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city of **suwanee**
comprehensive annual financial report
year ended june 30, 2008

08

suwanee **georgia**



city of **suwanee**, georgia
comprehensive annual financial report
year ended june 30, 2008

prepared by:
Financial Services Department



city council



Dave **Williams**

Mayor



Jimmy **Burnette**

Mayor Pro-Tem



Jace **Brooks**

Councilmember



Dan **Foster**

Councilmember



Kevin **McOmber**

Councilmember



Jeannine **Rispin**

Councilmember

management **team**



Marty **Allen**

City Manager



Denise **Brinson**

Economic and Community Development Director



Josh **Campbell**

Planning Director



Mike **Jones**

Chief of Police



James **Miller**

Public Works Director



Elvira **Rogers**

Administrative Services Director



Amie **Sakmar**

Financial Services Director

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introductory section

Letter of Transmittal
GFOA Certificate of Achievement
Organizational Chart

December 4, 2008

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





Life is good – and fun – in Suwanee. Suwanee's first Life is good festival brought about 6,000 people to Town Center Park on June 14, 2008, to enjoy wacky games, interactive family time, fun music, and good vibes. The event raised more than $14,000 for the Life is good Kids Foundation and Project Joy. During fiscal year 2008, Suwanee strove to find events and opportunities for community involvement and ways to be unique from other communities. It is our belief that to excel, a community must have a vision and to thrive, a community must not settle for what everyone else is doing; rather it must find a way to be unique. It is with this respect that we are proud to present this Comprehensive Annual Financial Report for the year ended June 30, 2008.

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

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

This report includes government-wide statements and fund financial statements for all funds of the City, as well as component units. Component units are legally separate entities with significant operational and/or financial relationships with the City. Blended component units are, in substance, part of the primary government's operations and are therefore included as part of the primary government. 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. Its 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 Chattahoochee River. The community was named for the Shawnee Indian tribe that settled here in the latter part of the 18th century. The City's name is thought to derive from the English mispronunciation of Shawnee. Suwanee was incorporated in 1949, and encompasses 10.5 square miles. The City is located in the north central portion of Georgia, approximately 30 miles northeast of downtown Atlanta. Highways serving the City include Interstate 85, U.S. Highway 23, Georgia Route 317, and Georgia Route 13-A (Peachtree Industrial Boulevard). Additional demographic information is provided in the Statistical Section of this report.

government structure



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



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

economic condition and outlook



Suwanee continues to enjoy a pattern of success and growth. Suwanee's positive outlook includes:

- **Population** – According to the Suwanee Planning Department, 4,959 people moved into the City limits between 2005 and 2008, making Suwanee the fastest growing community in Gwinnett County. Suwanee's current population is estimated at 16,437, compared to 8,152 population in 1999.
- **Development** – Suwanee continues to show growth in both residential and commercial construction. Total construction value from permits issued in fiscal year 2008 totaled $155 million for both residential and commercial construction. Vacancy rates at October 2008 were 21% multi-tenant retail, 24% office, and 9% industrial. The multi-tenant retail vacancy rate showed an improvement compared to December 2006 when the vacancy rate was 24%. Rates for office and industrial for December 2006 are not available for comparison purposes.



- **Property values** – Total taxable assessed property values increased by 34% for the 2007 property tax year. In the past two years, Suwanee has shown significant increases in commercial and residential building permits issued. The lag time between permits being issued and increased values added to the tax digest has ranged from twelve to eighteen months.
- **New projects** – Opus South Corporation started development on a large mixed-use village, the Terraces at Suwanee Gateway. Plans for the 148-acre site include 350,000 square feet of retail/restaurant uses, 580,000 square feet of class A office space, a full service hotel, and 700 residential and senior living units. Construction of a Lowe's, the first of three multistory office buildings, and a new roadway were underway at the end of fiscal year 2008 and should be completed at the end of calendar year 2008.
- **Median household income** – Suwanee's zip code was ranked 13th for wealthiest zip codes in metro Atlanta based on median household income of $153,161 and a median home value of $347,499.

Fortunately, due to Suwanee's unique revenue base, Suwanee continues to be prosperous. Suwanee's mix of residential, warehouse, industrial, and commercial use helps the City avoid being dependent on only one or two revenue sources. Additional data regarding these trends may be found on page 26 of management's discussion and analysis.

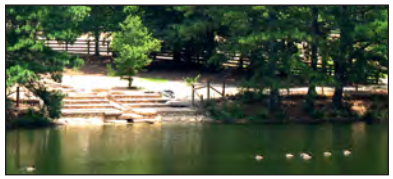
major initiatives



Attitude adjustment. The Suwanee Gateway, an area of largely industrial, retail, and office uses surrounding I-85 Exit 111, is getting an attitude adjustment. The Suwanee Gateway branding campaign is a component of the City's efforts to revitalize this key commercial area, which was the first commercial area developed in Suwanee more than 30 years ago. As part of this branding campaign, the Suwanee's Gateway slogan, "Where excellence is an attitude," has been used in banners and other advertising media to help brand this area. Physical transformation of the Gateway area has already begun with Opus South Corporation's development, the Terraces at Suwanee Gateway.



Becoming green. Suwanee's new City Hall is on track to be LEED (Leadership in Energy and Environmental Design) certified. With the anticipated certification, the new City Hall will be the second public facility in Gwinnett County to earn such a green building rating. The design includes a glass front, grand foyer, colored tile panels for the façade, and glass-enclosed Council chambers on the second floor. Suwanee's new City Hall is expected to open in 2009.



Park perks. Suwanee's newest park, Sims Lake Park at 4600 Suwanee Dam Road, has approximately 1.2 miles of looping trails, a well-fed streamscape, a playground area, a picnic pavilion, and a 2-acre play meadow as well as restrooms and parking for about 90 cars. The stone paved streamscape, which travels down a hill about 50 yards, provides underground spring water to aerate the lake and replenish water that is removed for irrigation purposes. Children shiver with delight when they stick their feet in the 50 to 55 degree water that travels along the streamscape.



Connectivity. The City has completed a pedestrian bridge that provides access to the Suwanee Creek Greenway near Lawrenceville-Suwanee Road from the Town Center area and the Shadowbrook neighborhood. Construction of the connector, which includes concrete and boardwalk pathways on either side of the bridge, was completed in November 2007.

for the future



Suwanee's top priorities include adopting and implementing the 2030 Comprehensive Plan, completing construction and operating the new City Hall, moving forward with a Tax Allocation District (TAD) in the Suwanee Gateway area, starting the planning process for the Downtown Suwanee Master Plan, and completing the construction of a pedestrian underpass. Suwanee is committed 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.

financial information

internal controls

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

budget controls

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

cash management

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

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

The average yield on investments for fiscal year 2008 was 4.75%. The total amount earned on all investments in all funds was $912,981. Investment earnings rose by $169,656 from fiscal year 2007 to 2008. This increase was due to idle URA bond proceeds and SPLOST funding, along with higher interest rates yields.

other information

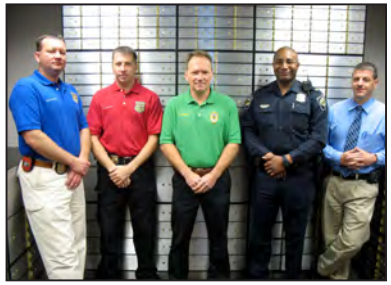
risk management

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 agents and attorneys to represent the City in investigation, settlement discussions, and litigation.

independent audit

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

awards





Suwanee is proud that many of its initiatives and projects have earned regional, state, and national awards and certification over the past several years. Summarized below is a listing of 2008 awards:

- Savvy Award (first place) from the City-County Communications and Marketing Association for *Play hard. Live well. Smile More!*, Suwanee's resident guide.
- Silver Circle Award (second place) from the City-County Communications and Marketing Association for marketing strategies developed for American's Best Places to Live recognition.
- 2008 Georgia Downtown Award in "Best Problem-Solving" category for Town Center, Georgia Downtown Association and Georgia Department of Community Affairs.
- Public Safety Unit of the Year, Criminal Investigation Unit, Gwinnett Chamber 2008 Valor Awards.
- Bronze Medal of Valor, Sergeant Black, Gwinnett Chamber 2008 Valor Awards.
- Best Event Photo, photo of 2007 Atlanta Symphony Orchestra concert at Town Center Park, Southeast Festivals and Events Association (2008).
- Best Event Sponsor, Best Event Volunteer, and Best Event Within an Event for Suwanee Day 2007, Southeast Festivals and Events Association (2008).

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, 2007. This was the fifth consecutive year that the City has received this prestigious award, given for publishing an easily readable, efficiently organized comprehensive annual financial report conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA for consideration. The City is committed to this effort and will strive to maintain and surpass these standards on future reports.

acknowledgements

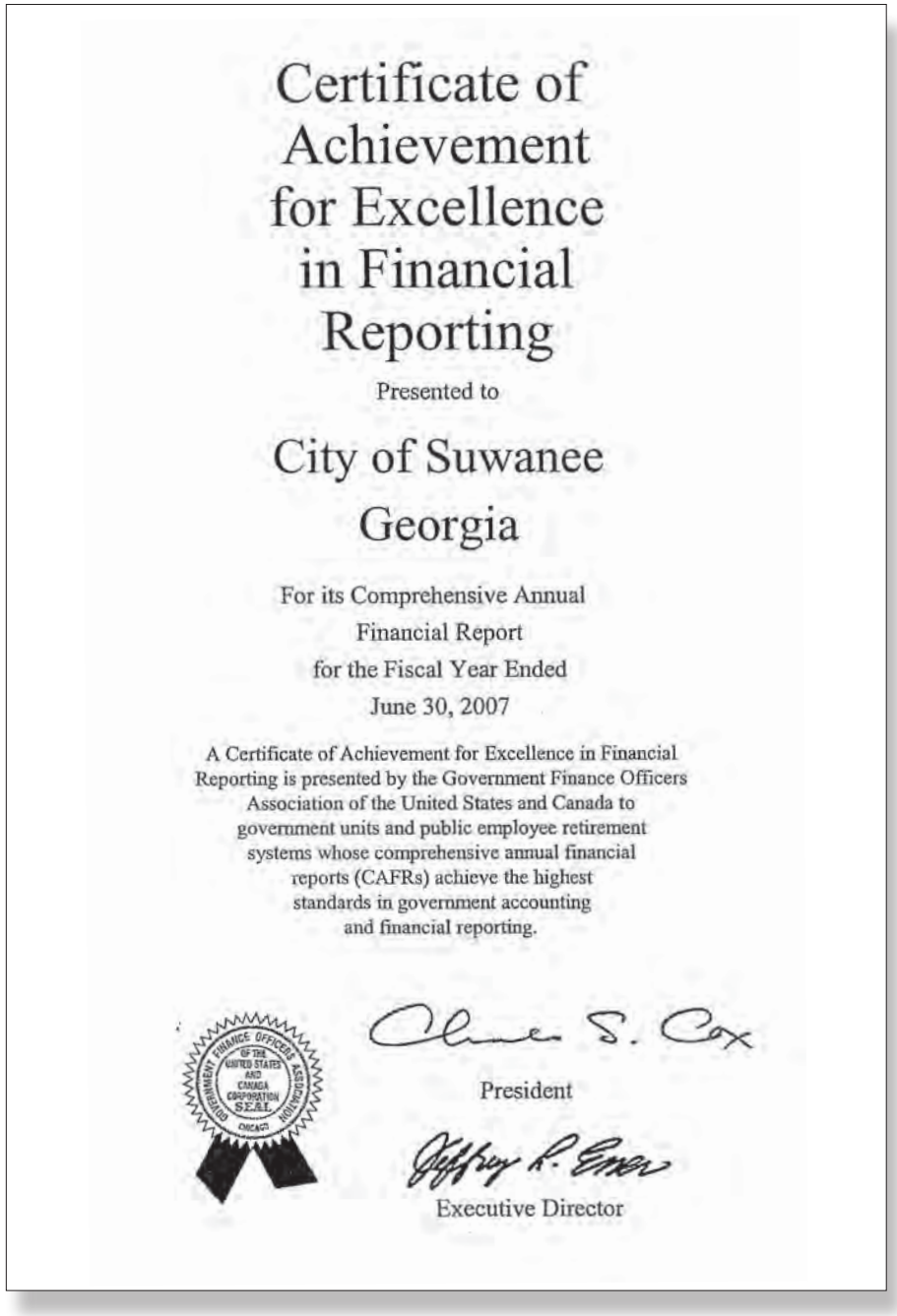


The preparation and production of this document would not be possible without the dedication and cooperation of all City departments. Their willingness to work together has enabled Suwanee to go beyond the ordinary, to be unique and to strive to exceed expectations in financial reporting by producing a quality report that is readable, informative, and beneficial to Suwanee citizens. We also extend our appreciation and gratitude to our independent auditors, Mauldin & Jenkins, for the professional guidance and assistance in producing a technically sound document. Most importantly, we express our appreciation to the City Council for their dedication, leadership, vision, and support in planning and conducting the affairs of the City in a responsible and progressive manner, which ensures that Suwanee is a great place to call home.

Respectfully submitted,

Amie Sakmar
Financial Services Director

Marty Allen
City Manager



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Suwanee
Georgia

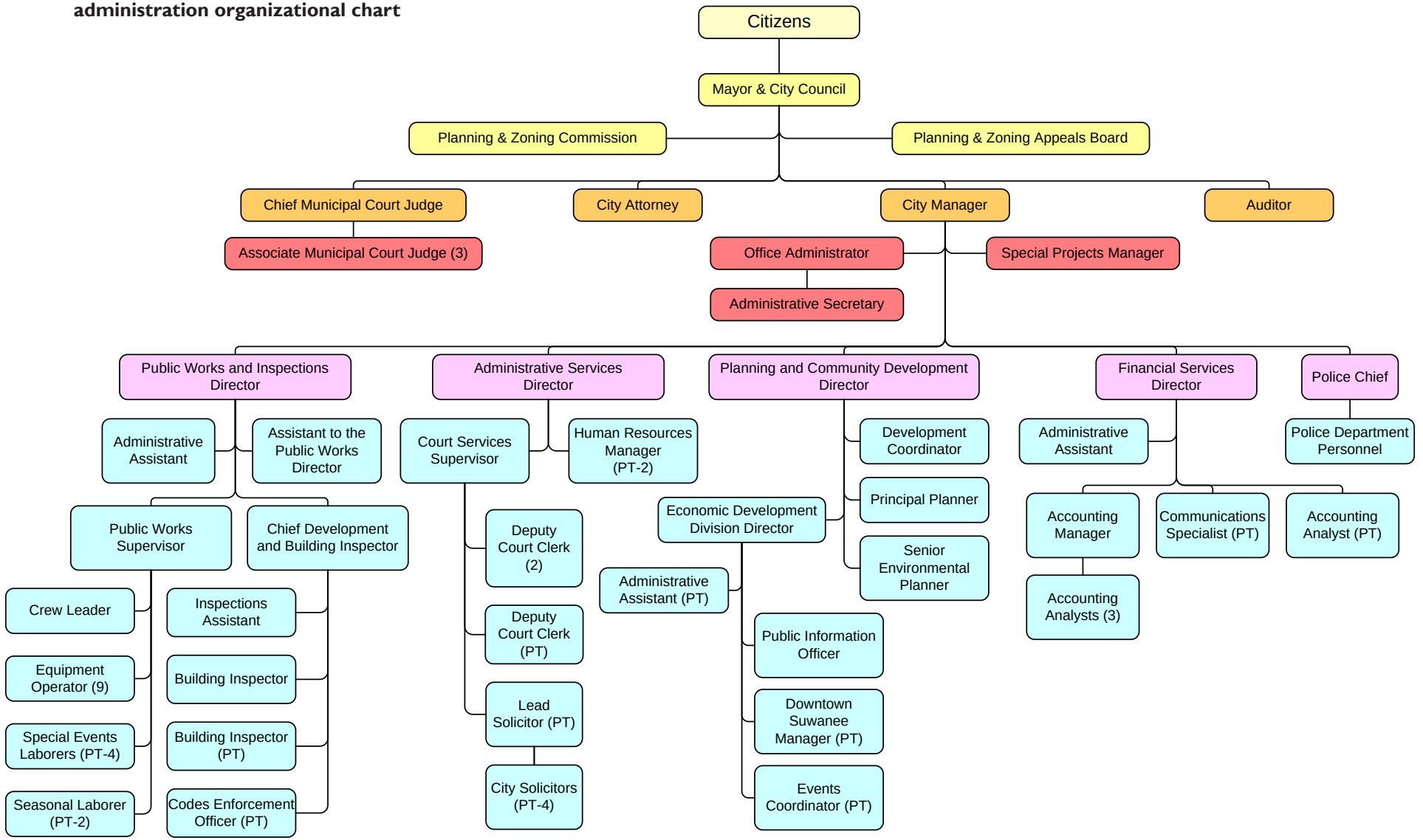
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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.

