	2010	2011	2012	2013
EXPENSES					
Governmental activities					
General government	\$ 2,126,146	\$ 2,099,857	\$ 2,322,019	\$ 2,700,781	\$ 2,305,973
Judicial	381,887	313,015	292,492	301,056	292,101
Public safety	3,524,548	3,664,152	3,820,293	3,534,734	3,967,481
Public works	3,663,485	3,288,472	3,571,459	3,420,275	4,373,999
Culture and recreation	464,973	404,798	986,196	865,504	903,031
Housing and development	959,983	854,357	836,946	856,126	1,043,376
Tourism and trade	379,703	313,034	206,151	201,986	223,291
Interest on long-term debt	964,856	924,622	882,684	842,818	807,603
Total governmental activities expenses	12,465,581	11,862,307	12,918,240	12,723,280	13,916,855
Business-type activities					
Water and sewer	163,963	127,954	131,913	110,069	109,558
Total business-type activities expenses	163,963	127,954	131,913	110,069	109,558
TOTAL GOVERNMENT EXPENSES	\$ 12,629,544	\$ 11,990,261	\$ 13,050,153	\$ 12,833,349	\$ 14,026,413
PROGRAM REVENUES					
Governmental activities					
Charge for services:					
General government	\$ 192,180	\$ 186,490	\$ 187,156	\$ 214,742	\$ 214,416
Public safety	1,119,116	1,388,226	1,315,848	1,209,555	1,046,161
Culture and recreation	13,260	11,086	19,363	32,111	33,695
Housing and development	183,967	167,414	262,091	420,085	443,094
Operating grants and contributions (1)	101,024	105,380	136,876	2,160,502	1,115,960
Capital grants and contributions	5,000,464	2,138,237	2,572,310	3,156,081	2,553,174
Total governmental activities program revenues	6,610,011	3,996,833	4,493,644	7,193,076	5,406,500
Business-type activities					
Charge for services:					
Water and sewer	64,658	62,501	97,113	118,172	153,714
Capital grants and contributions (2)	-	-	192,018	-	-
Total business-type activities program revenues	64,658	62,501	289,131	118,172	153,714
TOTAL GOVERNMENT PROGRAM REVENUES	\$ 6,674,669	\$ 4,059,334	\$ 4,782,775	\$ 7,311,248	\$ 5,560,214
NET (EXPENSE)/REVENUE					
Governmental activities	\$ (5,855,570)	\$ (7,865,474)	\$ (8,424,596)	\$ (5,530,204)	\$ (8,510,355)
Business-type activities	(99,305)	(65,453)	157,218	8,103	44,156
TOTAL GOVERNMENT NET EXPENSES	\$ (5,954,875)	\$ (7,930,927)	\$ (8,267,378)	\$ (5,522,101)	\$ (8,466,199)

(continued)

	Fiscal Year				
	2014	2015	2016	2017	2018
EXPENSES					
Governmental activities					
General government	\$ 2,292,068	\$ 2,592,707	\$ 3,112,213	\$ 2,893,685	\$ 3,202,083
Judicial	330,822	377,590	375,779	396,909	399,218
Public safety	4,196,704	4,150,355	4,518,605	4,592,531	4,634,147
Public works	4,102,997	4,867,064	4,196,203	6,080,986	4,004,108
Culture and recreation	860,294	1,024,032	982,783	815,305	1,023,763
Housing and development	1,100,089	1,141,337	1,654,873	1,294,426	1,368,680
Tourism and trade	257,322	321,677	386,987	409,850	460,706
Interest on long-term debt	777,418	745,439	637,549	303,200	1,106,628
Total governmental activities expenses	13,917,714	15,220,201	15,864,992	16,786,892	16,199,333
Business-type activities					
Water and sewer	119,767	114,535	106,428	136,401	140,699
Total business-type activities expenses	119,767	114,535	106,428	136,401	140,699
TOTAL GOVERNMENT EXPENSES	\$ 14,037,481	\$ 15,334,736	\$ 15,971,420	\$ 16,923,293	\$ 16,340,032
PROGRAM REVENUES					
Governmental activities					
Charge for services:					
General government	\$ 225,269	\$ 238,239	\$ 251,147	\$ 252,363	\$ 273,788
Public safety	1,616,598	2,069,818	1,568,339	1,210,463	1,213,058
Culture and recreation	30,941	35,346	32,279	56,574	52,859
Housing and development	374,743	386,581	492,197	462,684	839,673
Operating grants and contributions (1)	982,857	1,003,759	1,321,293	1,103,171	1,011,423
Capital grants and contributions	2,482,730	3,576,852	3,407,960	5,087,607	3,301,807
Total governmental activities program revenues	5,713,138	7,310,595	7,073,215	8,172,862	6,692,608
Business-type activities					
Charge for services:					
Water and sewer	133,790	135,721	131,682	140,759	132,295
Capital grants and contributions (2)	-	-	-	-	-
Total business-type activities program revenues	133,790	135,721	131,682	140,759	132,295
TOTAL GOVERNMENT PROGRAM REVENUES	\$ 5,846,928	\$ 7,446,316	\$ 7,204,897	\$ 8,313,621	\$ 6,824,903
NET (EXPENSE)/REVENUE					
Governmental activities	\$ (8,204,576)	\$ (7,909,606)	\$ (8,791,777)	\$ (8,614,030)	\$ (9,506,725)
Business-type activities	14,023	21,186	25,254	4,358	(8,404)
TOTAL GOVERNMENT NET EXPENSES	\$ (8,190,553)	\$ (7,888,420)	\$ (8,766,523)	\$ (8,609,672)	\$ (9,515,129)

(continued)

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
accrual basis of accounting

	Fiscal Year				
	2009	2010	2011	2012	2013
<i>(continued)</i>					
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities					
Taxes					
Property taxes	\$ 5,984,107	\$ 6,254,003	\$ 5,801,792	\$ 5,568,706	\$ 4,790,195
Franchise fees	1,777,986	1,694,211	1,825,464	1,897,907	1,755,375
Alcoholic beverage taxes	795,413	784,189	836,438	881,679	865,862
Other taxes	2,019,643	1,826,442	1,812,445	2,083,173	2,190,080
Rental Income	175,000	-	-	-	-
Unrestricted investment earnings	373,582	231,739	105,368	56,663	31,708
Miscellaneous	47,448	21,699	28,176	62,073	37,579
Transfers	(150,000)	(287,450)	(150,000)	(150,000)	(200,000)
Total governmental activities	11,023,179	10,524,833	10,259,683	10,400,201	9,470,799
Business-type activities					
Unrestricted investment earnings	599	1,485	667	77	357
Transfers	150,000	287,450	150,000	150,000	200,000
Total business-type activities	150,599	288,935	150,667	150,077	200,357
TOTAL GOVERNMENT	\$ 11,173,778	\$ 10,813,768	\$ 10,410,350	\$ 10,550,278	\$ 9,671,156
CHANGE IN NET POSITION					
Governmental activities	\$ 5,167,609	\$ 2,659,359	\$ 1,835,087	\$ 4,869,997	\$ 960,444
Business-type activities	51,294	223,482	307,885	158,180	244,513
TOTAL GOVERNMENT	\$ 5,218,903	\$ 2,882,841	\$ 2,142,972	\$ 5,028,177	\$ 1,204,957

