Click here for table of contents

city of **suwanee**

comprehensive annual financial report

year ended **june 30, 2006**









suwanee georgia

city of **suwanee**, georgia
comprehensive annual financial report
year ended june 30, 2006

prepared by:
Financial Services Department

suwanee city hall



city council



Nick **Masino**
Mayor



Jeannine K. **Rispin**
Moyor Pro-Tem



Jace **Brooks**
Council Member



Jimmy **Burnette**
Council Member



Dan **Foster**
Council Member



Alan **Landers**
Council Member

management **team**



Hardin **Watkins**
City Manager



Marty **Allen**
Planning & Development Director



Mike **Jones**
Chief of Police



James **Miller**
Public Works & Inspections Director



Elvira **Rogers**
Administrative Services Director



Amie **Sakmar**
Financial Services Director

Clicking on items in the Table of Contents will direct you to that page. ☐
Click the "Back" button to return.

table of **contents**

Introductory section (Unaudited)

Letter of Transmittal 1
- Demographics 2
- Governmental Structure 2
- Economic Condition and Outlook 3
- Major Initiatives 3
- For the Future 4
- Financial Information 4
- Other Information 5
- Awards 5

Certificate of Achievement for Excellence in Financial Reporting 7
City of Suwanee Administration Organizational Chart 8
City of Suwanee Police Department Organizational Chart 9

Financial Section

Independent Auditor's Report 11
Management's Discussion and Analysis 13
- Financial Highlights 13
- Overview of the Financial Statements 13
- Government-wide Financial Analysis 16
- Financial Analysis of the Government's Funds 20
- General Fund Budgetary Highlights 24
- Capital Assets and Debt Administration 25
- Economic Factors and Next Year's Budgets and Rates 26
- Request for Information 26

Basic Financial Statements
- Statement of Net Assets 27
- Statement of Activities 28
- Governmental Funds Balance Sheet 29
- Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances 30
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 31
- General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual 32
- Proprietary Funds-Statement of Net Assets 35
- Proprietary Funds-Statement of Revenues, Expenses and Changes in Fund Net Assets 36
- Proprietary Funds-Statement of Cash Flows 37
- Fiduciary Fund-Statement of Fiduciary Assets and Liabilities 38
- Notes to the Financial Statements 39

Financial Section (continued)

Supplementary Information
Non-Major Governmental Funds
Non-Major Governmental Funds-Combining Balance Sheet 58
Non-Major Governmental Funds-Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 60
Budgetary Compliance
Special Revenue Funds-Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 62
Debt Service Fund-Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual 67
Compliance
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds 68
Agency Fund
Municipal Court Fund Statement of Changes in Assets and Liabilities 70
Discretely Presented Component Unit
Component Unit-Balance Sheet 72
Component Unit-Statement of Revenues, Expenditures and Changes in Fund Balances 73
Component Unit-Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual 74

Statistical Section (Unaudited)

Net Assets by Component - Last 3 Years (accrual basis of accounting) S-2
Changes in Net Assets - Last 3 Fiscal Years (accrual basis of accounting) S-4
Governmental Activities Tax Revenues by Source - Last 3 Fiscal Years (accrual basis of accounting) S-6
Fund Balances of Governmental Funds - Last 10 Fiscal Years (modified accrual basis of accounting) S-8
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years (modified accrual basis of accounting) S-10
General Government Tax Revenue by Source - Last 10 Fiscal Years (modified accrual basis of accounting) S-12
Assessed Value and Estimated Actual Value of Taxable Property - Last 10 Years S-13
Property Tax Rates Direct and Overlapping Governments - Last 10 Fiscal Years S-14
Principal Property Tax Payers - Current and Seven Years Ago S-16
Property Tax Levies and Collections - Last 10 Fiscal Years S-18
Ratio of Outstanding Debt by Type S-19
Ratio of General Bonded Debt Outstanding - Last 10 Fiscal Years S-20
Direct and Overlapping Governmental Activities Debt S-21
Legal Debt Margin Information - Last 10 Fiscal Years S-22
Demographic and Economic Statistics - Last 10 Fiscal Years S-24
Principal Employers - Current Year and 5 Years ago S-25
Full-Time Equivalent City Government Employees by Function - Last 10 Fiscal Years S-26
Operating Indicators by Function - Last 10 Years S-28
Capital Assets Statistics by Function - Last 5 Years S-30
Schedule of Insurance in Force S-31

Compliance Section

Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Accounting Standards C-1

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introductory section

Letter of Transmittal
GFOA Certificate of Achievement
Organizational Chart

August 21, 2006

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



Suwanee ends the year with a SPLASH! As the Suwanee community celebrated its new interactive fountain at Town Center Park, we also made a splash to help our unofficial adopted sister city Long Beach, Mississippi, a Gulf-Coast community about 60 miles east of New Orleans. The June 17th event raised over $25,000 for Long Beach, and is an example of how Suwanee goes beyond government as usual. Each year as Suwanee goes about the challenging business of serving the growing number of citizens, the City strives to do so more efficiently and effectively than the previous year. Over the past fiscal year, Suwanee has attempted once again to deliver services beyond our citizens expectations, beyond government as usual. Therefore we are proud to present this Comprehensive Annual Financial Report for the year ended June 30, 2006, as part of the City's commitment to providing information beyond basic government reporting.



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



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

- The **Introduction Section** is intended to familiarize the reader with the organizational structure of the City, the nature and scope of the services it provides, and the specifics of its operating environment within the context of the local economy.
- The **Financial Section** includes the independent auditor's report on the basic financial statements, management's discussion and analysis, the audited basic financial statements, the notes to the basic financial statements, and combining and individual fund statements and schedules.
- The **Statistical Section** provides users with additional historical perspective, content, and detail to assist in understanding the information in the financial statements, notes to the financial statements, required supplementary information, and for assessing the City's economic condition.

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

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

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

demographics



Suwanee began as an American Indian village along the banks of the Suwanee Creek and the 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 presently has 10.5 square miles. The City is located in the north central portion of Georgia, approximately 30 miles northeast of downtown Atlanta. Highways serving the City include Interstate 85, U.S. Highway 23, Georgia Route 317, and Georgia Route 13-A (Peachtree Industrial Boulevard). Additional demographic information is provided in the Statistical Section of this report.

government structure





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

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

economic condition and outlook



Here we grow again. Suwanee's local economy continued to show a positive outlook for 2006. That outlook includes the following:

- **Population** – Suwanee's population has continued the rapid growth experienced during the 1990's. During the 1990's the population increased from 2,488 residents to 8,725, a growth rate of over 250%. Suwanee's current population is estimated at 15,147, an increase of over 73% for the past six years.
- **Development** – Suwanee has experienced a significant increase in the number of residential units over the past two years, adding 852 units in that time. By comparison, the City added 199 housing units, respectively, during 2004 and 2003. Total construction permits are also following the residential upward trend with 1,331 permits issued over the past two years compared to 703 issued during the previous two year period.
- **Property values** - Total taxable assessed property values increased by 9% for the 2005 property tax year allowing the City Council to lower the millage rate from 5.81 to 5.77 mills.
- **New projects**- In May, Hewlett-Packard announced their plans to open a $240 million data center in Suwanee to house computers HP uses to run its internal information-technology programs. HP is expecting to hire about 140 people over five years to tend servers and switches at the Suwanee site. Employees will be paid from $48,000 to $60,000. The first phase of this project was started in June with HP's first building permit being issued at a cost of $316,000 for 70,000 square feet of office warehouse space.
- **Median household income** – Suwanee was ranked 18th in the Atlanta Business Chronicle, Book of Lists for 2005 wealthiest zip codes in Atlanta. This ranking is based on median household income of $125,440 and a median home value of $318,510.

Suwanee has a very attractive demographic profile that is appealing to retailers and businesses serving the residential market. Through careful planning, the City intends to continue their important role of shaping the type of development attracted to the area. Additional data regarding these trends may be found on page 26 of management's discussion and analysis.

major initiatives



Working towards a better tomorrow. The City started efforts to enhance and transform the I-85 interchange area, which was identified as a gateway into Suwanee. In October 2005, the City Council adopted the I-85 Business District Competitive Assessment and Development Strategy Report, prepared by the Bleakly Advisory Group. The complex, multi-year strategy calls for creating a transportation grid, encouraging development of a signature project, implementing streetscape and pedestrian improvements, attracting private sector investments, and creating a brand for the area.

Suwanee continues to grow. In May 2006, Suwanee annexed a formerly unincorporated 270-acre service island and its 1,053 residents into the City. With this annexation and additional growth, Suwanee's estimated population rose to 15,147. The City also added to its open space inventory with the purchase of 8.5 acres along McGinnis Ferry Road, adjacent to Suwanee Creek Greenway.



Park perks. Big Splash, Suwanee's community funded interactive fountain, was completed in June. The 150 x 100 foot elliptical shaped fountain is the largest in Gwinnett County; it features 43 programmable jets and uses up to 1,400 gallons of recycled water per minute. The master plan for 62-acre Sims Lake Park was adopted in February. The plan calls for: three miles of trails, a prominent water feature, picnic shelters, an iconic landmark-type pavilion, a children's play area, and an outdoor lawn court area. City Council has set aside $2.6 million in open space bond funds for the park's initial development.

A safer Suwanee. In February, in an effort to improve traffic safety by reducing vehicle accidents with injuries, Suwanee installed its first red light camera system at McGinnis Ferry Road and Peachtree Industrial Boulevard. A second system at Lawrenceville-Suwanee Road and Satellite Boulevard went live in April. From March through June, more than 2,700 red light camera generated citations were issued.

for the future



The City's top priorities include design and construction of a new City Hall, implementing steps outlined in the Bleakly study for the I-85 Gateway area, continuing the open space and park initiatives, and a commitment to provide effective and responsive delivery of services with an emphasis on safety and planning for the future. The City uses a Capital Improvement Plan (CIP) to develop a framework that captures the goals and objectives for all City departments. The CIP is a comprehensive five-year plan that helps determine priorities, identify cost estimates and pinpoint financial resources. Longer range planning is accomplished through the City's Comprehensive Master Plan, which is developed and maintained in accordance with State of Georgia requirements. The short-term work program, a component of the Comprehensive Master Plan is reviewed and updated annually.

financial information

internal controls

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

budget controls

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

cash management

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

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

The average yield on investment for fiscal year 2006 was 4.0%. The total amount earned on all investments in all funds was $368,881. Investment earnings rose by $132,380 from fiscal year 2005 to 2006. This increase was largely due to idle special purpose local option sales tax funds and higher interest rate yields.

other information

risk management

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

independent audit

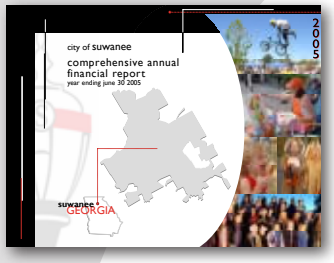
The financial statements included in this report are prepared in compliance with governmental financial reporting standards issued by the Governmental Accounting Standards Board, guidelines issued by the Government Finance Officers Association of the United States and Canada, and generally accepted accounting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

awards



Suwanee continues its winning ways as highlighted below:

- The PlayTown Suwanee community-build effort was recognized with a 2005 Georgia Downtown Award for Outstanding Organizational Outreach.
- Suwanee received the 2005 CREATE Community Award for building a stronger community while creating better parks.
- The city received the Trendsetter Award from the Georgia Municipal Association and Georgia Trend Magazine for community involvement in local government.
- The Suwanee Police Department was awarded third place in its class for Overall Traffic Enforcement Efforts by the Governor's Office of Highway Safety.



The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. This was the third consecutive year that the City has received this prestigious award, given for publishing an easily readable, efficiently organized comprehensive annual financial report conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA for consideration. The City is committed to this effort and will strive to maintain and surpass these standards on future reports.

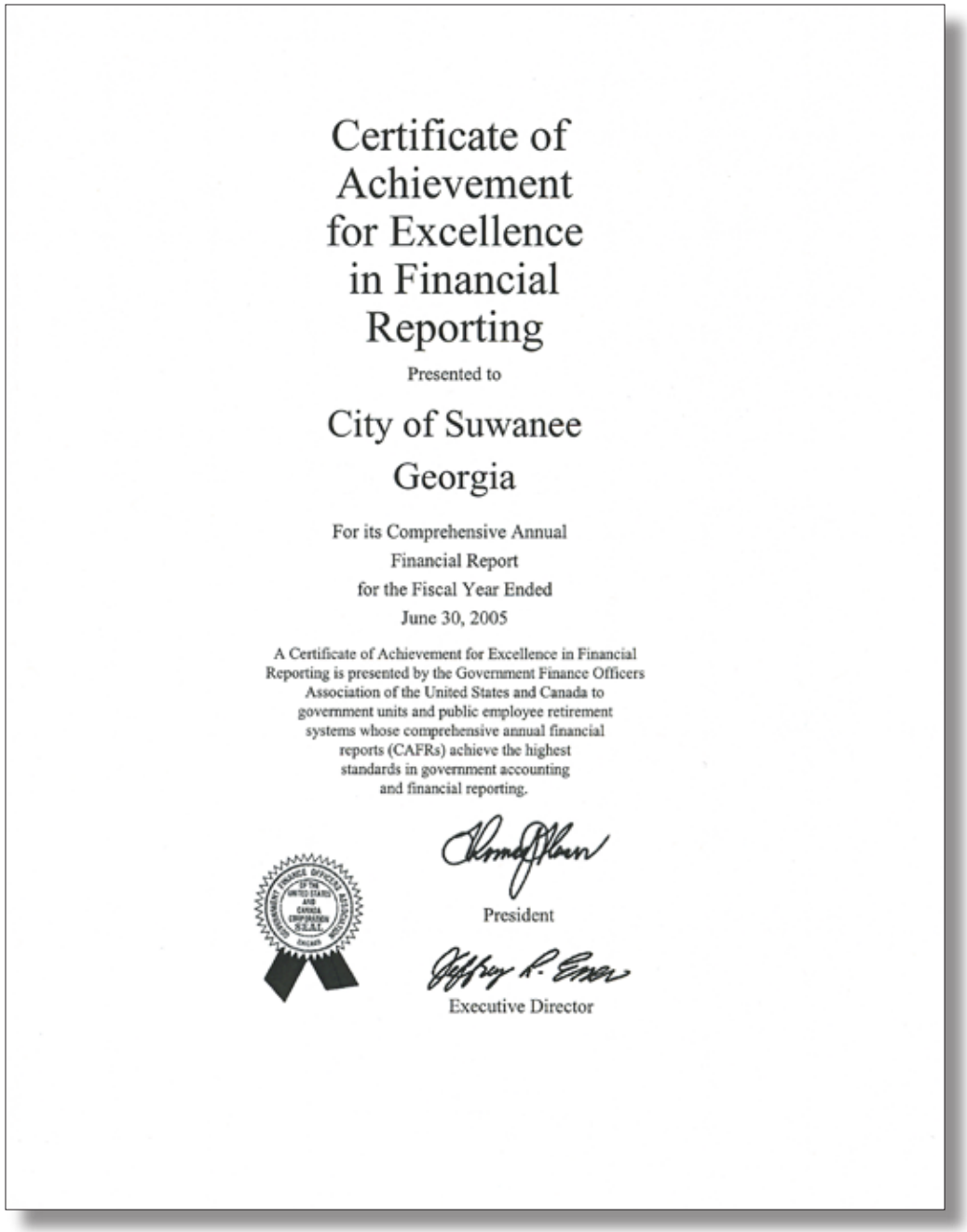
acknowledgements



The preparation and production of this document would not be possible without the dedication and cooperation of all City departments. Their willingness to work together has enabled Suwanee to produce a quality report that is readable and beneficial to Suwanee citizens. We also extend our appreciation and gratitude to our independent auditors, Mauldin & Jenkins, for their professional guidance and assistance in producing a technically sound document. Most importantly, we express our appreciation to the City Council for their dedication and leadership in striving to exceed expectations and their willingness to go beyond the run of the mill approach to local government.