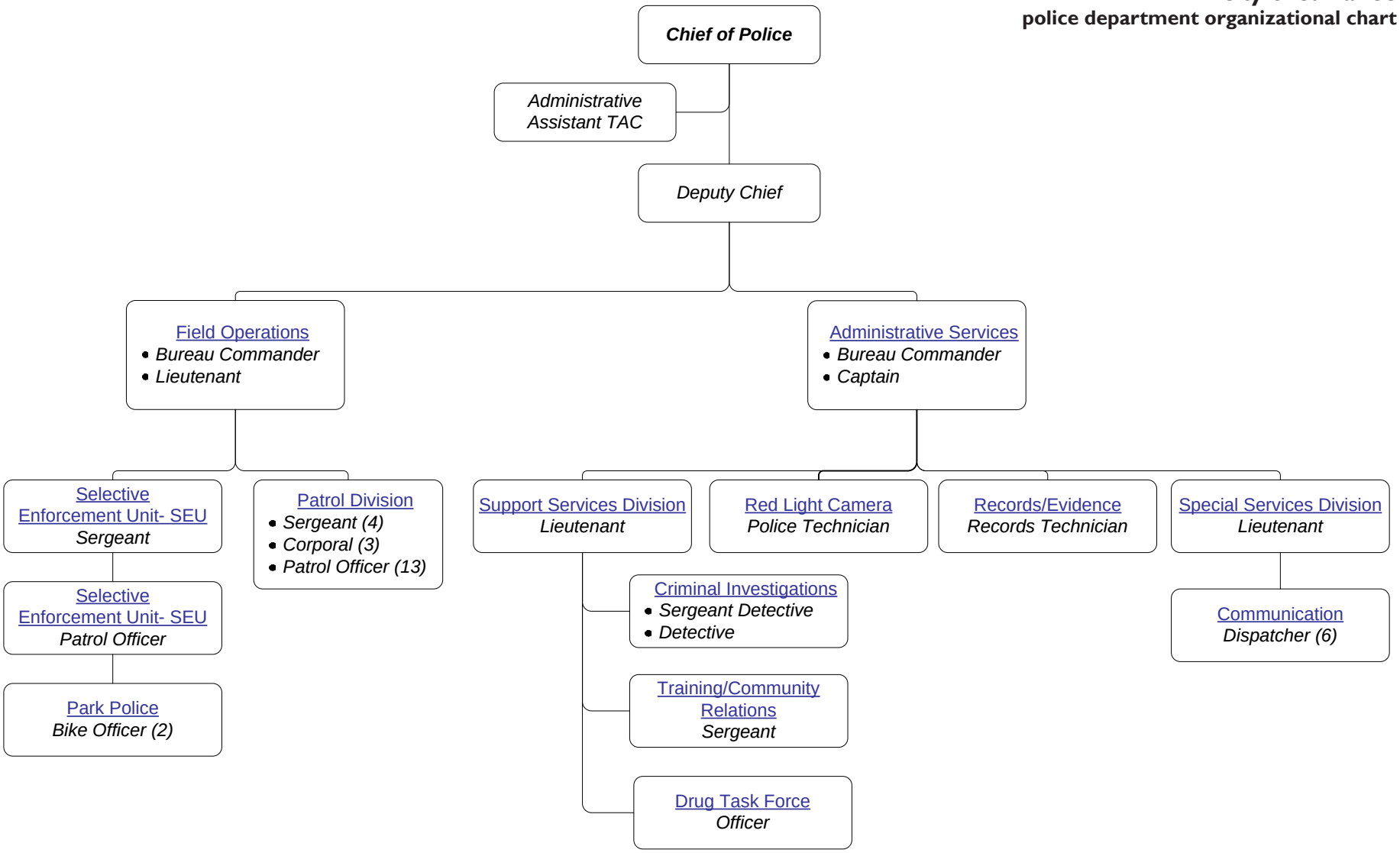
Clifton S. Cox
President

Jeffrey L. Esser
Executive Director

city of suwanee
administration organizational chart



city of suwanee
police department organizational chart



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financial section

Independent Auditor's Report
Management's Discussion and Analysis

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Member
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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Suwanee, Georgia, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2008 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 and the Schedule of Funding Progress (on pages 13 through 28 and 63, respectively) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 4, 2008

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, 2008. This narrative is intended to assist the reader in understanding significant issues, provide an overview of financial activities and identify changes in financial position, material deviations from the original budget, and individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the information furnished in the City's basic financial statements and notes to the financial statements.

financial highlights

Government-wide. Assets of the City's governmental activities exceeded liabilities by $53,421,734. This is an increase of $5,978,216 or 12.6%, as compared to the prior year amount of $47,443,518. Assets of the City's business-type activities exceeded liabilities by $1,892,702, an increase of $44,029, or 2.4%, as compared to the prior year amount of $1,848,673. In total, net assets increased by $6,022,245 to $55,314,436. Of this amount, unrestricted net assets on June 30, 2008 were $11,866,000 or 21.4% of the City's total net assets.

Fund level. As of June 30, 2008, the City's governmental funds reported a combined ending fund balance of $22,183,661, a decrease of $1,515,054 or 6.4% from fiscal year 2007. This decrease was due to planned capital expenditures for a new city hall and the open space parks initiative program. Funding for both of these programs was provided from two bond issues. At the fund level, capital expenditures reduce fund balance as funds are expended; however, at the entity-wide level, capital expenditures are added to capital assets and depreciated over the life of the asset. Enterprise fund assets exceeded liabilities resulting in total net assets of $1,892,702, of which $1,654,001 was invested in capital assets, leaving an unrestricted balance of $238,701.

Long-term debt. The City's total bonds outstanding decreased by $630,000 or 2.6% during fiscal year 2008. This decrease was due to scheduled debt service payments. Additional information regarding long-term debt can be found in the notes to the financial statements, note 7, on pages 53-56.

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 additional detailed information to supplement the Basic Financial Statements.

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

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

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

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

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

The government-wide financial statements can be found on pages 29 and 30.

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

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

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

The City maintains sixteen governmental funds. There are five funds that are considered major funds for financial reporting purposes: General, Debt Service, 2005 SPLOST, Open/Green Space and Town Center Facility Improvements. Each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Data from other, non-major governmental funds are combined into a single, aggregate column. Specific fund data for each of the non-major funds is provided in the form of combining statements beginning on page 66.

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 35. The basic governmental fund financial statements can be found on pages 31-33. Budgetary comparisons for other governmental funds with legally adopted annual budgets start on page 70.

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 38-40.

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 41.

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 43-61 of this report.

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

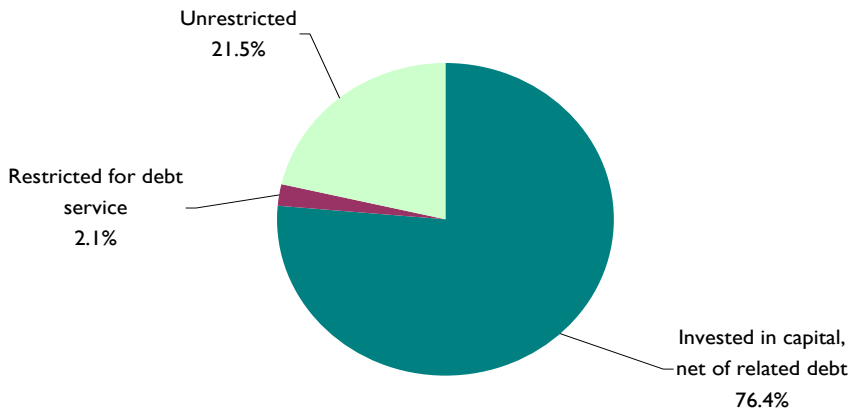
government-wide financial analysis

As noted earlier, changes in net assets may serve as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the City's assets exceeded its liabilities by $55,314,436 and $49,292,191 at June 30, 2008 and 2007 respectively. The following is a condensed version of the government-wide statement of net assets.

Net assets on June 30, 2008 and June 30, 2007

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Assets						
Current and other assets	$ 24,553,134	$ 24,540,394	$ 242,581	$ 173,185	$ 24,795,715	$ 24,713,579
Capital assets	53,672,165	46,939,044	2,022,251	2,061,549	55,694,416	49,000,593
Total assets	78,225,299	71,479,438	2,264,832	2,234,734	80,490,131	73,714,172
Liabilities						
Long-term liabilities outstanding	23,078,504	23,709,809	368,250	381,562	23,446,754	24,091,371
Other liabilities	1,725,061	326,111	3,880	4,499	1,728,941	330,610
Total liabilities	24,803,565	24,035,920	372,130	386,061	25,175,695	24,421,981
Net Assets						
Invested in capital, net of related debt	40,607,100	33,646,308	1,654,001	1,679,987	42,261,101	35,326,295
Restricted for debt service	1,187,335	896,330	-	-	1,187,335	896,330
Unrestricted	11,627,299	12,900,880	238,701	168,686	11,866,000	13,069,566
Total net assets	$ 53,421,734	$ 47,443,518	$ 1,892,702	$ 1,848,673	$ 55,314,436	$ 49,292,191

Primary Government Net Assets – June 30, 2008



The largest portion of the City's net assets 76.4% 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 $6,934,806 or 19.6%. These capital assets are used by the City to provide services to citizens. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City has restrictions of $1,187,335 of net assets to be spent on debt service. The remaining balance on unrestricted net assets 21.5% may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City was able to report positive balances in all three categories of net assets, both of the government as a whole as well as the separate governmental and business type activities. Growth in net assets is a positive economic indicator of the City's improved financial position from 2007.

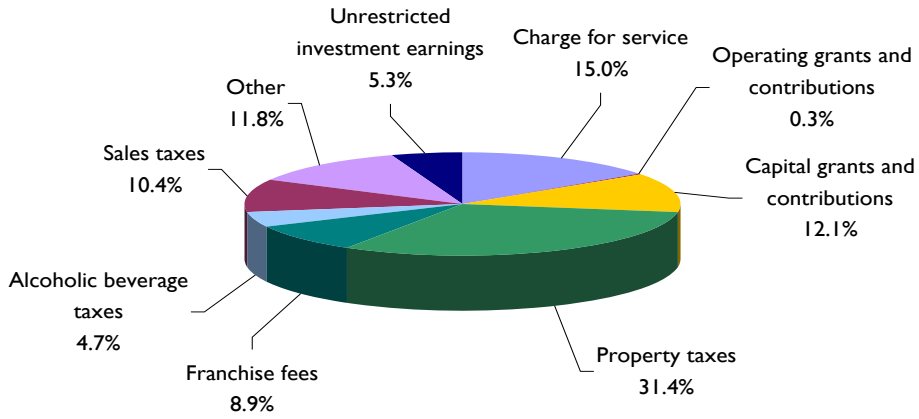
Governmental activities. Governmental activities increased the City's net assets by $5,978,216 thereby accounting for 99.3% of the total growth in net assets. This increase in governmental activities is related to donations of infrastructure by developers and continued growth in general taxes and building permitting fees. 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 2008.

Change in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for services	$ 2,561,652	$ 2,792,777	$ 93,405	$ 97,296	$ 2,655,057	$ 2,890,073
Operating grants and contributions	56,104	15,878	-	-	56,104	15,878
Capital grants and contributions	2,076,235	1,532,186	-	-	2,076,235	1,532,186
General revenues:						
Property taxes	5,371,353	4,553,033	-	-	5,371,353	4,553,033
Franchise fees	1,521,682	982,694	-	-	1,521,682	982,694
Alcoholic beverage taxes	794,986	799,075	-	-	794,986	799,075
Sales taxes	1,779,252	2,214,634	-	-	1,779,252	2,214,634
Other	2,019,226	1,913,570	-	-	2,019,226	1,913,570
Unrestricted investment earnings	911,384	741,932	1,597	1,393	912,981	743,325
Total revenues	17,091,874	15,545,779	95,002	98,689	17,186,876	15,644,468
Expenses						
General government	2,139,085	1,772,717	-	-	2,139,085	1,772,717
Judicial	375,035	338,893	-	-	375,035	338,893
Police	3,364,444	3,117,470	-	-	3,364,444	3,117,470
Public works	3,005,155	3,139,104	-	-	3,005,155	3,139,104
Culture and recreation	523,503	445,790	-	-	523,503	445,790
Housing and development	1,172,061	1,030,864	-	-	1,172,061	1,030,864
Tourism and trade	150,132	106,490	-	-	150,132	106,490
Interest on long term debt	1,001,643	984,469	-	-	1,001,643	984,469
Water and sewer	-	-	121,573	221,391	121,573	221,391
Total expenses	11,731,058	10,935,797	121,573	221,391	11,852,631	11,157,188
Increase (decrease) in net assets before transfers	5,360,816	4,609,982	(26,571)	(122,702)	5,334,245	4,487,280
Transfers	(70,600)	(36,400)	70,600	36,400	-	-
Increase (decrease) in net assets before special item	5,290,216	4,573,582	44,029	(86,302)	5,334,245	4,487,280
Special item-gain on sale of capital asset	688,000	-	-	-	688,000	-
Change in net assets	5,978,216	4,573,582	44,029	(86,302)	6,022,245	4,487,280
Net assets-July 1	47,443,518	42,869,936	1,848,673	1,934,975	49,292,191	44,804,911
Net assets-June 30	$ 53,421,734	$ 47,443,518	$ 1,892,702	$ 1,848,673	$ 55,314,436	$ 49,292,191

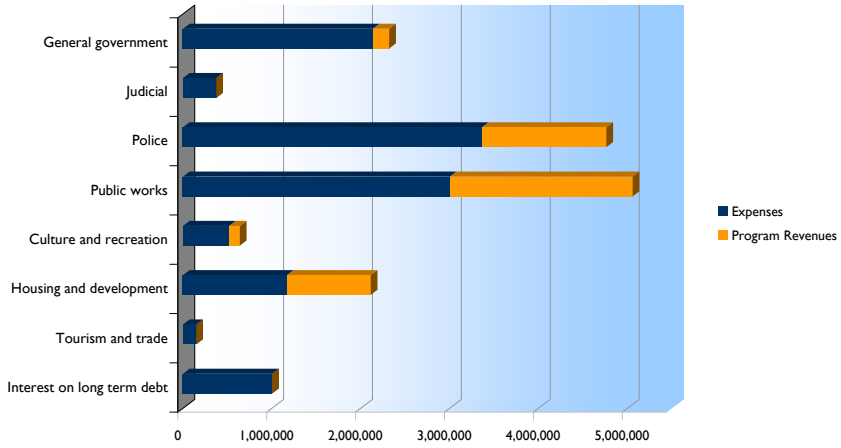
Governmental activities revenues totaled $17,091,874 for fiscal year 2008. Property taxes are the largest revenue source for governmental activities accounting for 31.4% of total revenues. Charges for services and Capital grants and contributions are the second and third largest revenue source accounting for 15.0% and 12.1% of governmental revenues for the year.

Revenues by Source-Governmental Activities



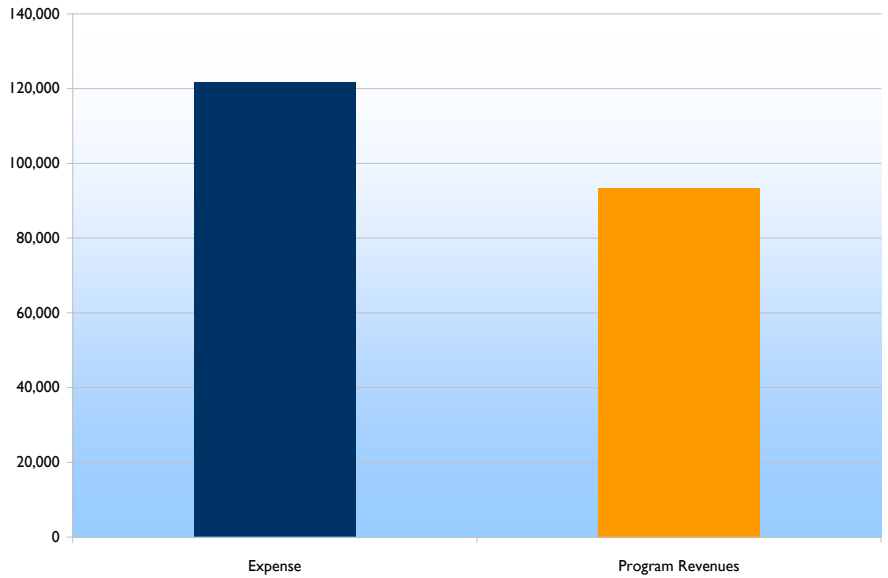
Governmental expenses totaled $11,731,058 for the fiscal year. Of the expenses, 28.7%, or $3,364,444, is related to police. Public works accounted for $3,005,155, or 25.6%. Interest on long-term debt accounted for 8.5% of overall governmental expenses. The chart below compares governmental activities 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 $44,029 accounting for .7% of the City's net assets increase in fiscal year 2008.

Expense and Program Revenues – Business-type Activities



financial analysis of the government's funds

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

As of June 30, 2008, the City's governmental funds reported a combined ending fund balance of $22,183,661, a decrease of $1,515,054 in comparison with the prior year. This decrease is due to planned capital projects that were funded in prior periods by bond issues. Approximately 34.2% of the ending fund balance ($7,585,561) 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 ($1,187,335), to pay for capital projects ($13,133,801), and for various other purposes ($276,964).

The general fund is the chief operating fund of the City. On June 30, 2008, unreserved fund balance of the general fund was $7,585,561. 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 72.7% of total general fund expenditures and transfers. The fund balance of the general fund increased by $2,005,024 during the current fiscal year.

Revenues Classified by Source – General Fund

	FY 2008		FY 2007		Increase / (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by Source:						
Taxes	$ 9,522,959	77.1%	$ 8,129,720	73.2%	$ 1,393,239	17.1%
Licenses and permits	1,057,705	8.6%	1,112,874	10.0%	(55,169)	-4.9%
Intergovernmental	818	0.0%	14,378	0.1%	(13,560)	-94.3%
Charges for service	227,015	1.8%	252,617	2.3%	(25,602)	-10.1%
Fines and forfeitures	1,259,195	10.2%	1,320,468	11.9%	(61,273)	-4.6%
Other	285,292	2.3%	272,262	2.5%	13,030	4.8%
Total	$ 12,352,984	100.0%	$ 11,102,319	100.0%	$ 1,250,665	11.3%

The following provides an explanation of revenues by source changes from 2007 to 2008:

- **Taxes.** Real and personal property tax collection increased in total by $780,217. Fiscal years 2006 and 2007 both reported significant increases in commercial and residential building permits issued. The lag time between permits being issued and increased values added to the tax digest ranges from twelve to eighteen months. Electric franchise revenue increased by $538,988 based on increases in electrical usage attributable to commercial and industrial growth. A component of this growth is related to computer warehousing and has significantly increased Suwanee's electric power usage. Occupational tax revenue increased by $78,314, which is also attributable to the commercial and industrial growth in Suwanee.

- **Licenses and permits.** Building permits decreased by $7,625 from the previous period. Fiscal years 2006 and 2007 had above normal growth in building permits. The slower growth reported in fiscal year 2008 was expected as the availability of undeveloped land decreases. Alcohol beverage fees decreased by $13,380, this decrease was due to several establishments purchasing two licenses in prior fiscal period. Suwanee does not pro-rate license fees for less than a full year. Licenses renew on January 1st. Zoning and land use development fees decreased by $38,319, as a result of decreased development activity.

- **Intergovernmental.** Intergovernmental grants have decreased by $13,560. In fiscal year 2007, Suwanee received a federal justice grant award for police services. This grant was a one time grant award.

- **Charge for service.** Public safety special event service fees decreased by $45,832. These services are provided to private business for events needing traffic or crowd control and varies from year to year.

- **Fines and forfeitures.** Municipal court fees decreased by $61,273. This decrease is related to the second full year of the red light program. As drivers become aware of the cameras, ticket violations for red light camera offensives usually decline from the first year of the program.

- **Other.** Other revenues increased by $13,030. The majority of this increase is related to investment earnings on idle cash reserves.