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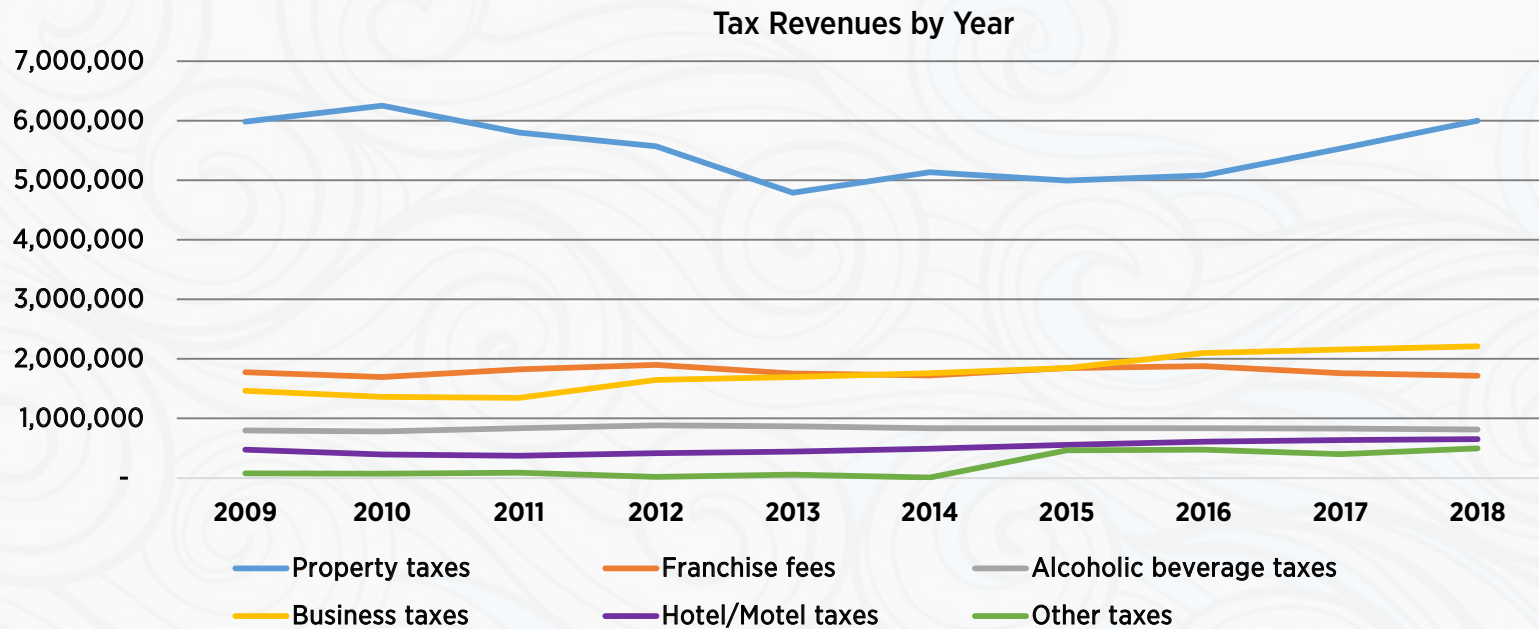
NOTES:

1. Operating grants and contributions increase in fiscal year 2012 is due to a negotiated intergovernmental payment for the settlement of service delivery strategy lawsuit with Gwinnett County.
2. Business-type capital grants and contributions for fiscal year 2011 is due to the American Recovery and Reinvestment Act of 2009 (ARRA), whereby 40% of the loan principal payments were forgiven.

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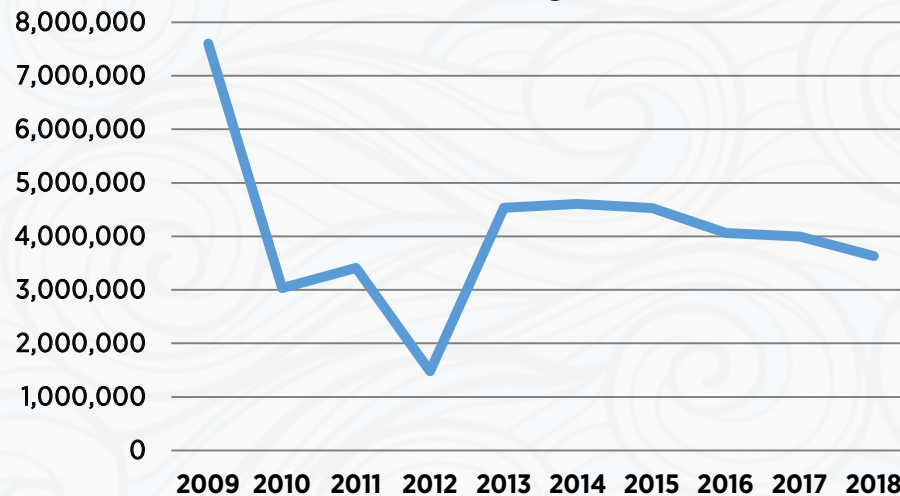
	Fiscal Year				
	2014	2015	2016	2017	2018
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities					
Taxes:					
Property taxes	\$ 5,134,943	\$ 4,995,599	\$ 5,082,644	\$ 5,531,567	\$ 6,001,465
Franchise fees	1,724,565	1,845,517	1,880,182	1,757,052	1,715,558
Alcoholic beverage taxes	835,071	833,056	835,419	831,638	812,385
Other taxes	2,252,424	2,868,767	3,180,579	3,196,444	3,357,512
Rental Income	-	-	-	-	-
Unrestricted investment earnings	41,835	48,796	50,311	68,941	102,254
Miscellaneous	79,713	62,794	103,196	63,661	95,801
Transfers	(100,000)	-	(200,000)	(100,000)	(120,000)
Total governmental activities	9,968,551	10,654,529	10,932,331	11,349,303	11,964,975
Business-type activities					
Unrestricted investment earnings	929	1,448	1,680	3,308	6,633
Transfers	100,000	-	200,000	100,000	120,000
Total business-type activities	100,929	1,448	201,680	103,308	126,633
TOTAL GOVERNMENT	\$ 10,069,480	\$ 10,655,977	\$ 11,134,011	\$ 11,452,611	\$ 12,091,608
CHANGE IN NET POSITION					
Governmental activities	\$ 1,763,975	\$ 2,744,923	\$ 2,140,554	\$ 2,735,273	\$ 2,458,250
Business-type activities	114,952	22,634	226,934	107,666	118,229
TOTAL GOVERNMENT	\$ 1,878,927	\$ 2,767,557	\$ 2,367,488	\$ 2,842,939	\$ 2,576,479

Fiscal Year	Property Taxes	Franchise Fees	Alcoholic Beverage Taxes	Business Taxes	Hotel/Motel Taxes	Other Taxes	Total
2009	\$ 5,984,107	\$ 1,777,986	\$ 795,413	\$ 1,465,980	\$ 475,888	\$ 77,775	\$ 10,577,149
2010	6,254,003	1,694,211	784,189	1,360,254	393,156	73,032	10,558,845
2011	5,801,792	1,825,464	836,438	1,347,872	373,400	91,173	10,276,139
2012	5,568,706	1,897,907	881,679	1,648,831	417,319	17,023	10,431,465
2013	4,790,195	1,755,375	865,862	1,693,350	442,293	54,437	9,601,512
2014	5,134,943	1,724,565	835,071	1,757,237	489,208	5,979	9,947,003
2015	4,995,599	1,845,517	833,056	1,845,285	558,049	465,433	10,542,939
2016	5,082,644	1,880,182	835,419	2,096,080	608,004	476,495	10,978,824
2017	5,531,567	1,757,052	831,638	2,159,357	636,226	400,861	11,316,701
2018	6,001,465	1,715,558	812,385	2,211,948	651,105	494,459	11,886,920



