

# THE 2023 PERFORMER<sup>®</sup>

A Financial Statement Analysis  
of City of Suwanee, Georgia

As of and for the year ended June 30, 2023



# THE PERFORMETER®

*The Performer*® was developed by *Crawford & Associates* to provide a “plain English” evaluation of a government’s financial information. It uses ratios of a government’s financial statements to provide a numerical value representing financial health and level of performance.

The value of the rating is based on a 10-point scale, with 10 representing excellent health, five represents satisfactory and zero indicates poor financial health and performance. The Performer is not intended as a replacement of the annual financial statements, but as a useful supplement to the statements.

The financial ratios evaluated in the Performer can be summarized into three categories:

**FINANCIAL POSITION:** “point-in-time” measures of the government’s financial status, solvency, and liquidity as of the fiscal year end.

**FINANCIAL PERFORMANCE:** “look-back” measures as to whether the government’s financial position has been improving, deteriorating, or remaining steady.

**FINANCIAL CAPABILITY:** “look-forward” measures of the government’s ability to obtain resources in the form of revenues or borrowing in order to finance future services.





# SUWANEE'S 2023 PERFORMER<sup>®</sup> SCORE 9.1

The overall score of 9.1 indicates that Suwanee's overall financial health and success remains well above the satisfactory level.

## SCORE BY CATEGORY

<i>Financial Position</i>	<i>9.2</i>
<i>Financial Performance</i>	<i>10</i>
<i>Financial Capability</i>	<i>7.3</i>
<i>Performer Overall</i>	<i>9.1</i>

# 9.2 Financial Position

<b>UNRESTRICTED NET POSITION</b>	How do our total rainy day funds look?
<b>GENERAL FUND UNASSIGNED FUND BALANCE</b>	How does our General Fund unassigned fund balance carryover position look?
<b>CAPITAL ASSET CONDITION</b>	How much life do we still have left in our capital assets?
<b>PENSION PLAN FUNDING</b>	Will our employees be happy with us when they retire?
<b>DEBT TO ASSETS</b>	Who really owns the City?
<b>CURRENT RATIO</b>	Will our employees and vendors be pleased with our ability to pay them on time?
<b>QUICK RATIO</b>	How is our short-term cash position?

## Level of Unrestricted Net Position



Suwanee's total unrestricted net position was approximately \$29.1 million, or 74.4% of annual total revenues.

This exceeds the model's desired excellent ratio of 50% and is considered excellent.

## Level of General Fund Unassigned Fund Balance



The unassigned fund balance of the General Fund amounted to \$3.5 million or 19.7% of annual General Fund revenues.

Although a slight decline in the ratio when compared to that of the prior period, the ratio still remains well above satisfactory.



## Capital Asset Condition



At June 30, 2023, the City's depreciable capital assets amounted to \$103 million while accumulated depreciation totaled \$46.3 million.

This indicates that, on average, the City's capital assets have over half (55%) of their useful lives remaining. This remains an above satisfactory financial indicator in the model.

## Employee Pension Plan Funding Ratio



The City's pension plan net position was 161% of the total pension liability, indicating the plan was one and three-fifth funded, from an actuarial perspective, at the last valuation date.

This ratio declined when compared with the ratio of the prior period due to weaker investment returns, but remains an excellent ratio.



## Debt to Assets



Approximately one-fourth (22.5%) of the City's \$156 million of total assets were funded with debt or other obligations.

This is considered a very favorable financial indicator and indicates that for each dollar of City assets owned, it owes approximately 23 cents of that dollar to others.

## Current Ratio



Suwanee's government-wide ratio of current assets to current liabilities was 8.45 to 1.

This indicates that the City had nearly eight and one-half times the amount of current assets needed to pay current liabilities. This is considered an excellent indicator of liquidity.

## Quick Ratio



At June 30, 2023, the government-wide ratio of cash and cash equivalents to current operating liabilities was 5.95 to 1.

This indicates that the City had almost six times the minimum amount of cash and cash equivalents needed to pay short-term operating obligations at year end. This is considered an excellent indicator of liquidity.

# 10 Financial Performance

## **CHANGE IN NET POSITION**

Did our overall financial condition improve, decline, or remain steady from the past year?

## **INTERPERIOD EQUITY**

Who paid for the costs of current year services: current, past, or future tax and rate payers?

## **PROPERTY TAX GROWTH**

What is the state of our local economy?

## **CAPITAL ASSET SUSTAINABILITY**

How willing are we to maintain our investment in capital assets?





## Change in Net Position



For the year ended June 30, 2023, total net position increased by \$17.2 million, or 16.2% from the prior year beginning net position.

## Interperiod Equity



For the year ended June 30, 2023, the City's total costs were fully funded by current year tax and rate payers, with current year revenues, excluding fund balance carryovers, generating revenues at a level of 179% of current year costs.

