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city of suwanee
comprehensive annual financial report
year ended june 30, 2009

09

suwanee georgia



city of suwanee, georgia

comprehensive annual financial report
year ended june 30, 2009

prepared by:
Financial Services Department





Dave **Williams**

Mayor



Jimmy **Burnette**

Mayor Pro-Tem



Jace **Brooks**

Councilmember



Dan **Foster**

Councilmember



Kevin **McOmber**

Councilmember



Jeannine **Rispin**

Councilmember



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 22, 2009

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



Life is good! Once again, *Money* magazine has found life in Suwanee to be good. Suwanee was included in the magazine's 2009 list of America's 100 best places to live. A regional model for open space preservation and creation of parks as well as smart-growth development, Suwanee was ranked number 35 in *Money's* 2009 list of best small towns. During fiscal year 2009, Suwanee has had to make some tough economic adjustments in the midst of unprecedented times. Suwanee has not been immune to the effects of the current economic climate, has adjusted and will continue to adjust as necessary to remain a well-rounded, vibrant community. Suwanee is about community and when communities come together and support each other, it makes everyone stronger. It is with this respect that we are proud to present this Comprehensive Annual Financial Report for the year ended June 30, 2009.



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 **single audit section** is also included in this report. This section includes the schedule of expenditures of federal awards, schedule of findings and questioned costs, and the independent auditor's report on internal control structure and compliance with applicable laws and regulations. This information is presented in accordance with the *Single Audit Act of 1996* and the U.S. Office and Management and Budget's Circular A-133, Audits of State, Local Governments, and Nonprofit Organizations.

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, 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

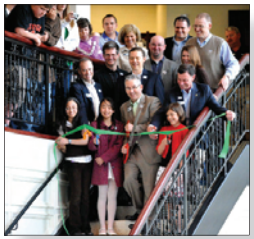
Communities across Georgia and throughout the nation are experiencing declines in new home construction, increases in the number of filings for foreclosures and increases in commercial vacancy rates. In these uncertain economic times, Suwanee has not been immune to the economic realities but continues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

- **Population** – The Planning Department estimates the population of Suwanee at 16,608 residents as of June 30, 2009. Suwanee population has grown by 5,130 since 2005 population and 8,456 since 1999.
- **Development** – Suwanee has an estimated 4,084 single family detached residences, 589 single family attached residences and 1,394 muti-family units in Suwanee. There are approximately 7,423,000 square feet of industrial uses, 1,752,000 square feet of multi-tenant retail uses, and 863,000 square feet of office uses.
- **Unemployment** – The Georgia Civilian Labor Force maintains unemployment rate estimates for each Census Tract within the State. Suwanee's census tract, for May 2009, had the fifth lowest unemployment rate of Gwinnett County's seventy-two census tracts at a rate of 3.7 percent. In May 2008, the Suwanee census tract had an unemployment rate of 2 percent.
- **Property values** – Total taxable assessed property values increased by 9 percent for the 2008 property tax year. In the past three 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.
- **Active Developments** – There are seven active developments in Suwanee that include a single family residential component. These projects are authorized for 1,575 single family attached and detached housing units. Of these authorized 1,575 single-family units, 62 percent (983 units) are occupied houses while the remaining (592 units) are unoccupied. These unoccupied units are a mixture of authorized but undeveloped lots (17%), platted but vacant lots (68%), homes under construction (2%) and builder owned residences (13%).
- **Median household income** – Suwanee's zip code was ranked 7th for wealthiest zip codes in metro Atlanta based on median household income of $164,163 and a median home value of $325,500.

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 11 of management's discussion and analysis.

major initiatives

Survey says. Suwanee conducted its first National Citizen Survey during the month of November 2008. The survey randomly selected citizens and asked them to rate community characteristics and services in eight areas: community quality, community design, public safety, environmental sustainability, recreation and wellness, community inclusiveness, civic engagement, and public trust. Key findings of the survey are available on the Business Matters/Reports & Regulations page at www.suwanee.com.



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 grand opening was March 28, 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, a picnic pavilion, and a 2-acre 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. Sims Lake Park grand opening was November 8, 2008.



Connectivity. The City has completed a pedestrian underpass that links Town Center and historic Old Town. A related project that includes intersection improvements with crosswalks at the Lawrenceville-Suwanee/ Buford Highway intersection has also started to further enhance accessibility and safety between these two downtown areas. The majority of the funding for the underpass was provided from a Federal Livable Centers Initiative (LCI) grant.

Traffic Safety Improvements. Suwanee completed roadway and safety improvements to Eva Kennedy Road, from Stonecypher Road to Brushy Creek subdivision. The improvements included adding curb and gutter, replacing sidewalk on the south side of the roadway, and installing three landscaped choker islands to help reduce speeds along the road.

for the future

Suwanee's top priorities include implementing the 2030 Comprehensive Plan and the Downtown Master Plan, moving forward with the Tax Allocation District (TAD) in the Suwanee Gateway area, and the construction and implementation of the community garden (Harvest Farm at White Street Park). Suwanee is committed to providing effective and responsive delivery of services with an emphasis on safety and planning for the future. The City uses a Capital Improvement Plan (CIP) to develop a framework that captures the goals and objectives for all City departments. The CIP is a comprehensive five-year plan that helps determine priorities, provide cost estimates and identify financial resources. Longer range planning is accomplished through the City's Comprehensive Master Plan, which is developed and maintained in accordance with State of Georgia requirements.

financial information

internal controls

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

budget controls

Budgetary control is essential for good financial management and legal compliance. The City achieves and maintains budgetary control by operating under the statutes of the State of Georgia, which require the City to adopt an annual balanced budget. Expenditures may not legally exceed appropriations at the department level, within each fund. Operational

control of departmental budgets is accomplished through a purchase order verification process. Additional details regarding budgetary controls may be found in Note 3 of the notes to the financial statements.

cash management

The City's funds are deposited into interest-bearing accounts, from which excess cash is invested in certificates of deposits or obligations of the United States Government or it 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 2009 was 3.51%. The total amount earned on all investments in all funds was $374,181. Investment earnings decreased by $538,880 from fiscal year 2008 to 2009. This decrease was due to idle construction reserves being liquidated for the construction on the new City Hall, the pedestrian underpass, Sims Lake Park and other SPLOST construction projects along with declining interest rates yields due to the current economic environment.

other information

risk management

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

independent audit

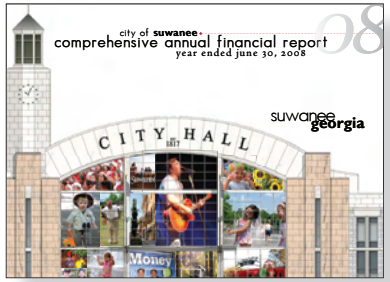
The financial statements included in this report are prepared in compliance with governmental financial reporting standards issued by the Governmental Accounting Standards Board, guidelines issued by the Government Finance Officers Association of the United States and Canada, and generally accepted accounting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

Mauldin & Jenkins' also performed an audit of federal awards in accordance with the *Single Audit Act* and the Office of Management and Budget's Circular A-133. The results of this audit are in the Single Audit Section of this report.