	Fiscal Year									
	2009	2010 ⁽¹⁾	2011	2012 ⁽²⁾	2013 ⁽³⁾	2014	2015 ⁽⁴⁾	2016 ⁽⁴⁾	2017 ⁽⁵⁾	2018 ⁽⁶⁾
General fund										
Nonspendable	\$ -	\$ -	\$ -	71,057	\$ -	10,507	\$ -	4,198	\$ -	-
Restricted	-	-	-	2,276,207	-	-	-	-	-	-
Committed	-	4,122,132	3,948,073	4,000,813	4,054,997	3,726,627	4,150,930	4,135,107	4,308,697	4,455,637
Assigned	-	-	222,520	-	-	-	-	-	-	-
Unassigned	7,602,716	3,034,066	3,408,881	1,478,613	4,534,625	4,603,911	4,526,649	4,063,891	3,998,170	3,630,675
Total general fund	7,602,716	7,156,198	7,579,474	7,826,690	8,589,622	8,341,045	8,677,579	8,203,196	8,306,867	8,086,312
All other governmental funds										
Nonspendable	-	-	-	-	1,245,335	1,245,335	1,245,335	1,245,335	1,245,335	1,245,335
Restricted	5,056,712	5,324,060	7,106,408	6,981,973	7,753,653	8,995,204	10,573,448	11,773,891	10,359,321	28,624,320
Assigned reported in:										
Capital projects funds	2,766,928	2,921,975	2,857,086	4,912,866	3,477,767	4,314,150	5,189,973	5,834,900	5,370,020	5,107,723
Unassigned	-	-	-	-	(1,710)	-	-	-	-	(1,092,104)
Total all other governmental funds	7,823,640	8,246,035	9,963,494	11,894,839	12,475,045	14,554,689	17,008,756	18,854,126	16,974,676	33,885,274
TOTAL ALL GOVERNMENTAL FUNDS	\$ 15,426,356	\$ 15,402,233	\$ 17,542,968	\$ 19,721,529	\$ 21,064,667	\$ 22,895,734	\$ 25,686,335	\$ 27,057,322	\$ 25,281,543	\$ 41,971,586

General Fund Unassigned Fund Balance



NOTES:

- In fiscal year 2010, the City implemented GASB 54 and adopted a new fund balance policy. The City also transferred \$1,565,000 to capital projects for land purchases.*
- In fiscal year 2012, the growth in restricted fund balance is due to a court order supersedeas sum restriction of \$2,276,207 for the Settles Bridge Farm appeal.*
- In fiscal year 2013, the court ordered supersedeas sum restriction was removed by the court.*
- Restricted fund balance increased in fiscal years 2015 and 2016 due to 2014 SPLOST revenues received for capital projects but not expended.*
- Fiscal year 2017, balances have been restated to reflect the cumulative effect of implementing the change in reporting entity. See note 14 on page 63 for additional information.*
- In fiscal year 2018, the negative unassigned balance in all other governmental funds is due to cash flow of SPLOST revenues to SPLOST expenditures. SPLOST revenues are received on a monthly basis. This negative balance will clear itself as additional SPLOST funds are received. The large increase in restricted fund balance is due to the issuance of \$21,470,000 in revenue bonds.*

**CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**
modified accrual basis of accounting

	Fiscal Year					
	2009	2010	2011	2012	2013	2014
REVENUES						
Taxes	\$ 10,519,134	\$ 10,151,444	\$ 10,431,766	\$ 10,446,731	\$ 9,999,238	\$ 10,025,351
Licenses and permits	368,872	349,965	441,763	613,838	648,686	588,696
Intergovernmental revenues	2,409,230	2,120,383	2,042,536	4,186,284	3,423,706	3,212,403
Charges for services	111,630	64,237	72,455	106,325	106,532	110,438
Fines and forfeitures	1,028,021	1,334,381	1,257,885	1,147,017	970,895	1,537,086
Investment income	373,583	258,468	127,186	73,733	49,953	61,057
Rental Income	4,375	22,134	32,502	50,982	53,768	54,722
Contributions and donations	101,024	96,504	121,672	123,460	132,108	178,261
Miscellaneous	47,448	21,699	25,529	37,904	38,047	36,322
TOTAL REVENUES	14,963,317	14,419,215	14,553,294	16,786,274	15,422,933	15,804,336
EXPENDITURES						
General government	1,968,513	1,907,235	2,191,393	2,275,762	2,220,049	2,154,204
Judicial	387,298	334,362	298,827	310,091	297,447	336,529
Public safety	3,616,191	3,664,123	3,830,303	3,896,084	4,007,183	4,178,440
Public works	1,508,438	1,392,588	1,464,606	1,621,691	1,680,946	1,763,944
Culture and recreation	350,835	264,219	372,874	375,405	422,315	378,364
Housing and development	1,031,681	857,222	871,702	953,767	1,072,554	1,123,406
Tourism and trade	379,703	313,034	206,151	201,986	223,291	257,322
Capital outlay	10,678,581	3,735,144	1,370,219	3,217,098	2,374,332	2,102,221
Debt service:						
Principal	779,215	784,861	775,959	765,795	780,000	810,000
Interest and fiscal charges	964,483	924,263	882,340	842,489	807,290	777,121
Bond issuance costs	-	-	-	-	-	-
TOTAL EXPENDITURES	21,664,938	14,177,051	12,264,374	14,460,168	13,885,407	13,881,551
Excess of revenues over (under) expenditures	(6,701,621)	242,164	2,288,920	2,326,106	1,537,526	1,922,785
OTHER FINANCING SOURCES (USES)						
Proceeds from capital lease	94,316	-	-	-	-	-
Transfer in	4,192,169	4,461,099	3,365,144	2,783,515	2,898,204	2,025,294
Transfer out	(4,342,169)	(4,748,549)	(3,515,144)	(2,933,515)	(3,098,204)	(2,125,294)
Sale of capital assets	-	21,165	1,815	2,455	5,612	8,282
Bonds issued:						
Principal	-	-	-	-	-	-
Premium	-	-	-	-	-	-
Refunded bonds issued	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(55,684)	(266,285)	(148,185)	(147,545)	(194,388)	(91,718)
Net change in fund balances	\$ (6,757,305)	\$ (24,121)	\$ 2,140,735	\$ 2,178,561	\$ 1,343,138	\$ 1,831,067
Total non capital expenditures	\$ 8,680,600	\$ 10,542,012	\$ 10,342,579	\$ 9,985,369	\$ 12,173,503	\$ 12,147,575
Debt service as a percentage of non capital expenditures	20.1%	16.2%	16.0%	16.1%	13.0%	13.1%