## Property Tax Growth



For the year ended June 30, 2023, the City experienced a significant increase in property tax revenue in the amount of \$1,786,177 or 21.8% from the prior year.

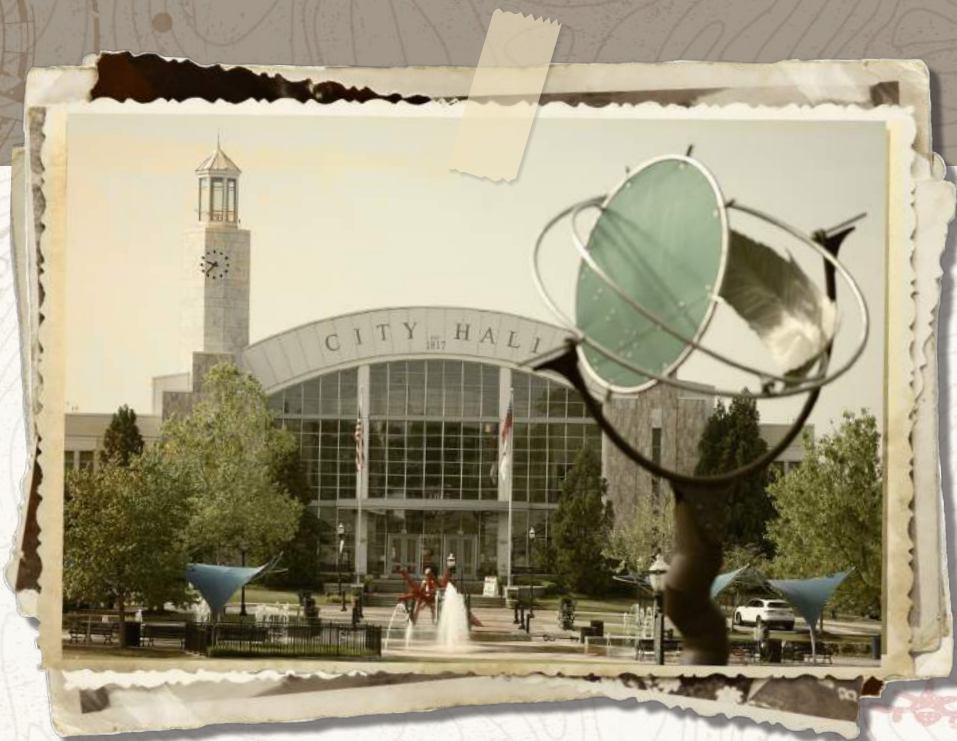
This year, the increase in property tax was primarily due to the increased assessed values of properties within the City.

## Capital Asset Sustainability



Suwanee expended \$16.3 million of its own resources on capital assets, while depreciation on such capital assets totaled \$3.2 million.

This indicates that the City is replacing capital assets that are depreciating at a ratio of 5.0 to 1. The main reason for the increase in the ratio was the expenses for the Town Center on Main Park project. This is considered an excellent financial indicator in the model.



# 7.3 Financial Capability

## REVENUE DISPERSION

How much of our revenue is beyond our direct control?

## DEBT SERVICE LOAD

How heavily is our budget loaded with payments to retire long-term debt?

## BONDED DEBT PER CAPITA

What is the debt burden on our property tax payers?

## LEGAL DEBT LIMIT REMAINING

Will we be legally able to issue more long-term debt, if needed?

## PROPERTY TAXES PER CAPITA

Will our citizens be willing to accept property tax increases, if needed?



## Revenue Dispersion



For the year ended June 30, 2023, the City had direct control over approximately 36% (service charges and property taxes) of its revenues.

This ratio indicates the City has limited exposure, as do most cities, to financial difficulties due to reliance (64%) on taxes that are capped or require voter approval, or on grants, contributions, and other revenue.

## Debt Service Load



Suwanee's total non-capital expenditures amounted to \$19.5 million, of which \$3.1 million (or 16%), were payments for principal and interest on annual long-term debt.

In the model, this is an above satisfactory financial indicator and indicates that for every dollar the City spent on non-capital items, 16 cents of that dollar was used for debt service.

## Bonded Debt Per Capita



For the year ended June 30, 2023, the City had a general bonded debt per capital ratio of \$222.

In the model, this represents a lower-than-average bonded debt per capita, which scores well in the model. This was the lowest per capita burden of the last eight years.

## Legal Debt Limit Remaining



Suwanee had approximately \$5.1 million of general obligation debt applicable to the legal debt limit.

This means that at June 30, 2023, the City had a little over \$198 million, or 97% of its general bonded debt legal limit remaining.


# Property Taxes Per Capita



For the year ended June 30, 2023, the City had a property tax per capita ratio of approximately \$430.

This is an above satisfactory ratio in the model and a fairly significant increase from the prior seven years, due primarily to the increase in the assessed values of properties.





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