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 2009 awards:

- Voice of the People Awards for Excellence (in recreation programs/ classes and parks areas) from the International City/County Management Association and National Research Center.
- Best Farmers Market and Best Playground or Park, Nickelodeon's 2009 Parents' Picks Awards.
- Certificate of distinction for efforts and results in performance measurement and management from the International City/County Management Association.
- Ranked #35 on Money Magazine's list of Best Places to Live 2009.
- Best Event Within an Event, Gold – BodyPlex's World's Largest Outdoor Spin Class at Party in de Park, Southeast Festivals and Events Association.
- Best Event Volunteer – Events Under $75,000 Gold – Suwanee Day.
- Best Event Website, Bronze – Suwanee Day.
- Distinguished Budget Presentation Award, Government Finance Officers Association, 2008-2009 budget presentation (third consecutive year).



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, 2008. This was the sixth consecutive year that the City has received this prestigious award, given for publishing an easily readable, efficiently organized comprehensive annual financial report conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA for consideration. The City is committed to this effort and will strive to maintain and surpass these standards on future reports.

acknowledgements

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

Respectfully submitted,

Amie Sakmar
Financial Services Director

Marty Allen
City Manager

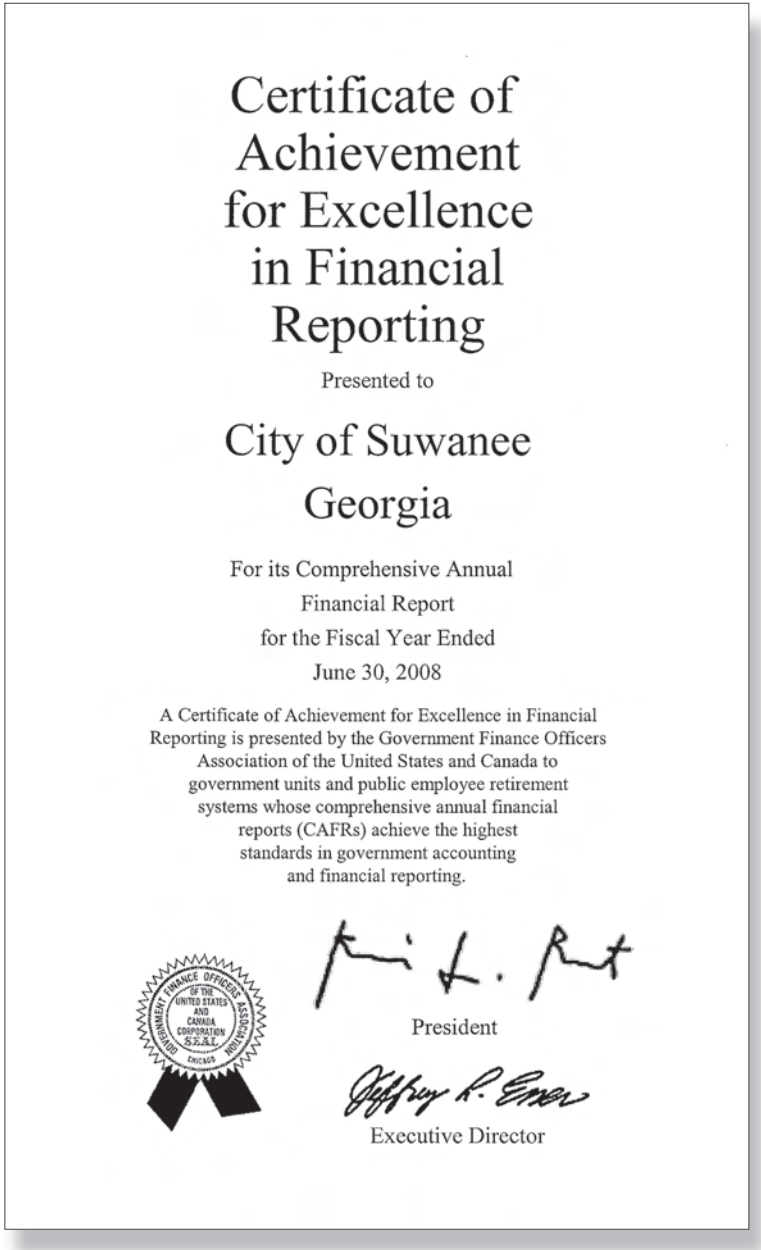












Certificate of Achievement for Excellence in Financial Reporting

Presented to

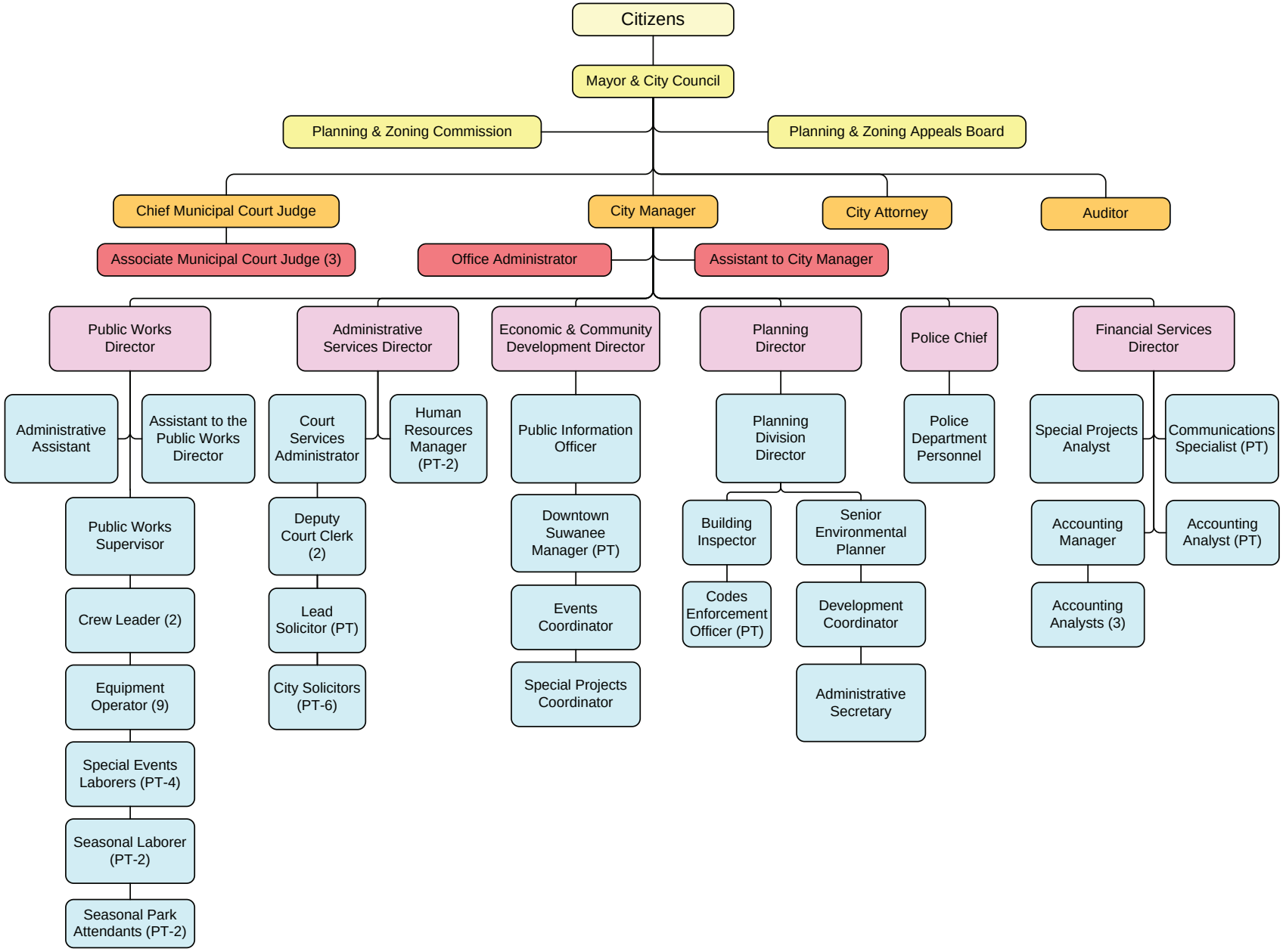
City of Suwanee
Georgia

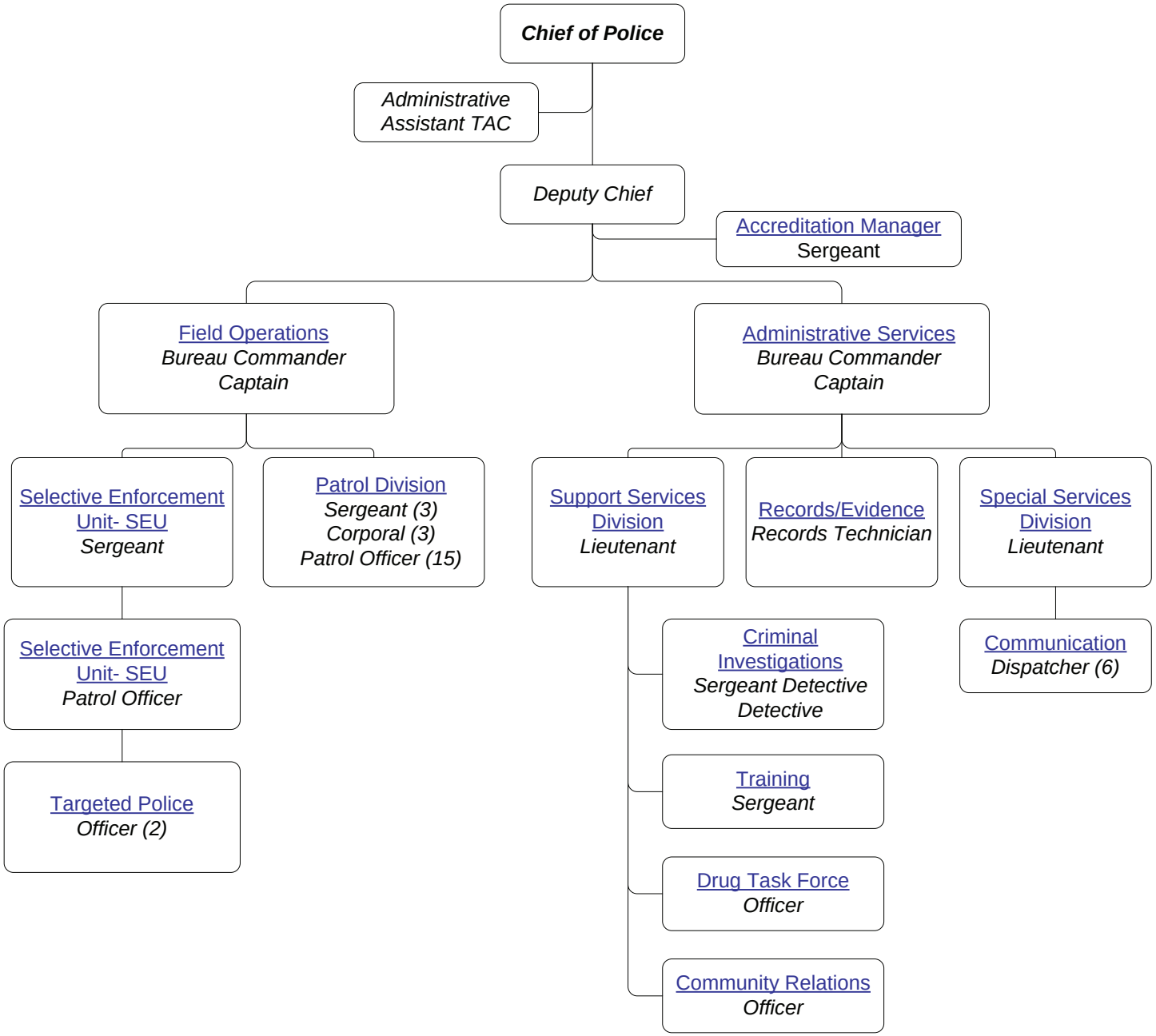
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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