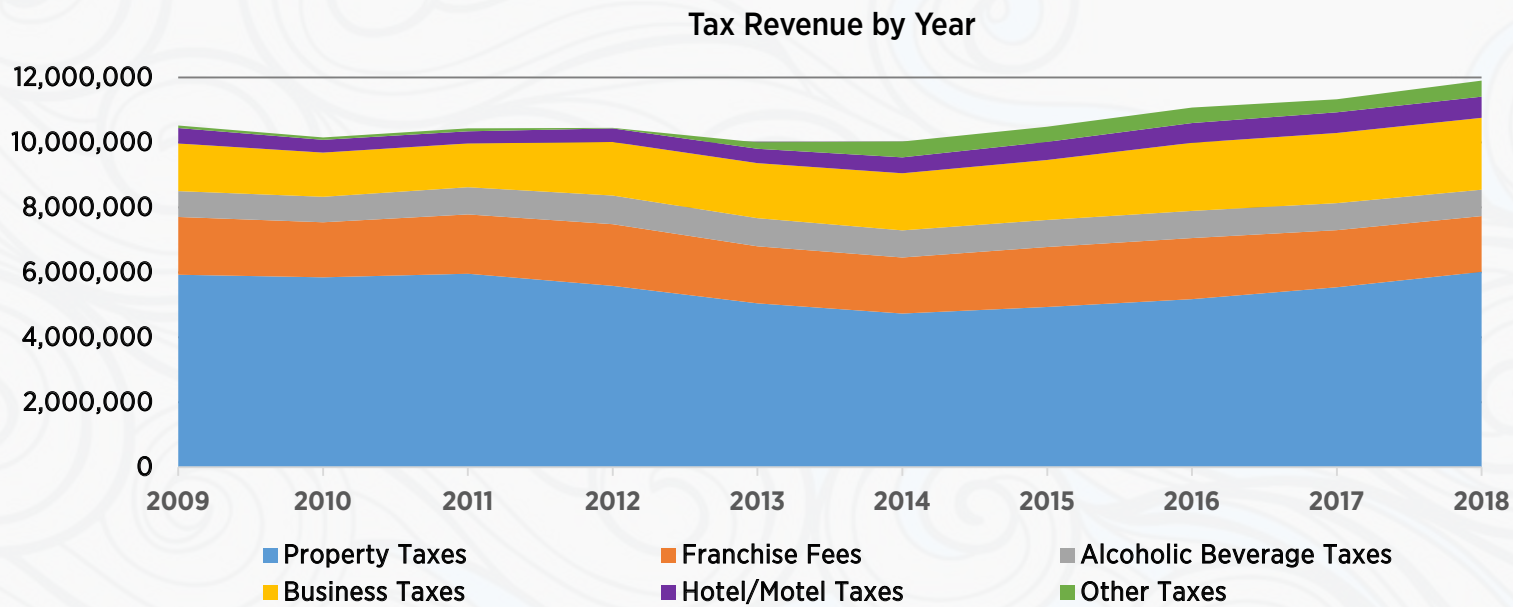
	Fiscal Year			
	2015	2016 ⁽¹⁾	2017 ⁽²⁾	2018 ⁽³⁾
REVENUES				
Taxes	\$ 10,481,744	\$ 11,071,178	\$ 11,326,266	\$ 11,901,059
Licenses and permits	601,618	728,018	674,097	1,084,965
Intergovernmental revenues	3,433,333	4,486,087	4,571,741	3,830,227
Charges for services	103,476	141,591	153,808	148,967
Fines and forfeitures	2,011,298	1,456,064	1,120,560	1,113,284
Investment income	69,349	78,966	98,119	351,579
Rental Income	57,889	62,424	79,825	79,372
Contributions and donations	209,983	214,511	302,827	234,257
Miscellaneous	18,497	59,061	17,455	48,012
TOTAL REVENUES	16,987,187	18,297,900	18,344,698	18,791,722
EXPENDITURES				
General government	2,425,480	2,904,968	2,687,004	2,689,760
Judicial	379,879	390,015	417,033	425,474
Public safety	4,217,123	4,970,225	4,681,765	4,803,068
Public works	1,913,810	2,037,772	2,151,287	2,161,855
Culture and recreation	499,564	496,507	564,815	537,149
Housing and development	1,169,591	1,210,857	1,341,437	1,419,821
Tourism and trade	321,677	386,987	409,850	460,706
Capital outlay	1,687,975	2,798,022	6,748,921	10,349,481
Debt service:				
Principal	840,000	933,000	1,516,000	1,486,000
Interest and fiscal charges	745,159	617,934	273,125	1,151,045
Bond issuance costs	-	122,364	118,000	392,463
TOTAL EXPENDITURES	14,200,258	16,868,651	20,909,237	25,876,822
Excess of revenues over (under) expenditures	2,786,929	1,429,249	(2,564,539)	(7,085,100)
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	-	-	-	-
Transfer in	1,933,941	4,059,237	760,249	2,221,807
Transfer out	(1,933,941)	(4,259,237)	(860,249)	(2,341,807)
Sale of capital assets	3,672	19,374	13,358	11,396
Bonds issued:				
Principal	-	-	-	21,470,000
Premium	-	-	-	2,413,747
Refunded bonds issued	-	4,210,000	12,635,000	-
Payment to refunded bond escrow agent	-	(4,087,636)	(12,482,487)	-
TOTAL OTHER FINANCING SOURCES (USES)	3,672	(58,262)	65,871	23,775,143
Net change in fund balances	\$ 2,790,601	\$ 1,370,987	\$ (2,498,668)	\$ 16,690,043
Total non capital expenditures	\$ 12,389,558	\$ 13,844,972	\$ 13,803,825	\$ 15,762,601
Debt service as a percentage of non capital expenditures	12.8%	11.2%	13.0%	16.7%



NOTES:

1. In fiscal year 2016, the City refunded a portion of the 2006 URA bonds.
2. In fiscal year 2017, the City refunded a portion of the 2006 General Obligation refunding series. For additional information see Note 7; page 55.
3. In fiscal year 2018, the City issued \$21,470,000 in revenue bonds. For additional information see Note 7; page 56.

Fiscal Year	Property Taxes	Franchise Fees	Alcoholic Beverage Taxes	Business Taxes	Hotel/Motel Taxes	Other Taxes	Total
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
2011	5,957,419	1,825,464	836,438	1,347,872	373,400	91,173	10,431,766
2012	5,583,972	1,897,907	881,679	1,648,831	417,319	17,023	10,446,731
2013	5,045,704	1,755,375	865,862	1,693,350	442,293	196,654	9,999,238
2014	4,732,419	1,724,565	835,071	1,757,237	489,208	486,851	10,025,351
2015	4,934,404	1,845,517	833,056	1,845,285	558,049	465,433	10,481,744
2016	5,174,998	1,880,182	835,419	2,096,080	608,004	476,495	11,071,178
2017	5,541,132	1,757,052	831,638	2,159,357	636,226	400,861	11,326,266
2018	6,015,604	1,715,558	812,385	2,211,948	651,105	494,459	11,901,059