Expenditures by Function – General Fund

	FY 2008		FY 2007		Increase / (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General government	$ 1,819,852	21.8%	$ 1,790,183	23.1%	$ 29,669	1.7%
Judicial	380,788	4.6%	336,751	4.3%	44,037	13.1%
Police	3,277,926	39.2%	3,200,891	41.3%	77,035	2.4%
Public works	1,244,904	14.9%	945,779	12.2%	299,125	31.6%
Culture and recreation	328,958	3.9%	312,680	4.0%	16,278	5.2%
Housing and development	1,186,880	14.2%	1,043,695	13.5%	143,185	13.7%
Debt service:						
Principal retirement	107,594	1.3%	110,637	1.4%	(3,043)	-2.8%
Interest	7,665	.1%	7,139	0.1%	526	7.4%
Total	$ 8,354,567	100.0%	$ 7,747,755	100.0%	$ 606,812	7.8%

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

- **General government.** Expenditures increased by $29,669 or 1.7%. During this period, the City was searching for a new City Manager and no significant changes were proposed during the budget process for fiscal year 2008. The City Manager and Special Project Manager position were vacant for half of the fiscal year.

- **Judicial.** Expenditures increased by $44,037 or 13.1%. This increase was due to one part time position being changed to full time for twelve months and annual salary and benefit increases. In the prior period, the part time position was full time for only five months of the period.

- **Police.** Expenditures increased by $77,035 or 2.4%. The police function experienced lower than expected expenditures growth during the period due to significant staff vacancies.

- **Public works.** Expenditures increased by $299,125 or 31.6%. The majority of the increase consisted of the following:
  - A new assistant to the public works director position was added, total salary and benefits $71,589.
  - Two new equipment operators positions were added, total salary and benefits $94,939.
  - A new truck and small equipment was purchased for $33,000.
  - Storm Drainage permitting process, increasing expenditures by $57,888.

- **Culture and recreation.** Expenditures increased by $16,278 or 5.2%. This increase was related to new holiday lighting purchased during the fiscal period.

- **Housing and development.** Expenditures increased by $143,185 or 13.7%. The majority of the increase consisted of the following:
  - The economic and community development department started a new Suwanee Gateway program, $50,000 was spent implementing the Suwanee Gateway program.
  - Suwanee implemented a new signage program, $57,600 was spent on design and construction.
  - A new part time administrative assistant position was added. Salary and benefits for this position were $20,952.
  - Suwanee entered into a partnership with Gwinnett Chamber of Commerce to help with community development, $10,000 was fiscal year 2008 contribution.

Capital projects funds account for the financial resources used for the purchase and construction of major capital facilities. During fiscal year 2008, the City had three capital project funds that were considered major funds; the 2005 SPLOST fund, Open/Green Space fund, and Town Center Facility Improvement fund.

The 2005 SPLOST fund consists of twelve separate projects. These projects include: street resurfacing and improvements, traffic calming, storm drainage and system improvements, playground structures, pedestrian bridge, pedestrian improvements at Highway 23 and Town Center Park, 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 a four-year period. As of June 30, 2008, the unreserved fund balance was $3,554,694.

At the end of the current fiscal year, the unreserved fund balance of the Open/Green Space fund was $1,658,025, representing a decrease of $1,888,868 from fiscal year 2007. The remaining resources of the 2002 General Obligation Bond proceeds will be used to complete construction of phase I of the Sims Lake master plan ($1,309,868), implement phase III of the Suwanee Creek Park master plan ($365,000), and provide a connector for the Suwanee Greenway at Smithtown Road ($214,000).

The Town Center Facility Improvements fund unreserved fund balance at year-end was $6,520,536. This fund was created during fiscal year 2005 to account for the new City Hall project at the Town Center Urban Redevelopment Agency (URA) property site. Funding for this project has been provided by the sale of four parcels at the URA property site, 2006 URA revenue bonds, and local funds transferred by the general fund. The projected move in date for this project is February 2009.

The debt service fund balance was $1,187,335 as of June 30, 2008, all of which is reserved for future debt service payments.

Proprietary funds. The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term financial information. At the fiscal year end, the water fund had an operating loss of $13,035 compared with an operating income of $21,561 in the prior year. Operating revenues decreased 4.0% and operating expenses increased by 40.5%, in comparison to fiscal year 2007. Operating revenues are in a slight decline due to water usage restrictions. Expenses have increased due to the City hiring consultants to perform a comprehensive study of the water system, which will include identification of capital maintenance and improvement needs, review of cost of operations, and a rate study. This study was started in fiscal year 2008 and will be completed in fiscal year 2009.

general fund budgetary highlights

Differences between the original budget ($11,088,790) and the final amended budget ($11,906,650) amounted to an overall increase of $817,860. A brief summary of these increases are explained below:

- General government budget was amended $461,750 for possible land acquisitions in Old Town Suwanee.
- Police budget was amended $50,000 for special event fees.
- Public works budget was amended $ 22,870 for storm drainage consultants fees.
- Culture and recreation budget was amended $35,250 for top ten money magazine celebration. The economic and community development did receive contributions that covered the majority of these expenditures.
- Transfer out debt service budget was amended $246,930 for additional debt service millage collections, due to the growing digest value.

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2008 can be found on pages 35-37. The following chart is a summary of that schedule.

	Budget			Variance
	Original	Final	Actual	with Final
Revenues, transfers, and other financing sources:				
Taxes	$ 8,724,070	$ 9,452,870	$ 9,522,959	$ 70,089
License and permits	727,300	727,300	1,057,705	330,405
Intergovernmental revenues	2,000	2,000	818	(1,182)
Charges for services	127,950	217,010	227,015	10,005
Fines and forfeitures	1,254,330	1,254,330	1,259,195	4,865
Investment Income	174,640	174,640	264,001	89,361
Miscellaneous revenues	8,000	8,000	21,291	13,291
Other financing sources	70,500	70,500	80,123	9,623
Total	11,088,790	11,906,650	12,433,107	526,457
Expenditures and transfers out:				
Expenditures	9,276,790	9,828,000	8,354,567	(1,473,433)
Transfer out	1,812,000	2,078,650	2,073,516	(5,134)
Total	11,088,790	11,906,650	10,428,083	(1,478,567)
Change in fund balance	$ -	$ -	$ 2,005,024	$ 2,005,024

During the year, general fund revenues exceeded budgetary projections and expenditures were less than budgetary estimates. Actual revenues were $526,457 higher than estimates, whereas expenditures were $1,478,567 lower than the final budgetary appropriations. Listed below are the major areas that expenditures were lower than appropriations.

- Salaries and benefits expenditures were $424,018 less than appropriations. This was due to several administrative and police officer vacancies during the year. Group health insurance projections were higher than actual renewal rates.
- Purchased professional services expenditures were $112,557 less than appropriations. The majority of this decrease was due to lower than expected consulting fees for projects extending over two fiscal periods..
- Other purchased services and supplies expenditures were $300,341 less than appropriations. Some of these costs were offset by donations and sponsorships from private organizations for special events.
- Property expenditures were $506,347 less than appropriations due to possible land acquisitions in Old Town that were not purchased.
- Machinery and equipment expenditures were $96,147 less than appropriations. This difference in budget to actual was due to delays in equipment and software purchases.

capital assets and debt administration

Capital assets. On June 30, 2008, the City's investment in capital assets in both governmental and business-type activities amounted to $55,694,416, 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 and construction in progress, which increased capital assets by $1,951,344 and $5,153,642 respectively.

Additional information on capital assets can be found in Note 6 on pages 51-52 of this report.

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Land	$ 10,236,082	$ 10,236,082	$ 7,500	$ 7,500	$ 10,243,582	$ 10,243,582
Land Improvements	163,303	134,835	2,596	2,843	165,899	137,678
Buildings	11,282,717	10,499,381	-	-	11,282,717	10,499,381
Water distribution	-	-	1,993,765	2,031,500	1,993,765	2,031,500
Machinery and equipment	842,343	557,008	18,390	19,706	860,733	576,714
Vehicles	496,191	444,194	-	-	496,191	444,194
Infrastructure	23,768,832	23,338,489	-	-	23,768,832	23,338,489
Construction in progress	6,882,697	1,729,055	-	-	6,882,697	1,729,055
Total	$ 53,672,165	$ 46,939,044	$ 2,022,251	$ 2,061,549	$ 55,694,416	$ 49,000,593

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $23,185,000 comprised of general obligation debt ($16,795,000) backed by the full faith and credit of the City, and revenue bonds ($6,390,000) obligated through an intergovernmental agreement with the Urban Redevelopment Authority.

The City's total long-term bonds decreased by $630,000, or 2.6%, during the current fiscal year. The City maintains an AA- rating from two of the three rating agencies that review public sector debt. State statutes limit the amount of general obligation debt a government entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is $109,528,999; current general obligation debt is below this limit with 14.25% of the legal debt limit used. Additional information regarding long-term debt can be found in Note 7 on pages 53-56 of this report.

economic factors and next year's budget and rates

Suwanee continues to show economic growth and a strong fund balance at the end of fiscal year 2008. Economic conditions in Georgia and locally have been declining in calendar year 2008 and Suwanee is beginning to feel the slow down in commercial and residential growth from prior periods; however, Suwanee's economic outlook for 2008 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 2007, Suwanee's zip code was ranked 13th for wealthiest zip codes in metro Atlanta based on median household income of $153,161 and a median home value of $347,499.

- The fiscal year 2009 annual budget for the general, special revenue, and debt service funds is $14,365,840, this is an increase of 2.2% from the final amended 2008 budget.

- The fiscal year 2009 general fund budget is $12,310,040, an increase of 3.4% from 2008 final appropriations of $11,906,650. This increase is due to salaries and benefits annual increases, operational cost of opening a new 62 acre park (including equipment, utilities, and staffing), operational cost for the new City Hall for six months, and funding for Old Town Master Plan. Suwanee maintains a conservative operational growth control to ensure that the costs of implementing new capital projects, maintaining infrastructure needs, and operating costs are obtainable and realistic with current economic resources. All capital projects are fully funded and transfers of local funds are made at the start of the projects.

- The 2008 property tax digest was projected, through the budget process, to increase by 11%; however, due to the declining economy, projections were reduced by 5% to maintain a conservative obtainable estimate. The millage rate will remain 5.77 mills, the same rate used in fiscal year 2006, 2007, and 2008.

- Building permit fee revenue should remain in the $350,000 to $500,000 range over the next four years. Due to current economy, we adjusted our projected growth for fiscal year 2009 down to $315,000.

All of these factors were taken into consideration when preparing the 2009 budget. Major expenditures in the 2009 budget will allow the City to retain and recruit police officers, begin implementing the 2030 Comprehensive Plan, open and being operating a new City Hall facility and provide funds for our major capital improvements.

request for information

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

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basic financial statements

Government-wide Financial Statements
Fund Financial Statements

statement of net assets

june 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	$ 12,011,590	$ 234,639	$ 12,246,229	$ 14,914
Investments	11,436,450	-	11,436,450	41,124
Receivables:				
Property taxes	247,824	-	247,824	-
Sales taxes	297,090	-	297,090	-
Other	153,098	4,062	157,160	-
Deferred charges	233,691	-	233,691	-
Net pension asset	173,391	-	173,391	-
Restricted cash	-	3,880	3,880	-
Capital assets, nondepreciable	17,118,779	7,500	17,126,279	-
Capital assets, depreciable, net of accumulated depreciation	36,553,386	2,014,751	38,568,137	378,675
Total assets	78,225,299	2,264,832	80,490,131	434,713
LIABILITIES				
Accounts payable	1,273,651	-	1,273,651	-
Retainage payable	451,410	-	451,410	-
Liabilities payable from restricted assets	-	3,880	3,880	-
Noncurrent liabilities:				
Notes payable due within one year	-	13,858	13,858	-
Notes payable due in more than one year	-	354,392	354,392	-
General obligation bonds due within one year	425,000	-	425,000	-
General obligation bonds due in more than one year	15,889,338	-	15,889,338	-
Revenue bonds due within one year	240,000	-	240,000	-
Revenue bonds due in more than one year	6,145,926	-	6,145,926	-
Capital leases due within one year	93,828	-	93,828	-
Capital leases due in more than one year	72,686	-	72,686	-
Compensated absences due within one year	67,752	-	67,752	-
Compensated absences due more than one year	143,974	-	143,974	-
Total liabilities	24,803,565	372,130	25,175,695	-
NET ASSETS				
Invested in capital assets, net of related debt	40,607,100	1,654,001	42,261,101	378,675
Restricted for debt service	1,187,335	-	1,187,335	-
Unrestricted	11,627,299	238,701	11,866,000	56,038
Total net assets	$ 53,421,734	$ 1,892,702	$ 55,314,436	$ 434,713

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

statement of activities

year ended june 30, 2008

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	$ 2,139,085	$ 181,725	$ -	$ -	$ (1,957,360)	$ -	$ (1,957,360)	
Judicial	375,035	-	-	-	(375,035)	-	(375,035)	
Police	3,364,444	1,398,958	512	-	(1,964,974)	-	(1,964,974)	
Public works	3,005,155	-	3,000	2,051,235	(950,920)	-	(950,920)	
Culture and recreation	523,503	40,017	52,592	25,000	(405,894)	-	(405,894)	
Housing and development	1,172,061	940,952	-	-	(231,109)	-	(231,109)	
Tourism and trade	150,132	-	-	-	(150,132)	-	(150,132)	
Interest on long term debt	1,001,643	-	-	-	(1,001,643)	-	(1,001,643)	
Total governmental activities	11,731,058	2,561,652	56,104	2,076,235	(7,037,067)	-	(7,037,067)	
Business-type activities								
Water and Sewer	121,573	93,405	-	-	-	(28,168)	(28,168)	
Total Primary Government	$ 11,852,631	$ 2,655,057	$ 56,104	$ 2,076,235	$ (7,037,067)	$ (28,168)	$ (7,065,235)	
Component Unit	$ 14,605	$ -	$ 15,156	$ -				$ 551
General revenues:								
Taxes:								
Property taxes					5,371,353	-	5,371,353	-
Franchise fees					1,521,682	-	1,521,682	-
Hotel/motel taxes					421,497	-	421,497	-
Alcoholic beverage tax					794,986	-	794,986	-
Business and occupation taxes					1,040,371	-	1,040,371	-
Insurance premium taxes					476,899	-	476,899	-
Sales taxes					1,779,252	-	1,779,252	-
Other taxes					37,762	-	37,762	-
Unrestricted investment earnings					911,384	1,597	912,981	1,209
Miscellaneous					42,697	-	42,697	-
Transfers					(70,600)	70,600	-	-
Special item gain on sale of capital asset					688,000	-	688,000	-
Total general revenues, transfers and special item					13,015,283	72,197	13,087,480	1,209
Change in net assets					5,978,216	44,029	6,022,245	1,760
Net assets - beginning					47,443,518	1,848,673	49,292,191	432,953
Net assets - ending					$ 53,421,734	$ 1,892,702	$ 55,314,436	$ 434,713

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

governmental funds balance sheet

june 30, 2008

	General	Debt Service	2005 SPLOST	Open/Green Space	TC Facility Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 1,674,063	$ -	$ 1,589,988	$ 1,753,109	$ 5,393,756	$ 1,600,674	$ 12,011,590
Investments	5,860,577	1,187,335	1,668,194	569,999	2,084,849	65,496	11,436,450
Receivables:							
Property taxes	247,824	-	-	-	-	-	247,824
Sales taxes	-	-	297,090	-	-	-	297,090
Other	138,580	-	-	-	-	14,518	153,098
Total assets	$ 7,921,044	$ 1,187,335	$ 3,555,272	$ 2,323,108	$ 7,478,605	$ 1,680,688	$ 24,146,052
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 98,153	$ -	$ 578	$ 509,558	$ 662,184	$ 3,178	$ 1,273,651
Retainage payable	-	-	-	155,525	295,885	-	451,410
Deferred revenue	237,330	-	-	-	-	-	237,330
Total liabilities	335,483	-	578	665,083	958,069	3,178	1,962,391
Fund balances:							
Reserved for:							
Debt service	-	1,187,335	-	-	-	-	1,187,335
Unreserved reported in:							
General fund, undesignated	7,585,561	-	-	-	-	-	7,585,561
Special revenue funds, undesignated	-	-	-	-	-	276,964	276,964
Capital project funds, undesignated	-	-	3,554,694	1,658,025	6,520,536	1,400,546	13,133,801
Total fund balances	7,585,561	1,187,335	3,554,694	1,658,025	6,520,536	1,677,510	22,183,661
Total liabilities and fund balances	$ 7,921,044	$ 1,187,335	$ 3,555,272	$ 2,323,108	$ 7,478,605	$ 1,680,688	

Net pension asset is not recorded in the governmental fund statements	173,391
Deferred charges are available in the current period and, therefore, are not reported in the funds.	233,691
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	53,672,165
Other long-term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds.	237,330
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(23,078,504)
	$ 53,421,734

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, 2008

	General	Debt Service	2005 SPLOST	Open/Green Space	TC Facility Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	$ 5,398,361	$ -	$ -	$ -	$ -	$ -	$ 5,398,361
Franchise taxes	1,521,682	-	-	-	-	-	1,521,682
Alcoholic beverage taxes	794,986	-	-	-	-	-	794,986
Sales taxes	-	-	1,779,252	-	-	-	1,779,252
Business taxes	1,517,270	-	-	-	-	-	1,517,270
Hotel/motel taxes	252,898	-	-	-	-	168,599	421,497
Other taxes	37,762	-	-	-	-	-	37,762
Licenses and permits	1,057,705	-	-	-	-	-	1,057,705
Intergovernmental revenues	818	-	-	-	-	59,384	60,202
Charges for services	227,015	-	-	-	-	-	227,015
Fines and forfeitures	1,259,195	-	-	-	-	17,737	1,276,932
Investment income	264,001	22,679	84,627	108,626	391,437	40,014	911,384
Contributions and donations	500	-	-	25,000	-	95,292	120,792
Miscellaneous revenue	20,791	-	-	14,356	-	-	35,147
Total revenues	12,352,984	22,679	1,863,879	147,982	391,437	381,026	15,159,987
EXPENDITURES							
Current:							
General government	1,819,852	-	-	-	-	-	1,819,852
Judicial	380,788	-	-	-	-	-	380,788
Police	3,277,926	-	-	-	-	74,510	3,352,436
Public works	1,244,904	-	-	-	-	-	1,244,904
Culture and recreation	328,958	-	-	-	-	79,329	408,287
Housing and development	1,186,880	-	-	-	-	-	1,186,880
Tourism and trade	-	-	-	-	-	150,132	150,132
Capital outlay	-	-	1,645,695	1,769,350	3,534,131	141,260	7,090,436
Debt service:							
Principal	107,594	630,000	-	-	-	-	737,594
Interest and fiscal charges	7,665	993,590	-	-	-	-	1,001,255
Total expenditures	8,354,567	1,623,590	1,645,695	1,769,350	3,534,131	445,231	17,372,564
Excess (deficiency) of revenues over (under) expenditures	$ 3,998,417	$ (1,600,911)	$ 218,184	$ (1,621,368)	$ (3,142,694)	$ (64,205)	$ (2,212,577)