Amie Sakmar
Financial Services Director

Hardin Watkins
City Manager



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Suwanee
Georgia

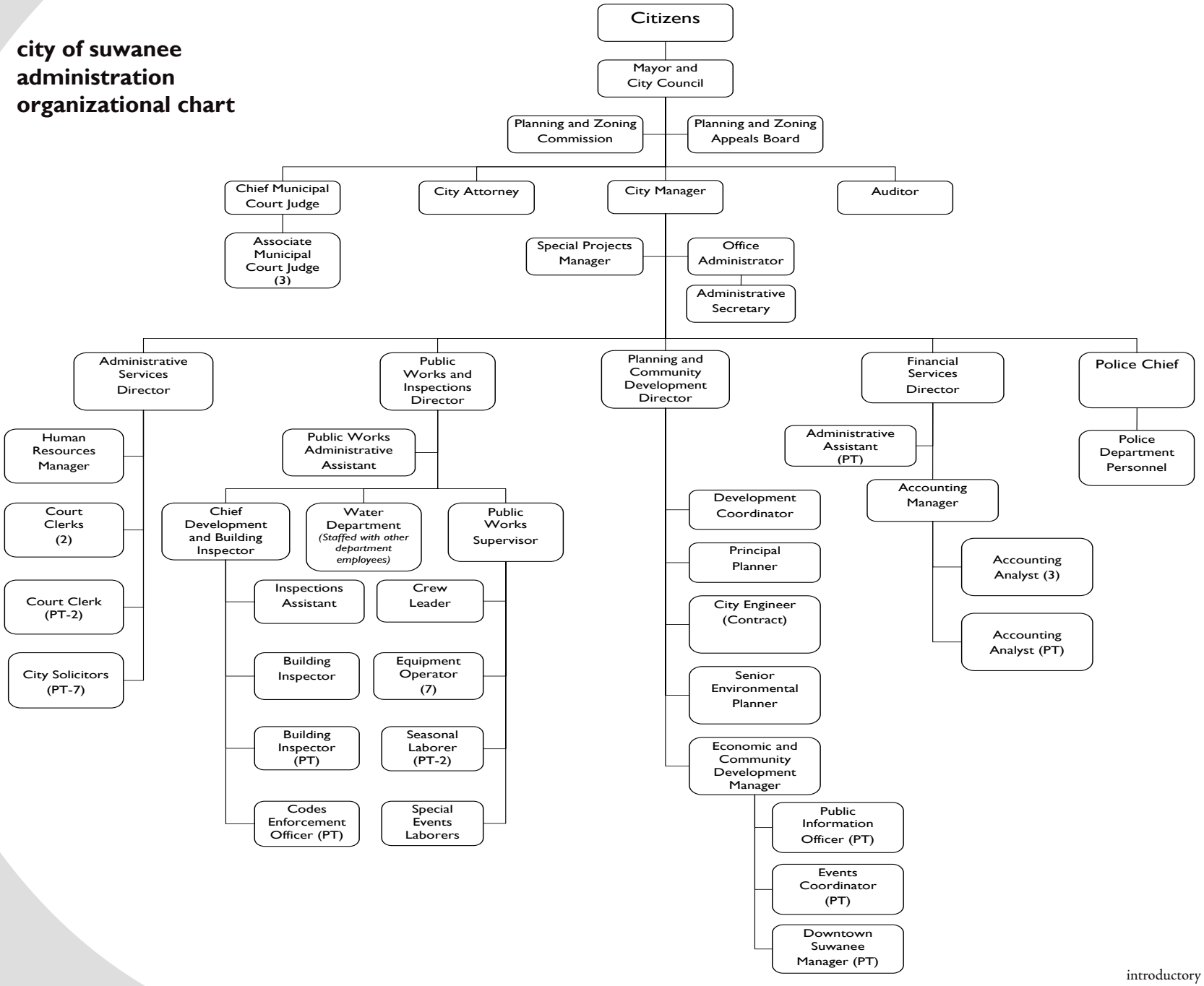
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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

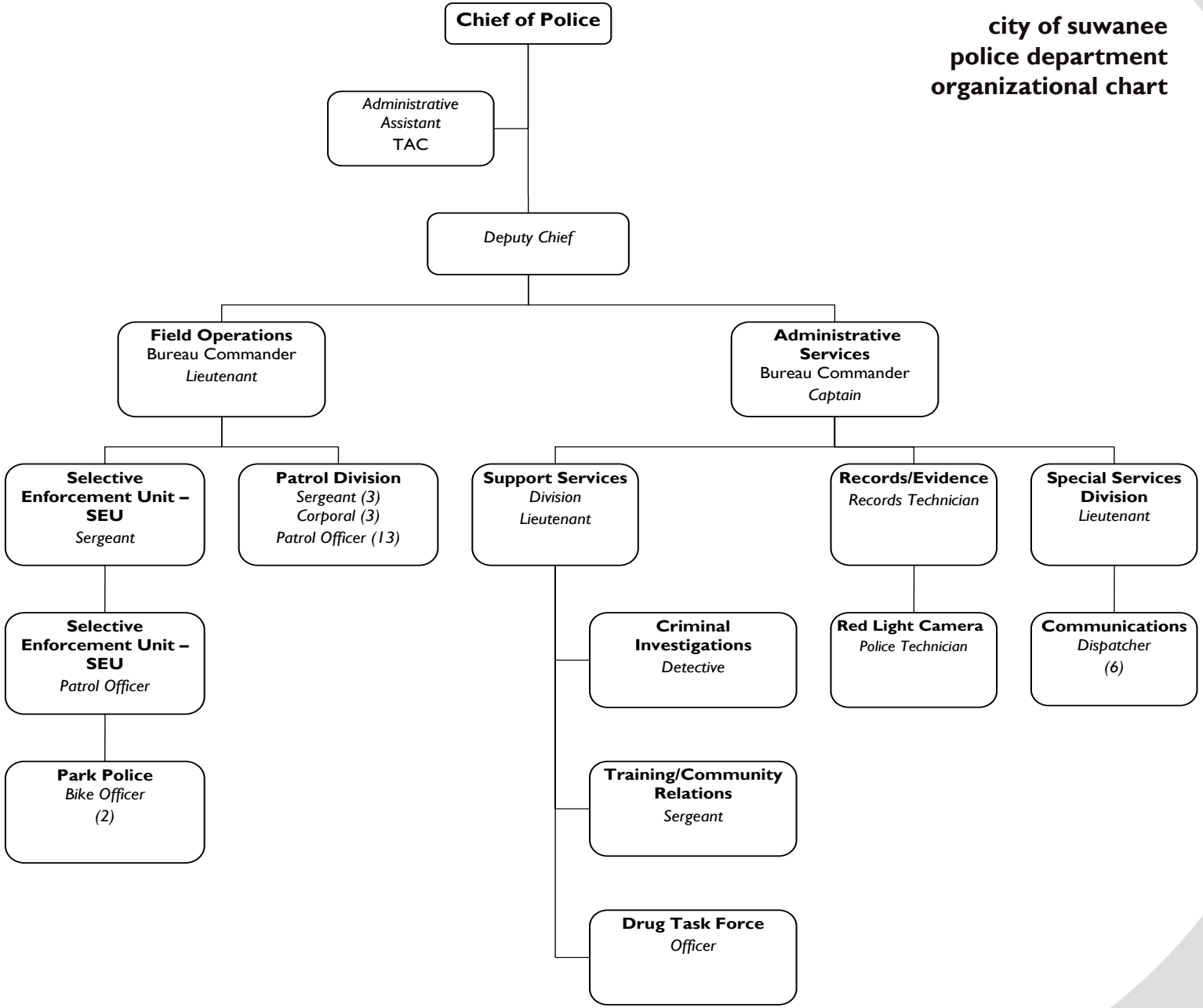
President

Executive Director

city of suwanee administration organizational chart



city of suwanee police department organizational chart



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financial section

Independant Auditor's Report
Managements's Discussion and Analysis

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Suwanee, Georgia (the "City") as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Suwanee, Georgia, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 21, 2006 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis (on pages 13 through 26) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 21, 2006

management discussion and analysis

The City of Suwanee management offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2006. This narrative is intended to assist the reader in understanding significant issues, provide an overview of financial activities and identify changes in financial position, material deviations from the original budget and individual fund issues or concerns. We encourage readers to consider the information presented herein, the information furnished in our letter of transmittal, and the City's basic financial statements and notes to the financial statements.

financial highlights

Government-wide. Assets of the City's governmental activities exceeded liabilities by $42,869,936. This is an increase of $9,921,613, or 30.1%, as compared to the prior year amount of $32,948,323. Assets of the City's business-type activities exceeded liabilities by $1,934,975, an increase of $51,872, or 2.8%, as compared to the prior year amount of $1,883,103. In total, net assets increased by $9,973,485 to $44,804,911. Of this amount, unrestricted net assets at June 30, 2006 were $9,455,410 or 21.1% of the City's total net assets.

Fund level. As of June 30, 2006, the City's governmental funds reported a combined ending fund balance of $13,200,050, an increase of $3,529,330, or 36.5%, from fiscal year 2005. Enterprise fund assets exceeded liabilities resulting in total net assets of $1,934,975, of which $1,843,832 was invested in capital assets, leaving a balance of $91,143 in unrestricted.

Long-term debt. The City's total bonds outstanding decreased by $335,000, or 2.0% during fiscal year 2006. This amount represents the annual bond payment for the 2002 general obligation bond.

overview of the financial statements

Suwanee's financial reporting focuses on the City as a whole and on the major individual funds. Both reporting perspectives provide a comprehensive view of the City's financial activities and a broad basis for comparison from year to year and from government to government. The financial section of this report presents the City's financial activities and position in three parts: 1) Management's Discussion and Analysis (MD&A), 2) The Basic Financial Statements, and 3) Other Supplementary Information presenting combining statements. This report also includes statistical and economic data.

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

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

- The statement of net assets combines and consolidates the City's current financial resources with capital assets and long-term obligations. This statement presents information regarding all of the City's assets and liabilities, for all fund types except for fiduciary funds, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the City is improving or deteriorating.

- The statement of activities presents information showing how the City's net assets changed during the fiscal year. The focus is on both the gross and net cost of governmental, business-type, and component unit activities. This statement summarizes the cost, or subsidy, of providing specific government services and includes all current year revenues and expenses. The format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenue they generate.

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

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

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

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. Fund financial statements focus on the most significant funds, reporting on the City's operations in greater detail than the government-wide statements. All of the City's funds can be divided into three categories: governmental, proprietary, and fiduciary.

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

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

The City maintains sixteen governmental funds. There are six governmental funds that are considered major funds for financial reporting purposes: General, Debt Service, 2005 SPLOST, Open/Green Space, Town Center Fountain, and Town Center Facility Improvements. Each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Data from other, non-major governmental funds are combined into a single, aggregated column. Specific fund data for each of the non-major funds is provided in the form of combining statements beginning on page 58.

Suwanee adopts an annual appropriated budget for general, special revenue, and debt service funds. A budgetary comparison statement has been provided for the general fund on page 32. The basic governmental fund financial statements can be found on pages 29-31. Budgetary comparison for other governmental funds with legally adopted annual budgets start on page 62.

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

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

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

Notes to the financial statements. The notes to the financial statements provide additional information that is essential for the reader to review in order to obtain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-56 of this report.

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

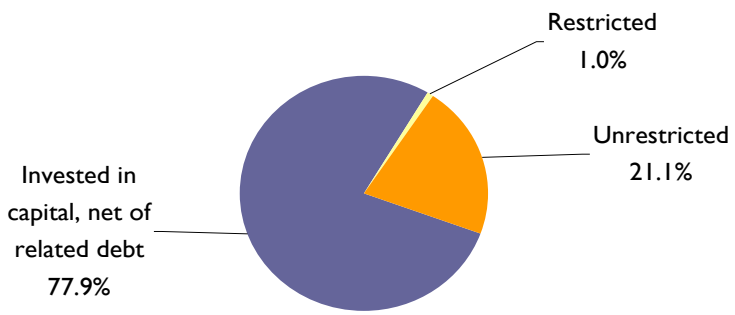
government-wide financial analysis

As noted earlier, changes in net assets may serve as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the City's assets exceeded its liabilities by $44,804,911 and $34,831,426 at June 30, 2006 and 2005 respectively. The following is a condensed version of the government-wide statement of net assets.

Net Assets on June 30, 2006 and June 30, 2005

	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Assets						
Current and other assets	$ 13,709,802	$ 9,974,898	$ 108,655	$ 73,214	$ 13,818,457	$ 10,048,112
Capital assets	46,134,838	40,309,052	2,211,216	2,202,580	48,346,054	42,511,632
Total assets	59,844,640	50,283,950	2,319,871	2,275,794	62,164,511	52,559,744
Liabilities						
Long-term liabilities outstanding	16,794,401	17,100,770	367,384	106,685	17,161,785	17,207,455
Other liabilities	180,303	234,857	17,512	286,006	197,815	520,863
Total liabilities	16,974,704	17,335,627	384,896	392,691	17,359,600	17,728,318
Net Assets						
Invested in capital, net of related debt	33,073,810	28,249,009	1,843,832	2,095,895	34,917,642	30,344,904
Restricted for debt service	431,859	412,328	-	-	431,859	412,328
Unrestricted	9,364,267	4,286,986	91,143	(212,792)	9,455,410	4,074,194
Total net assets	$ 42,869,936	$ 32,948,323	$ 1,934,975	$ 1,883,103	$ 44,804,911	$ 34,831,426

Primary Government Net Assets-June 30, 2006



The largest portion of the City's net assets 77.9% are invested in capital assets such as land, buildings, equipment, and infrastructure (roads, bridges, and other immovable assets), net any related debt used to acquire those assets. Investment in capital assets net of related debt increased by $4,572,738 or 15.1%. These capital assets are used by the City to provide services to citizens. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City has restrictions of $431,859 of net assets to be spent on debt service. The remaining balance of unrestricted net assets 21.1%, may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City was able to report positive balances in all three categories of net assets, both for the government as a whole as well as the separate governmental and business type activities. Growth in net assets is a positive economic indicator of the City's improved financial position from 2005.

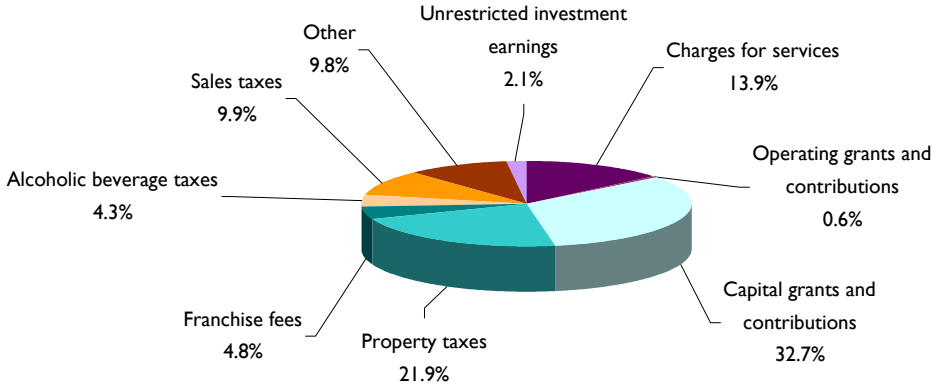
Governmental activities. Governmental activities increased the City's net assets by $9,921,613 thereby accounting for 99.5% of the total growth in net assets. A large percentage of the increase in governmental activities net assets is related to donations of infrastructure by developers and annexation rather than accumulation of cash or other liquid assets. The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures while its revenues include capital grants and donations. The following condensed financial information was derived from the government-wide Statement of Activities and reflects how net assets changed during fiscal year 2006.

Change in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues:						
Charges for services	$ 2,478,498	$ 2,049,138	$ 103,714	$ 73,964	$ 2,582,212	$ 2,123,102
Operating grants and contributions	112,663	70,721	-	-	112,663	70,721
Capital grants and contributions	5,824,160	9,217,917	-	-	5,824,160	9,217,917
General revenues:						
Property taxes	3,892,897	3,525,468	-	-	3,892,897	3,525,468
Franchise fees	851,466	714,216	-	-	851,466	714,216
Alcoholic beverage taxes	759,968	646,093	-	-	759,968	646,093
Sales taxes	1,767,147	1,134,738	-	-	1,767,147	1,134,738
Other	1,738,983	1,623,168	-	-	1,738,983	1,623,168
Unrestricted investment earnings	368,047	236,064	834	437	368,881	236,501
Total revenues	17,793,829	19,217,523	104,548	74,401	17,898,377	19,291,924
Expenses						
General government	1,464,204	1,385,716	-	-	1,464,204	1,385,716
Judicial	273,744	236,030	-	-	273,744	236,030
Police	2,800,988	2,643,854	-	-	2,800,988	2,643,854
Public works	1,697,500	1,742,494	-	-	1,697,500	1,742,494
Culture and recreation	359,366	185,431	-	-	359,366	185,431
Housing and development	811,030	1,166,798	-	-	811,030	1,166,798
Tourism and trade	95,361	184,247	-	-	95,361	184,247
Interest on long term debt	890,884	943,654	-	-	890,884	943,654
Water and sewer	-	-	89,076	102,649	89,076	102,649
Total expenses	8,393,077	8,488,224	89,076	102,649	8,482,153	8,590,873
Increase (decrease) in net assets before transfers	9,400,752	10,729,299	15,472	(28,248)	9,416,224	10,701,051
Transfers	(36,400)	-	36,400	-	-	-
Increase in net assets before special item	9,364,352	10,729,299	51,872	(28,248)	9,416,224	10,701,051
Special item-gain on sale of capital asset	557,261	1,445,096	-	-	557,261	1,445,096
Change in net assets	9,921,613	12,174,395	51,872	(28,248)	9,973,485	12,146,147
Net assets-July 1	32,948,323	20,773,928	1,883,103	1,911,351	34,831,426	22,685,279
Net assets-June 30	$ 42,869,936	$ 32,948,323	$ 1,934,975	$ 1,883,103	$ 44,804,911	$ 34,831,426

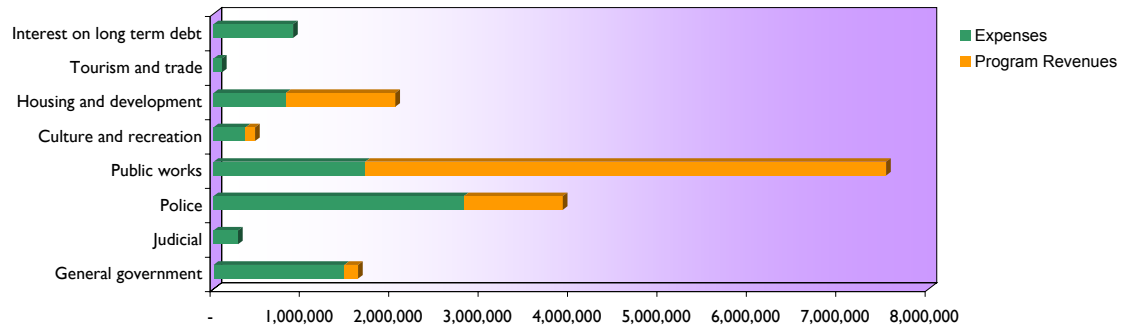
Governmental activities revenue totaled $17,793,829 for fiscal year 2006. Capital grants and contributions are the largest revenue source for governmental activities accounting for 32.7% of total revenue. Property taxes and Charges for services are the second and third largest revenue source accounting for 21.9% and 13.9% of governmental revenues for the year.

Revenues by Source-Governmental Activities

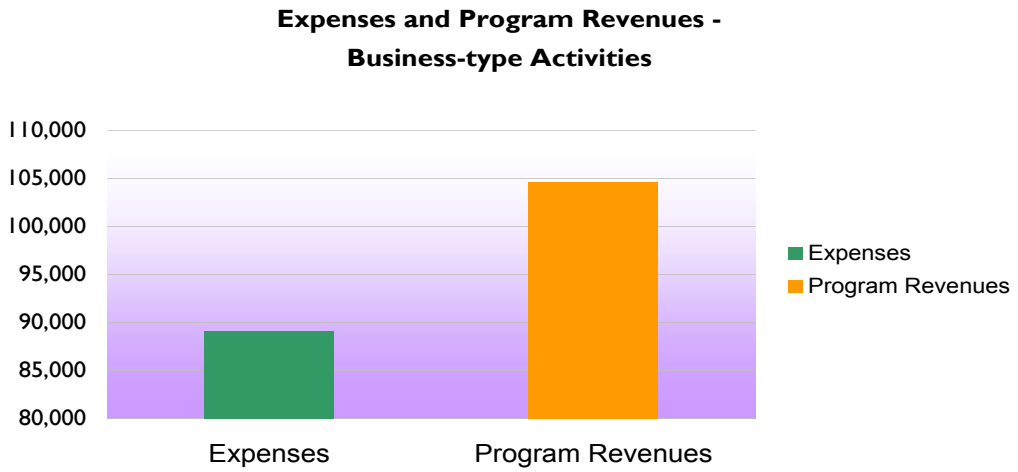


Governmental expenses totaled $8,393,077 for the fiscal year. Of the expenditures, 33.4% or $2,800,988 is related to police. Public works accounted for $1,697,500, or 20.2%. Interest on long-term debt accounted for 10.6% of overall governmental expenses. The chart below compares governmental activities with their respective program revenues, if any.