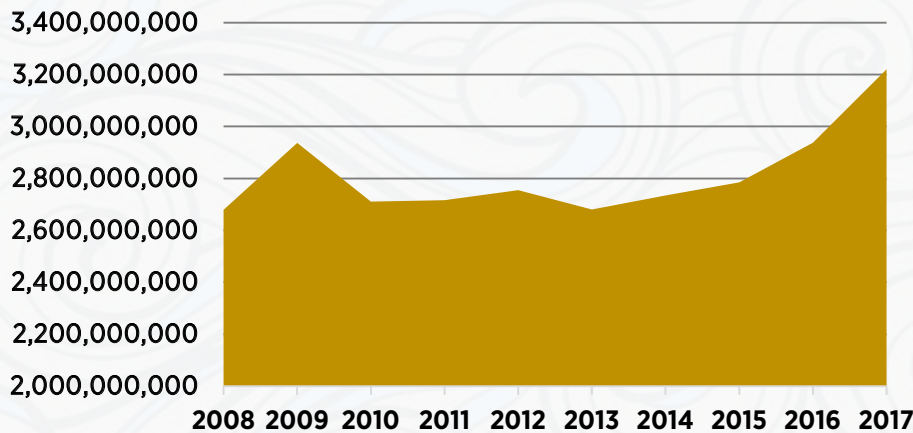


Calendar Year	Real Property		Personal Property		Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value ⁽²⁾
	Residential Property	Commercial Property	Motor Vehicle	Other ⁽¹⁾					
2008	\$ 522,795,234	\$ 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%
2010	486,407,830	582,302,567	44,682,260	47,560	29,172,760	1,084,267,457	5.70	2,710,668,643	40%
2011	481,932,370	589,573,770	46,381,880	15,360	31,418,600	1,086,484,780	5.65	2,716,211,950	40%
2012	466,024,650	621,163,070	46,637,900	3,040	31,908,760	1,101,919,900	4.93	2,754,799,750	40%
2013	466,529,900	584,533,920	51,763,830	3,040	30,700,960	1,072,129,730	4.93	2,680,324,325	40%
2014	514,894,190	562,402,060	44,973,930	2,840	28,614,800	1,093,658,220	4.93	2,734,415,550	40%
2015	564,291,800	554,733,360	31,967,540	2,840	37,053,560	1,113,941,980	4.93	2,784,854,950	40%
2016	610,293,160	576,163,730	22,947,000	5,120	34,464,650	1,174,944,360	4.93	2,937,360,900	40%
2017	667,712,260	638,764,340	16,178,630	5,120	34,667,530	1,287,992,820	4.93	3,219,982,050	40%

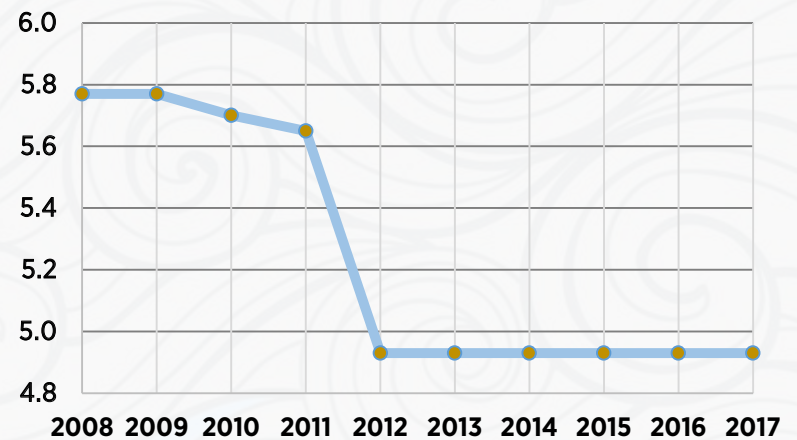
- NOTES:**
- Includes mobile homes, timber, and heavy equipment.
 - Gwinnett County assesses property at 40% of actual value for all types of real and personal property.

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

Estimated Taxable Value 2008-2017



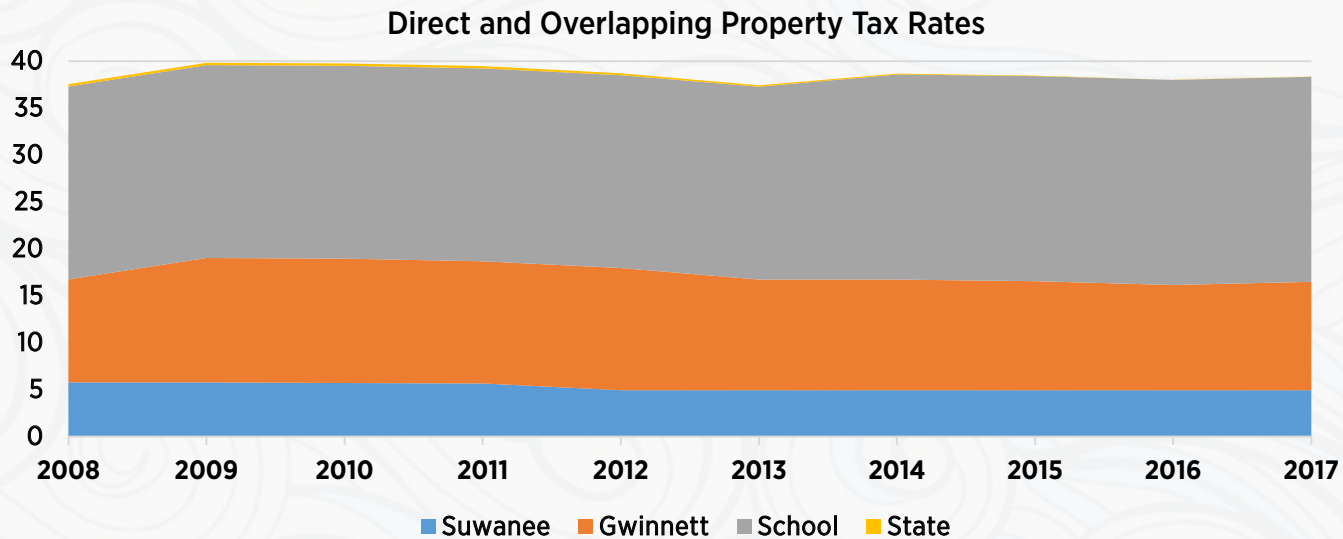
Millage Rate 2008-2017



PROPERTY TAX RATES DIRECT
AND OVERLAPPING GOVERNMENTS
last ten fiscal years

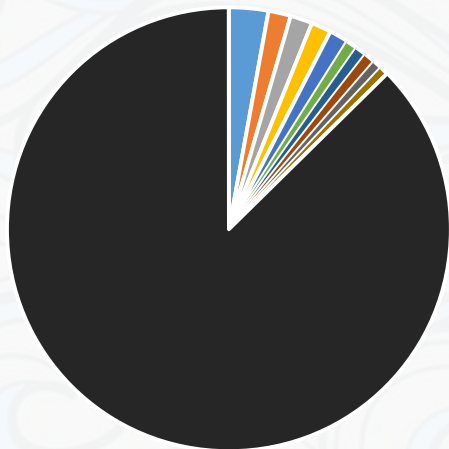
Calendar Year	City of Suwanee Millage			Overlapping Rates									Total Direct & Overlapping Rates
	Operating	Debt Service	Total	Gwinnett County Millage					Gwinnett County School Board Millage			State	
				Operating	Debt Service	Fire Protection	Recreation	Total	Operationing	Debt Service	Total		
2008	4.09	1.68	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	5.77	11.78	0.47	-	1.00	13.25	19.25	1.30	20.55	0.25	39.82
2010	3.89	1.81	5.70	11.78	0.47	-	1.00	13.25	19.25	1.30	20.55	0.25	39.75
2011	3.89	1.76	5.65	11.78	0.24	-	1.00	13.02	19.25	1.30	20.55	0.25	39.47
2012	3.15	1.78	4.93	11.78	0.24	-	1.00	13.02	19.25	1.30	20.55	0.20	38.70
2013	3.21	1.72	4.93	7.40	0.24	3.20	.95	11.79	19.80	2.05	21.85	0.15	38.72
2014	3.24	1.69	4.93	7.40	0.24	3.20	.95	11.79	19.80	2.05	21.85	0.10	38.67
2015	3.35	1.58	4.93	7.229	0.24	3.20	.95	11.619	19.80	2.05	21.85	0.05	38.449
2016	3.43	1.50	4.93	6.826	0.24	3.20	.95	11.216	19.80	2.05	21.85	-	37.996
2017	3.43	1.50	4.93	7.40	-	3.20	.95	11.55	19.80	2.05	21.85	-	38.33