(continued)

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, 2008 (continued)

	General	Debt Service	2005 SPLOST	Open/Green Space	TC Facility Improvements	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)	$	$	$	$	$	$	$
Proceeds from capital lease	72,573	-	-	-	-	-	72,573
Sale of capital assets	7,550	-	-	-	-	-	7,550
Transfers in	-	1,891,916	267,500	-	682,510	161,280	3,003,206
Transfers out	(2,073,516)	-	(50,280)	(267,500)	-	(682,510)	(3,073,806)
Total other financing sources (uses)	(1,993,393)	1,891,916	217,220	(267,500)	682,510	(521,230)	9,523
Special item - Sale of land	-	-	-	-	-	688,000	688,000
Net change in fund balances	2,005,024	291,005	435,404	(1,888,868)	(2,460,184)	102,565	(1,515,054)
FUND BALANCES, beginning of year	5,580,537	896,330	3,119,290	3,546,893	8,980,720	1,574,945	23,698,715
FUND BALANCES, end of year	$ 7,585,561	$ 1,187,335	$ 3,554,694	$ 1,658,025	$ 6,520,536	$ 1,677,510	$ 22,183,661

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, 2008

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

Net change in fund balances-total governmental funds			$ (1,515,054)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements.			(27,008)
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	$ 8,730,720	
	Deletions	(12,536)	
	Depreciation expense	(1,985,064)	6,733,120
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	$ (72,573)	
	Principal payments of capital leases	107,594	35,021
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure.			
	Principal payment		630,000
The current year's increase in the net pension asset creates a balance sheet item while reducing net expenses of the functions on the government wide statements.			173,391
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.			
	Premium/Discount	$ 1,490	
	Bond Issuance Cost	(17,538)	
	Loss on Refunding	(33,732)	(49,780)
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.			(1,474)
Change in net assets of governmental activities			$ 5,978,216

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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property taxes	$ 5,160,730	$ 5,464,530	$ 5,398,361	$ (66,169)
Franchise taxes	1,057,000	1,482,000	1,521,682	39,682
Alcoholic beverage taxes	777,000	777,000	794,986	17,986
Business taxes	1,442,500	1,442,500	1,517,270	74,770
Hotel/motel taxes	225,390	225,390	252,898	27,508
Penalties and interest on delinquent taxes	61,450	61,450	37,762	(23,688)
Total taxes	8,724,070	9,452,870	9,522,959	70,089
Licenses and permits:				
Alcoholic beverage fees	163,000	163,000	161,320	(1,680)
Business licenses	17,300	17,300	20,405	3,105
Building permits	547,000	547,000	875,980	328,980
Total licenses and permits	727,300	727,300	1,057,705	330,405
Intergovernmental revenues:				
Federal grants	2,000	2,000	12	(1,988)
Local grants	-	-	806	806
Total intergovernmental revenues	2,000	2,000	818	(1,182)
Charges for services:				
Planning and development fees	45,000	45,000	64,742	19,742
Printing and duplicating services	1,200	1,200	229	(971)
Public safety services	66,000	116,000	122,782	6,782
Special events	13,000	52,060	36,862	(15,198)
Other charges for services	2,750	2,750	2,400	(350)
Total charges for services	127,950	217,010	227,015	10,005
Fines and forfeitures	1,254,330	1,254,330	1,259,195	4,865
Investment income	174,640	174,640	264,001	89,361
Contributions and donations	2,000	2,000	500	(1,500)
Miscellaneous revenue	6,000	6,000	20,791	14,791
Total revenues	$ 11,018,290	$ 11,836,150	$ 12,352,984	$ 516,834

(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, 2008 (continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
General Government:				
Governing body	$ 96,300	$ 106,750	$ 99,797	$ 6,953
Legislative committees	8,750	8,750	6,463	2,287
Chief executive	434,490	398,090	354,225	43,865
General administration	221,100	229,650	190,289	39,361
Financial administration	563,130	569,080	512,139	56,941
Accounting	27,500	27,500	25,000	2,500
Law	63,100	78,100	67,306	10,794
Data processing	232,920	252,720	206,124	46,596
General government building and plant	218,430	680,180	245,089	435,091
Public information	119,290	127,240	113,420	13,820
Total general government	1,985,010	2,478,060	1,819,852	658,208
Judicial:				
Municipal court	337,950	338,450	302,027	36,423
Red light	104,700	95,700	78,761	16,939
Total judicial	442,650	434,150	380,788	53,362
Public safety:				
Police administration	391,150	326,230	293,139	33,091
Criminal investigation	342,360	322,010	292,546	29,464
Patrol	1,998,860	1,999,110	1,859,221	139,889
Records and identification	93,160	82,910	73,888	9,022
Police training	67,810	68,460	57,150	11,310
Special detail services	48,490	98,490	90,248	8,242
Police stations and buildings	143,620	160,670	141,631	19,039
Dispatcher	409,940	399,590	365,239	34,351
Public relations	41,520	42,520	35,270	7,250
Park police	127,300	86,250	69,594	16,656
Total public safety	3,664,210	3,586,240	3,277,926	308,314
Public Works:				
Public works administration	1,130,070	1,223,320	1,103,156	120,164
Paved streets	166,730	130,480	33,494	96,986
Storm drainage	63,000	85,870	91,274	(5,404)
Street lighting	6,500	6,500	4,564	1,936
Special detail services	10,770	16,520	12,416	4,104
Total public works	$ 1,377,070	$ 1,462,690	$ 1,244,904	$ 217,786

(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, 2008 (continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current: (continued)				
Culture and recreation:				
Playgrounds	$ 11,500	$ 18,500	$ 9,289	$ 9,211
Special facilities and activities	178,790	258,540	208,185	50,355
Park areas	179,410	130,110	111,484	18,626
Total culture and recreation	369,700	407,150	328,958	78,192
Housing and development:				
Protective inspection administration	432,050	439,500	407,161	32,339
Planning and zoning	437,240	406,740	354,794	51,946
Code enforcement	28,780	27,830	22,101	5,729
Economic development and assistance	331,980	375,290	331,383	43,907
Downtown Suwanee	92,840	95,090	71,441	23,649
Total housing and development	1,322,890	1,344,450	1,186,880	157,570
Debt service:				
Principal retirement	107,595	107,595	107,594	1
Interest and fiscal charges	7,665	7,665	7,665	-
Total debt service	115,260	115,260	115,259	1
Total expenditures	9,276,790	9,828,000	8,354,567	1,473,433
Excess of revenues over expenditures	1,741,500	2,008,150	3,998,417	1,990,267
OTHER FINANCING SOURCES (USES):				
Proceeds from capital leases	68,000	68,000	72,573	4,573
Transfer out	(1,812,000)	(2,078,650)	(2,073,516)	5,134
Sale of capital assets	2,500	2,500	7,550	5,050
Total other financing sources (uses)	(1,741,500)	(2,008,150)	(1,993,393)	14,757
Net change in fund balances	-	-	2,005,024	2,005,024
FUND BALANCES - beginning of year	5,580,537	5,580,537	5,580,537	-
FUND BALANCES - end of year	$ 5,580,537	$ 5,580,537	$ 7,585,561	$ 2,005,024

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

proprietary funds statement of net assets

june 30, 2008

	Major Enterprise Fund Water & Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 234,639
Accounts Receivable	4,062
Total current assets	238,701
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	3,880
Capital assets, nondepreciable	7,500
Capital assets, depreciable, net of accumulated depreciation	2,014,751
Total noncurrent assets	2,026,131
Total assets	2,264,832
LIABILITIES	
Current liabilities:	
Notes payable	13,858
Total current liabilities	13,858
Noncurrent liabilities:	
Payable form restricted assets:	
Customer deposits payable	3,880
Notes payable	354,392
Total noncurrent liabilities	358,272
Total liabilities	372,130
NET ASSETS	
Invested in capital assets, net of related debt	1,654,001
Unrestricted	238,701
Total net assets	$ 1,892,702

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

june 30, 2008

	Major Enterprise Fund Water & Sewer Fund
OPERATING REVENUES	
Water and sewer charges	$ 93,405
OPERATING EXPENSES	
Salaries and benefits	20,546
Contracted services	32,555
Supplies	14,041
Depreciation	39,298
Total operating expenses	106,440
Operating income (loss)	(13,035)
NONOPERATING REVENUES (EXPENSES)	
Investment income	1,597
Interest expense	(15,133)
Total nonoperating revenues (expenses)	(13,536)
Income (loss) before transfers	(26,571)
Transfer in	70,600
Change in net assets	44,029
Total net assets - beginning of year	1,848,673
Total net assets - end of year	$ 1,892,702

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

proprietary funds statement of cash flows

june 30, 2008

	Major Enterprise Fund Water & Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 94,757
Payments to employees	(20,547)
Payments to suppliers for goods and services	(46,803)
Net cash provided by operating activities	27,407
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments from other fund	681
Transfer from other fund	70,600
Net cash provided by noncapital financing activities	71,281
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital debt	(13,312)
Interest paid on capital debt	(15,133)
Net cash used by capital and related financing activities	(28,445)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,597
Net cash provided by investing activities	1,597
Net increase in cash and cash equivalents	71,840
Cash and cash equivalents - beginning	166,679
Cash and cash equivalents - ending	$ 238,519
Reconciliation of operating income to net cash provided by operating activities:	
Cash flows from operating activities	
Operating income (loss)	$ (13,035)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	39,298
Change in assets and liabilities	
(Increase) decrease in accounts receivable	1,762
Increase (decrease) in accounts payable not related to capital assets	(208)
Increase (decrease) in customer deposits	(410)
Net cash provided by operating activities	$ 27,407

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

fiduciary fund statement of fiduciary assets and liabilities

june 30, 2008

	Agency Fund
ASSETS	
Cash and cash equivalents	$ 137,932
Total assets	137,932
LIABILITIES	
Due to other funds	137,932
Total liabilities	$ 137,932

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

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notes to the financial statements

notes to the financial statements

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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 noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

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

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

The City reports the following major governmental funds:

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

The ***Town Center Facility Improvements Capital Projects Fund*** is used to account for the long-term capital facility project at the Town Center URA property site. Current funding for this project has been provided by the funds raised from the parcels sold at the URA property site along with resources provided from the 2006 URA Revenue Bond Issue.

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 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:

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

G. Compensated Absences

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

H. Long-Term Obligations

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

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

I. Net Assets 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 $23,078,504 difference are as follows:

Capital leases payable	$	(166,514)
Compensated absences payable		(211,726)
Bonds payable		(22,700,264)
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – government activities	$	(23,078,504)

NOTE. 3 LEGAL COMPLIANCE - BUDGETS

Budgets and Budgetary Accounting

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

1. The City's annual budget is prepared based on anticipated revenues and appropriated expenditures. Revenue anticipation is designed to help ensure fiscal responsibility and maintain a balanced budget. Budgeting is the responsibility of the Mayor and the City Council members, with assistance provided by the City Manager and his designated staff persons.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted by passage of an ordinance.
4. The budget was originally adopted on June 28, 2007. 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.

Material supplementary budgetary appropriations were made to provide funding for land acquisitions ($436,000) and to transfer additional resources related to debt service.

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, 2008, there were no outstanding encumbrances.

NOTE. 4 DEPOSITS AND INVESTMENTS

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2008 the City has no uncollateralized deposits.

Investments. At June 30, 2008, 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, 2007 and were mailed to taxpayers on October 1, 2007. The due date for these taxes was December 20, 2007, and after that date, both penalty and interest are accrued until the taxes are collected. The lien date was January 1, 2008. Receivables are recorded when taxes are levied and billed (October 1).

Receivables at June 30, 2008 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	$ 247,824	$ -	$ -	$ -	$ 247,824
Sales taxes	-	297,090	-	-	297,090
Other	138,580	-	14,518	4,062	157,160
Net total receivables	$ 386,404	$ 297,090	$ 14,518	$ 4,062	$ 702,074

NOTE. 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 10,236,082	$ -	$ -	$ -	$ 10,236,082
Construction in progress	1,729,055	6,113,126	-	(959,484)	6,882,697
Total	11,965,137	6,113,126	-	(959,484)	17,118,779
Capital assets, being depreciated:					
Land improvements	266,793	44,925	(3,608)	-	308,110
Buildings and improvements	11,183,961	44,875	-	959,484	12,188,320
Machinery and equipment	1,153,032	426,661	(50,653)	-	1,529,040
Vehicles	981,390	149,789	-	-	1,131,179
Infrastructure	32,404,586	1,951,344	-	-	34,355,930
Total	45,989,762	2617,594	(54,261)	959,484	49,512,579
Less accumulated depreciation for:					
Land improvements	131,958	13,219	(370)	-	144,807
Buildings and improvements	684,580	221,023	-	-	905,603
Machinery and equipment	596,024	132,029	(41,355)	-	686,698
Vehicles	537,196	97,792	-	-	634,988
Infrastructure	9,066,097	1,521,001	-	-	10,587,098
Total	11,015,855	1,985,064	(41,725)	-	12,959,194
Total capital assets, being depreciated, net	34,973,907	632,530	(12,536)	959,484	36,553,385
Governmental activities capital assets, net	$ 46,939,044	$ 6,745,656	$ (12,536)	$ -	$ 53,672,164

Business capital assets activity for the year ended June 30, 2008 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities / Water and Sewer fund:					
Capital assets, not being depreciated:					
Land	$ 7,500	$ -	$ -	$ -	$ 7,500
Total	7,500	-	-	-	7,500
Capital assets, being depreciated:					
Land improvements	4,944	-	-	-	4,944
Machinery and equipment	25,989	-	-	-	25,989
Water system	2,452,842	-	-	-	2,452,842
Total	2,483,775	-	-	-	2,483,775
Less accumulated depreciation for:					
Land improvements	2,101	247	-	-	2,348
Machinery and equipment	6,284	1,315	-	-	7,599
Water system	421,341	37,736	-	-	459,077
Total	429,726	39,298	-	-	469,024
Total capital assets, being depreciated, net	2,054,049	(39,298)	-	-	2,014,751
Business-type activities capital assets, net	$ 2,061,549	$ (39,298)	$ -	$ -	$ 2,022,251

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

Governmental activities:	
General government	$ 148,568
Judicial	2,190
Public safety	147,913
Public works	1,563,501
Culture and recreation	113,915
Housing and development	8,977
Total deprecation expenses – governmental activities	$ 1,985,064

NOTE. 7 LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2008.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
General obligation bonds	$ 17,195,000	$ -	$ (400,000)	$ 16,795,000	$ 425,000
Add: Issuance premium	30,223	-	(1,878)	28,345	-
Less: Deferred loss on refunding	(542,739)	-	33,732	(509,007)	-
Total general obligation bonds payable	16,682,484	-	(368,146)	16,314,338	425,000
Revenue bonds	6,620,000	-	(230,000)	6,390,000	240,000
Less: Issuance discount	(4,462)	-	388	(4,074)	-
Total revenue bonds payable	6,615,538	-	(229,612)	6,385,926	240,000
Capital leases	201,535	72,573	(107,594)	166,514	93,828
Compensated absences	210,252	175,649	(174,175)	211,726	67,752
Governmental activities long term activities	$ 23,709,809	$ 248,222	$ (879,527)	$ 23,078,504	$ 826,580

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	$ 381,562	$ -	$ (13,312)	$ 368,250	$ 13,858
Business-type activities long term liabilities	$ 381,562	$ -	$ (13,312)	$ 368,250	$ 13,858

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, 2008:

	Governmental Activities
Machinery, Equipment, and Vehicles	$ 345,223

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

Fiscal year ending June 30,	
2009	$ 98,708
2010	55,537
2011	19,115
Total minimum lease payments	173,360
Less amount representing interest	(6,846)
Present value of future minimum lease payments	$ 166,514

2002 General Obligation Bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the City. During the 2002 fiscal year, the City issued $17,695,000 in general obligation bonds to finance the costs of acquiring and improving land to be used for greenspace and passive park and recreational areas. In 2006, the City advance refunded a portion of the outstanding 2002 general obligation bonds series 2013 through 2032. The debt remaining after 2012 is considered defeased by the 2006 general obligation refunding series. The remaining bonds, maturing in January 2012, have interest rates that range from 6.0% to 7.0%. The amount of general obligation bonds outstanding at June 30, 2008 is $1,585,000.

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

Year ending June 30,	Principal	Interest
2009	$ 370,000	$ 93,800
2010	390,000	67,200
2011	405,000	39,375
2012	420,000	12,600
Total	$ 1,585,000	$ 212,975

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

The bonds, maturing in January 2032, have interest rates that range from 4.0% to 4.3%. The amount of general obligation bonds outstanding at June 30, 2008 is $15,210,000.

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

Year ending June 30,	Principal	Interest
2009	$ 55,000	$ 636,724
2010	60,000	634,280
2011	60,000	631,730
2012	65,000	629,074
2013	505,000	616,330
2014 – 2018	2,840,000	2,732,988
2019 – 2023	3,445,000	2,093,656
2024 – 2028	4,180,000	1,311,200
2029 – 2032	4,000,000	352,365
Total	$ 15,210,000	$ 9,638,347

The net proceeds of the general obligation refunding bond issuance was irrevocably deposited in escrow with the Bank of New York Trust Company, as escrow agent. The escrow obligations will bear interest and will be scheduled to mature at times sufficient to pay the principal and premium interest on the refunding bonds until January 2012, the earliest date of redemption. At June 30, 2008, the amount of the defeased bonds outstanding was $14,110,000.

Revenue Bonds

2006 Urban Redevelopment Revenue Bonds. During fiscal year 2007, the City issued $6,620,000 in revenue bonds to finance the cost of a new City Hall. The bonds, maturing in January 2027, have interest rate that range from 3.50% to 3.85%. The amount of revenue bonds outstanding at June 30, 2008 is $6,390,000.