President

Executive Director


Citizens
Mayor & City Council
Planning & Zoning Commission
Planning & Zoning Appeals Board
Chief Municipal Court Judge
City Manager
City Attorney
Auditor
Associate Municipal Court Judge (3)
Office Administrator
Assistant to City Manager
Public Works Director
Administrative Services Director
Economic & Community Development Director
Planning Director
Police Chief
Financial Services Director
Administrative Assistant
Assistant to the Public Works Director
Court Services Administrator
Human Resources Manager (PT-2)
Public Information Officer
Planning Division Director
Police Department Personnel
Special Projects Analyst
Communications Specialist (PT)
Public Works Supervisor
Deputy Court Clerk (2)
Downtown Suwanee Manager (PT)
Building Inspector
Senior Environmental Planner
Accounting Manager
Accounting Analyst (PT)
Crew Leader (2)
Lead Solicitor (PT)
Events Coordinator
Codes Enforcement Officer (PT)
Development Coordinator
Accounting Analysts (3)
Equipment Operator (9)
City Solicitors (PT-6)
Special Projects Coordinator
Administrative Secretary
Special Events Laborers (PT-4)
Seasonal Laborer (PT-2)
Seasonal Park Attendants (PT-2)


Chief of Police
Administrative Assistant TAC
Deputy Chief
Accreditation Manager
Sergeant
Field Operations
Bureau Commander
Captain
Administrative Services
Bureau Commander
Captain
Selective Enforcement Unit- SEU
Sergeant
Patrol Division
Sergeant (3)
Corporal (3)
Patrol Officer (15)
Support Services Division
Lieutenant
Records/Evidence
Records Technician
Special Services Division
Lieutenant
Selective Enforcement Unit- SEU
Patrol Officer
Criminal Investigations
Sergeant Detective
Detective
Communication
Dispatcher (6)
Targeted Police
Officer (2)
Training
Sergeant
Drug Task Force
Officer
Community Relations
Officer



financial section

Independent Auditor's Report
Management's Discussion and Analysis

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
Of the 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, 2009, 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, 2009, 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 22, 2009 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 11 through 20 and 45, 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, statistical section, and the accompanying Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* 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 and the Schedule of Expenditures of Federal Awards 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 22, 2009

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, 2009. 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 $58,589,343. This is an increase of $5,167,609 or 9.7%, as compared to the prior year amount of $53,421,734. Assets of the City's business-type activities exceeded liabilities by $1,943,996, an increase of $51,294, or 2.7%, as compared to the prior year amount of $1,892,702. In total, net assets increased by $5,218,903 to $60,533,339. Of this amount, unrestricted net assets on June 30, 2009 were $13,370,123 or 22.1% of the City's total net assets.

Fund level. As of June 30, 2009, the City's governmental funds reported a combined ending fund balance of $15,426,356, a decrease of $6,757,305 or 30.5% from fiscal year 2008. This decrease was due to planned capital expenditures for a new city hall, road and safety improvements to Eva Kennedy Road, construction of a pedestrian underpass, and the open space parks initiative program completion of Sims Lake Park. Funding for these programs was provided from two bond issues, federal financial assistance, and special purpose local option sales tax (SPLOST) program. At the fund level, capital expenditures reduce fund balance as funds are expended; however, at the entity-wide level, capital expenditures are added to capital assets and depreciated over the life of the asset. Enterprise fund assets exceeded liabilities resulting in total net assets of $1,943,996, of which $1,636,320 was invested in capital assets net of related debt, leaving an unrestricted balance of $307,676.

Long-term debt. The City's total bonds outstanding decreased by $665,000 or 2.9% during fiscal year 2009. 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 40-41.

overview of the financial statements

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 21 and 22.

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

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

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

The City maintains fifteen governmental funds. There are six funds that are considered major funds for financial reporting purposes: General, Debt Service, 2005 SPLOST, Pedestrian Underpass, Town Center Facility Improvements, and Other Capital Projects. Each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Data from other, non-major governmental funds are combined into a single, aggregate column. Specific fund data for each of the non-major funds is provided in the form of combining statements beginning on page 48.

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 26. The basic governmental fund financial statements can be found on pages 23-24. Budgetary comparisons for other governmental funds with legally adopted annual budgets start on page 52.

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 28-30.

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 31.

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 33-45 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.

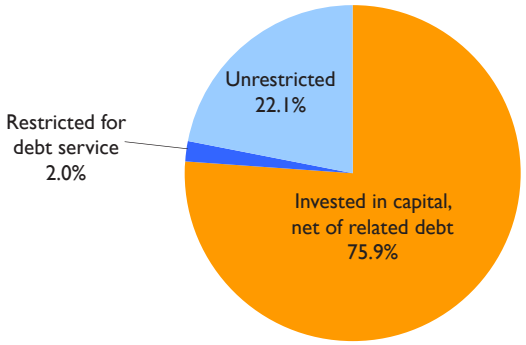
government-wide financial analysis

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 $60,533,339 and $55,314,436 at June 30, 2009 and 2008 respectively. The following is a condensed version of the government-wide statement of net assets.

Net assets on June 30, 2009 and June 30, 2008

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Assets						
Current and other assets	$ 17,283,141	$ 24,553,134	$ 312,195	$ 242,581	$ 17,595,336	$ 24,795,715
Capital assets	64,543,287	53,672,165	1,990,712	2,022,251	66,533,999	55,694,416
Total assets	81,826,428	78,225,299	2,302,907	2,264,832	84,129,335	80,490,131
Liabilities						
Long-term liabilities outstanding	22,462,056	23,078,504	354,392	368,250	22,816,448	23,446,754
Other liabilities	775,029	1,725,061	4,519	3,880	779,548	1,728,941
Total liabilities	23,237,085	24,803,565	358,911	372,130	23,595,996	25,175,695
Net Assets						
Invested in capital, net of related debt	44,325,054	40,607,100	1,636,320	1,654,001	45,961,374	42,261,101
Restricted for debt service	1,201,842	1,187,335	-	-	1,201,842	1,187,335
Unrestricted	13,062,447	11,627,299	307,676	238,701	13,370,123	11,866,000
Total net assets	$ 58,589,343	$ 53,421,734	$ 1,943,996	$ 1,892,702	$ 60,533,339	$ 55,314,436

Primary Government Net Assets – June 30, 2009



The largest portion of the City's net assets 75.9% are invested in capital assets such as land, buildings, equipment, and infrastructure (roads, bridges, and other immovable assets), net any related debt used to acquire those assets. Investment in capital assets net of related debt increased by $3,700,273 or 8.7%. 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 $1,201,842 of net assets to be spent on debt service. The remaining balance on unrestricted net assets 22.1% may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City was able to report positive balances in all three categories of net assets, both 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 2008.