Governmental Activities Expenses and Program Revenues



Business-type activities. Business-type activities increased the City's net assets by $51,872 accounting for less than one percent of the total change in net assets.



financial analysis of the government's funds

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

As of June 30, 2006, the City's governmental funds reported a combined ending fund balance of $13,200,050, an increase of $3,529,330 in comparison with the prior year. Approximately 36.4% of the ending fund balance ($4,811,236) constitutes unreserved fund balance in the general fund, which is available to meet the City's current and future needs. The remainder of fund balance is reserved or included in other funds to indicate that it is not available for new spending because it has been committed to pay debt service ($431,859), to pay for capital projects ($7,748,863), and for various other purposes ($208,092).

The general fund is the chief operating fund of the City. At June 30, 2006, unreserved fund balance of the general fund was $4,811,236. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 59.0% of total general fund expenditures and transfers. The fund balance of the general fund increased by $1,439,046 during the current fiscal year.

Revenues Classified by Source - General Fund

	FY 2006		FY 2005		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by Source:						
Taxes	$ 6,820,260	72.1%	$ 6,486,338	74.4%	$ 333,922	5.1%
Licenses and permits	1,295,038	13.7%	944,046	10.8%	350,992	37.2%
Intergovernmental	4,898	0.1%	69,075	0.8%	(64,177)	-92.9%
Charges for service	121,907	1.3%	124,957	1.4%	(3,050)	-2.4%
Fines and forfeitures	1,045,252	11.0%	972,494	11.2%	72,758	7.5%
Other	175,555	1.8%	116,182	1.4%	59,373	51.1%
Total	$ 9,462,910	100.0%	$ 8,713,092	100.0%	$ 749,818	8.6%

The following provides an explanation of revenues by source changes from the previous period:

- Electric franchise revenue increased by $112,049 based on increases in electrical usage attributable to commercial and industrial growth. Business license revenue increased by $213,849 which is also attributable to the commercial and industrial growth in Suwanee.

- Licenses and permits increased by $350,992 based on a record year of commercial and residential permits issued. Suwanee has experienced significant increases in the number of residential units over the past two years, adding 852 units for both periods. By comparison, the City added 199 housing units, respectively, during 2004 and 2003. Total construction permits are also following the upward residential trend with 1,331 permits issued over the past two years compared to 703 issued during the previous two year period.

- Intergovernmental grants have decreased by $64,177. Due to a change in Gwinnett County's policy, the City no longer receives an annual allocation for storm drainage.

- Charges for services decreased slightly due to a decline in requests for special duty police services. These services are provided to private businesses for events needing traffic or crowd control.

- Fines and forfeitures increased by $72,758 due to the new red light camera program started in the fourth quarter.

- Other revenues increased by $59,373. The majority of this increase is related to investment earnings on idle cash reserves.

Expenditures by Function - General Fund

	FY 2006		FY 2005		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General government	$ 1,425,714	22.3%	$ 1,269,468	19.9%	$ 156,246	12.3%
Judicial	293,230	4.6%	236,046	3.7%	57,184	24.2%
Police	2,845,511	44.5%	2,614,792	40.8%	230,719	8.8%
Public works	727,045	11.4%	855,276	13.4%	(128,231)	-15.0%
Culture and recreation	180,926	2.8%	143,013	2.2%	37,913	26.5%
Housing and development	820,148	12.8%	1,158,423	18.1%	(338,275)	-29.2%
Debt service:						
Principal retirement	94,648	1.5%	112,726	1.8%	(18,078)	-16.0%
Interest	5,065	0.1%	4,784	0.1%	281	5.9%
Total	$ 6,392,287	100.0%	$ 6,394,528	100.0%	$ (2,241)	0.0%

The following provides an explanation of expenditures by function that changed significantly over the previous period:

- General government expenditures increased by $156,246 or 12.3% and police expenditures increased by $230,719 or 8.8%. The majority of the increase for both functions was due to the implementation of a new defined benefit program through Georgia Municipal Association. This new plan went into effect on November 1, 2005 and had a fiscal impact of $345,000.

- Judicial expenditures increased by $57,184 or 24.2%. This increase was due to start up costs for the new red light camera program started in the fourth quarter of fiscal year 2006.

- Public works expenditures decreased by $128,231 or 15.0%. This decrease was due to the 2005 special purpose local option sales tax (SPLOST) program. Annual street paving and storm drainage repairs have been moved to the 2005 SPLOST fund and are not currently being accounted for in the general fund.

- Culture and recreation expenditures increased by $37,913 or 26.5%. The majority of this increase was for a large concert program at Town Center Park ($35,349).

- Housing and development expenditures decreased by $338,275 or 29.2%. The majority of this decrease is due to a one time transfer of $420,000 to the Downtown Development Authority in fiscal year 2005.

- Principal retirement expenditures decreased by $18,078 or 16.0%. This is due to a decrease in the number of vehicles currently being leased.

Capital projects funds account for the financial resources used for the purchase and construction of major capital facilities. During fiscal year 2006 the City had four capital project funds that were considered major funds; the 2005 SPLOST fund, Open/Green Space fund, Town Center Fountain fund, and Town Center Facility Improvement fund.

The 2005 SPLOST fund consists of thirteen separate projects. These projects include: street resurfacing and improvements, traffic calming, storm drainage and system improvements, PlayTown Suwanee phase II, pedestrian bridge, pedestrian improvements at Highway 23 and Town Center Park, Suwanee Creek Greenway – Trice section, Town Center Park enhancements, police communications, alternative transportation, I-85 streetscape, Police Department expansion, and financing for Town Center Fountain and the Pedestrian Underpass. The City has entered into an intergovernmental agreement with Gwinnett County allocating $6,487,060 to be paid out as collected from the County to the City over the next three years. As of June 30, 2006, the unreserved fund balance was $1,624,782.

At the end of the current fiscal year, the unreserved fund balance of the Open/Green Space fund was $3,586,962, representing a decrease of $203,578 from fiscal year 2005. The remaining resources of the 2002 General Obligation Bond proceeds will be used to implement phase I of the Sims Lake master plan ($2,720,555), implement phase III of the Suwanee Creek Park master plan ($385,407), provide a connector for the Suwanee Greenway at Smithtown Road ($214,000), and provide additional funding for the Suwanee Greenway – Trice section improvements.

Town Center Fountain fund was created in fiscal year 2005 to account for the construction of an interactive fountain at Town Center Park. Funding for this project includes funds raised by the Better Parks Campaign, 2005 SPLOST, and a construction assistance grant from Gwinnett County. At the end of fiscal year 2006, the unreserved fund had a negative balance of $57,440. This negative balance will be funded by the assistance grant from Gwinnett County.

The Town Center Facility Improvement fund unreserved fund balance at year-end was $1,995,092. This fund was created during fiscal year 2005 to account for the long-term capital facility project at the Town Center Urban Redevelopment Agency (URA) property site. Current funding for this project has been provided by the sale of three parcels at the URA property site. One parcel remains to be sold and is currently under contract to close June 2007.

The debt service fund balance was $431,859 as of June 30, 2006, all of which is reserved for future payments of debt service.

Proprietary funds. The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term financial information. At the fiscal year end, the water fund had an operating income of $25,570 compared to an operating loss of $25,746 in the prior year. Operating revenues were 40.2% above those in fiscal year 2005 and operating expenses were 21.6% lower than fiscal year 2005. In the prior period, operating costs were higher due to purchasing water from Gwinnett County during periods that our system was not in use due to major system improvements. Operating revenues are increasing due to new homes being added to the water system.

general fund budgetary highlights

Differences between the original budget ($8,635,650) and the final amended budget ($8,900,425) amounted to an overall increase of $264,775. A brief summary of these increases are explained below:

- Transfer to Public Works Yard Expansion capital project $200,000.
- Transfer to Paved Streets capital project $86,060.
- Transfer to Storm Drainage capital projects $15,000.
- The Public Works budget was lowered by $36,285 to remove the inmate work crew program. The inmate work crew program was not used in fiscal year 2006 due to a shortage of guards at the Gwinnett County Correctional Center.

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2006 can be found on pages 32-34. The following chart is a summary of that schedule.

	Budget			Variance
	Original	Final	Actual	with Final
Revenues, transfers, and other financing sources:				
Taxes	$ 6,648,050	$ 6,437,285	$ 6,820,260	$ 382,975
License and permits	660,550	1,149,280	1,295,038	145,758
Intergovernmental revenues	50,000	1,440	4,898	3,458
Charges for service	80,250	105,290	121,907	16,617
Fines and forfeitures	975,000	956,880	1,045,252	88,372
Investment income	52,000	102,000	154,154	52,154
Miscellaneous revenues	15,000	14,850	21,401	6,551
Other financing sources	154,800	133,400	133,403	3
Total	8,635,650	8,900,425	9,596,313	695,888
Expenditures and transfers out:				
Expenditures	7,171,750	7,135,445	6,392,287	(743,158)
Transfers out	1,463,900	1,764,980	1,764,980	-
Total	8,635,650	8,900,425	8,157,267	(743,158)
Change in fund balance	$ -	$ -	$ 1,439,046	$ 1,439,046

During the year, general fund revenues exceeded budgetary projections, and expenditures were less than budgetary estimates. Actual revenues were $695,888 higher than estimates. Whereas expenditures were $743,158 lower than the final budgetary appropriations. Listed below are the major areas that expenditures were lower than appropriations.

- Salaries and benefits expenditures were $371,080 less than appropriations. This was due to several police officer vacancies during the period and differences in projected enrollment and actual enrollment to the new pension plan. Employer contributions for the new plan were 11% whereas the money purchase plan only required 5% employer contribution. Employees had the option of joining the new plan or remaining with the old plan.

- Purchased professional services expenditures were $67,404 less than appropriations. The majority of this decrease was due to lower than expected legal fees, ground maintenance, and contracted development review services.

- Other purchased services and supplies expenditures were $174,650 less than appropriations. Original budget appropriations included costs that were not expended due to donations and sponsorships from private organizations for special events.

- Machinery and equipment expenditures were $79,590 less than appropriations. This difference in budgeted to actual was due to a delay in purchasing police vehicles.

capital assets and debt administration

Capital assets. On June 30, 2006, the City's investment in capital assets in both governmental and business-type activities amounted to $48,346,054, net of depreciation. This includes land, land improvements, buildings, machinery and equipment, park facilities, and infrastructure. The majority of the increase in governmental capital assets is attributable to donations of infrastructure, which increased capital assets by $5,804,985.

Additional information on capital assets can be found in Note 6 on pages 47-48 of this report.

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Land	$ 10,236,082	$ 10,092,199	$ 7,500	$ 7,500	$ 10,243,582	$ 10,099,699
Land improvements	148,054	157,493	3,090	3,337	151,144	160,830
Buildings	6,617,320	5,869,737	-	-	6,617,320	5,869,737
Water distribution	-	-	1,778,837	1,812,837	1,778,837	1,812,837
Machinery and equipment	467,000	451,951	12,204	14,966	479,204	466,917
Vehicles	409,141	354,200	-	-	409,141	354,200
Infrastructure	23,488,749	18,647,337	-	-	23,488,749	18,647,337
Construction in progress	4,768,492	4,736,135	409,585	363,940	5,178,077	5,100,075
Total	$ 46,134,838	$ 40,309,052	$ 2,211,216	$ 2,202,580	$ 48,346,054	$ 42,511,632

Long-term debt. At the end of the fiscal year, the City had general obligation bonded debt outstanding of $16,405,000. This debt is secured by the full faith, credit, and resources of the City. The City's total bonded debt decreased by $335,000, or 2.0% during the current fiscal year. The City maintains an AA- rating from two of the three rating agencies that review public sector debt. State statutes limit the amount of general obligation debt a government entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is $68,170,053; current bonded debt is below this limit with 23.4% of the legal debt limit used. Additional information regarding long-term debt can be found in Note 7 on pages 49-50 of this report.

economic factors and next year's budget and rates

Suwanee is continuing to experience a fast paced growth pattern. The City's population grew from 2,412 in 1990 to 8,725 in 2000. This growth has continued to expand with our current population estimate at 15,147 for fiscal year 2006. Suwanee's economic outlook for 2007 is positive considering the following information.

- The city's economy is based on a mix of residential, warehouse, industrial, and commercial uses. Property values continue to rise as noted in the Atlanta Business Chronicle, Book of Lists for 2005, Suwanee's zip code was ranked 18th for wealthiest zip codes in metro Atlanta based on median household income of $125,440 and a median home value of $318,510.

- The fiscal year 2007 annual budget for the general, special revenue and debt service funds is $11,378,980. This in an increase of 9.4% from the previous fiscal year 2006.

- The fiscal year 2007 general fund budget is $9,922,150, an increase of 11.5% from 2006 final appropriations of $8,900,425.

- The 2006 property tax digest was projected, through the budget process, to increase by 11% showing a continued steady growth. The millage rate will remain at 5.77 mills, the same rate used in fiscal year 2006, thru the budget process.

- The City's building permit revenue has surpassed all previous benchmarks. In calendar year 2005, building permits issued represented $72.9 million in value for residential and $25.6 million in value for commercial. This growth has continued in calendar year 2006.

All of these factors were taken into consideration when preparing the 2007 budget. Major expenditures in the 2007 budget will allow the City to undertake projects in three major categories. The City will be able to deliver services through the implementation of technological initiatives, ensure a competent and professional workforce is retained by updating compensation scales based on market trends, and provide capital planning that includes allocating current resources to fund a new City Hall, purchase land for the Public Works yard expansion, and improvements to the Suwanee Gateway District.

request for information

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

basic financial statements

Government-wide Financial Statements
Fund Financial Statements

statement of net assets

june 30, 2006

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit
ASSETS				
Cash and cash equivalents	$ 3,255,969	$ 98,494	$ 3,354,463	$ 45,050
Investments	9,640,495	-	9,640,495	-
Receivables:				
Property taxes	354,740	-	354,740	-
Sales taxes	288,690	-	288,690	-
Other	151,908	6,716	158,624	-
Restricted cash	18,000	3,445	21,445	-
Capital assets, nondepreciable	15,004,574	417,085	15,421,659	-
Capital assets, depreciable, net of accumulated depreciation	31,130,264	1,794,131	32,924,395	394,875
Total assets	59,844,640	2,319,871	62,164,511	439,925
LIABILITIES				
Accounts payable	84,887	-	84,887	-
Accrued interest	-	14,067	14,067	-
Retainage payable	77,416	-	77,416	-
Liabilities payable from restricted assets	18,000	3,445	21,445	-
Noncurrent liabilities:				
Notes payable due in more than one year	-	367,384	367,384	-
General obligation bonds due within one year	350,000	-	350,000	-
General obligation bonds due in more than one year	16,055,000	-	16,055,000	-
Capital leases due within one year	92,756	-	92,756	-
Capital leases due in more than one year	80,169	-	80,169	-
Compensated absences due within one year	69,272	-	69,272	-
Compensated absences due in more than one year	147,204	-	147,204	-
Total liabilities	16,974,704	384,896	17,359,600	-
NET ASSETS				
Invested in capital assets, net of related debt	33,073,810	1,843,832	34,917,642	394,875
Restricted for debt service	431,859	-	431,859	-
Unrestricted	9,364,267	91,143	9,455,410	45,050
Total net assets	$ 42,869,936	$ 1,934,975	$ 44,804,911	$ 439,925

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

statement of activities

year ended june 30, 2006

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business Type	Primary Government: Total	Component Unit
Primary Government:								
Governmental activities:								
General government	$ 1,464,204	$ 153,187	$ -	$ -	$ (1,311,017)	$ -	$ (1,311,017)	
Judicial	273,744	-	-	-	(273,744)	-	(273,744)	
Police	2,800,988	1,099,754	7,902	-	(1,693,332)	-	(1,693,332)	
Public works	1,697,500	3,428	-	5,824,160	4,130,088	-	4,130,088	
Culture and recreation	359,366	-	104,761	-	(254,605)	-	(254,605)	
Housing and development	811,030	1,222,129	-	-	411,099	-	411,099	
Tourism and trade	95,361	-	-	-	(95,361)	-	(95,361)	
Interest on long term debt	890,884	-	-	-	(890,884)	-	(890,884)	
Total governmental activities	8,393,077	2,478,498	112,663	5,824,160	22,244	-	22,244	
Business-type activities								
Water and sewer	89,076	103,714	-	-	-	14,638	14,638	
Total Primary Government	$ 8,482,153	$ 2,582,212	$ 112,663	$ 5,824,160	$ 22,244	$ 14,638	$ 36,882	
Component Unit	$ 48,304	$ -	$ 75,110	$ -				$ 26,806
General revenues:								
Taxes:								
Property taxes					3,892,897	-	3,892,897	-
Franchise fees					851,466	-	851,466	-
Hotel/motel taxes					361,321	-	361,321	-
Alcoholic beverage tax					759,968	-	759,968	-
Business and occupation taxes					888,285	-	888,285	-
Insurance premium taxes					436,978	-	436,978	-
Sales taxes					1,767,147	-	1,767,147	-
Other taxes					34,002	-	34,002	-
Unrestricted investment earnings					368,047	834	368,881	228
Miscellaneous					18,397	-	18,397	-
Transfers					(36,400)	36,400	-	-
Special item sale of capital asset					557,261	-	557,261	-
Total general revenues, transfers, and special items					9,899,369	37,234	9,936,603	228
Change in net assets					9,921,613	51,872	9,973,485	27,034
Net assets - beginning					32,948,323	1,883,103	34,831,426	412,891
Net assets - ending					$ 42,869,936	$ 1,934,975	$ 44,804,911	$ 439,925