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

Year ending June 30,	Principal	Interest
2009	$ 240,000	$ 231,473
2010	250,000	223,073
2011	260,000	214,323
2012	270,000	205,223
2013	275,000	195,773
2014 – 2018	1,535,000	827,313
2019 – 2023	1,835,000	534,788
2024 – 2027	1,725,000	167,718
Total	$ 6,390,000	$ 2,599,684

Notes Payable. During the year ended June 30, 2007, the Water and Sewer Fund closed out a construction loan, with Georgia Environmental Facilities Authority, and converted the loan to an amortizing loan on October 31, 2006. The principal amount of the amortized loan was $390,143. The loan accrues interest at the rate of 4.03%. Monthly principal and interest payments of $2,370 are due the first of each month for 240 months. The amount at outstanding at June 30, 2008 is $368,250.

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

Year ending June 30,	Principal	Interest
2009	$ 13,858	$ 14,586
2010	14,427	14,017
2011	15,019	13,425
2012	15,636	12,809
2013	16,278	12,167
2014 – 2018	91,978	50,244
2019 – 2023	112,473	29,749
2024 – 2027	88,581	6,231
Total	$ 368,250	$ 153,228

NOTE. 8 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2008 is as follows:

Transfer In	Transfer Out	Amount
Debt Service fund	General fund	$ 1,891,916
2005 SPLOST fund	Open/Green Space fund	267,500
Town Center Facility fund	Non-major governmental funds	682,510
Non-major governmental funds	General fund	111,000
Non-major governmental funds	SPLOST fund	50,280
Water and Sewer	General fund	70,600
		$ 3,073,806

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, 2008, 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 $4,225,859, including $464,980 of payroll covered by this plan. Contributions by the City totaled $23,248 for the fiscal year ended June 30, 2008. 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 The Segal Company. The City Council, in its role as the Plan Sponsor, has the sole authority to amend the provisions, including specific benefit provisions and contribution requirements, of the GMA Plan, as provided in the Plan document. 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, 2008, the Plan consisted of the following:	
Retired participants and beneficiaries currently receiving benefits	-
Terminated participants and beneficiaries entitled to benefits, but not yet receiving benefits	3
Active participants	67
Total	70

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, 2008
Annual required contribution	$	138,721
Interest on net pension asset		-
Adjustment of net pension asset		-
Annual pension cost	$	138,721

Fiscal Year Beginning	Annual Pension Costs (APC)	Actual City Contribution	Percentage of APC Contributed	Net Pension Asset
7/1/2005	$ 173,236	$ 173,236	100%	$ -
7/1/2006	329,348	329,348	100%	-
7/1/2007	138,721	312,112	100%	173,391

Basis of Valuation	
Valuation date	November 1, 2007
Actuarial cost method	Aggregate: Because the aggregate method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.
Amortization method	n/a – Aggregate method does not identify or separately amortize unfunded actuarial accrued liabilities.
Remaining amortization period	n/a
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at year end. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	4.50%
Cost of living adjustments	0.00%
Expected annual inflation	3.00%

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability* (AAL) (b)	Unfunded/(Surplus) AAL (UAAL) (b) – (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ** ((b)-(a))/(c)
11/01/2007	1,671,429	1,399,596	(271,833)	119.42%	2,663,043	0.00%

* Calculated under the Entry Age actuarial cost method.
** Not less than zero

Prior trend information to the extent it exists is presented as required supplementary information.

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, 2008, the City has contractual commitments on uncompleted construction contracts of approximately $5,532,185 for the construction of a new City Hall and park construction at Sims Lake Park.

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 $168,599 (40% of $421,497) as reported in the City's Hotel/Motel Tax Fund. Expenditures totaled $150,132 leaving a fund balance of $210,308 to be used for tourism and trade.

NOTE. 14 SPECIAL ITEM

During fiscal year 2008, the City sold one track of land; this parcel was the last track of 4 sub parcels to be sold. The parcel was sold for $688,000 resulting in a gain on the sale of capital assets of $688,000 reported in the government-wide financial statements. This gain on the sale of capital assets was reported as a special item in the Statement of Activities due to the infrequent nature with which the City sells land that it owns. The proceeds from the sale were also reported in the governmental fund financial statements as a special item of $688,000.

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required supplementary information

required supplementary information defined benefit pension plan

Required Supplementary Information Schedule of Funding Progress (unaudited)

Actuarial Valuation Date		Actuarial Value of Assets (a)		Actuarial Accrued Liability* (AAL) (b)		Funded Ratio (a)/(b)		Unfunded/(Surplus) AAL (UAAL) (b) – (a)		Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ** ((b)-(a))/(c)
11/01/2006	$	1,233,052	$	1,193,207		103.34%	$	(39,845)	$	2,540,356	0.00%
11/01/2007		1,671,429		1,399,596		119.42%		(271,833)		2,663,043	0.00%

* Calculated under the Entry Age actuarial cost method.
** Not less than zero

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

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

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

City of Suwanee
Human Resource Department
373 Highway 23
Suwanee, Georgia 30024

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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 parks.

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.

Town Center Fountain.....Accounts for the interactive fountain construction at Town Center Park. Funding for this fountain includes the funds raised by the Better Parks Campaign, SPLOST funds, and a construction assistance grant from Gwinnett County.

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 the City Hall to Main Street.

non-major governmental funds combining balance sheet

june 30, 2008

	Special Revenue					
	Suwanee Day	Better Parks Campaign	Cemetery Fund	Confiscated Assets	Hotel/Motel Tax	Total
ASSETS						
Cash and cash equivalents	$ 21,731	$ 1,622	$ 37,960	$ 5,343	$ 130,815	$ 197,471
Investments	-	-	-	-	65,496	65,496
Accounts receivable	-	-	-	-	14,518	14,518
Total assets	$ 21,731	$ 1,622	$ 37,960	$ 5,343	$ 210,829	$ 277,485
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ 521	$ 521
Total liabilities	-	-	-	-	521	521
Fund balances:						
Unreserved, undesignated	21,731	1,622	37,960	5,343	210,308	276,964
Total fund balances	21,731	1,622	37,960	5,343	210,308	276,964
Total liabilities and fund balances	$ 21,731	$ 1,622	$ 37,960	$ 5,343	$ 210,829	$ 277,485

Capital Projects							
Paved Streets	Storm Drainage	Town Center URA	Town Center Fountain	Public Works Yard Expansion	Pedestrian Underpass	Total	Total Non-major Governmental Funds
$ 218,592	$ 69,476	$ -	$ -	$ 905,227	$ 209,908	$ 1,403,203	$ 1,600,674
-	-	-	-	-	-	-	65,496
-	-	-	-	-	-	-	14,518
$ 218,592	$ 69,476	$ -	$ -	$ 905,227	$ 209,908	$ 1,403,203	$ 1,680,688
$ -	$ -	$ -	$ -	$ -	$ 2,657	$ 2,657	$ 3,178
-	-	-	-	-	2,657	2,657	3,178
218,592	69,476	-	-	905,227	207,251	1,400,546	1,677,510
218,592	69,476	-	-	905,227	207,251	1,400,546	1,677,510
$ 218,592	$ 69,476	$ -	$ -	$ 905,227	$ 209,908	$ 1,403,203	$ 1,680,688

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

year ended june 30, 2008

	Special Revenue					
	Suwanee Day	Better Parks Campaign	Cemetery Fund	Confiscated Assets	Hotel/Motel Tax	Total
REVENUES						
Hotel/motel taxes	$ -	$ -	$ -	$ -	$ 168,599	$ 168,599
Fines and forfeitures	-	-	-	17,737	-	17,737
Investment income	1,077	40	689	869	4,215	6,890
Contributions and donations	52,592	-	3,000	-	-	55,592
Intergovernmental	-	-	-	-	-	-
Total revenues	53,669	40	3,689	18,606	172,814	248,818
EXPENDITURES						
Current:						
Police	-	-	-	74,510	-	74,510
Culture and recreation	79,329	-	-	-	-	79,329
Tourism and trade	-	-	-	-	150,132	150,132
Capital outlay	-	-	-	-	-	-
Total expenditures	79,329	-	-	74,510	150,132	303,971
Excess of revenues over (under) expenditures	(25,660)	40	3,689	(55,904)	22,682	(55,153)
OTHER FINANCING SOURCES (USES)						
Transfer in	-	-	11,000	-	-	11,000
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	11,000	-	-	11,000
Special item - Sale of land	-	-	-	-	-	-
Net change in fund balances	(25,660)	40	14,689	(55,904)	22,682	(44,153)
FUND BALANCES - beginning of year	47,391	1,582	23,271	61,247	187,626	321,117
FUND BALANCES - end of year	$ 21,731	$ 1,622	$ 37,960	$ 5,343	$ 210,308	$ 276,964

Capital Projects							Total Non-major
Paved Streets	Storm Drainage	Town Center URA	Town Center Fountain	Public Works Yard Expansion	Pedestrian Underpass	Total	Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 168,599
-	-	-	-	-	-	-	17,737
3,668	1,847	-	150	22,315	5,144	33,124	40,014
-	-	-	-	-	39,700	39,700	95,292
41,894	-	-	-	-	17,490	59,384	59,384
45,562	1,847	-	150	22,315	62,334	132,208	381,026
-	-	-	-	-	-	-	74,510
-	-	-	-	-	-	-	79,329
-	-	-	-	-	-	-	150,132
55,824	6,400	-	29,882	1,200	47,954	141,260	141,260
55,824	6,400	-	29,882	1,200	47,954	141,260	445,231
(10,262)	(4,553)	-	(29,732)	21,115	14,380	(9,052)	(64,205)
100,000	-	-	50,280	-	-	150,280	161,280
-	-	(682,510)	-	-	-	(682,510)	(682,510)
100,000	-	(682,510)	50,280	-	-	(532,230)	(521,230)
-	-	688,000	-	-	-	688,000	688,000
89,738	(4,553)	5,490	20,548	21,115	14,380	146,718	102,565
128,854	74,029	(5,490)	(20,548)	884,112	192,871	1,253,828	1,574,945
$ 218,592	$ 69,476	$ -	$ -	$ 905,227	$ 207,251	$ 1,400,546	$ 1,677,510

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

year ended june 30, 2008

	Suwanee Day			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment income	$ 500	$ 500	$ 1,077	$ 577
Contributions and donations	74,500	94,160	52,592	(41,568)
Total revenues	75,000	94,660	53,669	(40,991)
EXPENDITURES				
Current:				
Culture and recreation	75,000	94,660	79,329	15,331
Total expenditures	75,000	94,660	79,329	15,331
Excess of revenues (under) expenditures	-	-	(25,660)	(25,660)
Net change in fund balances	-	-	(25,660)	(25,660)
FUND BALANCES - beginning of year	47,391	47,391	47,391	-
FUND BALANCES - end of year	$ 47,391	$ 47,391	$ 21,731	$ (25,660)

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

year ended june 30, 2008

Better Parks Campaign

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment income	$ -	$ 500	$ 40	$ (460)
Total revenues	-	500	40	(460)
EXPENDITURES				
Current:				
Culture and recreation	-	500	-	500
Total expenditures	-	500	-	500
Excess of revenues over expenditures	-	-	40	40
Net change in fund balances	-	-	40	40
FUND BALANCES - beginning of year	1,582	1,582	1,582	-
FUND BALANCES - end of year	$ 1,582	$ 1,582	$ 1,622	$ 40

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

year ended june 30, 2008

Cemetery

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment income	$ 500	$ 1,000	$ 689	$ (311)
Contributions and donations	1,000	4,000	3,000	(1,000)
Total revenues	1,500	5,000	3,689	(1,311)
EXPENDITURES				
Current:				
Public works	12,500	16,000	-	16,000
Total expenditures	12,500	16,000	-	16,000
Excess of revenues over (under) expenditures	(11,000)	(11,000)	3,689	14,689
OTHER FINANCING SOURCES				
Transfer in	11,000	11,000	11,000	-
Net change in fund balances	-	-	14,689	14,689
FUND BALANCES - beginning of year	23,271	23,271	23,271	-
FUND BALANCES - end of year	$ 23,271	$ 23,271	$ 37,960	$ 14,689

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

year ended june 30, 2008

Confiscated Assets

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Fines and forfeitures	$ 21,000	$ 24,000	$ 17,737	$ (6,263)
Investment income	500	1,000	869	(131)
Total revenues	21,500	25,000	18,606	(6,394)
EXPENDITURES				
Current:				
Police	21,500	75,300	74,510	790
Total expenditures	21,500	75,300	74,510	790
Excess of revenues (under) expenditures	-	(50,300)	(55,904)	(5,604)
Net change in fund balances	-	(50,300)	(55,904)	(5,604)
FUND BALANCES - beginning of year	61,247	61,247	61,247	-
FUND BALANCES - end of year	$ 61,247	$ 10,947	$ 5,343	$ (5,604)

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

year ended june 30, 2008

Hotel/Motel Tax Fund

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Hotel/motel taxes	$ 162,700	$ 162,700	$ 168,599	$ 5,899
Investment income	5,000	5,000	4,215	(785)
Total revenues	167,700	167,700	172,814	5,114
EXPENDITURES				
Current:				
Tourism and trade	167,700	247,700	150,132	97,568
Total expenditures	167,700	247,700	150,132	97,568
Excess of revenues over (under) expenditures	-	(80,000)	22,682	102,682
Net change in fund balances	-	(80,000)	22,682	102,682
FUND BALANCES - beginning of year	187,626	187,626	187,626	-
FUND BALANCES - end of year	$ 187,626	$ 107,626	$ 210,308	$ 102,682

debt service fund schedule of revenues, expenditures and changes in fund balances budget and actual

year ended june 30, 2008

Debt Service

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment income	$ 45,100	$ 45,100	$ 22,679	$ (22,421)
Total revenues	45,100	45,100	22,679	(22,421)
EXPENDITURES				
Debt Service:				
Principal retirement	590,000	630,000	630,000	-
Interest	1,083,000	1,083,000	993,590	89,410
Fiscal agent fees	2,500	3,500	-	3,500
Total expenditures	1,675,500	1,716,500	1,623,590	92,910
Excess of revenues over (under) expenditures	(1,630,400)	(1,671,400)	(1,600,911)	70,489
OTHER FINANCING SOURCES				
Transfer in	1,630,400	1,671,400	1,891,916	220,516
Total other financing sources	1,630,400	1,671,400	1,891,916	220,516
Net change in fund balances	-	-	291,005	291,005
FUND BALANCES - beginning of year	896,330	896,330	896,330	-
FUND BALANCES - end of year	$ 896,330	$ 896,330	$ 1,187,335	$ 291,005

SPLOST proceeds schedule of expenditures 2005 issue

year ended june 30, 2008

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, Streets & Bridges	$ 4,642,660	$ 4,642,660	$ 835,141	$ 574,323	$ 1,409,464
Recreational Facilities	900,000	900,000	500,060	56,326	556,386
Public Safety Facilities and Equipment	1,054,400	1,054,400	45,846	462,013	507,859
	$ 6,597,060	$ 6,597,060	$ 1,381,047	$ 1,092,662	$ 2,473,709

SPLOST proceeds schedule of expenditures 2001 issue

year ended june 30, 2008

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, Streets & Bridges	$ 312,618	$ 312,618	$ -	$ 295,000	$ 295,000
Recreational Facilities	44,751	44,751	-	44,751	44,751
	$ 357,369	$ 357,369	$ -	$ 339,751	$ 339,751



agency fund

agency fund

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

city of suwanee court staff



municipal court fund statement of changes in assets and liabilities

year ended june 30, 2008

	Balance June 30, 2007	Increases	Decreases	Balance June 30, 2008
Cash and cash equivalents	$ 97,875	$ 2,072,406	$ 2,032,349	$ 137,932
Accounts receivable	1,613	884	2,497	-
Total assets	99,488	2,073,290	2,034,846	137,932
Due to others	99,488	2,073,290	2,034,846	137,932
Total liabilities	$ 99,488	$ 2,073,290	$ 2,034,846	$ 137,932



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.



component unit balance sheet

june 30, 2008

	Downtown Development Authority
ASSETS	
Cash and cash equivalents	$ 14,914
Investments	41,124
Total assets	56,038
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	-
Total Liabilities	-
Fund Balances:	
Unreserved, undesignated	56,038
Total fund balances	56,038
Total liabilities and fund balances	$ 56,038

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

Fund balance	$ 56,038
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	378,675
Net assets of governmental activities	$ 434,713

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

year ended june 30, 2008

	Downtown Development Authority
REVENUES	
Investment income	$ 1,209
Contributions and donations	15,156
Total revenues	16,365
EXPENDITURES	
Current:	
Housing and development	6,505
Total expenditures	6,505
Excess of revenues over expenditures	9,860
FUND BALANCES, beginning of year	46,178
FUND BALANCES, end of year	$ 56,038

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

Net change in fund balance	$ 9,860

Governmental funds report capital outlay as expenditures. However, in the Government-wide Statement of Activities and Changes in Net Assets, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Depreciation expense	(8,100)
Changes in net assets of governmental activities	$ 1,760

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

year ended june 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment income	$ -	$ 1,000	$ 1,209	$ 209
Contributions and donations	-	22,500	15,156	(7,344)
Total revenues	-	23,500	16,365	(7,135)
EXPENDITURES				
Current:				
Housing and development	-	23,500	6,505	16,995
Total expenditures	-	23,500	6,505	16,995
Excess of revenues over expenditures	-	-	9,860	9,860
FUND BALANCES - beginning of year	46,178	46,178	46,178	-
FUND BALANCES - end of year	$ 46,178	$ 46,178	$ 56,038	$ 9,860



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.