Source: Gwinnett County Tax Commissioner website

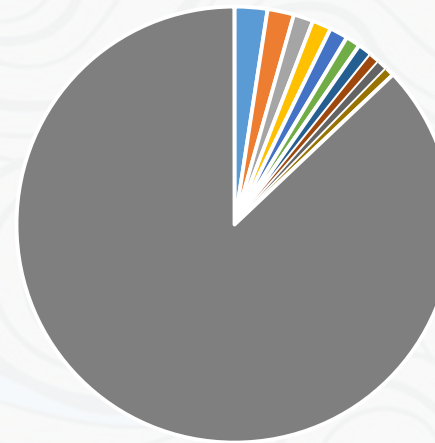


Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Star McGinnis Ferry, LLC	\$ 36,944,800	1	2.9%			
HP Enterprise Services, LLC	20,851,170	2	1.6%			
Terraces at Suwanee Mtg, LLC	20,698,160	3	1.6%			
Landmark at Grand Oasis, LP	18,780,000	4	1.5%			
WRPV XII Century Suwanee, LLC	17,991,520	5	1.4%			
SHLP Artisan Station, LLC	10,468,560	6	0.8%			
James Campbell Company, LLC	10,314,080	7	0.8%	\$ 20,403,340	2	2.0%
Quality Inv Properties Suwanee, LLC	10,280,000	8	0.8%			
Quality Technology Services	8,501,260	9	0.7%			
Flowers Bakery of Suwanee, LLC	7,913,820	10	0.6%	14,077,190	5	1.4%
AMLI Residential Properties				25,329,600	1	2.4%
CRLP McGinnis Ferry Road, LLC				15,230,120	3	1.5%
Caryle Centennial Suwanee Station, LP				14,630,000	4	1.4%
CLPF-Horizon Creek, LP				11,252,280	6	1.1%
Walmart				11,179,190	7	1.1%
SFCO (GA) QRS 16-127, Inc.				8,041,000	8	0.8%
Google, Inc				7,918,360	9	0.8%
Lois Suwanee, LLC				6,739,200	10	0.6%
Totals	\$ 162,743,370		12.7%	\$ 134,800,280		13.1%

Source:
 2017 and 2008 Tax Digest.



- Star McGinnis Ferry, LLC
- HP Enterprise Services, LLC
- Terraces at Suwanee Mtg, LLC
- Landmark at Grand Oasis, LP
- WRPV XII Century Suwanee, LLC
- SHLP Artisan Station, LLC
- James Campbell Company, LLC
- Quality Inv Properties Suwanee, LLC
- Quality Technology Services
- Flowers Bakery of Suwanee, LLC
- All Other Taxpayers



- AMLI Residential Properties LP
- James Campbell Company, LLC
- CRLP McGinnis Ferry Road, LLC
- Caryle Centennial Suwanee Station LP
- Flowers Bakery of Suwanee, LLC
- CLPF-Horizon Creek LP
- Wal-Mart
- SFCO (GA) QRS 16-127 Inc
- Google Inc
- Lois Suwanee, LLC
- 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	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 5,655,551	\$ 5,441,113	96.2%	\$ 195,283	\$ 5,636,396	99.7%
2010	5,972,640	5,467,352	91.5%	480,056	5,947,408	99.6%
2011	5,568,361	5,323,252	95.6%	217,057	5,540,309	99.5%
2012	5,192,082	5,056,083	97.4%	125,798	5,181,881	99.8%
2013	4,498,518	4,422,212	98.3%	63,057	4,485,269	99.7%
2014	4,384,928	4,322,848	98.6%	29,603	4,352,451	99.3%
2015	4,666,809	4,557,650	97.7%	41,480	4,599,130	98.5%
2016	4,947,364	4,905,044	99.1%	18,618	4,923,662	99.5%
2017	5,358,951	5,324,391	99.4%	9,307	5,333,698	99.5%
2018	5,839,907	5,769,527	98.8%	-	5,769,527	98.8%

NOTE:

1. Relates to preceding calendar year digest.

Source:

Consolidated Digest Reports provided by Gwinnett County Tax Commissioner.

Ratio of outstanding debt by type - last ten fiscal years

Fiscal Year	Governmental Activities			Business-type Activities Note Payable ⁽¹⁾	Total Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
	General Obligation Bonds	URA Revenue Bonds	Capital Leases				
2009	\$ 16,370,000	\$ 6,150,000	\$ 146,615	\$ 354,392	\$ 23,021,007	4.54%	\$ 1,504
2010	15,920,000	5,900,000	61,754	679,449	22,561,203	4.38%	1,468
2011	15,455,000	5,640,000	10,795	-	21,105,795	4.58%	1,364
2012	14,970,000	5,370,000	-	-	20,340,000	4.07%	1,302
2013	14,465,000	5,095,000	-	-	19,560,000	3.79%	1,247
2014	13,940,000	4,810,000	-	-	18,750,000	3.14%	1,098
2015	13,410,661	4,513,221	-	-	17,923,882	3.04%	1,029
2016	12,839,051	4,471,111	-	-	17,310,162	2.70%	956
2017	12,075,000	4,106,000	-	-	16,181,000	2.37%	889
2018	10,965,000	27,463,133	-	-	38,428,133	5.15%	1,991

NOTES:

1. The City entered into a construction line of credit with the Georgia Environmental Facilities Authority (GEFA) for improvements to the City's water system. 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.
2. The schedule of Demographic and Economic Statistics on page S-19 provides information on personal income and population.

Fiscal Year	General Obligation Bonds ⁽¹⁾	URA Revenue Bonds ⁽¹⁾	Total	Percentage of Estimated Actual Taxable Value of Property ⁽²⁾	Per Capita ⁽³⁾
2009	\$ 16,370,000	\$ 6,150,000	\$ 22,520,000	0.84%	\$ 1,471
2010	15,920,000	5,900,000	21,820,000	0.74%	1,420
2011	15,455,000	5,640,000	21,095,000	0.78%	1,363
2012	14,970,000	5,370,000	20,340,000	0.75%	1,302
2013	14,465,000	5,095,000	19,560,000	0.71%	1,247
2014	13,940,000	4,810,000	18,750,000	0.70%	1,098
2015	13,410,661	4,513,221	17,923,882	0.66%	1,029
2016	12,839,051	4,471,111	17,310,162	0.62%	956
2017	12,075,000	4,106,000	16,181,000	0.55%	889
2018	10,965,000	27,463,133	38,428,133	1.19%	1,992

NOTES:

1. Debt information from CAFR financial statements and Note 7 to the financial statements.
2. Details of estimated actual taxable value of property can be found on page S-13.
3. Details of population data can be found on page S-19.