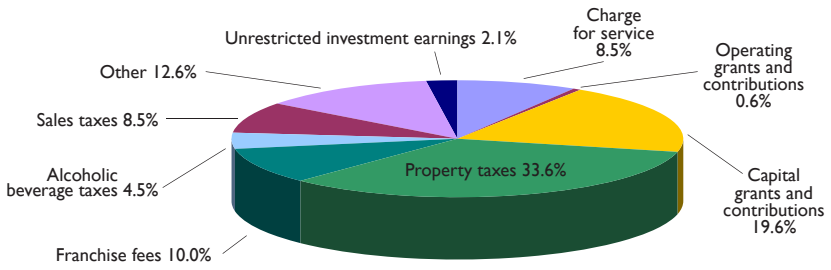
Governmental activities. Governmental activities increased the City's net assets by $5,167,609 thereby accounting for 99.0% of the total growth in net assets. This increase in governmental activities is related to donations of infrastructure by developers, federal financial assistance capital grant for the pedestrian underpass and continued growth in general taxes. The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures while its revenues include capital grants and donations. The following condensed financial information was derived from the government-wide Statement of Activities and reflects how net assets changed during fiscal year 2009.

Change in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	$ 1,508,523	$ 2,561,652	$ 64,658	$ 93,405	$ 1,573,181	$ 2,655,057
Operating grants and contributions	101,024	56,104	-	-	101,024	56,104
Capital grants and contributions	3,479,457	2,076,235	-	-	3,479,457	2,076,235
General revenues:						
Property taxes	5,984,107	5,371,353	-	-	5,984,107	5,371,353
Franchise fees	1,777,986	1,521,682	-	-	1,777,986	1,521,682
Alcoholic beverage taxes	795,413	794,986	-	-	795,413	794,986
Sales taxes	1,521,007	1,779,252	-	-	1,521,007	1,779,252
Other	2,242,091	2,019,226	-	-	2,242,091	2,019,226
Unrestricted investment earnings	373,582	911,384	599	1,597	374,181	912,981
Total revenues	17,783,190	17,091,874	65,257	95,002	17,848,447	17,186,876
Expenses						
General government	2,126,146	2,139,085	-	-	2,126,146	2,139,085
Judicial	381,887	375,035	-	-	381,887	375,035
Police	3,524,548	3,364,444	-	-	3,524,548	3,364,444
Public works	3,663,485	3,005,155	-	-	3,663,485	3,005,155
Culture and recreation	464,973	523,503	-	-	464,973	523,503
Housing and development	959,983	1,172,061	-	-	959,983	1,172,061
Tourism and trade	379,703	150,132	-	-	379,703	150,132
Interest on long term debt	964,856	1,001,643	-	-	964,856	1,001,643
Water and sewer	-	-	163,963	121,573	163,963	121,573
Total expenses	12,465,581	11,731,058	163,963	121,573	12,629,544	11,852,631
Increase (decrease) in net assets before transfers	5,317,609	5,360,816	(98,706)	(26,571)	5,218,903	5,334,245
Transfers	(150,000)	(70,600)	150,000	70,600	-	-
Increase (decrease) in net assets before special item	5,167,609	5,290,216	51,294	44,029	5,218,903	5,334,245
Special item-gain on sale of capital asset	-	688,000	-	-	-	688,000
Change in net assets	5,167,609	5,978,216	51,294	44,029	5,218,903	6,022,245
Net assets-July 1	53,421,734	47,443,518	1,892,702	1,848,673	55,314,436	49,292,191
Net assets-June 30	$ 58,589,343	$ 53,421,734	$ 1,943,996	$ 1,892,702	$ 60,533,339	$ 55,314,436

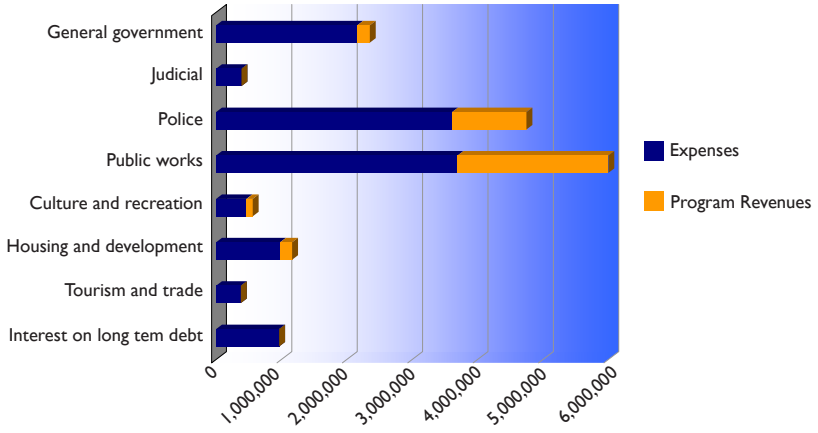
Governmental activities revenues totaled $17,783,190 for fiscal year 2009. Property taxes are the largest revenue source for governmental activities accounting for 33.6% of total revenues. Capital grants & contributions and franchise fees are the second and third largest revenue source accounting for 19.6% and 10.0% of governmental revenues for the year.

Revenues by Source-Governmental Activities



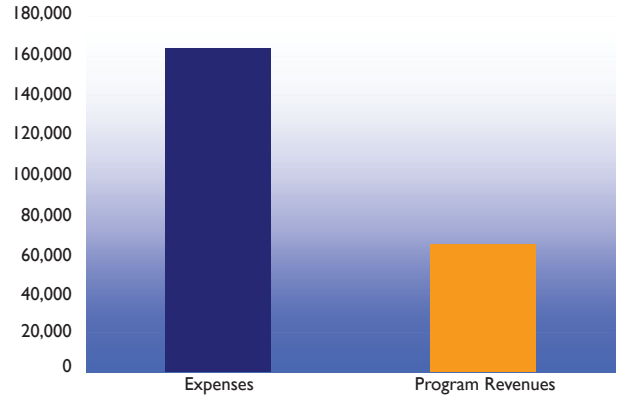
Governmental expenses totaled $12,465,581 for the fiscal year. Of the expenditures 28.3%, or $3,524,548, is related to police. Public works accounted for $3,663,485, or 29.4%. Interest on long-term debt accounted for 7.7% of overall governmental expenses. The chart below compares governmental activities with their respective program revenues, if any.

Governmental Activities Expenses and Program Revenues



Business-type activities. Business-type activities increased the City's net assets by $51,294 accounting for 1.0% of the City's net assets increase in fiscal year 2009.