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

governmental funds balance sheet

june 30, 2006

	General	Debt Service	2005 SPLOST	Open/Green Space	Town Center Fountain	TC Facility Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	$ 1,501,713	$ 1,088	$ 525,811	$ 470,613	$ -	$ 10,747	$ 745,997	$ 3,255,969
Investments	3,167,561	430,771	813,281	3,134,141	-	2,034,915	59,826	9,640,495
Receivables:								
Property taxes	354,740	-	-	-	-	-	-	354,740
Sales taxes	-	-	288,690	-	-	-	-	288,690
Other	138,456	-	-	-	-	-	13,452	151,908
Due from other funds	50,000	-	-	-	-	-	-	50,000
Restricted cash	-	-	-	-	-	-	18,000	18,000
Total assets	$ 5,212,470	$ 431,859	$ 1,627,782	$ 3,604,754	$ -	$ 2,045,662	$ 837,275	$ 13,759,802
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 71,785	$ -	$ -	$ -	$ 816	$ 570	$ 11,716	$ 84,887
Due to other funds	-	-	-	-	-	50,000	-	50,000
Retainage payable	-	-	3,000	17,792	56,624	-	-	77,416
Deferred revenue	329,449	-	-	-	-	-	-	329,449
Escrow deposits	-	-	-	-	-	-	18,000	18,000
Total Liabilities	401,234	-	3,000	17,792	57,440	50,570	29,716	559,752
Fund Balances (Deficit):								
Reserved for:								
Debt service	-	431,859	-	-	-	-	-	431,859
Unreserved reported in:								
General fund, undesignated	4,811,236	-	-	-	-	-	-	4,811,236
Special revenue funds, undesignated	-	-	-	-	-	-	208,092	208,092
Capital project funds, undesignated	-	-	1,624,782	3,586,962	(57,440)	1,995,092	599,467	7,748,863
Total fund balances (deficit)	4,811,236	431,859	1,624,782	3,586,962	(57,440)	1,995,092	807,559	13,200,050
Total liabilities and fund balances	$ 5,212,470	$ 431,859	$ 1,627,782	$ 3,604,754	$ -	$ 2,045,662	$ 837,275	

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	46,134,838
Other long-term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds.	329,449
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(16,794,401)
Net assets of governmental activities	$ 42,869,936

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

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

year ended june 30, 2006

	General	Debt Service	2005 SPLOST	Open/Green Space	Town Center Fountain	TC Facility Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES								
Property taxes	$ 3,632,768	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,632,768
Franchise taxes	851,466	-	-	-	-	-	-	851,466
Alcoholic beverage taxes	759,968	-	-	-	-	-	-	759,968
Sales taxes	-	-	1,767,147	-	-	-	-	1,767,147
Business taxes	1,325,263	-	-	-	-	-	-	1,325,263
Hotel/motel taxes	216,793	-	-	-	-	-	144,528	361,321
Other taxes	34,002	-	-	-	-	-	-	34,002
Licenses and permits	1,295,038	-	-	-	-	-	-	1,295,038
Intergovernmental revenues	4,898	-	-	-	-	-	19,175	24,073
Charges for services	121,907	-	-	-	-	-	-	121,907
Fines and forfeitures	1,045,252	-	-	-	-	-	16,302	1,061,554
Investment income	154,154	11,850	16,816	127,408	1,820	44,660	11,339	368,047
Contributions and donations	3,004	-	-	-	-	-	104,761	107,765
Miscellaneous revenue	18,397	-	-	-	-	-	-	18,397
Total revenues	9,462,910	11,850	1,783,963	127,408	1,820	44,660	296,105	11,728,716
EXPENDITURES								
Current:								
General government	1,425,714	-	46	-	-	-	-	1,425,760
Judicial	293,230	-	-	-	-	-	-	293,230
Police	2,845,511	-	-	-	-	-	12,285	2,857,796
Public works	727,045	-	-	-	-	-	-	727,045
Culture and recreation	180,926	-	-	-	-	-	71,287	252,213
Housing and development	820,148	-	-	-	-	-	-	820,148
Tourism and trade	-	-	-	-	-	-	95,361	95,361
Capital outlay	-	-	208,278	330,986	577,975	36,608	125,457	1,279,304
Debt service:								
Principal	94,648	335,000	-	-	-	-	-	429,648
Interest	5,065	885,819	-	-	-	-	-	890,884
Total expenditures	6,392,287	1,220,819	208,324	330,986	577,975	36,608	304,390	9,071,389
Excess (deficiency) of revenues over (under) expenditures	3,070,623	(1,208,969)	1,575,639	(203,578)	(576,155)	8,052	(8,285)	2,657,327
OTHER FINANCING SOURCES (USES)								
Proceeds from capital lease	133,403	-	-	-	-	-	-	133,403
Transfers in	-	1,228,500	10,000	-	388,816	959,000	311,080	2,897,396
Transfers out	(1,764,980)	-	(388,816)	-	-	-	(780,000)	(2,933,796)
Total other financing sources (uses)	(1,631,577)	1,228,500	(378,816)	-	388,816	959,000	(468,920)	97,003
Special item - Sale of land	-	-	-	-	-	-	775,000	775,000
Net change in fund balances	1,439,046	19,531	1,196,823	(203,578)	(187,339)	967,052	297,795	3,529,330
FUND BALANCES, beginning of year	3,372,190	412,328	427,959	3,790,540	129,899	1,028,040	509,764	9,670,720
FUND BALANCES (DEFICIT), end of year	$ 4,811,236	$ 431,859	$ 1,624,782	$ 3,586,962	$ (57,440)	$ 1,995,092	$ 807,559	$ 13,200,050

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, 2006

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

Net change in fund balances-total governmental funds			$ 3,529,330
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.			260,128
Governmental funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.			
	Additions	$ 7,435,530	
	Deletions	(228,736)	
	Depreciation expense	(1,381,008)	5,825,786
Fixed assets acquired by capital leases are shown as an expenditure and other financing source in the governmental funds. The other financing source must be removed from the statement of activities; principal payments are applied to the lease liability; interest expense is recognized as it accrues.			
	Other financing source - capital lease	$ (133,403)	
	Principal payments of capital leases	94,648	(38,755)
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure.			335,000
Long-term compensated absences are reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in governmental funds.			10,124
Change in net assets of governmental activities			$ 9,921,613

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

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

year ended june 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property taxes	$ 3,963,150	$ 3,643,310	$ 3,632,768	$ (10,542)
Franchise taxes	732,300	809,175	851,466	42,291
Alcoholic beverage taxes	576,500	576,500	759,968	183,468
Business taxes	1,173,000	1,181,800	1,325,263	143,463
Hotel/motel taxes	185,200	169,200	216,793	47,593
Penalties and interest on delinquent taxes	17,900	57,300	34,002	(23,298)
Total taxes	6,648,050	6,437,285	6,820,260	382,975
Licenses and permits:				
Alcoholic beverage fees	122,500	128,000	128,000	-
Business licenses	17,550	16,350	16,645	295
Building permits	520,500	1,004,930	1,150,393	145,463
Total licenses and permits	660,550	1,149,280	1,295,038	145,758
Intergovernmental revenues:				
Federal grants	-	-	3,456	3,456
Local grants	50,000	1,440	1,442	2
Total intergovernmental revenues	50,000	1,440	4,898	3,458
Charges for services:				
Planning and development fees	24,000	63,200	71,076	7,876
Printing and duplicating services	1,200	690	660	(30)
Public safety services	51,750	32,540	38,201	5,661
Street and public improvement services	2,750	3,500	3,428	(72)
Other charges for services	550	5,360	8,542	3,182
Total charges for services	80,250	105,290	121,907	16,617
Fines and forfeitures	975,000	956,880	1,045,252	88,372
Investment income	52,000	102,000	154,154	52,154
Contributions and donations	-	3,050	3,004	(46)
Miscellaneous revenue	15,000	11,800	18,397	6,597
Total revenues	$ 8,480,850	$ 8,767,025	$ 9,462,910	$ 695,885

(continued)

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

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

year ended june 30, 2006 (continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES				
Current:				
General Government:				
Governing body	$ 73,960	$ 75,690	$ 63,197	$ 12,493
Legislative committees	8,750	7,250	4,728	2,522
Chief executive	369,670	362,490	334,098	28,392
Elections	4,000	1,250	80	1,170
General administration	211,355	199,870	172,684	27,186
Financial administration	432,975	451,675	407,391	44,284
Accounting	25,500	24,500	24,000	500
Law	63,100	56,100	43,485	12,615
Data processing	166,550	185,950	140,979	44,971
General government building and plant	178,330	188,530	167,485	21,045
Public information	68,505	77,255	67,587	9,668
Total general government	1,602,695	1,630,560	1,425,714	204,846
Judicial:				
Municipal court	299,815	325,120	293,230	31,890
Total judicial	299,815	325,120	293,230	31,890
Public safety:				
Police administration	296,610	308,810	278,430	30,380
Criminal investigation	243,645	255,395	238,575	16,820
Patrol	1,713,431	1,703,111	1,553,406	149,705
Records and identification	87,010	92,240	81,360	10,880
Police training	87,920	89,520	70,487	19,033
Special detail services	41,030	25,680	11,483	14,197
Police stations and buildings	115,910	120,360	112,726	7,634
Dispatcher	380,965	382,870	357,700	25,170
Public relations	37,950	38,550	32,397	6,153
Park police	122,760	123,310	108,947	14,363
Total public safety	3,127,231	3,139,846	2,845,511	294,335
Public Works:				
Public works administration	758,395	773,215	711,058	62,157
Paved streets	87,300	1,720	1,220	500
Storm drainage	20,000	6,000	5,284	716
Street lighting	4,500	5,500	5,207	293
Special detail services	11,750	8,350	4,276	4,074
Total public works	881,945	794,785	727,045	67,740

(continued)

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

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

year ended june 30, 2006 (continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES (continued)				
Current: (continued)				
Culture and recreation:				
Playgrounds	$ 11,500	$ 9,000	$ 5,676	$ 3,324
Special facilities and activities	109,700	113,050	83,889	29,161
Park areas	64,000	109,250	91,361	17,889
Total culture and recreation	185,200	231,300	180,926	50,374
Housing and development:				
Protective inspection administration	346,790	340,985	308,557	32,428
Planning and zoning	385,270	324,245	290,110	34,135
Code enforcement	22,600	22,550	19,052	3,498
Economic development and assistance	220,490	226,340	202,429	23,911
Total housing and development	975,150	914,120	820,148	93,972
Debt service:				
Principal retirement	94,649	94,649	94,648	1
Interest and fiscal charges	5,065	5,065	5,065	-
Total debt service	99,714	99,714	99,713	1
Total expenditures	7,171,750	7,135,445	6,392,287	743,158
Excess of revenues over expenditures	1,309,100	1,631,580	3,070,623	1,439,043
OTHER FINANCING SOURCES (USES):				
Proceeds from capital leases	152,300	133,400	133,403	3
Transfer out	(1,463,900)	(1,764,980)	(1,764,980)	-
Sale of capital assets	2,500	-	-	-
Net change in fund balances	-	-	1,439,046	1,439,046
FUND BALANCES - beginning of year	3,372,190	3,372,190	3,372,190	-
FUND BALANCES - end of year	$ 3,372,190	$ 3,372,190	$ 4,811,236	$ 1,439,046

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

proprietary funds statement of net assets

june 30, 2006

	Major Enterprise Fund Water & Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 98,494
Accounts receivable	6,716
Total current assets	105,210
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	3,445
Capital assets, nondepreciable	417,085
Capital assets, depreciable, net of accumulated depreciation	1,794,131
Total noncurrent assets	2,214,661
Total assets	2,319,871
LIABILITIES	
Current liabilities:	
Accrued interest	14,067
Total current liabilities	14,067
Noncurrent liabilities:	
Payable from restricted assets:	
Customer deposits payable	3,445
Notes payable	367,384
Total noncurrent liabilities	370,829
Total liabilities	384,896
NET ASSETS	
Invested in capital assets, net of related debt	1,843,832
Unrestricted	91,143
Total net assets	$ 1,934,975

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

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

year ended june 30, 2006

	Major Enterprise Fund Water & Sewer Fund
OPERATING REVENUES	
Water and sewer charges	$ 103,714
OPERATING EXPENSES	
Salaries and benefits	20,137
Contracted services	5,961
Supplies	18,679
Depreciation	33,367
Total operating expenses	78,144
Operating income	25,570
NONOPERATING REVENUES (EXPENSES)	
Investment income	834
Interest expense	(10,932)
Total nonoperating revenues (expenses)	(10,098)
Income before transfers	15,472
Transfer in	36,400
Change in net assets	51,872
Total net assets - beginning of year	1,883,103
Total net assets - ending	$ 1,934,975

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

proprietary funds statement of cash flows

year ended june 30, 2006

	Major Enterprise Fund Water & Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 105,440
Payments to employees	(20,137)
Payments to suppliers for goods and services	(30,202)
Net cash provided by operating activities	55,101
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from other fund	36,400
Net cash provided by noncapital financing activities	36,400
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(316,059)
Issuance of notes payable	260,699
Net cash used by capital and related financing activities	(55,360)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	834
Net cash provided by investing activities	834
Net increase in cash and cash equivalents	36,975
Cash and cash equivalents - beginning	64,964
Cash and cash equivalents - ending	$ 101,939
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING ACTIVITIES	
Cash flows from operating activities	
Operating income	$ 25,570
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	33,367
Change in assets and liabilities	
(Increase) decrease in accounts receivable	1,206
(Increase) decrease in due to other funds	328
Increase (decrease) in accounts payable not related to a capital assets	(5,890)
Increase (decrease) in customer deposits	520
Net cash provided by operating activities	$ 55,101

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

fiduciary fund statement of fiduciary assets and liabilities

june 30, 2006

	Agency Fund
ASSETS	
Cash and cash equivalents	$ 37,367
Accounts receivable	487
Total assets	$ 37,854
LIABILITIES	
Due to others	$ 37,854
Total liabilities	$ 37,854

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

notes to the financial statements

Clicking on the notes below will direct you to that page.

notes to the financial statements

1. Summary of Significant Accounting Policies 40
2. Reconciliation of Government-wide Financial Statements and Fund Financial Statements 45
3. Legal Compliance - Budgets 45
4. Deposits and Investments 46
5. Receivables 46
6. Capital Assets 47
7. Long-term Debt 49
8. Interfund Receivables, Payables and Transfers 51
9. Joint Venture 52
10. Pension Plan 52
11. Risk Management 55
12. Commitments and Contingencies 55
13. Hotel/Motel Tax 56
14. Fund Changes 56
15. Special Item 56

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

The City reports the following major governmental funds:

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

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

The ***2005 Special Purpose Local Option Sales Tax (SPLOST) Fund*** accounts for the financial resources provided by a one-cent special local option sales tax approved by voters in 2004.

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

The ***Town Center Fountain Fund*** is used to account for financial resources that were used to build the interactive fountain at Town Center Park. Funding for this fountain included the funds raised by the Better Parks Campaign, SPLOST funds, and a construction assistance grant from Gwinnett County.

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

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 and sewerage system including all revenues from sources applicable to the system's operations and all expenses of the operation.

Additionally, the City reports the following fund types:

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

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund financial statements. The fiduciary fund financial statements report on the *accrual basis of accounting* yet the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other taxes are recognized predominately when the underlying transaction occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

D. Cash and Investments

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

State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime banker's acceptances; repurchase agreements; and the Georgia local government investment pool (Georgia Fund 1). The City's investments are reported at fair value, based on quoted market prices.

E. Interfund Receivables and Payables

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

F. Capital Assets

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

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:

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

G. Compensated Absences

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

H. Long-Term Obligations

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

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

I. Net Assets and Fund Equity

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

J. Use of Estimates

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

Note 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $16,794,401 difference are as follows:

Capital leases payable	$ (172,925)
Compensated absences payble	(216,476)
Bonds payable	(16,405,000)
Net adjustment to reduce *fund balance - total governmental funds to arrive at net assets - governmental activities*	$ (16,794,401)

Note 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

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

1. The City's annual budget is prepared based on anticipated revenues and appropriated expenditures. Revenue anticipation is designed to help insure fiscal responsibility and maintain a balanced budget. Budgeting is the responsibility of the Mayor and the City Council members, with assistance provided by the City Manager and his designated staff persons.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted by passage of an ordinance.
4. The budget was originally adopted on June 21, 2005. The level of legal budgetary control is the department level. Council approval is required to increase or decrease the total budget of any department.

5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, Special Revenue Funds, and Debt Service Funds. Project length budgets are adopted for all Capital Projects Funds.

The supplementary budgetary appropriations made were not material.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At June 30, 2006, there were no outstanding encumbrances.

B. Deficit Fund Equity

The Town Center Fountain and Town Center URA Capital Projects Funds had deficit fund balances of $57,440 and $5,490, respectively, as of June 30, 2006. The Town Center Fountain deficit will be eliminated by a grant from Gwinnett County. The Town Center URA deficit will be eliminated by the sale of Lot 4 of the URA property site.

Note 4. DEPOSITS AND INVESTMENTS

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2006 the City has no uncollateralized deposits.

Investments. At June 30, 2006, the City's investments consisted solely of certificates of deposit which do not qualify as cash equivalents under the City's policy. All certificates of deposit are covered under the custodial credit risk – deposit footnote above.

Note 5. RECEIVABLES

The City receives property tax assessments from Gwinnett County. Tax bills were levied on all real and personal property as of January 1, 2005 and were mailed to taxpayers on October 1, 2005. The due date for these taxes was December 20, 2005, and after that date, both penalty and interest are accrued until the taxes are collected. The lien date was January 1, 2006. Receivables are recorded when taxes are levied and billed (October 1).

Receivables at June 30, 2006 for the City's individual major funds and nonmajor funds in the aggregate are as follows. There is no allowance for uncollectible accounts related to these receivables.