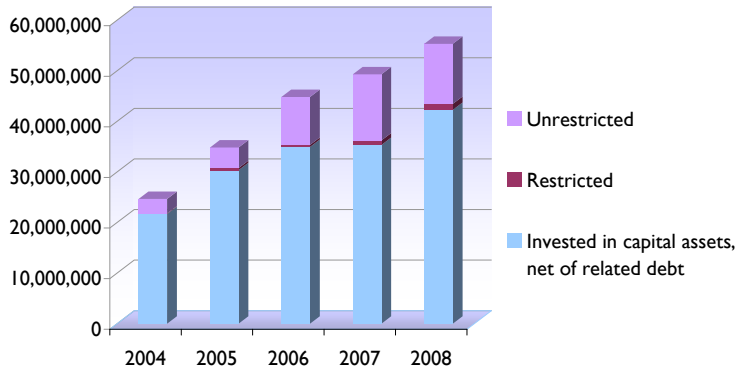
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. The City implemented GASB statement 34 for fiscal year June 30, 2004; schedules presenting government-wide information start with fiscal year 2004.

net assets by component - last five fiscal years (accrual basis of accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities [1]					
Invested in capital assets, net of related debt	$ 19,798,930	$ 28,249,009	$ 33,073,810	$ 33,646,308	$ 40,607,100
Restricted	119,246	412,328	431,859	896,330	1,187,335
Unrestricted	2,834,037	4,286,986	9,364,267	12,900,880	11,627,299
Total governmental activities net assets	22,752,213	32,948,323	42,869,936	47,443,518	53,421,734
Business-type activities					
Invested in capital assets, net of related debt	1,870,458	2,095,895	1,843,832	1,679,987	1,654,001
Unrestricted	40,893	(212,792)	91,143	168,686	238,701
Total business-type activities net assets	1,911,351	1,883,103	1,934,975	1,848,673	1,892,702
Primary government					
Invested in capital assets, net of related debt	21,669,388	30,344,904	34,917,642	35,326,295	42,261,101
Restricted	119,246	412,328	431,859	896,330	1,187,335
Unrestricted	2,874,930	4,074,194	9,455,410	13,069,566	11,866,000
Total primary government net assets	$ 24,663,564	$ 34,831,426	$ 44,804,911	$ 49,292,191	$ 55,314,436

NOTE:
(1) Unrestricted net assets growth is due to the 2005 special purpose local option sales tax (SPLOST) revenue received from Gwinnett County for future construction projects.

Primary Government Net Assets



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changes in net assets - last five fiscal years (accrual basis of accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses					
Governmental activities:					
General government	$ 1,202,975	$ 1,385,716	$ 1,464,204	$ 1,772,717	$ 2,139,085
Judicial	213,200	236,030	273,744	338,893	375,035
Police	2,384,653	2,643,854	2,800,988	3,117,470	3,364,444
Public works [1]	1,334,086	1,742,494	1,697,500	3,139,104	3,005,155
Culture and recreation	146,780	185,431	359,366	445,790	523,503
Housing and development [2]	641,826	1,166,798	811,030	1,030,864	1,172,061
Tourism and trade	134,362	184,247	95,361	106,490	150,132
Interest on long-term debt	980,909	943,654	890,884	984,469	1,001,643
Total governmental activities expenses	7,038,791	8,488,224	8,393,077	10,935,797	11,731,058
Business-type activities:					
Water and sewer	71,267	102,649	89,076	221,391	121,573
Total business-type activities expenses	71,267	102,649	89,076	221,391	121,573
Total primary government expenses	$ 7,110,058	$ 8,590,873	$ 8,482,153	$ 11,157,188	$ 11,852,631
Program revenues					
Governmental activities:					
Charge for services:					
General government	$ 164,643	$ 157,176	$ 153,187	$ 191,775	$ 181,725
Police	977,670	1,049,768	1,099,754	1,598,134	1,398,958
Public works	376	118	3,428	-	-
Culture and recreation	-	-	-	44,603	40,017
Housing and development [3]	298,109	842,076	1,222,129	958,265	940,952
Operating grants and contributions	1,685,783	70,721	112,663	15,878	56,104
Capital grants and contributions [4]	1,477,448	9,217,917	5,824,160	1,532,186	2,076,235
Total governmental activities program revenues	4,604,029	11,337,776	8,415,321	4,340,841	4,693,991
Business-type activities:					
Charge for services:					
Water and sewer	56,849	73,964	103,714	97,296	93,405
Total business-type activities program revenues	56,849	73,964	103,714	97,296	93,405
Total primary government program revenues	$ 4,660,878	$ 11,411,740	$ 8,519,035	$ 4,438,137	$ 4,787,396
Net (expense)/revenue					
Governmental activities	$ (2,434,762)	$ 2,849,552	$ 22,244	$ (6,594,956)	$ (7,037,067)
Business-type activities	(14,418)	(28,685)	14,638	(124,095)	(28,168)
Total primary government net expenses	$ (2,449,180)	$ 2,820,867	$ 36,882	$ (6,719,051)	$ (7,065,235)

	Fiscal Year				
	2004	2005	2006	2007	2008
General revenues and other changes in net assets					
Governmental activities:					
Taxes					
Property taxes	$ 3,410,401	$ 3,525,468	$ 3,892,897	$ 4,553,033	$ 5,371,353
Franchise fees	618,509	714,216	851,466	982,694	1,521,682
Alcoholic beverage taxes	601,034	646,093	759,968	799,075	794,986
Sales taxes [5]	780,604	1,134,738	1,767,147	2,214,634	1,779,252
Other taxes	1,363,554	1,592,896	1,720,586	1,894,874	1,976,529
Unrestricted investment earnings	249,547	236,064	368,047	741,932	911,384
Miscellaneous	-	25,982	18,397	18,696	42,697
Contribution	-	4,290	-	-	-
Transfers	-	-	(36,400)	(36,400)	(70,600)
Special item gain on sale of capital asset [6]	-	1,445,096	557,261	-	688,000
Total governmental activities	7,023,649	9,324,843	9,899,369	11,168,538	13,015,283
Business-type activities:					
Unrestricted investment earnings	71	437	834	1,393	1,597
Transfers	-	-	36,400	36,400	70,600
Total business-type activities	71	437	37,234	37,793	72,197
Total primary government	$ 7,023,720	$ 9,325,280	$ 9,936,603	$ 11,206,331	$ 13,087,480
Change in net assets					
Governmental activities	$ 4,588,887	$ 12,174,395	$ 9,921,613	$ 4,573,582	$ 5,978,216
Business-type activities	(14,347)	(28,248)	51,872	(86,302)	44,029
Total primary government	$ 4,574,540	$ 12,146,147	$ 9,973,485	$ 4,487,280	$ 6,022,245

NOTES:

(1) Public works increase from fiscal year 2006 forward is due to depreciation expense of donated infrastructure.

(2) Fiscal year 2005 large increase in housing and development was due to start up funding for the DDA of $420,000. Fiscal year 2007 and 2008 increases were due to several comprehensive plans that were started during fiscal year 2007 and completed in fiscal year 2008.

(3) License and permit fees large increase in fiscal year 2005, 2006, and 2007 is due to the significant increase in the number of permits issued. We are anticipating that this growth will continue over the next four years, however, at a slower pace than fiscal year 2006.

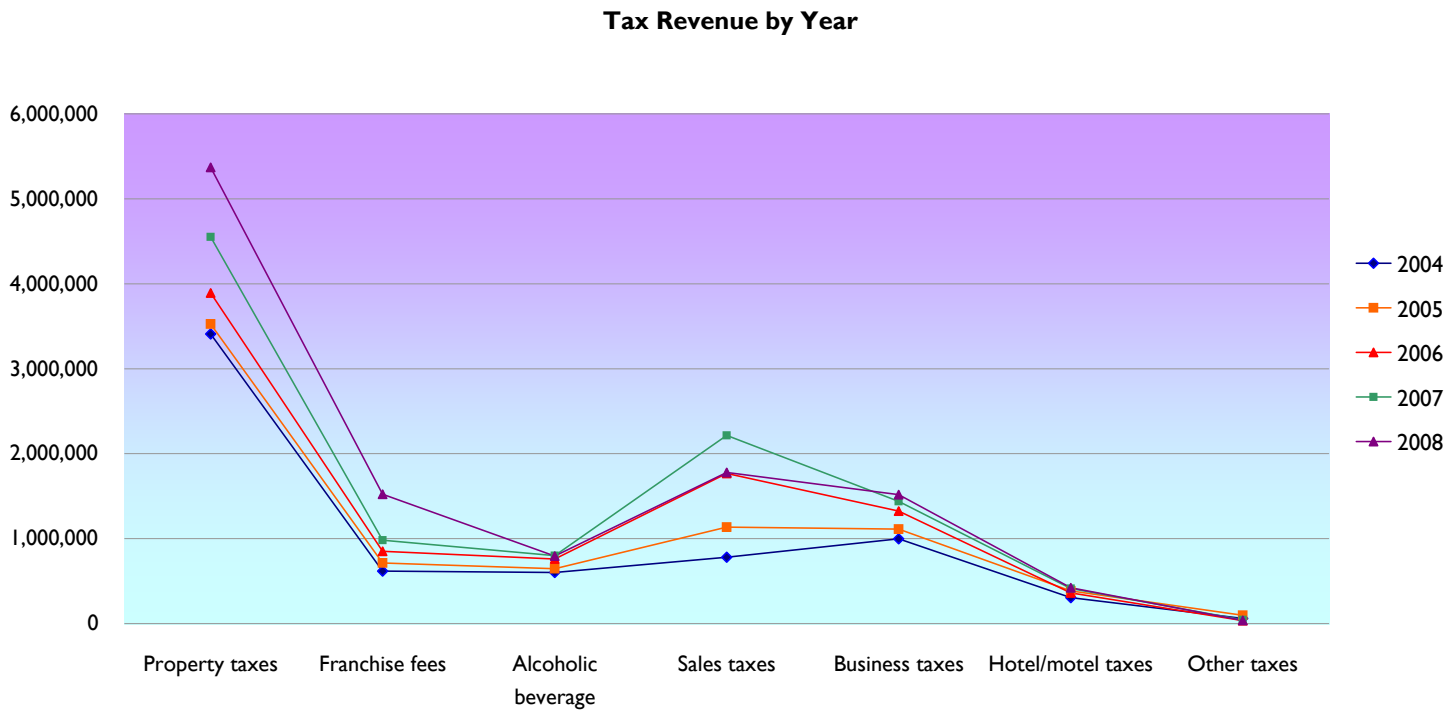
(4) Capital grants and contributions large increases reported in fiscal year 2005 and 2006 is due to donations of infrastructure by developers and annexed properties.

(5) In fiscal year 2005, the City entered into an intergovernmental agreement with Gwinnett County for the 2004 special purpose local option sales tax. In total the City will be allocated $6,597,000 over four years.

(6) During fiscal year 2005, 2006, and 2008 the City sold 4 tracks of land resulting in a gain of $1,445,096 in 2005, $557,261 in 2006, and $688,000 in 2008.

governmental activities tax revenues by source - last five 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	$ 3,410,401	$ 618,509	$ 601,034	$ 780,604	$ 997,542	$ 305,757	$ 60,255	$ 6,774,102
2005	3,525,468	714,216	646,093	1,134,738	1,111,413	383,905	97,578	7,613,411
2006	3,892,897	851,466	759,968	1,767,147	1,325,263	361,321	34,002	8,992,064
2007	4,553,033	982,694	799,075	2,214,634	1,438,956	412,667	43,251	10,444,310
2008	5,371,353	1,521,682	794,986	1,779,252	1,517,270	421,497	37,762	11,443,802



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

	Fiscal Year			
	1999	2000 [1]	2001	2002 [2]
General fund				
Unreserved	$ 1,076,354	$ 1,574,629	$ 1,946,613	$ 2,135,102
Total general fund	$ 1,076,354	$ 1,574,629	$ 1,946,613	$ 2,135,102
All other governmental funds				
Reserved	$ -	$ -	$ -	$ 310,109
Unreserved, reported in:				
Special revenue funds	-	66,732	127,121	150,996
Capital projects funds	-	-	514,075	16,451,458
Total all other governmental funds	$ -	$ 66,732	$ 641,196	$ 16,912,563

NOTES:

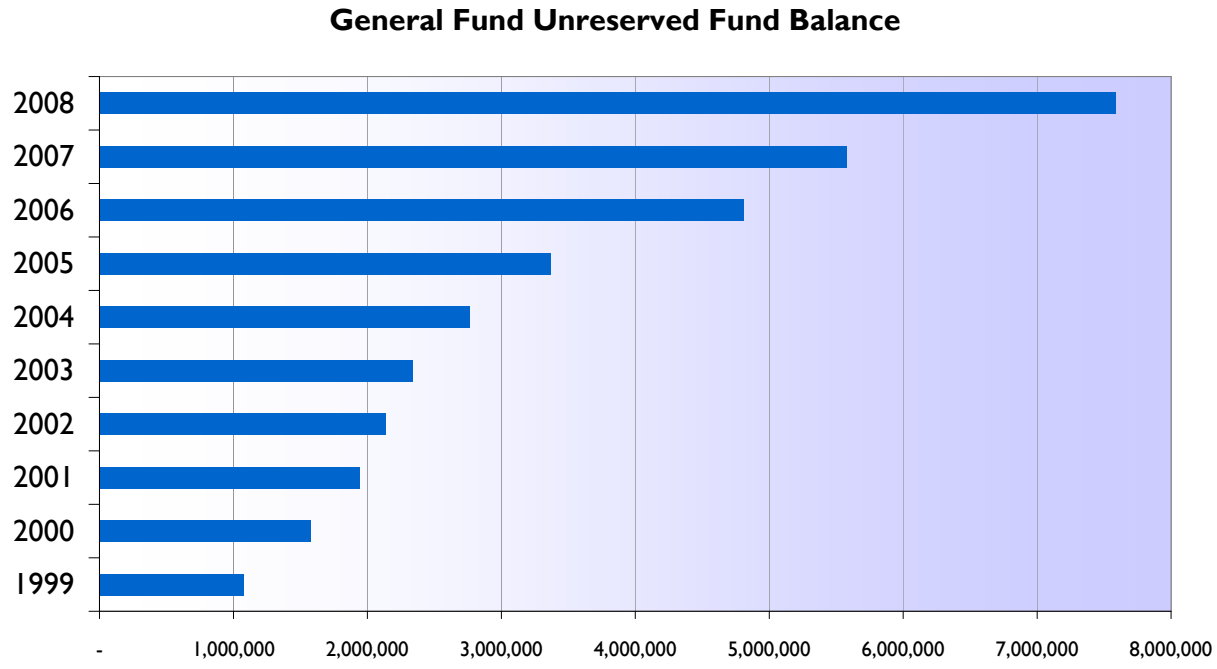
(1) In fiscal year 2000, the City separated 40% of the hotel/motel tax proceeds into a separate special revenue fund. Before 2000, these receipts and related expenditures were reported in the general fund.

(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.

(3) During fiscal year 2007, the Urban Redevelopment Authority (URA) issued $6,620,000 in revenue bonds for the construction of the new City Hall at the Town Center URA property site.

(4) In fiscal year 2008, general fund revenues exceeded budgetary projections and planned property acquisitions were not made. Capital projects decrease in fund balance is due to expenditures for construction of the new City Hall, Sims Lake Park, and the Pedestrian Bridge projects.

Fiscal Year						
2003	2004	2005	2006	2007 [3]	2008 [4]	
$ 2,340,953	$ 2,766,402	$ 3,372,190	$ 4,811,236	$ 5,580,537	$ 7,585,561	
$ 2,340,953	$ 2,766,402	$ 3,372,190	$ 4,811,236	$ 5,580,537	$ 7,585,561	
$ 63,702	$ 119,246	$ 412,328	$ 431,859	$ 896,330	$ 1,187,335	
136,657	257,129	118,169	208,092	321,118	276,964	
8,908,104	4,307,474	5,768,033	7,748,863	16,900,731	13,133,801	
$ 9,108,463	$ 4,683,849	$ 6,298,530	$ 8,388,814	$ 18,118,179	$ 14,598,100	



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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes [1]	$ 2,138,576	$ 2,537,179	$ 2,939,938	$ 3,303,845	$ 5,398,952	$ 6,510,250	$ 7,702,971	$ 8,731,935	$ 10,509,421	$ 11,470,810
Licenses and permits	233,092	290,614	820,391	477,914	406,198	427,549	944,046	1,295,038	1,112,874	1,057,705
Intergovernmental revenues [2]	80,805	155,579	10,156	488,316	578,561	1,455,554	111,427	24,073	189,812	60,202
Charges for services	-	-	55,324	48,905	125,183	68,244	124,957	121,907	252,617	227,015
Fines and forfeitures [3]	585,680	752,000	543,730	821,387	772,931	929,865	980,134	1,061,554	1,427,286	1,276,932
Investment income	35,991	55,837	171,317	191,296	462,793	249,547	236,064	368,047	741,932	911,384
Contributions and donations	-	-	11,344	29,803	48,298	232,061	107,259	107,765	89,459	120,792
Miscellaneous	132,870	224,086	57,202	20,887	116,248	15,140	25,982	18,397	18,696	35,147
Total revenues	3,207,014	4,015,295	4,609,402	5,382,353	7,909,164	9,888,210	10,232,840	11,728,716	14,342,097	15,159,987
Expenditures										
General government	685,583	713,010	793,424	948,744	1,040,264	1,195,145	1,269,468	1,425,760	1,790,183	1,819,852
Judicial	234,887	296,892	151,298	161,403	182,857	218,740	236,046	293,230	336,751	380,788
Police	1,024,818	1,231,057	1,604,515	2,001,586	2,251,708	2,376,153	2,614,816	2,857,796	3,263,380	3,352,436
Public works	307,558	308,901	401,371	501,163	494,649	617,473	855,276	727,045	945,779	1,244,904
Culture and recreation	16,930	39,864	72,394	90,878	51,478	109,103	213,019	252,213	397,830	408,287
Housing and development	246,931	401,011	454,266	581,551	617,171	623,757	1,158,423	820,148	1,043,695	1,186,880
Tourism and trade	214,494	104,103	115,575	125,976	160,021	134,362	184,247	95,361	106,490	150,132
Capital outlay [4]	235,474	415,486	126,925	2,170,610	10,384,662	7,218,559	1,121,063	1,279,304	1,593,194	7,090,436
Debt service: [5]										
Principal	38,082	101,918	77,416	115,371	521,610	551,608	1,697,556	429,648	460,637	737,594
Interest and fiscal charges	8,269	2,478	8,987	8,966	1,294,263	980,909	943,655	890,884	973,937	1,001,255
Bond issuance costs	-	-	-	(213,393)	(65,509)	-	-	-	260,392	-
Total expenditures	3,013,026	3,614,720	3,806,171	6,492,855	16,933,174	14,025,809	10,293,569	9,071,389	11,172,268	17,372,564
Excess of revenues over (under) expenditures	193,988	400,575	803,231	(1,110,502)	(9,024,010)	(4,137,599)	(60,729)	2,657,327	3,169,829	(2,212,577)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other financing sources (uses)										
Proceeds from capital lease	-	164,432	143,216	152,035	92,459	94,266	68,725	133,403	139,247	72,573
Transfer in	-	-	10,200	311,069	1,655,063	1,865,619	4,196,919	2,897,396	2,688,110	2,952,926
Transfer out	-	-	(10,200)	(311,069)	(1,655,063)	(1,865,619)	(4,196,919)	(2,933,796)	(2,724,510)	(3,023,526)
Sale of capital assets	-	-	-	-	-	-	4,422	-	-	7,550
Bond proceeds [6]	-	-	-	17,845,110	1,464,320	-	-	-	6,620,000	-
Refunded bonds issued [7]	-	-	-	-	-	-	-	-	15,250,000	-
Bond premium	-	-	-	-	-	-	-	-	31,216	-
Bond discount	-	-	-	-	-	-	-	-	(4,660)	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(14,670,566)	-
Total other financing sources (uses)	-	164,432	143,216	17,997,145	1,556,779	94,266	73,147	97,003	7,328,837	9,523
Special item - Sale of land	-	-	-	-	-	-	2,208,051	775,000	-	688,000
Net change in fund balances	$ 193,988	$ 565,007	$ 946,447	$ 16,886,643	$ (7,467,231)	$ (4,043,333)	$ 2,220,469	$ 3,529,330	$ 10,498,666	$ (1,515,054)
Total non capital expenditures [8]	$ 2,669,241	$ 2,771,629	$ 3,370,386	$ 4,397,234	$ 4,891,320	$ 5,198,535	$ 6,540,086	$ 6,552,674	$ 7,973,121	$ 8,641,843
Debt service as a percentage of non capital expenditures	1.7%	3.8%	2.6%	2.8%	37.1%	29.5%	40.4%	20.2%	21.3%	20.1%

NOTES:

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

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

(3) Fines and forfeitures increased in 2007 due to the new red light camera program started in the fourth quarter of fiscal year 2006.