Direct and overlapping governmental activities debt as of June 30, 2018

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
City of Suwanee Bonds (General & Revenue)	\$ 38,428,133	100.00%	\$ 38,428,133
Overlapping Debt: ⁽¹⁾			
Gwinnett County	8,110,000	3.64%	295,204
Gwinnett County Board of Education	1,029,820,000	3.74%	38,515,268
Total Overlapping Debt	1,037,930,000		38,810,472
Total Direct General Obligation and Overlapping Debt	\$ 1,076,358,133		\$ 77,238,605

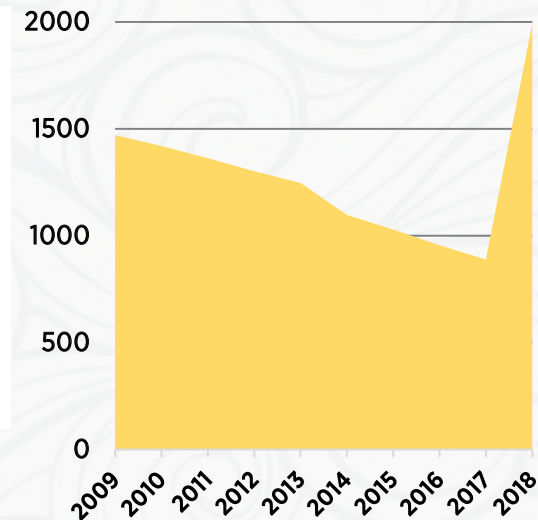
NOTE:

1. The percentage of overlapping debt chargeable to property in the City is calculated by dividing the net M&O assessed value of property in the City by the net M&O assessed value of property in the overlapping entity.

Source:

Gwinnett County Comprehensive Annual Financial Report for December 31, 2017.

Debt Per Capita 2009-2018



	Fiscal Year				
	2009	2010	2011	2012	2013
Assessed value of all taxable property	\$ 1,071,641,916	\$ 1,174,713,298	\$ 1,084,267,457	\$ 1,086,484,780	\$ 1,101,919,900
Debt limit: 10% of assessed value	107,164,192	117,471,330	108,426,746	108,648,478	110,191,990
Total net debt applicable to limit	15,168,158	14,702,932	14,125,505	13,631,622	13,117,134
Legal debt margin	\$ 91,996,034	\$ 102,768,398	\$ 94,301,241	\$ 95,016,856	\$ 97,074,856
Total net debt applicable to the limit as a percentage of debt limit	14.15%	12.52%	13.03%	12.55%	11.90%

	Fiscal Year				
	2014	2015	2016	2017	2018
Assessed value of all taxable property	\$ 1,072,129,730	\$ 1,093,658,220	\$ 1,113,941,980	\$ 1,174,944,360	\$ 1,287,992,820
Debt limit: 10% of assessed value	107,212,973	109,365,822	111,394,198	117,494,436	128,799,282
Total net debt applicable to limit	12,674,835	12,118,900	11,502,713	10,873,717	10,620,902
Legal debt margin	\$ 94,538,138	\$ 97,246,922	\$ 99,891,485	\$ 106,620,719	\$ 118,178,380
Total net debt applicable to the limit as a percentage of debt limit	11.82%	11.08%	10.33%	9.25%	8.25%

**Legal Debt Margin Calculation
for Fiscal Year 2018**

Assessed value	\$ 1,287,992,820
Debt limit: 10% of total assessed value	128,799,282
Debt applicable to limit:	
General obligation bond	10,965,000
Less: Amount set aside for repayment of general obligation debt	344,098
Total net debt applicable to limit	10,620,902
Legal debt margin	\$ 118,178,380

NOTE:

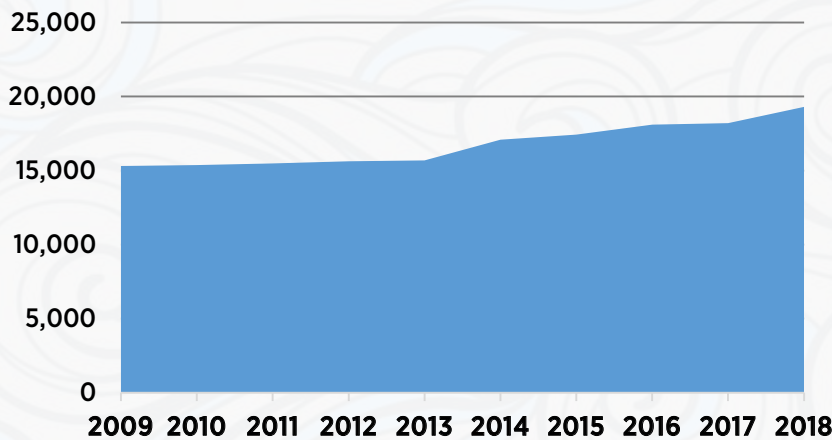
Under Georgia financing laws, the City's outstanding general obligation debt should not exceed 10 percent of the total assessed property value and may be offset by amounts set aside for repaying the general obligation bonds.

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income	Unemployment Rate ⁽³⁾	Residential Construction Value ⁽¹⁾	Commercial Construction Value ⁽¹⁾
2009	15,305	\$ 507,559,715	\$ 33,163	3.7%	\$ 17,641,225	\$ 72,360,272
2010	15,368	515,242,936	33,527	3.9%	7,997,527	3,137,027
2011	15,479	490,343,762	31,678	4.0%	12,322,129	17,788,046
2012	15,624	499,764,888	31,987	5.6%	15,110,337	12,864,539
2013	15,683	515,359,063	32,861	5.6%	26,684,558	7,725,320
2014	17,081	596,895,545	34,945	4.8%	25,488,011	30,470,078
2015	17,425	589,069,550	33,806	3.9%	36,057,376	29,642,115
2016	18,098	640,198,652	35,374	3.1%	43,762,400	13,773,808
2017	18,199	682,662,689	37,511	3.1%	12,361,039	25,431,417
2018	19,296	745,558,848	38,638	3.7%	85,726,557	130,509,328

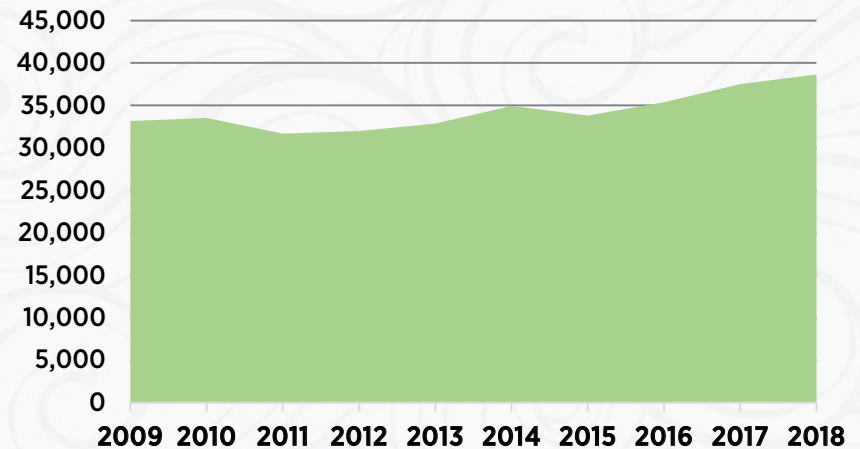
Sources:

1. City of Suwanee Planning Department
2. Bureau of Economic Analysis.
3. Georgia Department of Labor, not seasonally adjusted.