	General	2005 SPLOST	Other Governmental Funds	Water and Sewer	Total
Receivables:					
Property taxes	$ 354,740	$ -	$ -	$ -	$ 354,740
Sales taxes	-	288,690	-	-	288,690
Other	138,456	-	13,452	6,716	158,624
Net total receivables	$ 493,196	$ 288,690	$ 13,452	$ 6,716	$ 802,054

Note 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 10,092,199	$ 370,621	$ (226,738)	$ -	$ 10,236,082
Construction in progress	4,736,135	959,445	-	(927,088)	4,768,492
Total	14,828,334	1,330,066	(226,738)	(927,088)	15,004,574
Capital assets, being depreciated:					
Land improvements	263,185	3,608	-	-	266,793
Buildings and improvements	6,235,314	2,146	(5,776)	927,088	7,158,772
Machinery and equipment	972,708	106,802	(40,304)	-	1,039,206
Vehicles	792,379	187,923	(44,774)	-	935,528
Infrastructure	25,330,808	5,804,985	-	-	31,135,793
Total	33,594,394	6,105,464	(90,854)	927,088	40,536,092
Less accumulated depreciation for:					
Land improvements	105,692	13,047	-	-	118,739
Buildings and improvements	365,577	181,651	(5,776)	-	541,452
Machinery and equipment	520,757	89,755	(38,306)	-	572,206
Vehicles	438,179	132,982	(44,774)	-	526,387
Infrastructure	6,683,471	963,573	-	-	7,647,044
Total	8,113,676	1,381,008	(88,856)	-	9,405,828
Total capital assets, being depreciated, net	25,480,718	4,724,456	(1,998)	927,088	31,130,264
Governmental activities capital assets, net	$ 40,309,052	$ 6,054,522	$ (228,736)	$ -	$ 46,134,838

Business capital assets activity for the year ended June 30, 2006 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type actvities / Water and Sewer Fund:					
Capital assets, not being depreciated:					
Land	$ 7,500	$	$ -	$ -	$ 7,500
Construction in progress	363,940	45,645	-	-	409,585
Total	371,440	45,645	-	-	417,085
Capital assets, being depreciated:					
Land improvements	4,944	-	-	-	4,944
Machinery and equipment	19,664	-	(3,643)	-	16,021
Water system	2,210,122	-	-	-	2,210,122
Total	2,234,730	-	(3,643)	-	2,231,087
Less accumulated depreciation for:					
Land improvements	1,607	247	-	-	1,854
Machinery and equipment	4,698	547	(1,428)	-	3,817
Water system	397,285	34,000	-	-	431,285
Total	403,590	34,794	(1,428)	-	436,956
Total capital assets, being depreciated, net	1,831,140	(34,794)	(2,215)	-	1,794,131
Business-type activities capital assets, net	$ 2,202,580	$ 10,851	$ (2,215)	$ -	$ 2,211,216

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

Governmental activities:	
General Government	$ 73,958
Judicial	3,412
Public Safety	152,697
Public Works	988,890
Culture & Recreation	151,061
Housing & Development	10,990
Total depreciation expense - governmental activities	$ 1,381,008

Note 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2006.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases	$ 134,170	$ 133,403	$ (94,648)	$ 172,925	$ 92,756
General obligation bonds	16,740,000	-	(335,000)	16,405,000	350,000
Compensated absences	226,600	160,754	(170,878)	216,476	69,272
Governmental activities Long-term liabilities	$ 17,100,770	$ 294,157	$ (600,526)	$ 16,794,401	$ 512,028

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Notes payable	$ 106,685	$ 260,699	$ -	$ 367,384	$ -
Business-type activities Long-term liabilities	$ 106,685	$ 260,699	$ -	$ 367,384	$ -

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

The cost of assets under capital leases as of June 30, 2006:

	Governmental Activities
Equipment	$ 308,135

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

Fiscal year ending June 30,	
2007	$ 98,770
2008	59,308
2009	23,642
Total minimum lease payments	181,720
Less amount representing interest	8,795
Present value of future minimum lease payments	$ 172,925

General Obligation Bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the City. During the 2002 fiscal year, the City issued $17,695,000 in general obligation bonds to finance the costs of acquiring and improving land to be used for greenspace and passive park and recreational areas. The bonds, maturing in January 2032, have interest rates that range from 4.50% to 7.00%. The amount of general obligation bonds outstanding at June 30, 2006 is $16,405,000.

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

Year ending June 30,	Principal	Interest
2007	$ 350,000	$ 877,856
2008	360,000	853,356
2009	370,000	828,156
2010	390,000	802,256
2011	405,000	774,956
2012-2016	2,290,000	3,500,206
2017-2021	2,865,000	2,880,344
2022-2026	3,645,000	2,077,232
2027-2031	4,655,000	1,038,450
2032	1,075,000	56,438
Total	$ 16,405,000	$ 13,689,250

Notes Payable. During the year ended June 30, 2006, the Water and Sewer Fund had a construction loan approved of up to $380,000 with the Georgia Environmental Facilities Authority. This construction loan bears interest of 3.98%. As of June 30, 2006, the City had drawn funds in the amount of $367,384 on this construction loan. When construction is complete, the City has an agreement with the Georgia Environmental Facilities Authority to transfer the full amount of the construction loan drawn into a long-term note payable. No amount of this note is expected to be payable in the next fiscal year and thus the amount drawn to date is classified as long-term.

Note 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2006 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Town Center - Facility Improvements	$ 50,000
		$ 50,000

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

The composition of interfund transfers for the year ended June 30, 2006 is as follows:

Transfers In	Transfers Out	Amount
Town Center Fountain	2005 SPLOST	$ 388,816
Town Center Facility Improvements	General Fund	189,000
Town Center Facility Improvements	Nonmajor governmental funds	770,000
Debt Service Fund	General Fund	1,228,500
Water and Sewer	General Fund	36,400
2005 SPLOST	Nonmajor governmental funds	10,000
Nonmajor governmental funds	General Fund	311,080
		$ 2,933,796

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

Note 9. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten (10) county Atlanta area, is a member of the Atlanta Regional Commission (Regional Development Center - RDC) and is required to pay annual dues thereto. During its fiscal year ended June 30, 2006, the City's membership dues were paid by Gwinnett County, Georgia. The City did not pay any annual dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia.

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

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

Note 10. PENSION PLAN

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

Defined Contribution Plan

The City of Suwanee Money Purchase Pension Plan, a defined contribution plan is administered by an insurance company, the Prudential Financial Group. A participant is covered after ninety (90) days of service. The City is required to contribute 5% of annual covered payroll, with 100% of these funds going into a fixed-rate savings account. The City's total payroll for the fiscal year was $3,414,433, including $1,299,834 of payroll covered by this plan. Contributions by the City totaled $53,510 for the fiscal year ended June 30, 2006. 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%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years	100%

Defined Benefit Plan

Employees electing to participate in the Georgia Municipal Association Employee Pension Plan for the City of Suwanee, (the GMA plan), ceased contributions to the 401(a) plan on November 1, 2005 and all related, subsequent contributions were made to the GMA plan. Prior full time service with the City was counted for eligibility for retirement and death benefits for vesting. The City contributed 20% of full time service with the City before November 1, 2005 towards the amount of benefits payable under the plan. Employees may use their funds in the 401(a) plan to purchase some or all of the remaining past service to increase the amount of benefits payable under the plan. The GMA plan currently requires an annual employee contribution of 2% and the City contributes 11% of regular earnings.

The GMA plan provides retirement, disability, and death benefits to plan participates and beneficiaries. The GMA Plan is an agent multiple-employer pension plan, administered by Towers Perrin. 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. GMA issued a publicly available financial report that includes financial statements and required supplementary information. 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. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street SW, Atlanta, Georgia 30303, or by calling (404) 688-0472.

Membership

At June 30, 2006, the Plan membership consisted of the following:	
Retired participants and beneficiaries currently receiving benefits	-
Terminated participants and beneficiaries entitled to benefits, but not yet receiving benefits	-
Active participants	73
Total	73

Funding Policy. The City is required to contribute an actuarially determined amount annually to The Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by GMA Plan trustees and meets or exceeds the minimum contribution requirement contained in State of Georgia statutes.

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

Derivation of Annual Pension Cost	June 30, 2006
Annual required contribution	$ 173,236
Interest on net pension asset	-
Adjustment of net pension asset	-
Annual pension cost	$ 173,236

Basis of Valuation	
Current Valuation Date	November 1, 2005
Annual Return on Invested Plan Assets	8.0%
Projected Annual Salary Increases	4.5%
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Cost Methododolgy	Aggregate
Amortization Method	N/A
Remaining Amortization Period	N/A

The aggregate actuarial cost methodology, which does not identify or separately amortize any unfunded actuarial accrued liabilities, is used by the GMA Plan. As a result, no Schedule of Funding Progress is included as required supplementary information of this report.

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual City Contribution	Percentage of APC Contributed	Net Pension Asset
7/1/05	$ 173,236	173,236	100%	$ -

Prior trend information does not exist as the GMA Plan started in fiscal year 2006. As information is accumulated, then trend history of the annual pension cost and actual city contributions will be presented.

Note 11. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

A part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

Note 12. COMMITMENTS AND CONTINGENCIES

Contractual Commitments:
In addition to the liabilities enumerated in the balance sheet at June 30, 2006, the City has contractual commitments on uncompleted construction contracts of approximately $110,004 for building renovation, community development, and expansion.

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

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

Note 13. HOTEL MOTEL TAX

The City believes it is in compliance with OCGA Section 36-81-7 related to the disbursement of hotel/motel taxes collected. Obligated collections were $144,528 (40% of $361,321) as reported in the City's Hotel/Motel Tax Fund. Expenditures totaled $95,361 leaving a fund balance of $125,446 to be used for tourism and trade.

Note 14. FUND CHANGES

The following funds were created during the current fiscal year:

The Public Works Yard Expansion Fund was created as a capital projects fund. This fund will be used to account for financial resources to be used for the expansion of the Public Works yard.

Note 15. SPECIAL ITEM

During fiscal year 2006, the City sold one track of land with a book value of $217,739. The parcel was sold for $775,000 resulting in a gain on the sale of capital assets of $557,261 reported in the government-wide financial statements. This gain on the sale of capital assets was reported as a special item in the Statement of Activities due to the infrequent nature with which the City sells land that it owns. The proceeds from the sale were also reported in the non-major governmental fund financial statements as a special item of $775,000.

governmental funds

non-major governmental funds special revenue

Suwanee Day .....Accounts for the donations received for the production of Suwanee Day.

Better Parks Campaign.....Accounts for financial resources associated with fund raising for Long Beach Mississippi.

Cemetery .....Accounts for donations and contributions received for the Jackson Street Cemetery project.

Confiscated Assets.....Accounts for cash received either from a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

Hotel/Motel Tax.....Accounts for the hotel/motel taxes collected as required by law.

non-major governmental funds capital projects

Paved Streets.....Accounts for the financial resources that will be used to pave various streets in the city.

Storm Drainage.....Accounts for the financial resources that will be used to improve storm drainage systems in the city.

Town Center URA .....Accounts for the financial resources provided from the Urban Redevelopment Revenue bond issue. In September 2002, the City issued $1.4 million in revenue bonds to finance the cost of acquiring and improving land to be used for the Town Center project and the future City facility. The 2002 revenue bond was paid in full during fiscal year 2005.

Public Works Yard Expansion....Accounts for the financial resources for the acquisition of three parcels next to the current public works yard on Mary Lou Street. Purchasing these parcels will allow for the expansion of the current yard.

Pedestrian Underpass .....Accounts for financial resources to be used to construct a pedestrian tunnel that connects from City Hall to Main Street.

non-major governmental funds combining balance sheet

june 30, 2006

	Special Revenue					
	Suwanee Day	Better Parks Campaign	Cemetery Fund	Confiscated Assets	Hotel/Motel Tax	Total
ASSETS						
Cash and cash equivalents	$ 24,745	$ 21,248	$ 21,439	$ 16,502	$ 53,541	$ 137,475
Investments	-	-	-	-	59,826	59,826
Accounts receivable	-	-	-	-	13,452	13,452
Restricted cash	-	-	-	-	-	-
Total assets	$ 24,745	$ 21,248	$ 21,439	$ 16,502	$ 126,819	$ 210,753
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 1,288	$ -	$ -	$ -	$ 1,373	$ 2,661
Escrow deposits	-	-	-	-	-	-
Total liabilities	1,288	-	-	-	1,373	2,661
Fund balances:						
Unreserved, undesignated	23,457	21,248	21,439	16,502	125,446	208,092
Total fund balances	23,457	21,248	21,439	16,502	125,446	208,092
Total liabilities and fund balances	$ 24,745	$ 21,248	$ 21,439	$ 16,502	$ 126,819	$ 210,753

	Capital Projects						
	Paved Streets	Storm Drainage	Town Center URA	Public Works Yard Expansion	Pedestrian Underpass	Total	Total Non-major Governmental Funds
	$ 151,248	$ 82,844	$ 3,565	$ 200,000	$ 170,865	$ 608,522	$ 745,997
	-	-	-	-	-	-	59,826
	-	-	-	-	-	-	13,452
	-	-	18,000	-	-	18,000	18,000
	$ 151,248	$ 82,844	$ 21,565	$ 200,000	$ 170,865	$ 626,522	$ 837,275
	$ -	$ -	$ 9,055	$ -	$ -	$ 9,055	$ 11,716
	-	-	18,000	-	-	18,000	18,000
	-	-	27,055	-	-	27,055	29,716
	151,248	82,844	(5,490)	200,000	170,865	599,467	807,559
	151,248	82,844	(5,490)	200,000	170,865	599,467	807,559
	$ 151,248	$ 82,844	$ 21,565	$ 200,000	$ 170,865	$ 626,522	$ 837,275

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

year ended june 30, 2006

	Special Revenue					
	Suwanee Day	Better Parks Campaign	Cemetery Fund	Confiscated Assets	Hotel/Motel Tax	Total
REVENUES						
Hotel/motel taxes	$ -	$ -	$ -	$ -	$ 144,528	$ 144,528
Fines and forfeitures	-	-	-	16,302	-	16,302
Investment income	728	93	307	69	2,068	3,265
Contributions and donations	79,604	22,322	2,835	-	-	104,761
Intergovernmental	-	-	-	-	-	-
Total revenues	80,332	22,415	3,142	16,371	146,596	268,856
EXPENDITURES						
Current:						
Police	-	-	-	12,285	-	12,285
Culture and recreation	71,287	-	-	-	-	71,287
Tourism and trade	-	-	-	-	95,361	95,361
Capital outlay	-	-	-	-	-	-
Total expenditures	71,287	-	-	12,285	95,361	178,933
Excess (deficiency) of revenues over expenditures	9,045	22,415	3,142	4,086	51,235	89,923
OTHER FINANCING SOURCES (USES)						
Transfer in	-	-	10,000	-	-	10,000
Transfer out	(10,000)	-	-	-	-	(10,000)
Total other financing sources (uses)	(10,000)	-	10,000	-	-	-
Special item - Sale of land	-	-	-	-	-	-
Net change in fund balances	(955)	22,415	13,142	4,086	51,235	89,923
FUND BALANCES (DEFICIT) - beginning of year	24,412	(1,167)	8,297	12,416	74,211	118,169
FUND BALANCES - end of year	$ 23,457	$ 21,248	$ 21,439	$ 16,502	$ 125,446	$ 208,092

Capital Projects						
Paved Streets	Storm Drainage	Town Center URA	Public Works Yard Expansion	Pedestrian Underpass	Total	Total Non-major Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 144,528
-	-	-	-	-	-	16,302
2,015	1,516	968	-	3,575	8,074	11,339
-	-	-	-	-	-	104,761
19,175	-	-	-	-	19,175	19,175
21,190	1,516	968	-	3,575	27,249	296,105
-	-	-	-	-	-	12,285
-	-	-	-	-	-	71,287
-	-	-	-	-	-	95,361
22,527	22,286	60,302	-	20,342	125,457	125,457
22,527	22,286	60,302	-	20,342	125,457	304,390
(1,337)	(20,770)	(59,334)	-	(16,767)	(98,208)	(8,285)
86,080	15,000	-	200,000	-	301,080	311,080
-	-	(770,000)	-	-	(770,000)	(780,000)
86,080	15,000	(770,000)	200,000	-	(468,920)	(468,920)
-	-	775,000	-	-	775,000	775,000
84,743	(5,770)	(54,334)	200,000	(16,767)	207,872	297,795
66,505	88,614	48,844	-	187,632	391,595	509,764
$ 151,248	$ 82,844	$ (5,490)	$ 200,000	$ 170,865	$ 599,467	$ 807,559

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

year ended june 30, 2006

Suwanee Day

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	$ -	$ 650	$ 728	$ 78
Contributions and donations	61,000	80,960	79,604	(1,356)
Total revenues	61,000	81,610	80,332	(1,278)
EXPENDITURES				
Current:				
Culture and recreation	61,000	71,610	71,287	323
Total expenditures	61,000	71,610	71,287	323
Excess of revenues over (under) expenditures	-	10,000	9,045	(955)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(10,000)	(10,000)	-
Total other financing uses	-	(10,000)	(10,000)	-
Net change in fund balances	-	-	(955)	(955)
FUND BALANCES - beginning of year	24,412	24,412	24,412	-
FUND BALANCES - end of year	$ 24,412	$ 24,412	$ 23,457	$ (955)

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

year ended june 30, 2006

Better Parks Campaign

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment income	$ -	$ 50	$ 93	$ 43
Contributions and donations	-	32,675	22,322	(10,353)
Total revenues	-	32,725	22,415	(10,310)
EXPENDITURES				
Current:				
Culture and recreation	-	32,725	-	32,725
Total expenditures	-	32,725	-	32,725
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	-	-
Net change in fund balances	-	-	22,415	22,415
FUND BALANCES (DEFICIT)- beginning of year	(1,167)	(1,167)	(1,167)	-
FUND BALANCES (DEFICIT) - end of year	$ (1,167)	$ (1,167)	$ 21,248	$ 22,415

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

year ended june 30, 2006

Cemetery

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	$ -	$ -	$ 307	$ 307
Contributions and donations	5,000	5,000	2,835	(2,165)
Total revenues	5,000	5,000	3,142	(1,858)
EXPENDITURES				
Current:				
Public works	15,000	15,000	-	15,000
Total expenditures	15,000	15,000	-	15,000
OTHER FINANCING SOURCES (USES)				
Transfer in	10,000	10,000	10,000	-
Net change in fund balances	-	-	13,142	13,142
FUND BALANCES - beginning of year	8,297	8,297	8,297	-
FUND BALANCES - end of year	$ 8,297	$ 8,297	$ 21,439	$ 13,142

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

year ended june 30, 2006

Confiscated Assets

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	$ -	$ 16,350	$ 16,302	$ (48)
Investment income	-	50	69	19
Total revenues	-	16,400	16,371	(29)
EXPENDITURES				
Current:				
Police	-	16,400	12,285	4,115
Total expenditures	-	16,400	12,285	4,115
Net change in fund balances	-	-	4,086	4,086
FUND BALANCES - beginning of year	12,416	12,416	12,416	-
FUND BALANCES - end of year	$ 12,416	$ 12,416	$ 16,502	$ 4,086

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

year ended june 30, 2006

Hotel/Motel Tax Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Hotel/motel taxes	$ 123,480	$ 123,480	$ 144,528	$ 21,048
Investment income	2,000	2,000	2,068	68
Total revenues	125,480	125,480	146,596	21,116
EXPENDITURES				
Current:				
Tourism and trade	132,580	125,480	95,361	30,119
Total expenditures	132,580	125,480	95,361	30,119
Net change in fund balances	(7,100)	-	51,235	51,235
FUND BALANCES - beginning of year	74,211	74,211	74,211	-
FUND BALANCES - end of year	$ 67,111	$ 74,211	$ 125,446	$ 51,235