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, 2009, the City's governmental funds reported a combined ending fund balance of $15,426,356, a decrease of $6,757,305 in comparison with the prior year. This decrease is due to the construction of a new City Hall along with other planned capital projects that were funded in prior periods by bond issues and SPLOST proceeds. Approximately 49.3% of the ending fund balance ($7,602,716) 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 ($1,201,842), to pay for capital projects ($6,455,267), and for various other purposes ($166,531).

The general fund is the chief operating fund of the City. On June 30, 2009, unreserved fund balance of the general fund was $7,602,716. 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 62.8% of total general fund expenditures and transfers. The fund balance of the general fund increased by $17,155 during the current fiscal year.

Revenues Classified by Source – General Fund

Revenues by Source:	FY 2009 Amount	FY 2009 % of Total	FY 2008 Amount	FY 2008 % of Total	Increase (Decrease) Amount	Increase (Decrease) % of Change
Taxes	$ 10,043,246	85.1%	$ 9,522,959	77.1%	$ 520,287	5.5%
Licenses and permits	368,872	3.1%	1,057,705	8.6%	(688,833)	-65.1%
Intergovernmental	-	0.0%	818	0.0%	(818)	-100%
Charges for service	111,630	.9%	227,015	1.8%	(115,385)	-50.81%
Fines and forfeitures	994,207	8.4%	1,259,195	10.2%	(264,988)	-21.0%
Other	297,129	2.5%	285,292	2.3%	11,837	4.1%
Total	$ 11,815,084	100.0%	$ 12,352,984	100.0%	$ (537,900)	-4.4%

The following provides an explanation of revenues by source changes from 2008 to 2009:

- **Taxes.** Real and personal property tax collection increased in total by $546,427. Fiscal years 2007 and 2008 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 $220,167 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 decreased by $51,290, which is attributable to the current economic conditions. The remaining difference in fiscal year 2008 comparison with 2009 is related to hotel/motel taxes. During the review of fiscal year 2008 audit report by the Georgia Department of Audits, they requested that we change the reporting of hotel/motel tax revenue from showing receipt of these funds in the general fund and in the hotel/motel tax fund to reporting the total hotel/motel taxes collected in the hotel/motel fund. As a result of this change, fiscal year 2009 general fund does not include hotel/motel taxes, fiscal year 2008 totals included $252,898 in hotel/motel taxes.

- **Licenses and permits.** Building permits decreased by $687,193 from the previous period. Fiscal years 2007 and 2008 had above normal growth in building permits. Building permits dramatically decreased in fiscal year 2009 as the building and development market declined.

- **Intergovernmental.** Intergovernmental grants have decreased by $818. In fiscal year 2008, Suwanee received a federal justice grant award for police services. This grant was a one time grant award.

- **Charge for service.** Development plan review decreased by $58,111 as a result of the decrease in development activity noted in licenses and permits. Special event service fees decreased by $57,373. This service are provided to private business for events and varies from year to year.

- **Fines and forfeitures.** Municipal court fees decreased by $264,988. This decrease is related to the closure of the red light camera monitored program. This program was closed in January 2009.

- **Other.** Other revenues increased by $11,837. The majority of this increase is related to local donations for event sponsorships.

Expenditures by Function – General Fund

Expenditures by Function:	FY 2009 Amount	FY 2009 % of Total	FY 2008 Amount	FY 2008 % of Total	Increase / (Decrease) Amount	Increase / (Decrease) % of Change
General government	$ 1,968,513	22.2%	$ 1,819,852	21.8%	$ 148,661	8.2%
Judicial	387,298	4.4%	380,788	4.6%	6,510	1.7%
Police	3,607,476	40.7%	3,277,926	39.2%	329,550	10.1%
Public works	1,484,689	16.7%	1,244,904	14.9%	239,785	19.3%
Culture and recreation	262,857	3.0%	328,958	3.9%	(66,101)	-20.1%
Housing and development	1,031,681	11.6%	1,186,880	14.2%	(155,199)	-13.1%
Debt service:						
Principal retirement	114,215	1.3%	107,594	1.3%	6,621	6.1%
Interest	6,687	.1%	7,665	.1%	(978)	-12.8
Total	$ 8,863,416	100.0%	$ 8,354,567	100.0%	$ 508,849	6.1%

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

- **General government.** Expenditures increased by $148,661 or 8.2%. During the prior period, the City Manager and Special Project Manager positions were vacant for half of the fiscal year. In fiscal year 2009, the City started a document imaging program and digital storage project that included one time imaging fees along with software purchases, additional technology cost of $70,287.

- **Judicial.** Expenditures increased by $6,510 or 1.7%. This increase is related to the closing of the red light program and employee packages offered to employees that were laid off.

- **Police.** Expenditures increased by $329,550 or 10.1%. During the prior fiscal period, the police department experienced significant staff vacancies that caused salary and benefit expenditures to be lower than approved positions. In fiscal year 2009, 3 additional police cars were purchased ($90,000), one motorcycle was purchased ($20,000) and two additional police officer positions were added ($154,720 salary, benefits and equipment).

- **Public works.** Expenditures increased by $239,785 or 19.3%. The majority of the increase consisted of the following:
    - One public works crew leader position was added, total salary and benefits $78,770.
    - Three utility vehicles were purchased $17,100.
    - A new truck and a small backhoe were purchased for $42,400.
    - Outdoor lighting increased by $37,200.
    - Workers compensation claims increased by $31,100.
    - Expenditures for the Inmate work crew program increased by $8,000.

- **Culture and recreation.** Expenditures decreased by $66,101 or 20.1%. Due to the current economic conditions, special events expenditures were reduced and planned events were scaled back.

- **Housing and development.** Expenditures decreased by $155,199 or 13.1%. The majority of the decrease consisted of the following:
    - Two employees were laid off in the inspection department, $101,310 difference is salary and benefits.
    - Fiscal year 2008 included the purchase of a new inspections vehicle, $25,900.
    - One part time code enforcement officer position was not filled in fiscal year 2009, $19,600 in salary and benefits.

Capital projects funds account for the financial resources used for the purchase and construction of major capital facilities and related equipment. During fiscal year 2009, the City had four capital project funds that were considered major funds; the 2005 SPLOST, Pedestrian Underpass, Town Center Facility Improvement and Other Capital Projects.

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 $6,597,060 to be paid out as collected from the County, to the City, over a four-year period. As of June 30, 2009, the unreserved fund balance was $2,387,471. All proceeds for this program have been received.