(4) During fiscal year 2002 and 2003, the City purchased over 200 acres of open/green space for park lands. In fiscal year 2004, the City completed phase III of the Suwanee Greenway and completed construction of three new parks. The large increase in capital outlay for 2008 is due to three major construction projects; the new City Hall, Sims Lake Park, and Pedestrian Bridge projects.

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

(6) In fiscal year 2007, the URA issued $6,620,000 in revenue bonds for the construction of the new City Hall at the URA property site.

(7) During fiscal year 2007, the City refunded a portion of the 2002 general obligation bond series.

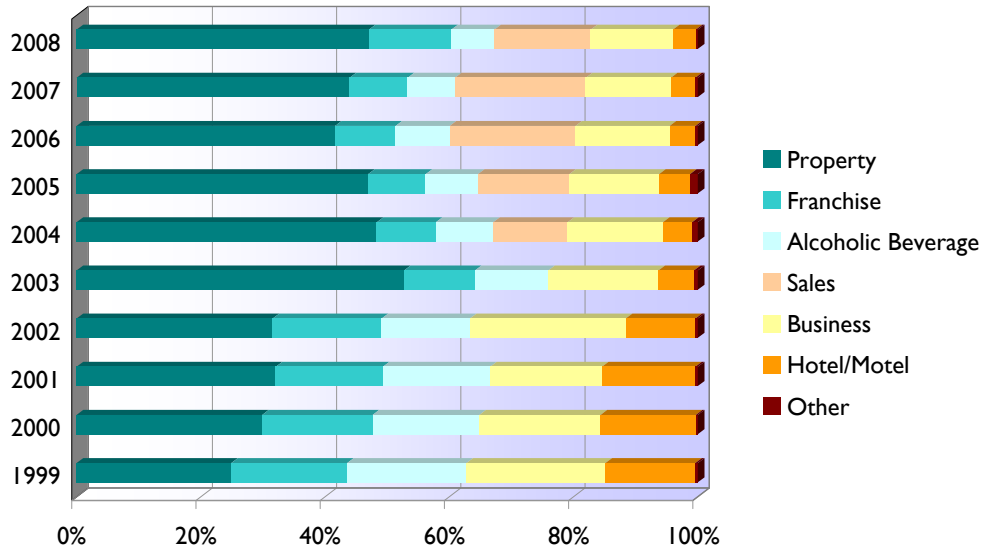
(8) The total amount of non capital expenditures excludes amounts that are reported in governmental funds as capital outlay as a separate capital outlay line item and the amounts that are included within the functional expenditure categories.

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
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
2007	4,618,144	982,694	799,075	2,214,634	1,438,956	412,667	43,251	10,509,421
2008	5,398,361	1,521,682	794,986	1,779,252	1,517,270	421,497	37,762	11,470,810

NOTE:
(1) In fiscal year 2004, the City received $780,604 in 2001 special purpose local option sales tax proceeds (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.

Tax Revenue Percentage by Year



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]
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%
2006	361,262,030	419,657,837	36,827,660	62,720	20,575,480	797,234,767	5.77	1,993,086,918	40%
2007	461,394,440	479,933,633	43,015,330	62,720	28,238,160	956,167,963	5.77	2,390,419,908	40%

NOTES:

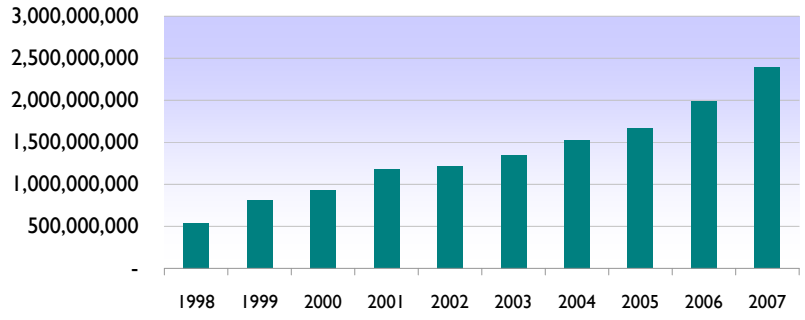
(1) Includes mobile homes, timber, and heavy equipment.

(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.

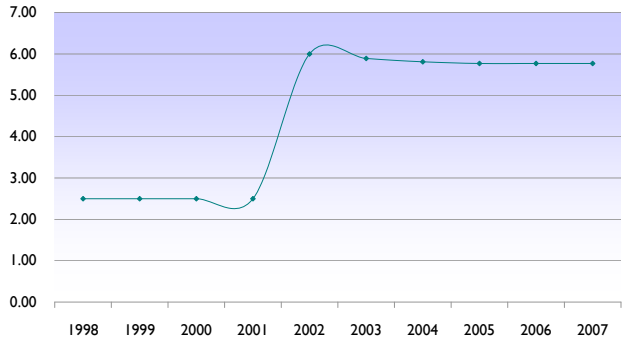
(3) Property in Gwinnett County is reassessed on a rotating three year period by tax district as required by State law. Gwinnett County assesses property at 40% of actual value for all types of real and personal property.

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

Estimated Taxable Value 1998 - 2007



Millage Rate 1998 -2007



property tax rates direct and overlapping governments - last ten fiscal years

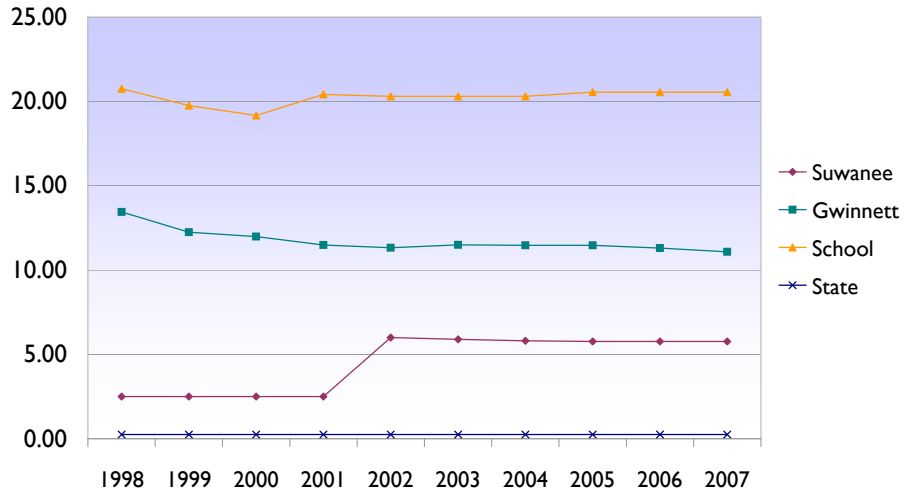
	City of Suwanee				Overlapping Rates				
			Millage			Gwinnett County			
						Millage			
Calendar Year	Operating	Debt Service	Capital	Total	Operating	Debt Service	Fire Protection	Recreation	Total
1998	2.50	-	-	2.50	9.40	0.75	2.30	1.00	13.45
1999	2.50	-	-	2.50	8.65	0.60	2.10	0.90	12.25
2000	2.50	-	-	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	3.242	0.257	5.999	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
2006	3.18	1.87	0.72	5.77	10.00	0.48	-	0.82	11.30
2007	3.73	2.04	0.00	5.77	9.81	0.47	-	0.80	11.08

Source: Gwinnett County Comprehensive Annual Financial Report for December 31, 2007.

Overlapping Rates

Gwinnett County School Board Millage				
Operations	Debt Service	Total	**State**	Total Direct & Overlapping Rates
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	37.869
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
19.25	1.30	20.55	0.25	37.87
19.25	1.30	20.55	0.25	37.65

Direct and Overlapping Property Tax Rates



principal property taxpayers - current and nine years ago[1]

Taxpayer	2007 Taxable Assessed Value	2007 Rank	2007 Percentage of Total City Taxable Assessed Value	1999 Taxable Assessed Value	1999 Rank	1999 Percentage of Total City Taxable Assessed Value
AMLI Residential Properties LP	$ 26,530,820	1	2.5%			
Mitsubishi Electric & Electronics	22,192,490	2	2.1%			
James Campbell Company LLC	16,361,510	3	1.5%			
CRLP McGinnis Ferry Road LLC	15,766,720	4	1.5%			
Carlyle Centennial Suwanee Station LP	14,630,000	5	1.4%			
Google, Inc.	10,075,280	6	0.9%			
Schwans Bakery Operations LLC	9,572,850	7	0.9%			
Wal-Mart	8,977,340	8	0.8%			
CLPF Horizon Creek LP	8,889,200	9	0.8%			
Gwinnett Prado LP	8,109,480	10	0.8%	$ 4,194,560	7	1.3%
Motorola, Inc [2]				14,229,710	1	4.4%
Hudgens Family Foundation [3]				7,210,510	2	2.2%
Falcons Nest LTD [2]				5,626,340	3	1.7%
Caswyck-McGinnis LLC				5,050,440	4	1.6%
Glass Sherwin Etal [4]				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	$ 141,105,690		13.2%	$ 52,489,080		16.3%

NOTES:

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

(2) Motorola purchased the Falcons Nest LTD property in 2002. Also in 2002, Motorola closed down an operations warehouse and relocated 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. In 2006 Opus South Corporation purchased both the Motorola and the Falcons Nest LTD property. As the Opus site is developed, this property will return to the top 10 listing in future periods.

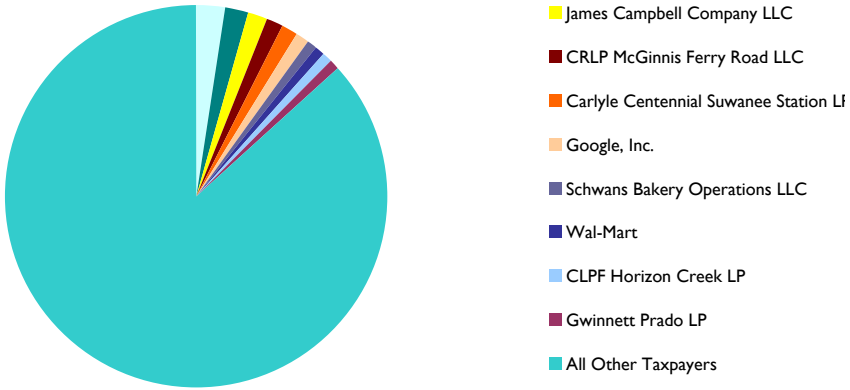
(3) The Hudgens Family Foundation owned several large parcels that has since been subdivided and individually sold off over the past seven years.

(4) The Glass Sherwin Etal owned one large parcel (750 acres) that has since been development into a golf course residential community.

Source: 2007 and 1999 Tax Digest.

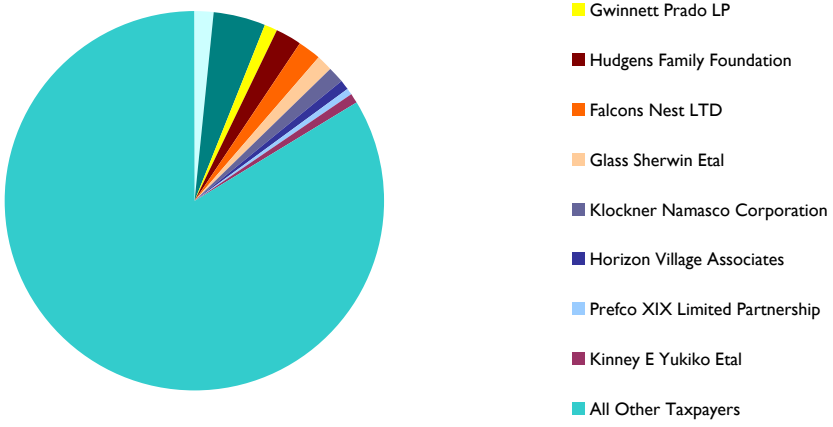
principal property taxpayers 2007

2007 Principal Property Taxpayers



principal property taxpayers 1999

1999 Principal Property 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 Percentage of Current Levy [2]
		Amount	Percentage of Levy		Amount	Percentage of Levy		
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%
2007	4,296,745	4,201,861	97.8%	88,727	4,290,588	99.9%	272,965	6.4%
2008	5,113,824	4,948,534	96.8%	98,706	5,047,240	98.7%	247,824	4.8%

NOTES:

(1) Relates to preceding calendar year digest.

(2) These columns are presented to satisfy continuing disclosure requirements for the 2002 general obligation bond issue and the 2006 general obligation refunding issue. Liens are filed on outstanding property accounts in May of each year.

Sources:

Consolidated Digest Reports provided by Gwinnett County Tax Commissioner's

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

ratio of outstanding debt by type - last ten fiscal years

Fiscal Year	Governmental Activities: General Obligation Bonds [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]
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
2007	17,195,000	6,620,000	201,535	381,562	24,398,097	4.86%	1,512
2008	16,795,000	6,385,926	166,514	368,250	23,715,690	4.46%	1,443

NOTES:

(1) During fiscal year 2002, the City issued $17.69 million in general obligation bonds to finance the costs of acquiring and improving land to be used for greenspace, passive parks, and recreational areas. In fiscal year 2007, the City refinanced a portion of the 2002 series.

(2) During fiscal year 2003, the Urban Redevelopment Authority (URA) issued $1.46 million in revenue bonds to finance the costs of acquiring and improving land to be used for the future City Hall location. In fiscal year 2005, these bonds were paid in full. In fiscal year 2007, the URA issued $6,620,000 in revenue bonds to finance the cost of the new City Hall.

(3) The City entered into a construction line of credit with the Georgia Environmental Facilities Authority for improvements to the City's water system. During fiscal year 2007, the construction loan was closed and converted to an amortizing loan.

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

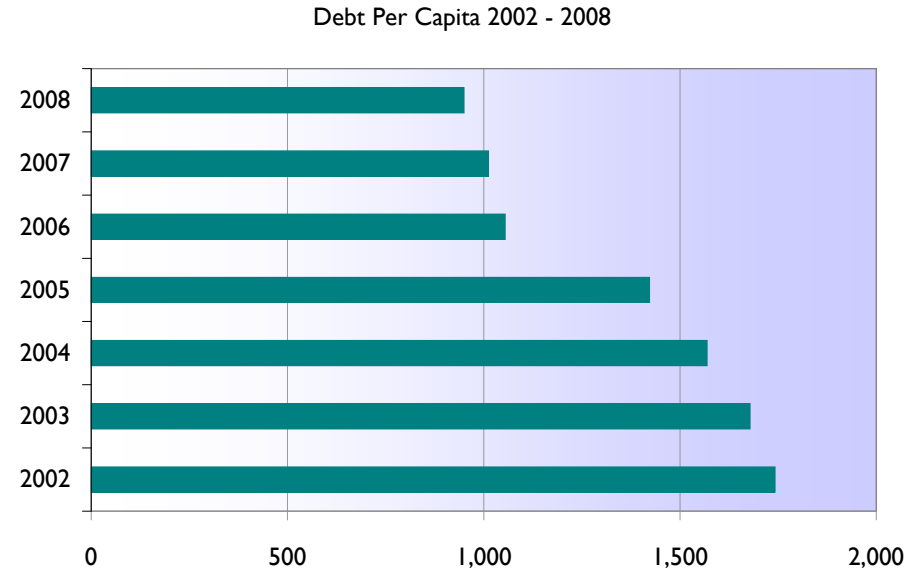
ratio of general bonded debt outstanding - last ten fiscal years

Fiscal Year	General Obligation Bond	Less: Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property [1]	Per Capita (2)
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
2007	17,195,000	896,330	16,298,670	0.82%	1,012
2008	16,795,000	1,187,335	15,607,665	0.65%	950

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.



direct and overlapping governmental activities debt

as of june 30, 2008

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
City of Suwanee General Obligation Bonds	$ 16,795,000	100.00%	$ 16,795,000
Overlapping Debt: [1]			
Gwinnett County General Obligation Bonds	96,350,000	3.86%	3,719,110
Gwinnett County Board of Education	1,047,655,000	3.86%	40,439,483
Total Overlapping Debt	1,144,005,000		44,158,593
Total Direct General Obligation and Overlapping Debt	$ 1,160,800,000		$ 60,953,593

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.

Sources:

Gwinnett County Comprehensive Annual Financial Report for December 31, 2007.