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

year ended june 30, 2006

Debt Service

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	$ 2,500	$ 2,500	$ 11,850	$ 9,350
Total revenues	2,500	2,500	11,850	9,350
EXPENDITURES				
Debt Service:				
Principal retirement	335,000	335,000	335,000	-
Interest	892,840	892,840	885,819	7,021
Total expenditures	1,227,840	1,227,840	1,220,819	7,021
OTHER FINANCING SOURCES (USES)				
Transfer in	1,225,340	1,225,340	1,228,500	3,160
Net change in fund balances	-	-	19,531	19,531
FUND BALANCES - beginning of year	412,328	412,328	412,328	-
FUND BALANCES - end of year	$ 412,328	$ 412,328	$ 431,859	$ 19,531

SPLOST proceeds schedule of expenditures 2005 issue

year ended june 30, 2006

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, Streets & Bridges	$ 4,642,660	$ 4,642,660	$ -	$ 159,686	$ 159,686
Recreational Facilities	900,000	900,000	-	436,988	436,988
Public Safety Facilities and Equipment	1,054,400	1,054,400	-	420	420
	$ 6,597,060	$ 6,597,060	$ -	$ 597,094	$ 597,094

agency fund

agency fund

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

suwanee crossroads center - municipal court building



municipal court fund statement of changes in assets and liabilities

year ended june 30, 2006

	Balance June 30, 2005	Increases	Decreases	Balance June 30, 2006
Cash and cash equivalents	$ 31,611	$ 1,583,832	$ 1,578,076	$ 37,367
Accounts receivable	1,387	2,000	2,900	487
Total assets	32,998	1,585,832	1,580,976	37,854
Due to others	32,998	1,585,832	1,580,976	37,854
Total liabilities	$ 32,998	$ 1,585,832	$ 1,580,976	$ 37,854

component unit

component unit

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

pierces corner - downtown suwanee



component unit balance sheet

june 30, 2006

	Downtown Development Authority
ASSETS	
Cash and cash equivalents	$ 45,050
Total assets	45,050
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	-
Total Liabilities	-
Fund balances:	
Unreserved, undesignated	45,050
Total fund balances	45,050
Total liabilities and fund balances	$ 45,050

Reconciliation of the balance sheet to the statement of net assets:

Fund balance	$ 45,050
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	394,875
Net assets of governmental activities	$ 439,925

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

year ended june 30, 2006

	Downtown Development Authority
REVENUES	
Investment income	$ 228
Contributions and donations	75,110
Total revenues	75,338
EXPENDITURES	
Current:	
Housing and development	40,204
Total expenditures	40,204
Excess of revenues over expenditures	35,134
FUND BALANCES, beginning of year	9,916
FUND BALANCES, end of year	$ 45,050

Reconciliation of the statement of revenues, expenditures, and changes in fund balance to the statement of activities:

Net change in fund balance	$ 35,134
Governmental funds report capital outlay as expenditures. However, in the Government-wide Statement of Activities and Changes in Net Assets, the costs of those assets is allocated over their estimated useful lives as depreciation expense.	
Depreciation expense	(8,100)
Changes in net assets of governmental activities	$ 27,034

component unit schedule of revenues, expenditures, and changes in fund balances budget and actual

year ended june 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	$ 12	$ 12	$ 228	$ 216
Contributions and donations	75,100	75,100	75,110	10
Total revenues	75,112	75,112	75,338	226
EXPENDITURES				
Current:				
Housing and development	75,112	75,112	40,204	34,908
Total expenditures	75,112	75,112	40,204	34,908
Excess of revenues over expenditures	-	-	35,134	35,134
FUND BALANCES - beginning of year	9,916	9,916	9,916	-
FUND BALANCES - end of year	$ 9,916	$ 9,916	$ 45,050	$ -

statistical section

statistical section

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

contents page

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

revenue capacity S-13
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

debt capacity S-19
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

demographic and economic information S-24
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

operating information S-26
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. The City implemented GASB statement 34 for fiscal year June 20, 2004; schedules presenting government-wide information start with fiscal year 2004.

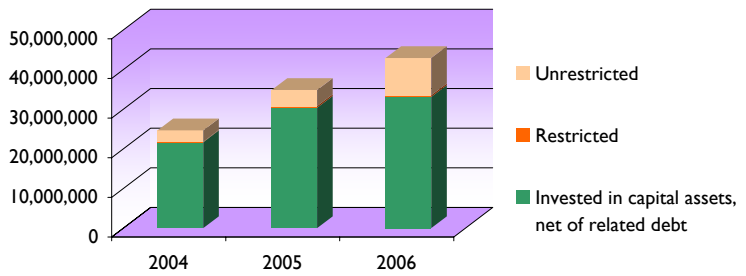
net assets by component

last three fiscal years (accrual basis of accounting)

	Fiscal Year		
	2004	2005	2006
Governmental activities [1]			
Invested in capital assets, net of related debt	$ 19,798,930	$ 28,249,009	$ 33,073,810
Restricted	119,246	412,328	431,859
Unrestricted	2,834,037	4,286,986	9,364,267
Total governmental activities net assets	22,752,213	32,948,323	42,869,936
Business-type activities			
Invested in capital assets, net of related debt	1,870,458	2,095,895	1,843,832
Restricted	-	-	-
Unrestricted	40,893	(212,792)	91,143
Total business-type activities net assets	1,911,351	1,883,103	1,934,975
Primary government			
Invested in capital assets, net of related debt	21,669,388	30,344,904	34,917,642
Restricted	119,246	412,328	431,859
Unrestricted	2,874,930	4,074,194	9,455,410
Total primary government net assets	$ 24,663,564	$ 34,831,426	$ 44,804,911

NOTE:
(1) The large increases in Governmental activities for invested in capital assets, net of related debt are due to donations of infrastructure by developers and annexed properties. Unrestricted net assets continued growth is due to the 2005 special purpose local option sales tax (SPLOST) revenue received from Gwinnett County for future construction projects and growth in the area. Additional narrative detail on construction growth can be found on page 21 of the management discussion and analysis section.

Primary Government Net Assets



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changes in net assets

last three fiscal years (accrual basis of accounting)

	Fiscal Year		
	2004	2005	2006
Expenses			
Governmental activities:			
General government	$ 1,202,975	$ 1,385,716	$ 1,464,204
Judicial	213,200	236,030	273,744
Police	2,384,653	2,643,854	2,800,988
Public works	1,334,086	1,742,494	1,697,500
Culture and recreation	146,780	185,431	359,366
Housing and development [1]	641,826	1,166,798	811,030
Tourism and trade	134,362	184,247	95,361
Interest on long-term debt	980,909	943,654	890,884
Total governmental activities expenses	7,038,791	8,488,224	8,393,077
Business-type activities:			
Water and sewer	71,267	102,649	89,076
Total business-type activities expenses	71,267	102,649	89,076
Total primary government expenses	$ 7,110,058	$ 8,590,873	$ 8,482,153
Program revenues			
Governmental activities:			
Charge for services:			
General government	$ 164,643	$ 157,176	$ 153,187
Police	977,670	1,049,768	1,099,754
Public works	376	118	3,428
Housing and development [2]	298,109	842,076	1,222,129
Operating grants and contributions	1,685,783	70,721	112,663
Capital grants and contributions [3]	1,477,448	9,217,917	5,824,160
Total governmental activities program revenues	4,604,029	11,337,776	8,415,321
Business-type activities:			
Charge for services:			
Water and sewer	56,849	73,964	103,714
Total business-type activities program revenues	56,849	73,964	103,714
Total primary government program revenues	$ 4,660,878	$ 11,411,740	$ 8,519,035
Net (expense)/revenue			
Governmental activities	$ (2,434,762)	$ 2,849,552	$ 22,244
Business-type activities	(14,418)	(28,685)	14,638
Total primary government net expenses	$ (2,449,180)	$ 2,820,867	$ 36,882

	Fiscal Year		
	2004	2005	2006
General revenues and other changes in net assets			
Governmental activities:			
Taxes			
Property taxes	$ 3,210,749	$ 3,525,468	$ 3,892,897
Franchise fees	618,509	714,216	851,466
Alcoholic beverage taxes	601,034	646,093	759,968
Sales taxes [4]	780,604	1,134,738	1,767,147
Other taxes	1,563,206	1,592,896	1,720,586
Unrestricted investment earnings	249,547	236,064	368,047
Miscellaneous	-	25,982	18,397
Contribution	-	4,290	-
Transfers	-	-	(36,400)
Special item gain on sale of capital asset [5]	-	1,445,096	557,261
Total governmental activities	7,023,649	9,324,843	9,899,369
Business-type activities:			
Unrestricted investment earnings	71	437	834
Transfers	-	-	36,400
Total business-type activities	71	437	37,234
Total primary government	$ 7,023,720	$ 9,325,280	$ 9,936,603
Change in net assets			
Governmental activities	$ 4,588,887	$ 12,174,395	$ 9,921,613
Business-type activities	(14,347)	(28,248)	51,872
Total primary government	$ 4,574,540	$ 12,146,147	$ 9,973,485

NOTES:

(1) Fiscal year 2005's large increase in housing and development was due to start up funding for the DDA of $420,000.

(2) License and permit fees large increase in fiscal year 2005 and 2006 is due to the significant increase in the number of permits issued. In calendar year 2004 and 2005, Suwanee issued 538 and 703 construction permits. In comparison, Suwanee issued 384 in calendar year 2003.

(3) Capital grants and contributions large increases reported in fiscal year 2005 and 2006 are due to donations of infrastructure by developers and annexed properties.

(4) In fiscal year 2005, the City entered into an intergovernmental agreement with Gwinnett County for 2005 SPLOST. In total the City will be allocated $6,597,000 over four years.

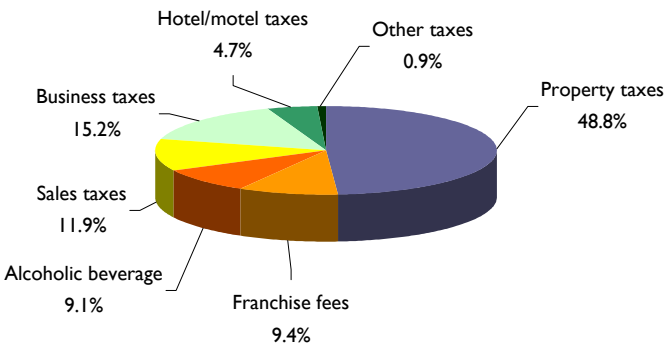
(5) During fiscal year 2005 and 2006, the City sold 3 tracts of land resulting in a gain of $1,445,096 in 2005 and $557,261 in 2006.

governmental activities tax revenues by source

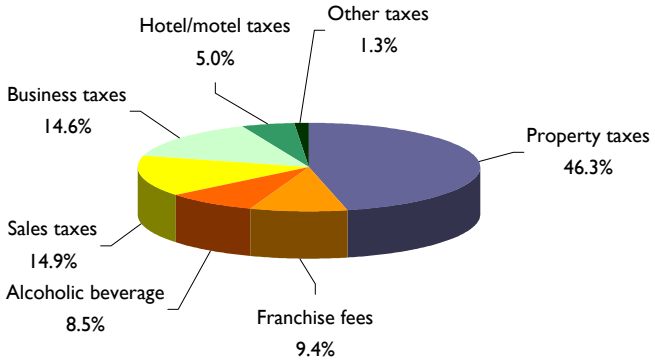
last three fiscal years (accrual basis of accounting)

Fiscal Year	Property Taxes	Franchise Fees	Alcoholic Beverage Taxes	Sales Taxes	Business Taxes	Hotel/Motel Taxes	Other Taxes	Total
2004	$ 3,210,749	$ 618,509	$ 601,034	$ 780,604	$ 997,542	$ 305,757	$ 60,255	$ 6,574,450
2005	3,525,468	714,216	646,093	1,134,738	1,111,413	383,905	97,578	7,613,411
2006	3,892,897	851,466	759,968	1,767,147	1,325,263	361,321	34,002	8,992,064

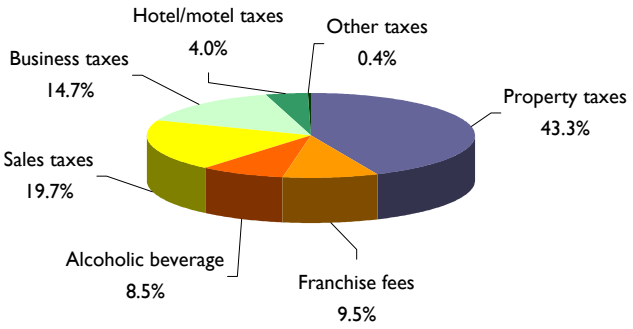
2004 Tax Revenue by Source



2005 Tax Revenue by Source



2006 Tax Revenue by Source



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fund balances of governmental funds

last ten fiscal years (modified accrual basis of accounting)

	Fiscal Year			
	1997	1998	1999	2000[1]
General fund				
Unreserved	$ 955,344	$ 882,366	$ 1,076,354	$ 1,574,629
Total general fund	$ 955,344	$ 882,366	$ 1,076,354	$ 1,574,629
All other governmental funds				
Reserved	$ -	$ -	$ -	$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	66,732
Capital projects funds	-	-	-	-
Total all other governmental funds	$ -	$ -	$ -	$ 66,732

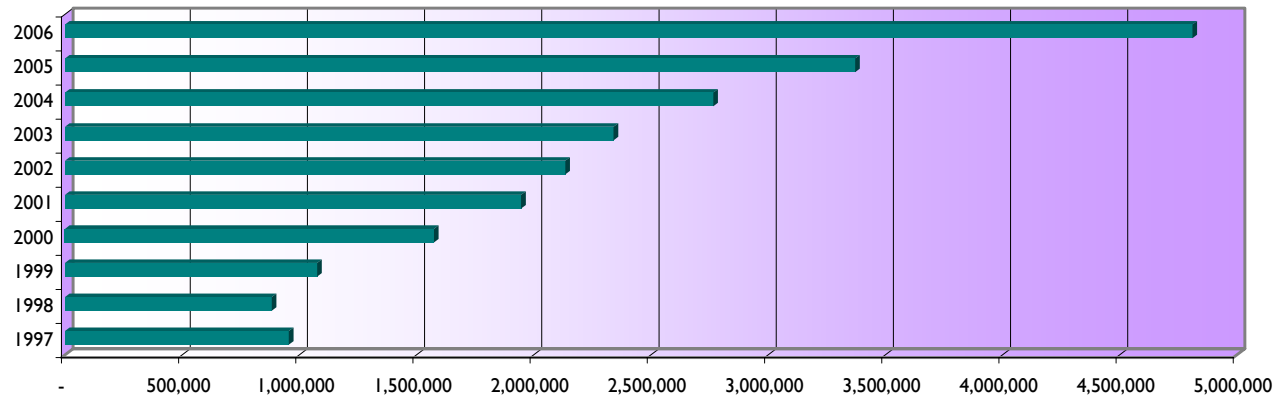
NOTES:

(1) In fiscal year 2000, the City separated 40% of the hotel/motel tax proceeds into a separate special revenue fund. Before 2000, these receipts and related expenditures were reported in the general fund.

(2) During fiscal year 2002, the City issued $17.69 million in general obligation bonds to finance the costs of acquiring and improving land to be used for greenspace, passive parks, and recreational areas.

Fiscal Year						
2001	2002[2]	2003	2004	2005	2006
$ 1,946,613	$ 2,135,102	$ 2,340,953	$ 2,766,402	$ 3,372,190	$ 4,811,236
$ 1,946,613	$ 2,135,102	$ 2,340,953	$ 2,766,402	$ 3,372,190	$ 4,811,236
$ -	$ 310,109	$ 63,702	$ 119,246	$ 412,328	$ 431,859
127,121	150,996	136,657	257,129	118,169	208,092
514,075	16,451,458	8,908,104	4,307,474	5,768,033	7,748,863
$ 641,196	$ 16,912,563	$ 9,108,463	$ 4,683,849	$ 6,298,530	$ 8,388,814

Unreserved Fund Balance



changes in fund balances of governmental funds
last ten fiscal years
(modified accrual basis of accounting)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Taxes [1]	$ 1,618,097	$ 1,784,870	$ 2,138,576	$ 2,537,179	$ 2,939,938	$ 3,303,845	$ 5,398,952	$ 6,510,250	$ 7,702,971	$ 8,731,935
Licenses and permits	224,666	317,618	233,092	290,614	820,391	477,914	406,198	427,549	944,046	1,295,038
Intergovernmental revenues [2]	88,123	77,249	80,805	155,579	10,156	488,316	578,561	1,455,554	111,427	24,073
Charges for services	-	-	-	-	55,324	48,905	125,183	68,244	124,957	121,907
Fines and forfeitures	249,091	351,210	585,680	752,000	543,730	821,387	772,931	929,865	980,134	1,061,554
Investment income	39,316	37,033	35,991	55,837	171,317	191,296	462,793	249,547	236,064	368,047
Contributions and donations	-	-	-	-	11,344	29,803	48,298	232,061	107,259	107,765
Miscellaneous	189,434	114,744	132,870	224,086	57,202	20,887	116,248	15,140	25,982	18,397
Total revenues	2,408,727	2,682,724	3,207,014	4,015,295	4,609,402	5,382,353	7,909,164	9,888,210	10,232,840	11,728,716
Expenditures										
General government	378,384	495,201	685,583	713,010	793,424	948,744	1,040,264	1,195,145	1,269,468	1,425,760
Judicial	103,365	108,389	234,887	296,892	151,298	161,403	182,857	218,740	236,046	293,230
Police	767,266	851,199	1,024,818	1,231,057	1,604,515	2,001,586	2,251,708	2,376,153	2,614,816	2,857,796
Public works	241,237	223,846	307,558	308,901	401,371	501,163	494,649	617,473	855,276	727,045
Culture and recreation	5,221	19,465	16,930	39,864	72,394	90,878	51,478	109,103	213,019	252,213
Housing and development	116,870	123,508	246,931	401,011	454,266	581,551	617,171	623,757	1,158,423	820,148
Tourism and trade	80,415	179,118	214,494	104,103	115,575	125,976	160,021	134,362	184,247	95,361
Capital outlay [3]	1,660,226	395,443	235,474	415,486	126,925	2,170,610	10,384,662	7,218,559	1,121,063	1,279,304
Debt service: [4]										
Principal	-	345,000	38,082	101,918	77,416	115,371	521,610	551,608	1,697,556	429,648
Interest	-	14,534	8,269	2,478	8,987	8,966	1,294,263	980,909	943,655	890,884
Total expenditures	3,352,984	2,755,703	3,013,026	3,614,720	3,806,171	6,706,248	16,998,683	14,025,809	10,293,569	9,071,389
Excess of revenues over (under) expenditures	(944,257)	(72,979)	193,988	400,575	803,231	(1,323,895)	(9,089,519)	(4,137,599)	(60,729)	2,657,327

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Other financing sources (uses)										
Proceeds from capital lease	-	-	-	164,432	143,216	152,035	92,459	94,266	68,725	133,403
Transfer in	-	-	-	-	10,200	311,069	1,655,063	1,865,619	4,196,919	2,897,396
Transfer out	-	-	-	-	(10,200)	(311,069)	(1,655,063)	(1,865,619)	(4,196,919)	(2,933,796)
Sale of capital assets	-	-	-	-	-	-	-	-	4,422	-
Bond proceeds	485,000	-	-	-	-	17,845,110	1,464,320	-	-	-
Issuance costs	-	-	-	-	-	(213,393)	(65,509)	-	-	-
Total other financing sources (uses)	485,000	-	-	164,432	143,216	17,783,752	1,491,270	94,266	73,147	97,003
Special item - Sale of land	-	-	-	-	-	-	-	-	2,208,051	775,000
Net change in fund balances	$ (459,257)	$ (72,979)	$ 193,988	$ 565,007	$ 946,447	$ 16,459,857	$ (7,598,249)	$ (4,043,333)	$ 2,220,469	$ 3,529,330
Debt service as a percentage of non capital expenditures	-	15.2%	1.7%	3.3%	2.3%	2.7%	27.5%	22.5%	28.8%	16.9%

NOTES:

(1) In fiscal year 2003, the City's millage rate increased from 2.5 to 5.999. This increase was used to pay the debt service on the 2002 General Obligation Bonds.