The Pedestrian Underpass fund unreserved fund balance at year-end was ($1,200). This fund was created to construct a pedestrian tunnel that connects Main Street to Buford Highway. Funding for this project includes federal, local and 2005 SPLOST funds. The negative fund balance at year end is due to cash flow of funding resources. Federal and local resources are requested after payment of expenditures.

The Town Center Facility Improvements fund unreserved fund balance at year-end was $682,227. 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 Other Capital Projects fund accounts for the local financial resources used for the purchase and construction of capital equipment and facilities. Unreserved fund balance at year-end was $784,701.

The debt service fund balance was $1,201,842 as of June 30, 2009, 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 $84,719 compared with an operating loss of $13,035 in the prior year. Operating revenues decreased 30.8% and operating expenses increased by 40.3%, in comparison to fiscal year 2008. Operating revenues are lower than prior periods due to a decline in new meter installations and vacant rental property. 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 was completed in fiscal year 2009.

general fund budgetary highlights

Differences between the original budget ($12,310,040) and the final amended budget ($13,068,650) amounted to an overall increase of $758,610. A brief summary of these increases are explained below:

- Operational functions were decreased by $523,796 or 5% due to the decline in the economic environment and concerns about future sustainability with a declining operational revenue base.
- At year-end, an adjustment was made to transfer $1,300,000 to the 2009 SPLOST program for the parking facilities project to begin in fiscal year 2010.
- Transfers to other non-major governmental funds was reduced by $17,594.

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2009 can be found on pages 26-27. The following chart is a summary of that schedule.

	Budget			Variance
	Original	Final	Actual	with Final
Revenues, transfers, and other financing sources:				
Taxes	$ 9,813,100	$ 9,723,496	$ 10,043,246	$ 319,750
License and permits	554,300	363,705	368,872	5,167
Intergovernmental revenues	2,000	500	-	(500)
Charges for services	123,700	114,157	111,630	(2,527)
Fines and forfeitures	1,209,500	1,046,472	994,207	(52,265)
Investment Income	250,000	152,220	231,289	79,069
Miscellaneous revenues	18,500	60,244	65,840	5,596
Other financing sources	338,940	307,856	299,893	(7,963)
Total	12,310,040	11,768,650	12,114,977	346,327
Expenditures and transfers out:				
Expenditures	10,358,040	9,834,244	8,863,416	(970,828)
Transfer out	1,952,000	3,234,406	3,234,406	-
Total	12,310,040	13,068,650	12,097,822	(970,828)
Change in fund balance	$ -	$ (1,300,000)	$ 17,155	$ 1,317,155

During the year, general fund revenues exceeded budgetary projections and expenditures were less than budgetary estimates. Actual revenues and other financing sources were $346,327 higher than estimates, whereas expenditures were $970,828 lower than the final budgetary appropriations. Listed below are the major areas that expenditures were lower than appropriations.

- Salaries and benefits expenditures were $379,523 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 $85,119 less than appropriations. The majority of this decrease was due to not expanding the street sweeping contract in the Gateway area and lower than projected consultant fees for development reviews.
- Purchased property services, other purchased services and supplies expenditures were $423,519 less than appropriations. These reductions were spread out over all functions with no one big reduction noted.
- Capital related expenditures were $82,667 less than appropriations due to savings on the document imaging project ($20,200), playground site improvements ($11,430), and police vehicle purchase ($30,559).

capital assets and debt administration

Capital assets. On June 30, 2009, the City's investment in capital assets in both governmental and business-type activities amounted to $66,533,999, 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, completion of capital projects, and additions to construction in progress, which increased capital assets by $2,591,233, $4,489,831 and $3,426,631 respectively. Additional information on capital assets can be found in Note 6 on pages 38-39 of this report.

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Land	$ 10,599,337	$ 10,236,082	$ 7,500	$ 7,500	$ 10,606,837	$ 10,243,582
Land Improvements	2,706,188	163,303	2,349	2,596	2,708,537	165,899
Buildings	12,328,138	11,282,717	-	-	12,328,138	11,282,717
Water distribution	-	-	1,956,029	1,993,765	1,956,029	1,993,765
Machinery and equipment	1,394,445	842,343	24,834	18,390	1,419,279	860,733
Vehicles	563,943	496,191	-	-	563,943	496,191
Infrastructure	26,641,908	23,768,832	-	-	26,641,908	23,768,832
Construction in progress	10,309,328	6,882,697	-	-	10,309,328	6,882,697
Total	$ 64,543,287	$ 53,672,165	$ 1,990,712	$ 2,022,251	$ 66,533,999	$ 55,694,416

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $22,520,000 comprised of general obligation debt ($16,370,000) backed by the full faith and credit of the City, and revenue bonds ($6,150,000) obligated through an intergovernmental agreement with the Urban Redevelopment Authority.

The City's total long-term bonds decreased by $665,000, or 2.9%, 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 $107,164,192; current general obligation debt is below this limit with 14.15% of the legal debt limit used. Additional information regarding long-term debt can be found in Note 7 on pages 40-41 of this report.

economic factors and next year's budget and rates

Communities across Georgia and throughout the nation are experiencing declines in new home construction, increases in the number of filings for foreclosures and increases in commercial vacancy rates. During calendar year 2008, Suwanee started to feel the slow down in commercial and residential growth. Steps were taken to reduce expenditures and control operational costs which allowed Suwanee to end fiscal year 2009 with a strong fund balance. Suwanee's economic outlook for 2010 is stable considering the following information:

- The City's economy is based on a mix of residential, warehouse, industrial, and commercial uses. Property values declined but median household incomes increased as noted in the Atlanta Business Chronicle, Book of Lists for 2008: Suwanee's zip code was ranked 7th for wealthiest zip codes in metro Atlanta based on median household income of $164,163 and a median home value of $325,500. This compares with 2007 list with Suwanee's zip code ranked 13th based on a median household income of $153,161 and a median home value of $347,499.

- Suwanee has the fifth lowest unemployment rate of Gwinnett County's seventy-two census tracts at a rate of 3.9 percent; according to the Georgia Civilian Labor Force May 2009 report.

- The fiscal year 2010 annual budget for the general fund is $11,335,050; this is a decrease of $1,733,600 or 13.3% from the final amended 2009 budget. In order to reduce fiscal year 2010 expenditures, Suwanee implemented a city-wide salary freeze as well as cost saving changes to the city's healthcare benefit package. Non-essential programs and equipment expenditures were delayed to future periods.

- The 2009 property tax digest was projected, through the budget process, to decrease by 10% due to the declining economy and property values. The millage rate will remain 5.77 mills, the same rate used in fiscal year 2006, 2007, 2008 and 2009.