Gwinnett County Board of Education, June 30, 2008.

legal debt margin information - last ten fiscal years

	Fiscal Year				
	1999	2000	2001	2002	2003
Assessed value of all taxable property	$ 224,157,582	$ 332,332,451	$ 382,422,531	$ 482,128,736	$ 499,929,472
Debt limit: 10% of assessed value	22,415,758	33,233,245	38,242,253	48,212,874	49,992,947
Total net debt applicable to limit	-	-	-	17,384,891	17,321,298
Legal debt margin	$ 22,415,758	$ 33,233,245	$ 38,242,253	$ 30,827,983	$ 32,671,649
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	36.06%	34.65%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	$ 1,065,395,031
Add back: exempt real property	29,894,960
Total assessed value	1,095,289,991
Debt limit: 10% of total assessed value	109,528,999
Debt applicable to limit	
General obligation bond	16,795,000
Less: Amount set aside for repayment of general obligation debt	1,187,335
Total net debt applicable to limit	15,607,665
Legal debt margin	$ 93,921,334

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.

2004	2005	2006	2007	2008
$ 554,697,180	$ 626,594,654	$ 681,700,534	$ 817,810,247	$ 1,095,289,991
55,469,718	62,659,465	68,170,053	81,781,025	109,528,999
16,945,754	16,327,672	15,973,141	16,298,670	15,607,665
$ 38,523,964	$ 46,331,793	$ 52,196,912	$ 65,482,355	$ 93,921,334
30.55%	26.06%	23.43%	19.93%	14.25%

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]
1999	8,152	$ 245,619,760	$ 30,130	2.2%	$ 36,365,000	$ 11,530,400
2000	8,725	278,004,675	31,863	2.7%	22,339,400	188,627,686
2001	9,100	284,711,700	31,287	3.2%	45,786,000	72,037,400
2002	9,979	300,377,879	30,101	4.6%	15,971,300	43,135,700
2003	10,318	307,754,986	29,827	4.4%	15,179,070	21,854,673
2004	10,800	330,156,000	30,570	4.3%	16,150,315	17,122,370
2005	11,478	345,923,964	30,138	4.8%	31,482,503	20,788,787
2006	15,147	458,605,719	30,277	4.5%	66,032,181	218,819,202
2007	16,102	502,156,972	31,186	3.9%	22,067,000	189,850,500
2008	16,437	531,063,033	32,309	4.1%	27,615,575	127,314,812

Sources:

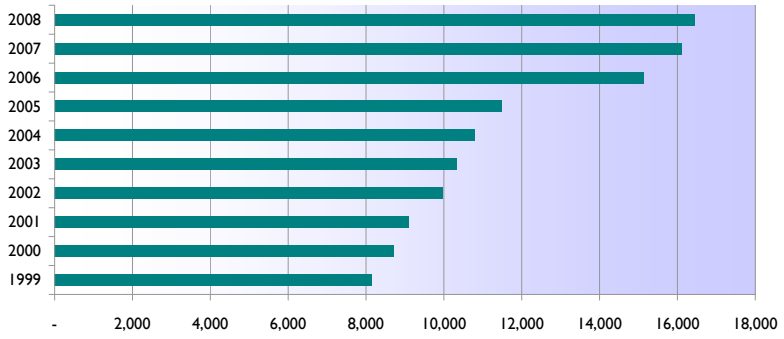
(a) City of Suwanee Planning Department.

(b) Bureau of Economic Analysis.

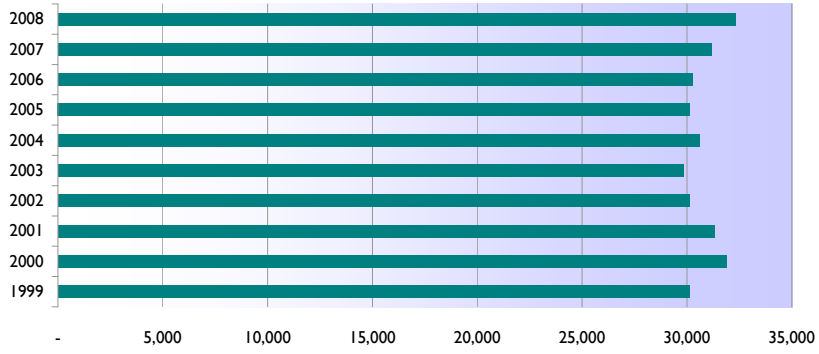
(c) Georgia Department of Labor, not seasonally adjusted.

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

Population Changes 1999 - 2008



Per Capita Personal Income 1999 - 2008



principal employers current year and seven years ago[1]

	2008 [a]			2001 [b]		
Employer	**Employees**	**Rank**	**% of Total City Employment** [c]	**Employees**	**Rank**	**% of Total City Employment** [c]
Dish Network/Echosphere Corporation	405	1	4.38%	350	2	5.67%
Wal-Mart	400	2	4.33%			
Southeastern Freight Lines, Inc.	370	3	4.00%	360	1	5.83%
Meggit Training Systems, Inc.	319	4	3.45%			
Publix Supermarkets [3]	147	5	1.59%	270	5	4.37%
Kroger Company	134	6	1.45%	125	7	2.03%
TruGreen Chemlawn	120	7	1.30%	99	10	1.60%
Cracker Barrel Old County Store, Inc.	107	8	1.16%	140	6	2.27%
Flowers Bakery of Suwanee	104	10	1.13%			
Mitsubishi Electric & Electronics	104	10	1.13%			
Mrs. Smith's/Schwans Bakery Operations LLC				330	3	5.35%
Systemax-Global Computer Supplies, Inc. [2]				300	4	4.86%
E-deltacom/Interstate Fibernet, Inc.				117	8	1.90%
Atlanta Cable Sales, Inc				100	9	1.62%

NOTES:

(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.

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

Sources:

(a) City of Suwanee Business License Division.

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

(c) US Census Bureau

full-time equivalent city government employees by function - last ten fiscal years

Full-time Equivalent Employees as of June 30, 2008

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Chief Executive	2	2	2	2	3	3	3	4	4	4
General Administration	4	1	1	1	2	2	3	2	2	2
Financial Administration	1	4	5	5	5	5	5	5	5	7
Public Information	-	-	-	-	-	-	-	-	1	1
Judicial	1	2	2	2	2	2	2	3	4	4
Police										
Police Administration	3	3	3	3	3	3	3	3	3	3
Criminal Investigation	2	2	2	2	2	2	3	3	3	4
Patrol	13	16	20	22	23	23	23	22	23	24
Records and Identification	-	-	1	1	1	1	1	1	1	1
Dispatcher	2	2	3	4	6	6	6	7	7	7
Public Relations	-	1	1	1	1	1	1	1	1	1
Park Police	-	-	-	-	-	1	2	2	2	2
Public Works	2	3	4	4	5	7	8	9	10	13
Housing and Development										
Protective Inspection	3	3	4	4	4	4	4	4	4	4
Planning & Zoning	1	1	2	3	3	3	3	4	4	4
Economic Development	-	1	1	1	1	1	1	1	1	2
Total	34	41	51	55	61	64	68	71	75	83

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

	Calendar Year									
Function	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
General government										
Business licenses issued	567	600	692	761	1,048	1,319	1,219	1,576	1,872	1,911
Number of parcels	4,739	5,028	5,539	5,768	6,051	6,177	6,501	6,926	8,181	9,749
Judicial										
Cases processed	1,864	4,546	5,295	7,656	8,400	8,979	8,945	10,941	10,219	10,205
Red light camera tickets processed [1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9,595	7,985
Jury trials	*	*	144	180	190	210	240	250	102	65
Warrants issued	*	*	*	390	235	250	321	406	347	305
Police										
Calls for service [2]	4,891	5,739	24,845	28,741	26,340	26,845	26,668	27,125	22,816	28,153
Traffic accidents	525	620	745	814	893	1,085	1,099	1,140	1,223	1,219
Part I offenses	258	301	395	278	342	368	445	416	408	511
Traffic citations	3,061	4,676	5,350	7,990	8,103	8,377	9,981	11,407	10,650	10,271
Public works										
Service order request	*	*	*	290	513	573	371	244	252	291
Street overlay (sq. ft.)	53,856	73,413	78,186	66,211	182,092	71,976	79,960	106,695	73,810	324,265
Hours of litter pick-up service provided	335	367	388	295	385	499	434	516	538	645
Culture and recreation										
Number of annual city- sponsored events	2	2	6	8	8	13	16	14	16	25
Number of annual non-city sponsored events	*	*	*	*	*	*	2	10	8	7
Suwanee Day attendance	4,000	6,000	6,000	10,000	4,000	10,000	30,000	30,000	28,000	40,000
Protective Inspection										
Number of residential permits	215	98	164	87	82	117	277	539	364	152
Number of total construction permits	533	403	459	392	319	384	553	793	686	538
Number of sign permits	125	144	137	136	223	214	210	250	292	380

Function	Calendar Year 1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Planning and Zoning										
Zoning certification letters	2	19	21	14	11	17	24	29	25	29
Rezoning cases processed	24	25	36	11	21	22	13	14	18	11
Special use permits processed	*	*	*	6	3	6	4	2	4	6
Variances processed	12	34	20	22	23	11	16	13	16	24
Development review	26	40	38	42	32	29	24	35	40	52
Development permits	25	37	38	38	27	26	21	26	34	25
Water										
Average daily consumption in gallons	45,931	47,325	44,537	50,112	43,049	40,970	45,128	46,848	48,508	46,817

NOTES:

(1) Red light camera program started in calendar year 2006.

(2) The large increase in calls for service from 1999 to 2000 was due to change in the methodology of counting calls for service.

* Detailed information not available.

Source: Various City departments

capital assets statistics by function - last ten years

	Fiscal Year									
Function	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
General Administration										
Vehicles	1	1	1	2	2	2	2	2	2	2
Police										
Patrol Units	14	17	20	21	22	24	27	26	30	32
Other Police Vehicles	1	1	2	2	3	4	4	5	4	4
Public Works										
Vehicles	4	4	5	5	6	6	5	6	8	10
Street (miles) [1]	-	32	35	40	40	44	44	54	59	60
Streetlights [1]	-	340	375	430	510	609	620	710	710	791
Culture and Recreation										
Acreage	16	16	16	141	217	226	233	233	246	293
Park sites	3	3	3	5	10	12	13	13	15	15
Water										
Water mains (miles)	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.5
Storage capacity [2]	60,000	60,000	60,000	60,000	60,000	60,000	60,000	150,000	150,000	150,000
Housing and development										
Vehicles	3	4	4	4	5	5	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, 2008 [1]

Type of Insurance	Coverage	Liability Limit	Company[2]	Policy Number	Policy Period From	Policy Period To	Annual
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	05/01/08	04/30/09	$ 23,674
Public Officials Liability	Employment practices Zoning Claims	$1,000,000 limit each claim with a $5,000,000 aggregate $1,000 deductible	GIRMA	SU-3	05/01/08	04/30/09	58,541
Automobile Liability	Damages of bodily injury or property caused by an occurrence	$1,000,000 combined single limit $1,000 deductible	GIRMA	SU-3	05/01/08	04/30/09	29,227
Law Enforcement Liability	False arrest/wrongful imprisonment Assault & Battery	$1,000,000 limit each claim no aggregate limit $1,000 deductible	GIRMA	SU-3	05/01/08	04/30/09	15,022
PROPERTY							
Property Including Equipment	Blanket building & content Business interruption Property in Transit	$11,759,801 total insured value building & content replacement cost	GIRMA	SU-3	05/01/08	04/30/09	15,920
Boiler & Machinery	Blanket building & content	$11,759,801 total insured value building & content replacement cost	GIRMA	SU-3	05/01/08	04/30/09	1,880
Environment Impairment Liability	Pollution coverage	combined single limit $1,000,000 per occurrence deductible $1,000	GIRMA	SU-3	05/01/08	04/30/09	24,000
OTHER CASUALTY							
Workers Compensation Self Insurance Fund	While Working		GMA	Cust # 312	01/01/08	12/31/08	75,786
Automobile Physical Damage	All risks for scheduled City vehicles only	Automatic coverage for vehicles up to $100,000 deductible $1,000	GIRMA	SU-3	05/01/08	04/30/09	10,593
Crime Coverage	Public employee dishonesty per loss	$500,000 limit with $1,000 deductible	GIRMA	SU-3	05/01/08	04/30/09	$ 1,654

(continued)

schedule of insurance in force, june 30, 2008[1]
(continued)

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	07/01/07	06/30/08	$ 9,295
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	07/01/07	06/30/08	[3]
Long Term Disability	90 day elimination period 60% benefit until age 65	N/A	Ft. Dearborn Life	MG18818	07/01/07	06/30/08	14,256
Short Term Disability	1st day accident/8th day illness 13 week/ $200 weekly benefit	N/A	Ft. Dearborn Life	MG18818	07/01/07	06/30/08	5,943
Medical	1st of the month following 30 days	Lifetime Maximum - Unlimited no deductible 100% coinsurance	Blue Cross/ Blue Shield HMO	1018871	07/01/07	06/30/08	554,258
	1st of the month following 30 days	Lifetime Maximum - $2,000,000 $500 individual deductible $1,500 family deductible 90% coinsurance	Blue Cross/ Blue Shield PPO	1018871	07/01/07	06/30/08	[4]
Dental	Employee and Family	$1,000 Max benefit per person per year $1,000 Ortho Benefit	Guardian Life	G-359487	07/01/07	06/30/08	$ 57,092

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

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

Honorable Mayor and Member
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, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 4, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we indentified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2008-1 and 2008-2, to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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.*

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City's responses and, accordingly, we express no opinion on them.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 4, 2008

CITY OF SUWANEE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Finding 2008-1 – Capital Assets

Criteria: Internal controls should be in place to ensure that capital assets are accurate.

Condition: Internal controls did not detect a misstatement in amounts reported as capital assets.

Context/Cause: The City included the same asset in the detail of construction in progress and in the detail of equipment.

Effect: An audit adjustment of $462,013 was needed in order to correct the capital asset and expense accounts.

Recommendation: We recommend that the City review the construction in progress listing and the capital asset detail for duplicated assets in order to ensure properly accounting.

Response: The City will carefully review the construction in progress listing and the capital asset detail for errors in order to ensure proper accounting.

Finding 2008-2 – Bank Reconciliation and Transfers

Criteria: Internal controls should be in place to ensure that the bank reconciliation appropriately agrees to the general ledger and that transfers between bank accounts are properly executed.

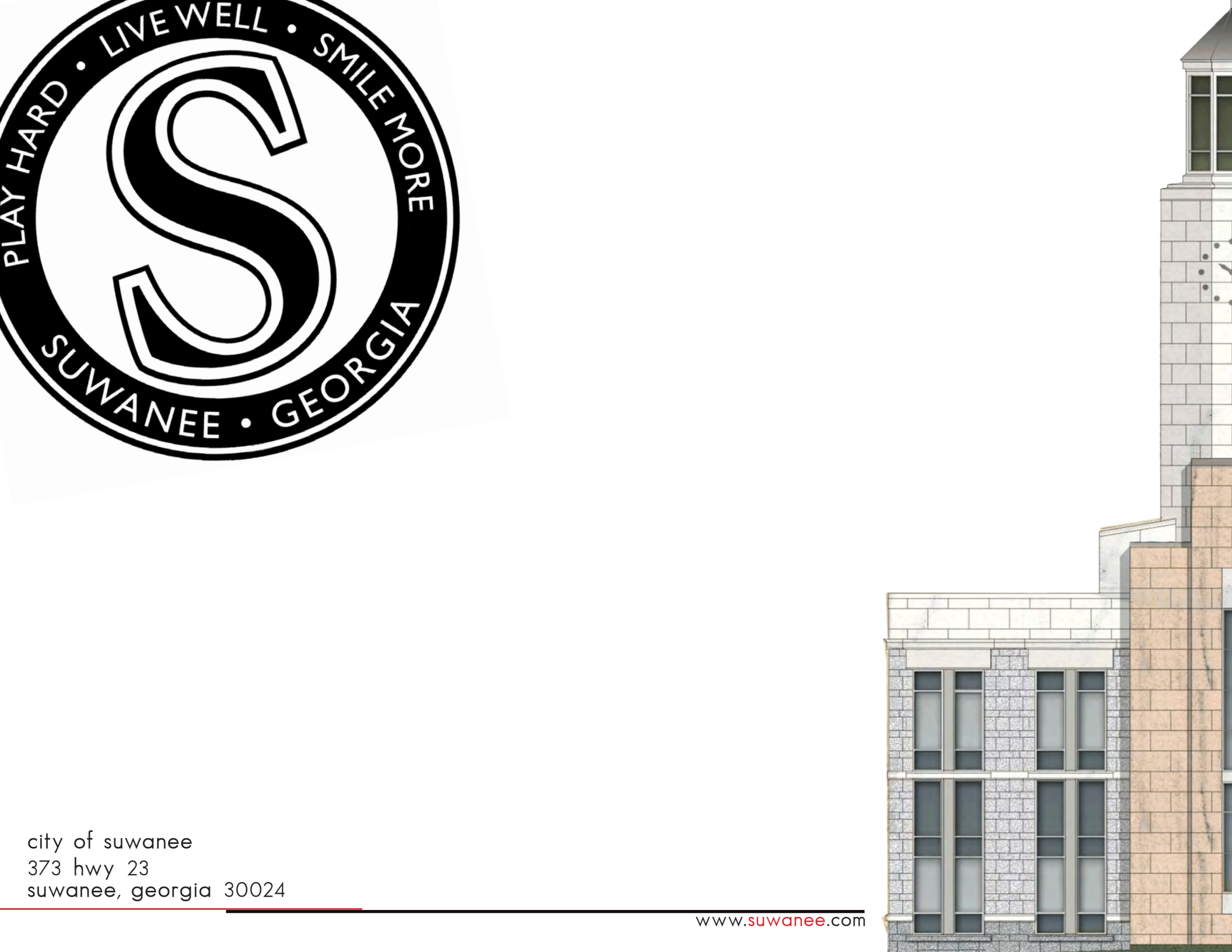
Condition: Internal controls were not in place to timely monitor the execution on bank transfers and the proper reconciling items.

Context/Cause: In January the City intended to transfer money from the General Fund to the Water Fund, the transfer was posted to the general ledger however the transfer was not executed at the bank. The bank reconciliation was not properly reconciled and therefore the error was not detected until after year-end.

Effects: No audit adjustment was needed due to the amount involved being immaterial; however, the error resulted in a $70,600 transfer not being recorded as a reconciling item on the bank reconciliation in a timely manner.

Recommendation: We recommend the City carefully review bank statements to ensure authorized transfers are properly executed and properly reconciled back to the general ledger in a timely manner and investigate any discrepancies.

Response: The City will carefully review the authorized transfers and reconcile them back to the general ledger in a timely manner.



city of suwanee
373 hwy 23
suwanee, georgia 30024