(2) In fiscal year 2004, the large increase in intergovermental funds was due to receiving $1,404,392 in Federal Transportation funds for phase III of the Suwanee Greenway Trail System.

(3) During fiscal year 2002 and 2003, the City purchased over 200 acres of open/green space for park lands. In fiscal year 2004, the City completed phase III of the Suwanee Greenway and completed construction of three new parks.

(4) In March of 2002, the City issued $17.6 million in General Obligation Bonds. The first bond principal and interest payment was deferred nine months, causing a large interest payment in fiscal year 2003. In fiscal year 2005, the City paid off the Urban Redevelopment loan.

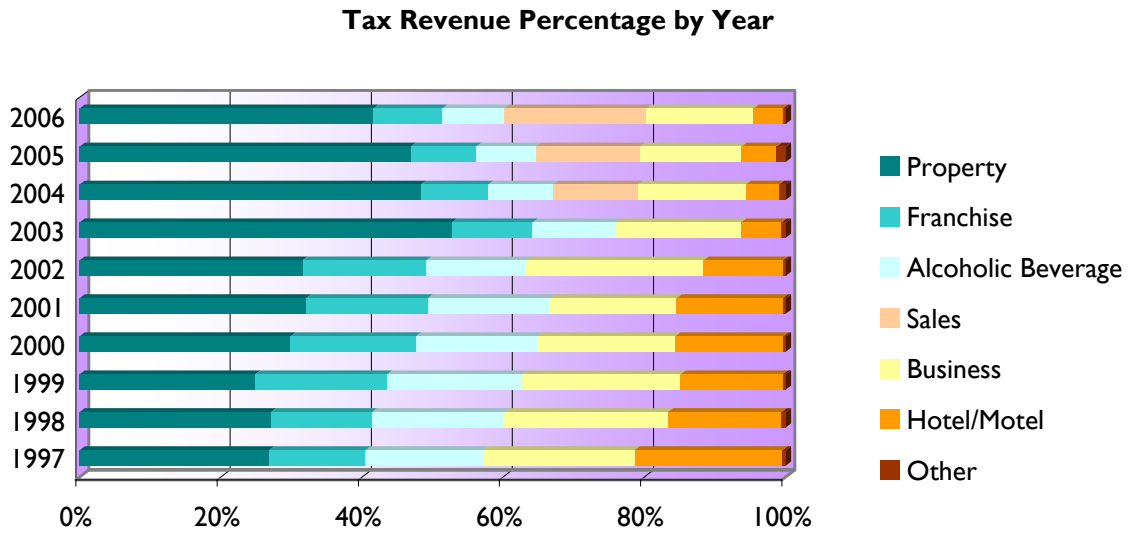
general government tax revenue by source

last ten fiscal years (modified accrual basis of accounting)

Fiscal Year	Property Taxes	Franchise Fees	Alcoholic Beverage Taxes	Sales Taxes[1]	Business Taxes	Hotel/Motel Taxes	Other Taxes	Total
1997	$ 434,248	$ 220,988	$ 269,026	$ -	$ 347,674	$ 339,242	$ 6,919	$ 1,618,097
1998	483,981	254,767	335,973	-	412,722	286,725	10,702	1,784,870
1999	532,425	399,268	410,289	-	478,616	309,321	8,657	2,138,576
2000	758,238	450,699	435,884	-	495,390	388,981	7,987	2,537,179
2001	942,625	506,978	507,384	-	529,461	441,520	11,970	2,939,938
2002	1,042,962	579,100	469,714	-	828,868	370,329	12,872	3,303,845
2003	2,845,756	616,263	636,986	-	957,768	308,685	33,494	5,398,952
2004	3,146,549	618,509	601,034	780,604	997,542	305,757	60,255	6,510,250
2005	3,615,028	714,216	646,093	1,134,738	1,111,413	383,905	97,578	7,702,971
2006	3,632,768	851,466	759,968	1,767,147	1,325,263	361,321	34,002	8,731,935

NOTE:

(1) In fiscal year 2004, the City received $780,604 in 2001 SPLOST. In fiscal year 2005, the City entered into an intergovernmental agreement with Gwinnett County for the 2004 SPLOST. In total the City will be allocated $6,597,000 over the next four years.



assessed value and estimated actual value of taxable property last ten years

Calendar Year	Real Property: Residential Property	Real Property: Commercial Property	Personal Property: Motor Vehicle	Personal Property: Other[1]	Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate[2]	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value[3]
1996	$ 94,742,770	$ 64,145,049	$ 10,161,530	$ 503,680	$ 6,825,360	$ 162,727,669	2.50	$ 406,819,173	40%
1997	113,684,100	73,909,634	14,032,861	533,019	6,916,560	195,243,054	2.50	488,107,635	40%
1998	132,868,680	84,267,385	6,845,990	175,527	7,207,520	216,950,062	2.50	542,375,155	40%
1999	163,536,730	150,796,469	17,705,092	294,160	9,593,480	322,738,971	2.50	806,847,428	40%
2000	186,362,940	173,578,084	22,449,155	32,352	11,207,120	371,215,411	2.50	928,038,528	40%
2001	214,848,040	238,941,057	28,292,690	46,949	11,517,760	470,610,976	2.50	1,176,527,440	40%
2002	239,667,520	225,944,082	34,262,410	55,460	12,903,800	487,025,672	5.999	1,217,564,180	40%
2003	256,198,630	261,460,110	37,014,660	23,780	15,026,160	539,671,020	5.89	1,349,177,550	40%
2004	279,918,490	309,531,654	37,110,630	33,880	17,319,720	609,274,934	5.81	1,523,187,335	40%
2005	297,321,988	347,844,146	36,509,110	25,290	16,549,490	665,151,044	5.77	1,662,877,610	40%

NOTES:

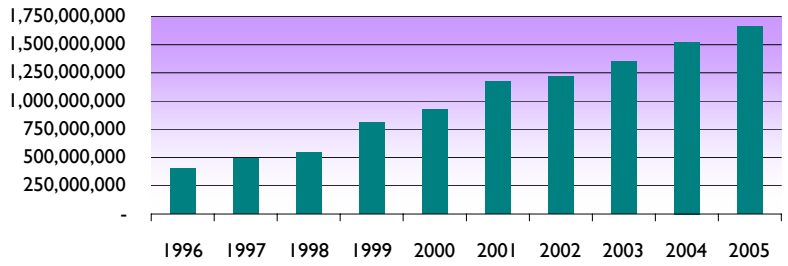
(1) Includes mobile homes, timber, and heavy equipment.

(2) In fiscal year 2003, the City's millage rate increased from 2.5 to 5.999. This increase was used to pay the debt service on the 2002 General Obligation Bonds.

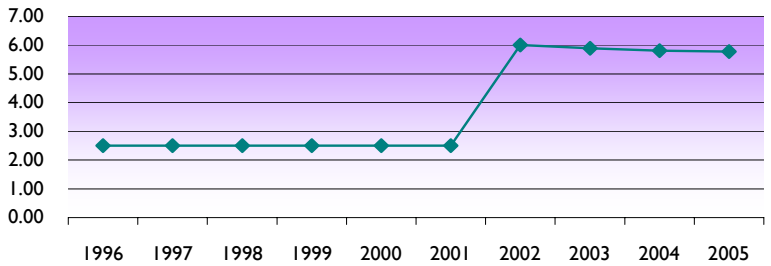
(3) Property in Gwinnett County is reassessed on a rotating three year period by tax district as required by State law. Gwinnett County assesses property at 40% of actual value for all types of real and personal property.

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

Estimated Taxable Value 1996 - 2005



Millage Rate 1996 -2005



property tax rates
direct and overlapping governments

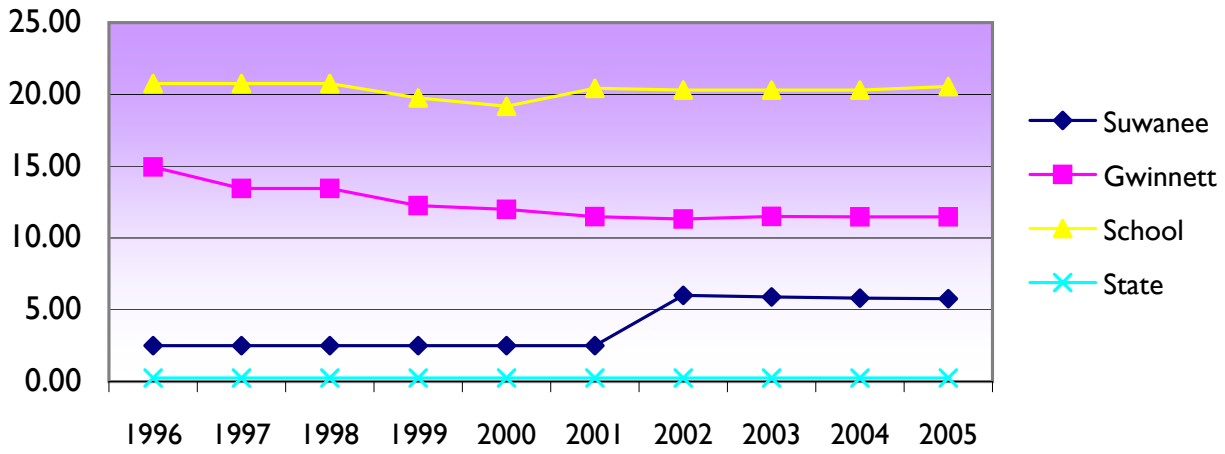
last ten fiscal years

Calendar Year	City of Suwanee Millage				Overlapping Rates: Gwinnett County Millage				
	Operating	Debt Service	Capital	Total	Operating	Debt Service	Fire Protection	Recreation	Total
1996	2.50			2.50	10.10	0.95	2.90	1.00	14.95
1997	2.50			2.50	9.30	0.75	2.40	1.00	13.45
1998	2.50			2.50	9.40	0.75	2.30	1.00	13.45
1999	2.50			2.50	8.65	0.60	2.10	0.90	12.25
2000	2.50			2.50	8.48	0.57	2.06	0.88	11.99
2001	2.50			2.50	8.43	0.30	1.90	0.86	11.49
2002	2.50	3.24	0.26	6.00	8.30	0.30	1.87	0.85	11.32
2003	2.50	2.94	0.45	5.89	8.29	0.49	1.87	0.85	11.50
2004	2.50	2.79	0.52	5.81	8.27	0.49	1.87	0.84	11.47
2005	3.18	2.25	0.34	5.77	10.14	0.49	-	0.84	11.47

Source: Gwinnett County Comprehensive Annual Financial Report for December 31, 2005.

Overlapping Rates				
Gwinnett County School Board Millage				
Operations	Debt Service	Total	State	Total Direct & Overlapping Rates
17.10	3.65	20.75	0.25	38.45
17.10	3.65	20.75	0.25	36.95
18.10	2.65	20.75	0.25	36.95
17.45	2.30	19.75	0.25	34.75
17.12	2.05	19.17	0.25	33.91
18.62	1.80	20.42	0.25	34.66
18.62	1.68	20.30	0.25	37.87
18.87	1.43	20.30	0.25	37.94
18.87	1.43	20.30	0.25	37.83
19.25	1.30	20.55	0.25	38.04

Direct and Overlapping Property Tax Rates



principal property tax payers

current and seven years ago[1]

Taxpayer	2005 Taxable Assessed Value	2005 Rank	2005 Percentage of Total City Taxable Assessed Value	1999 Taxable Assessed Value	1999 Rank	1999 Percentage of Total City Taxable Assessed Value
Caswyck-McGinnis LLC[2]	$ 18,444,680	1	2.8%	$ 5,050,440	4	1.6%
Schwans Bakery Operations LLC	12,979,611	2	2.0%			
CRLP McGinnis Ferry Road LLC	11,343,880	3	1.7%			
TGC Atlanta I-85 LLC	10,286,600	4	1.5%			
Wal-Mart	9,234,344	5	1.4%			
AMB Property LP	6,918,960	6	1.0%			
Motorola, Inc[3]	6,670,800	7	1.0%	14,229,710	1	4.4%
Gwinnett Prado LP	5,829,600	8	0.9%	4,194,560	7	1.3%
Inland Southeast Suwanee LLC	5,052,800	9	0.8%			
Systemax Suwanee LLC	4,518,800	10	0.7%			
Hudgens Family Foundation[4]				7,210,510	2	2.2%
Falcons Nest LTD[3]				5,626,340	3	1.7%
Glass Sherwin Etal[5]				4,603,480	5	1.4%
Klockner Namasco Corporation				4,525,320	6	1.4%
Horizon Village Associates				3,069,800	8	1.0%
Prefco XIX Limited Partnership				2,079,980	9	0.6%
Kinney E Yukiko Etal				1,898,940	10	0.6%
Totals	$ 91,280,075		13.7%	$ 52,489,080		16.3%

NOTES:

(1) Detailed property records are not available prior to 1999. Over the next two fiscal periods the City will transition to a ten year schedule.

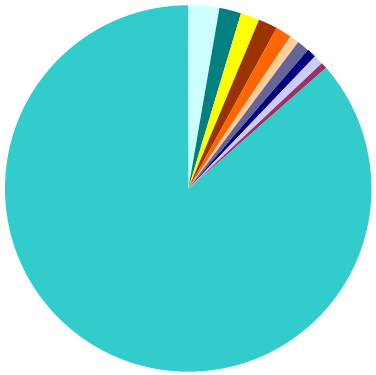
(2) In 2000, Caswyck-McGinnis LLC added 342 additional apartment units.

(3) Motorola purchased the Falcons Nest LTD property in 2002. Also in 2002, Motorola closed down an operations warehouse and re-located outside the City limits. Motorola was planning on building a business complex on the Falcons Nest LTD property but due to a change in business plans, this project has been put on hold indefinitely.

(4) The Hudgens Family Foundation owned several large parcels that has since been subdivided and individually sold off over the past six years.

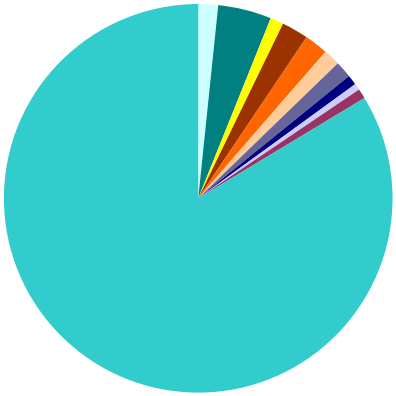
(5) Glass Sherwin Etal owned one large parcel (750 acres) that has since been developed into a golf course and residential community.

2005 Principal Property Taxpayers



- Caswyck-McGinnis LLC
- Schwans Bakery Operations LLC
- CRLP McGinnis Ferry Road LLC
- TGC Atlanta I-85 LLC
- Wal-Mart
- AMB Property LP
- Motorola, Inc
- Gwinnett Prado LP
- Inland Southeast Suwanee LLC
- Systemax Suwanee LLC
- All Other Taxpayers

1999 Principal Property Taxpayers



- Caswyck-McGinnis LLC
- Motorola, Inc
- Gwinnett Prado LP
- Hudgens Family Foundation
- Falcons Nest LTD
- Glass Sherwin Etal
- Klockner Namasco Corporation
- Horizon Village Associates
- Prefco XIX Limited Partnership
- Kinney E Yukiko Etal
- All Other Taxpayers

property tax levies and collections

last ten fiscal years

Fiscal Year Ended[1]	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date		Outstanding Delinquent Taxes[2]	Outstanding Delinquent Taxes as Percent of Curren Levy[2]
		Amount	Percentage of Levy		Amount	Percentage of Levy		
1997	$ 390,177	$ 383,320	98.2%	$ 18,887	$ 402,207	103.1%	$ 21,344	5.5%
1998	482,638	457,346	94.8%	2,567	459,913	95.3%	56,255	11.7%
1999	569,190	512,844	90.1%	17,807	530,651	93.2%	33,321	5.9%
2000	710,344	671,228	94.5%	18,461	689,689	97.1%	59,824	8.4%
2001	835,607	820,058	98.1%	36,746	856,804	102.5%	33,552	4.0%
2002	1,087,771	944,110	86.8%	11,529	955,639	87.9%	95,688	8.8%
2003	2,787,421	2,779,439	99.7%	19,792	2,799,231	100.4%	94,681	3.4%
2004	2,909,099	2,875,854	98.9%	71,043	2,946,897	101.3%	162,072	5.6%
2005	3,291,780	3,255,174	98.9%	49,152	3,304,326	100.4%	132,844	4.0%
2006	3,518,199	3,266,243	92.8%	36,150	3,302,393	93.9%	354,740	10.1%

NOTE:

(1) Relates to preceding calendar year digest.