Population Changes 2009-2018



Per Capita Personal Income 2009-2018



PRINCIPAL EMPLOYERS
current year and ten years ago

Employer	2018			2009		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Southeastern Freight Lines, Inc.	425	1	3.3%	370	2	4.0%
Walmart	289	2	2.3%	375	1	4.0%
Meggitt Training Systems, Inc.	281	3	2.2%	345	4	3.7%
Liberty Mutual Insurance	230	4	1.8%			
Quality Technology Services	228	5	1.8%			
Bank of America	203	6	1.6%			
Kroger	201	7	1.6%	160	5	1.7%
Flowers Bakery	170	8	1.3%			
Annadale Village	165	9	1.3%			
Publix Supermarkets	160	10	1.3%	133	7	1.4%
Dish Network/Echosphere Corporation				365	3	3.9%
Zebra Construction Company				160	6	1.7%
Mitsubishi Electric & Electronics				120	8	1.3%
Quality Construction Services, Inc.				115	9	1.2%
Lowes of Suwanee				114	10	1.2%

Source:
City of Suwanee Business Services Department



Function	Full-time Equivalent Employees as of June 30, 2018									
	2009	2010 ⁽¹⁾	2011 ⁽²⁾	2012	2013	2014	2015 ⁽³⁾	2016	2017 ⁽⁴⁾	2018 ⁽⁵⁾
General Government										
Chief Executive	3	3	3	3	3	3	3	3	3	3
General Administration	2	2	2	2	2	2	2	3	2	2
Business Services	-	-	-	-	-	-	3	3	4	4
Financial Administration	7	7	8	8	8	8	4	4	5	5
Public Information	1	1	1	1	1	1	1	1	1	1
Judicial	3	3	3	3	3	3	3	3	4	4
Public Safety										
Police Administration	3	3	3	3	3	3	3	3	3	3
Criminal Investigation	4	4	3	3	4	4	5	6	6	7
Patrol	26	25	28	28	28	28	27	28	29	28
Records and Identification	1	1	1	1	1	1	1	1	1	1
Police Training	-	1	1	1	1	1	1	2	2	2
Dispatcher	7	7	7	7	7	8	8	7	7	7
Public Relations	1	1	1	1	1	1	1	1	1	1
Targeted Police	2	2	-	-	-	-	-	-	-	-
Public Works	15	15	15	15	15	15	16	17	20	21
Housing and Development										
Protective Inspection	1	1	1	1	1	1	2	2	2	2
Planning & Zoning	5	5	5	5	5	5	5	5	5	5
Economic Development	3	3	4	4	4	4	4	4	4	4
TOTAL	84	84	86	86	87	88	89	93	99	100

NOTES:

1. In fiscal year 2010, one Police Sergeant position was moved from Patrol to Police Training.
 2. In fiscal year 2011, one Police Lieutenant position was moved from Criminal Investigation to Patrol and employees in Targeted Police were also moved to the Patrol Division.
 3. In fiscal year 2015, Business Services Department was created. Members from Chief Executive, General Administration and Financial Administration were transferred to create this new department.
 4. In fiscal year 2017, five part time positions were re-classified from part time to full time.
 5. In fiscal year 2018, one Police Officer position was moved was upgraded to corporal and moved to Criminal Investigation.
- Source: Various City departments and corresponding budget documents. City of Suwanee Business Services Department

Function	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Business licenses issued	1,687	1,721	1,720	1,775	1,754	1,719	1,752	1,764	1,638	1,438
Number of parcels and improvements	11,693	11,859	11,897	12,004	12,297	12,336	12,737	12,737	12,887	13,352
Judicial										
Cases processed	9,680	12,411	14,883	13,089	7,874	12,300	13,500	14,024	10,656	10,775
Non-jury trials	288	335	319	462	154	200	261	180	165	116
Jury trials	84	171	220	370	355	198	256	309	169	135
Warrants issued	205	180	236	297	212	240	312	222	204	145
Police										
Calls for service	37,511	39,453	41,964	43,926	33,511	47,626	61,770	69,913	82,557	62,171
Traffic accidents	1,141	1,113	1,158	1,086	1,157	1,178	1,306	1,410	1,511	1,446
Part I offenses	633	528	505	452	443	484	569	651	830	752
Traffic citations	10,627	11,715	12,865	11,797	7,678	12,403	16,929	13,373	10,741	8,363
Public works										
Work orders	4,690	6,151	3,685 ⁽¹⁾	5,294	5,175	5,371	6,135	5,054	5,187	4,948
Street overlay (lane miles)	3.85	1.51	-	3.88	6.63	6.8	11.59	4.11	3.54	8.35
Hours of litter pick-up service provided	791	585	605	985	876	941	920	921	1,128	1,259
Culture and recreation										
Number of annual city-sponsored events	21	17	21	17	33	22	21	21	19	21
Number of annual non-city sponsored events	11	15	16	16	16	14	25	18	22	23
Suwanee Fest attendance	42,000	8,000 ⁽²⁾	40,000	45,000	50,000	8,500 ⁽²⁾	55,000 ⁽³⁾	58,000	56,000	62,000
Protective Inspection										
Number of residential permits	101	65	108	173	200	220	113	208	312	260
Number of total construction permits	359	174	224	242	284	301	276	366	405	348
Number of sign permits	373	255	268	295	324	227	257	288	245	210
Planning and Zoning										
Zoning certification letters	12	7	6	12	10	16	19	14	29	27
Rezoning cases processed	2	1	5	5	5	4	10	5	6	10
Special use permits processed	10	2	5	5	2	4	5	5	1	0
Variances processed	17	7	6	7	6	9	15	6	4	5
Development review	26	6	9	19	28	11	26	16	17	19
Development permits	14	6	9	8	14	8	18	30	15	20
Water										
Average daily consumption in gallons	48,739	43,306	44,625	46,257	45,863	47,612	47,441	46,034	47,649	45,647

NOTES:

1. Overhauled work order system-some work orders combined.
2. Low attendance due to inclement weather.
3. In 2014, Suwanee Fest went from a one day to a two day event.

Source:
Various City departments and corresponding budget documents.

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Administration										
Vehicles ⁽¹⁾	1	1	1	1	1	1	1	-	-	-
Police										
Patrol Units	39	41	40	41	30	41	41	39	42	36
Other Police Vehicles	4	4	4	4	15	10	13	11	11	14
Public Works										
Vehicles	11	15	15	16	17	18	16	19	19	20
Street (Miles) ⁽²⁾	60	62	63	62	62	63	63	63	63	64
Streetlights	835	855	911	928	968	981	997	1,028	1,114	1,138
Culture and Recreation										
Acreage	342	366	372	372	372	372	372	372	372	372
Park Sites	15	15	15	15	15	15	15	15	15	15
Public Art	5	5	7	11	14	14	14	15	18	19
Water										
Water Mains (Miles)	6.5	6.5	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Storage Capacity	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Housing and Development										
Vehicles	5	5	4	4	4	3	3	3	3	3

NOTES:

1. In fiscal year 2016, the vehicle under the general administration function was moved to the Public Works function.
2. In fiscal year 2012, the newly adopted SDS (Service Delivery Strategy) between the County and City(ies) resulted in a slight adjustment in street mileage maintained.

Source:
 Various City departments





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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Suwanee, Georgia** (the “City”) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 10, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 10, 2018



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SUWANEE.COM