(2) These columns are presented to satisfy continuing disclosure requirements for the 2002 General Obligation bond issue. Liens are filed on outstanding property accounts in May of each year.

Source:

Consolidated Digest Reports provided by Gwinnett County Tax Commissoner's Office.

City of Suwanee Finance Department, property tax bill and collection reports.

ratio of outstanding debt by type

last ten fiscal years

Fiscal Year	Governmental Activities: General Obligation Bond[1]	Governmental Activities: Revenue Bonds[2]	Governmental Activities: Capital Leases	Business-type Activities: Note Payable[3]	Total Primary Government	Percentage of Personal Income[4]	Per Capita[4]
1997	$ -	$ -	$ -	$ -	$ -	-	$ -
1998	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-
2000	-	-	127,710	-	127,710	0.05%	15
2001	-	-	193,510	-	193,510	0.07%	21
2002	17,695,000	-	230,174	-	17,925,174	5.97%	1,796
2003	17,385,000	1,381,502	193,841	-	18,960,343	6.16%	1,838
2004	17,065,000	1,259,830	178,171	57,833	18,560,834	5.62%	1,719
2005	16,740,000	-	134,170	106,685	16,980,855	4.91%	1,479
2006	16,405,000	-	172,925	367,384	16,945,309	3.69%	1,119

NOTES:

(1) During fiscal year 2002, the City issued $17.69 million in general obligation bonds to finance the costs of acquiring and improving land to be used for greenspace, passive parks, and recreational areas.

(2) During fiscal year 2003, the City issued $1.46 million in revenue bonds to finance the costs of acquiring and improving land to be used for the future City Hall location. In fiscal year 2005, these bonds were paid in full.

(3) The City entered into a construction line of credit with the Georgia Environmental Facilities Authority for improvements to the City's water system.

(4) The schedule of Demographic and Economic Statistics on page S-24 provides information on personal income and population.

ratios of general bonded debt outstanding

last ten fiscal years

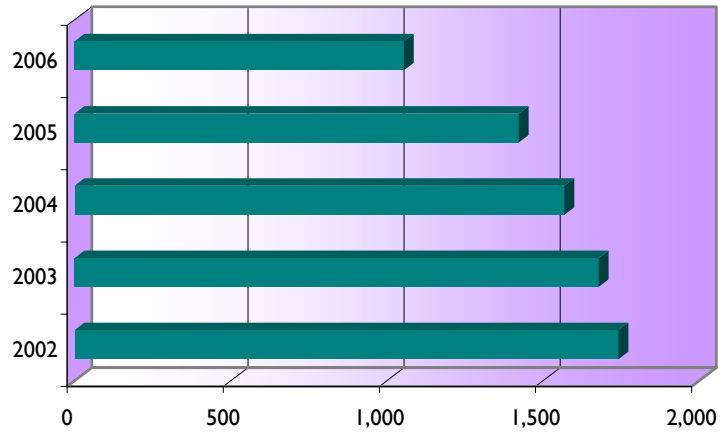
Fiscal Year	General Obligation Bond	Less: Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property[1]	Per Capita[2]
1997	$ -	$ -	$ -	-	$ -
1998	-	-	-	-	-
1999	-	-	-	-	-
2000	-	-	-	-	-
2001	-	-	-	-	-
2002	17,695,000	310,109	17,384,891	1.48%	1,742
2003	17,385,000	63,702	17,321,298	1.42%	1,679
2004	17,065,000	119,246	16,945,754	1.26%	1,569
2005	16,740,000	412,328	16,327,672	1.07%	1,423
2006	16,405,000	431,859	15,973,141	0.96%	1,055

NOTES:

(1) Details of estimated actual taxable value of property can be found on page S-13.

(2) Details of population data can be found on page S-24.

Debt Per Capita 2002 - 2006



direct and overlapping governmental activities debt

as of june 30, 2006

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
City of Suwanee General Obligation Bonds	$ 16,405,000	100.00%	$ 16,405,000
Overlapping Debt:[1]			
Gwinnett County General Obligation Bonds	116,400,000	2.63%	3,061,320
Gwinnett County Board of Education	202,460,000	2.63%	5,324,698
Total Overlapping Debt	318,860,000		8,386,018
Total Direct General Obligation and Overlapping Debt	$ 335,265,000		$ 24,791,018

NOTE:

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

Source: Gwinnett County Comprehensive Annual Financial Report for December 31, 2005.

legal debt margin information

last ten fiscal years

	Fiscal Year			
	1997	1998	1999	2000
Assessed value of all taxable property	$ 169,553,029	$ 202,159,614	$ 224,157,582	$ 332,332,451
Debt limit: 10% of assessed value	16,955,303	20,215,961	22,415,758	33,233,245
Total net debt applicable to limit	-	-	-	-
Legal debt margin	$ 16,955,303	$ 20,215,961	$ 22,415,758	$ 33,233,245
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value	$ 665,151,044
Add back: exempt real property	16,549,490
Total assessed value	681,700,534
Debt limit: 10% of total assessed value	68,170,053
Debt applicable to limit	
General obligation bond	16,405,000
Less: Amount set aside for repayment of general obligation debt	431,859
Total net debt applicable to limit	15,973,141
Legal debt margin	$ 52,196,912

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						
2001	2002	2003	2004	2005	2006
$ 382,422,531	$ 482,128,736	$ 499,929,472	$ 554,697,180	$ 626,594,654	$ 681,700,534
38,242,253	48,212,874	49,992,947	55,469,718	62,659,465	68,170,053
-	17,384,891	17,321,298	16,945,754	16,327,672	15,973,141
$ 38,242,253	$ 30,827,983	$ 32,671,649	$ 38,523,964	$ 46,331,793	$ 52,196,912
-	36.06%	34.65%	30.55%	26.06%	23.43%

demographic and economic statistics

last ten fiscal years

Fiscal Year	Population[a]	Personal Income[b]	Per Capita Personal Income	Unemployment Rate[c]	Residential Construction Value[d]	Commercial Construction Value[d]
1997	5,956	$ 163,843,604	$ 27,509	2.50%	$ 30,126,400	$ 6,894,000
1998	6,924	199,785,096	28,854	2.40%	27,644,600	18,519,400
1999	8,152	245,619,760	30,130	2.20%	36,365,000	11,530,400
2000	8,725	278,004,675	31,863	2.70%	22,339,400	188,627,686
2001	9,100	284,711,700	31,287	3.20%	45,786,000	72,037,400
2002	9,979	300,377,879	30,101	4.60%	15,971,300	43,135,700
2003	10,318	307,754,986	29,827	4.40%	15,179,070	21,854,673
2004	10,800	330,156,000	30,570	4.30%	16,150,315	17,122,370
2005[1]	11,478	345,923,964	30,138	4.80%	31,482,503	20,788,787
2006	15,147	458,605,719	30,277	4.50%	66,032,181	218,819,202

NOTE:
(1) Suwanee has experienced significant increases in the number of residential and commercial units permits issued over the past two years. Additional narrative detail on construction growth can be found in the page 21 of the management discussion and analysis section.

Sources:

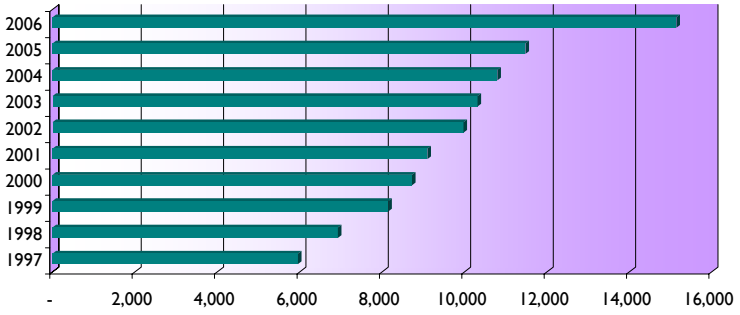
(a) City of Suwanee Planning Department.

(b) Bureau of Economic Analysis.

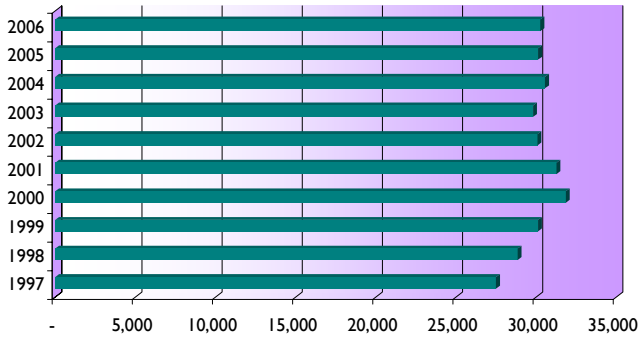
(c) Georgia Department of Labor, not seasonally adjusted.

(d) City of Suwanee Planning and Development Permit Summary.

Population Changes 1997 - 2006



Per Capita Personal Income 1997 - 2006



principal employers

current year and five years ago[1]

	2006 [a]		2001 [b]	
Employer	Employees	Rank	Employees	Rank
Dish Network/Echosphere Corporation	585	1	350	2
Southeastern Freight Lines, Inc.	372	2	360	1
Wal-Mart	361	3	-	-
Mrs. Smith's/Schwans Bakery Operations LLC	325	4	330	3
Publix Supermarkets	216	5	270	5
Cracker Barrel Old County Store, Inc.	155	6	140	6
Kroger Company	141	7	125	7
Williams Brothers Lumber Company	132	8	-	-
TruGreen Chemlawn	131	9	99	10
Touchstone Homes	100	10	-	-
Systemax-Global Computer Supplies, Inc. [2]	-	-	300	4
E-deltacom/Interstate Fibernet, Inc.	-	-	117	8
Atlanta Cable Sales, Inc	-	-	100	9

NOTE:

(1) Total City employment numbers are not available prior to 2001.

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

Sources:

(a) City of Suwanee Business License Division.

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

full-time equivalent city government employees by function

last ten fiscal years

Function	Full-time Equivalent Employees as of June 30, 2006									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Chief Executive	1	2	2	2	2	2	3	3	3	4
General Administration	4	4	4	1	1	1	2	2	3	2
Financial Administration	1	1	1	4	5	5	5	5	5	5
Judicial	1	1	1	2	2	2	2	2	2	3
Police										
Police Administration	2	2	3	3	3	3	3	3	3	3
Criminal Investigation	2	2	2	2	2	2	2	2	3	3
Patrol	11	12	13	16	20	22	23	23	23	22
Records and Identification	-	-	-	-	1	1	1	1	1	1
Dispatcher	2	2	2	2	3	4	6	6	6	7
Public Relations	-	-	-	1	1	1	1	1	1	1
Park Police	-	-	-	-	-	-	-	1	2	2
Public Works	2	2	2	3	4	4	5	7	8	9
Housing and Development										
Protective Inspection	3	3	3	3	4	4	4	4	4	4
Planning & Zoning	-	1	1	1	2	3	3	3	3	4
Economic Development	-	-	-	1	1	1	1	1	1	1
Total	29	32	34	41	51	55	61	64	68	71

NOTE:

In fiscal year 2000, the City hired a Financial Services Director. Job functions and individuals were reclassed from general administration to financial administration.

Source: City of Suwanee Payroll Department.

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operating indicators by function

last ten years

Function	Calendar Year 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General government										
Business licenses issued	400	423	567	600	692	761	1,048	1,319	2,545	2,813
Number of parcels	3,715	4,311	4,739	5,028	5,539	5,768	6,051	6,177	6,501	6,926
Judicial										
Cases processed	1,894	1,682	1,864	4,546	5,295	7,656	8,400	8,979	8,945	10,941
Jury trials	*	*	*	*	144	180	190	210	240	300
Warrants issued	*	*	*	*	*	390	235	250	321	406
Police										
Calls for service[1]	3,225	4,086	4,891	5,739	24,845	28,741	26,340	26,845	26,668	27,125
Traffic accidents	350	416	525	620	745	814	893	1,085	1,099	1,140
Part I offenses	250	223	258	301	395	278	342	368	445	416
Traffic citations	1,673	1,470	3,061	4,676	5,350	7,990	8,103	8,377	9,981	11,407
Public works										
Service order request	*	*	*	*	*	290	513	573	371	244
Street overlay (sq. ft.)	56,569	47,139	53,856	73,413	78,186	66,211	182,092	71,976	79,960	106,695
Hours of litter pick-up service provided	215	298	335	367	388	295	385	499	434	516
Culture and recreation										
Number of annual city- sponsored events	2	2	2	2	6	8	8	13	16	14
Number of annual non-city sponsored events	*	*	*	*	*	*	*	*	2	10
Suwanee Day attendance	3,000	4,000	4,000	6,000	6,000	10,000	4,000	10,000	30,000	30,000
Protective Inspection										
Number of residential permits	217	259	215	98	164	87	82	117	295	557
Number of total construction permits	437	521	533	403	459	392	319	384	538	793
Number of sign permits	*	*	125	144	137	136	223	214	210	250

Function	Calendar Year 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Planning and Zoning										
Zoning certification letters	*	*	2	19	21	14	11	17	24	29
Rezoning cases processed	9	14	24	25	36	11	21	22	13	14
Special use permits processed	*	*	*	*	*	6	3	6	4	2
Variances processed	32	63	12	34	20	22	23	11	16	13
Development review	*	52	26	40	38	42	32	29	24	35
Development permits	*	52	25	37	38	38	27	26	21	26
Water										
Average daily consumption in gallons	46,279	46,627	45,931	47,325	44,537	50,112	43,049	40,970	45,128	40,330

NOTES:

(1) The large increase in calls for service from 1999 to 2000 was due to a change in the methodoloy of classifying calls for service.

* Detailed information not available.

Source: Various City departments

capital assets statistics by function

last five years

Function	Fiscal Year 1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Administration										
Vehicles	1	1	1	1	1	2	2	2	2	2
Police										
Patrol Units	7	10	14	17	20	21	22	24	27	26
Other Police Vehicles	1	1	1	1	2	2	3	4	4	5
Public Works										
Vehicles	3	3	4	4	5	5	6	6	5	6
Street (miles)[1]	-	-	-	32	35	40	40	44	44	54
Streetlights[1]	-	-	-	340	375	430	510	609	620	710
Culture and Recreation										
Acreage	16	16	16	16	16	141	217	226	233	233
Park sites	3	3	3	3	3	5	10	12	13	13
Water										
Water mains	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Storage capacity[2]	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	150,000
Housing and development										
Vehicles	2	2	3	4	4	4	5	5	5	5

NOTES:

(1) Detail information prior to 2000 is not available.

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

Source: Various City departments.

schedule of insurance in force, june 30, 2006[1]

Type of Insurance	Coverage	Liability Limit	Company[2]	Policy Number	Policy Period From	Policy Period To	Annual Premium
LIABILITY							
General Liability	Damages of bodily injury or property caused by an occurrence	$ 1,000,000 limit each claim with a 5,000,000 aggregate 1,000 deductible	GIRMA	SU-3	05/01/06	04/30/07	$ 36,069
Public Officials Liability	Employment practices Zoning Claims	1,000,000 limit each claim with a 5,000,000 aggregate 2,500 deductible	GIRMA	SU-3	05/01/06	04/30/07	38,848
Automobile Liability	Damages of bodily injury or property caused by an occurrence	1,000,000 combined single limit 1,000 deductible	GIRMA	SU-3	05/01/06	04/30/07	30,317
Law Enforcement Liability	False arrest/wrongful imprisonment Assault & Battery	1,000,000 limit each claim no aggregate limit 2,500 deductible	GIRMA	SU-3	05/01/06	04/30/07	19,945
PROPERTY							
Property Including Equipment	Blanket building & content Business interruption Property in Transit	$9,216,044 total insured value building & content replacement cost	GIRMA	SU-3	05/01/06	04/30/07	13,176
Boiler & Machinery	Blanket building & content	$9,216,044 total insured value building & content replacement cost	GIRMA	SU-3	05/01/06	04/30/07	1,081
Environment Impairment Liability	Pollution coverage	combined single limit $1,000,000 per occurrence deductible $1,000	GIRMA	SU-3	05/01/06	04/30/07	17,217
OTHER CASUALTY							
Workers Compensation Self Insurance Fund	While Working		GMA	Cust # 312	01/01/06	12/31/06	94,103
Automobile Physical Damage	All risks for scheduled City vehicles only	Automatic coverage for vehicles up to 100,000 deductible 1,000	GIRMA	SU-3	05/01/06	04/30/07	9,912
Crime Coverage	Public employee dishonesty per loss	500,000 limit with 1,000 deductible	GIRMA	SU-3	05/01/06	04/30/07	743

schedule of insurance in force, june 30, 2006[1]

Type of Insurance	Coverage	Liability Limit	Company[2]	Policy Number	Policy Period From	Policy Period To	Annual Premium
OTHER INSURANCE							
Employee Life insurance	Basic Life	$ Varies by employee salary / max. 50,000	Greater Georgia Life	1M547	07/01/05	06/30/06	$ 8,118
Dependent Life Insurance	Basic Life	5,000 coverage for the spouse 2,500 coverage for each child (if covered by medical plan)	Greater Georgia Life	1M547	07/01/05	06/30/06	[3]
Long Term Disability	90 day elimination period 60% benefit until age 65	N/A	Ft. Dearborn Life	MG18818	07/01/05	06/30/06	12,743
Short Term Disability	1st day accident/8th day illness 13 week/ $200 weekly benefit	N/A	Ft. Dearborn Life	MG18818	07/01/05	06/30/06	5,467
Medical	1st of the month following 30 days 100% coinsurance	Lifetime Maximum - Unlimited	Blue Cross/ Blue Shield HMO	1018871	07/01/05	06/30/06	381,351
	1st of the month following 30 days	Lifetime Maximum - Unlimited $2,000,000 500 individual deductible 1,500 family deductible 90% coinsurance	Blue Cross/ Blue Shield PPO	1018871	07/01/05	06/30/06	[4]
Dental	Employee and Family	1,000 Max benefit per person per year 1,000 Ortho Benefit	Guardian Life	G-359487	07/01/05	06/30/06	52,712

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

Source: City of Suwanee Human Resource Department

compliance section

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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 City Council
City of Suwanee
Suwanee, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Suwanee, Georgia (the "City"), as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by

error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 21, 2006





city of suwanee
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suwanee, georgia

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