- In fiscal year 2009, Suwanee experienced a construction slow down and as a result, permit fees significantly declined. The outlook for fiscal year 2010 shows a continued building decline.

All of these factors were taken into consideration when preparing the 2010 budget. Suwanee maintained a conservative approach during the preparation of the 2010 budget focusing on operational cost control and maintaining our strong fund balance.

request for information

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



basic financial statements

Government-wide Financial Statements
Fund Financial Statements

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	$ 5,370,219	$ 304,767	$ 5,674,986	$ 30,317
Investments	10,366,319	-	10,366,319	-
Receivables:				
Property taxes	311,371	-	311,371	-
Sales taxes	305,506	-	305,506	-
Other	313,940	3,373	317,313	-
Deferred charges	216,421	-	216,421	-
Net pension asset	399,365	-	399,365	-
Restricted cash	-	4,055	4,055	-
Capital assets, nondepreciable	20,908,665	7,500	20,916,165	-
Capital assets, depreciable, net of accumulated depreciation	43,634,622	1,983,212	45,617,834	370,575
Total assets	81,826,428	2,302,907	84,129,335	400,892
LIABILITIES				
Accounts payable	320,476	464	320,940	-
Retainage payable	454,553	-	454,553	-
Liabilities payable from restricted assets	-	4,055	4,055	-
Noncurrent liabilities:				
Notes payable due within one year	-	14,427	14,427	-
Notes payable due in more than one year	-	339,965	339,965	-
General obligation bonds due within one year	450,000	-	450,000	-
General obligation bonds due in more than one year	15,471,091	-	15,471,091	-
Revenue bonds due within one year	250,000	-	250,000	-
Revenue bonds due in more than one year	5,896,299	-	5,896,299	-
Capital leases due within one year	87,341	-	87,341	-
Capital leases due in more than one year	59,274	-	59,274	-
Compensated absences due within one year	79,376	-	79,376	-
Compensated absences due more than one year	168,675	-	168,675	-
Total liabilities	23,237,085	358,911	23,595,996	-
NET ASSETS				
Invested in capital assets, net of related debt	44,325,054	1,636,320	45,961,374	370,575
Restricted for debt service	1,201,842	-	1,201,842	-
Unrestricted	13,062,447	307,676	13,370,123	30,317
Total net assets	$ 58,589,343	$ 1,943,996	$ 60,533,339	$ 400,892

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

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	$ 2,126,146	$ 192,180	$ -	$ -	$ (1,933,966)	$ -	$ (1,933,966)	
Judicial	381,887	-	-	-	(381,887)	-	(381,887)	
Police	3,524,548	1,119,116	18,392	-	(2,387,040)	-	(2,387,040)	
Public works	3,663,485	-	-	3,479,457	(184,028)	-	(184,028)	
Culture and recreation	464,973	13,260	82,632	-	(369,081)	-	(369,081)	
Housing and development	959,983	183,967	-	-	(776,016)	-	(776,016)	
Tourism and trade	379,703	-	-	-	(379,703)	-	(379,703)	
Interest on long term debt	964,856	-	-	-	(964,856)	-	(964,856)	
Total governmental activities	12,465,581	1,508,523	101,024	3,479,457	(7,376,577)	-	(7,376,577)	
Business-type activities								
Water and Sewer	163,963	64,658	-	-	-	(99,305)	(99,305)	
Total Primary Government	$ 12,629,544	$ 1,573,181	$ 101,024	$ 3,479,457	$ (7,376,577)	$ (99,305)	$ (7,475,882)	
Component Unit	$ 38,153	$ -	$ 3,275	$ -				$ (34,878)
General revenues:								
Taxes:								
Property taxes					$ 5,984,107	$ -	$ 5,984,107	$ -
Franchise fees					1,777,986	-	1,777,986	-
Hotel/motel taxes					475,888	-	475,888	-
Alcoholic beverage tax					795,413	-	795,413	-
Business and occupation taxes					977,657	-	977,657	-
Insurance premium taxes					488,323	-	488,323	-
Sales taxes					1,521,007	-	1,521,007	-
Other taxes					77,775	-	77,775	-
Rental Income					175,000	-	175,000	-
Unrestricted investment earnings					373,582	599	374,181	1,057
Miscellaneous					47,448	-	47,448	-
Transfers					(150,000)	150,000	-	-
Total general revenues and transfers					12,544,186	150,599	12,694,785	1,057
Change in net assets					5,167,609	51,294	5,218,903	(33,821)
Net assets - beginning					53,421,734	1,892,702	55,314,436	434,713
Net assets - ending					$ 58,589,343	$ 1,943,996	$ 60,533,339	$ 400,892

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

	General	Debt Service	2005 SPLOST	Pedestrian Underpass	TC Facility Improvements	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	$ 629,305	$ -	$ 814,311	$ 134,110	$ 1,056,706	$ 959,141	$ 1,776,646	$ 5,370,219
Investments	6,762,293	1,201,842	1,704,727	-	-	-	697,457	10,366,319
Receivables:								
Property taxes	311,371	-	-	-	-	-	-	311,371
Sales taxes	-	-	-	-	-	-	305,506	305,506
Due from other funds	167,217	-	-		-	-	-	167,217
Other	116,130	-	-	166,149	-	-	31,661	313,940
Total assets	$ 7,986,316	$ 1,201,842	$ 2,519,038	$ 300,259	$ 1,056,706	$ 959,141	$ 2,811,270	$ 16,834,572
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 88,255	$ -	$ 40,540	$ 134,242	$ 10,953	$ 3,815	$ 42,671	$ 320,476
Retainage payable	-	-	91,027	-	363,526	-	-	454,553
Due to other funds	-	-	-	167,217	-	-	-	167,217
Deferred revenue	295,345	-	-	-	-	170,625	-	465,970
Total Liabilities	383,600	-	131,567	301,459	374,479	174,440	42,671	1,408,216
Fund Balances:								
Reserved for:								
Debt service	-	1,201,842	-	-	-	-	-	1,201,842
Unreserved reported in:								
General fund, undesignated	7,602,716	-	-	-	-	-	-	7,602,716
Special revenue funds, undesignated	-	-	-	-	-	-	166,531	166,531
Capital project funds, undesignated	-	-	2,387,471	(1,200)	682,227	784,701	2,602,068	6,455,267
Total fund balances	7,602,716	1,201,842	2,387,471	(1,200)	682,227	784,701	2,768,599	15,426,356
Total liabilities and fund balances	$ 7,986,316	$ 1,201,842	$ 2,519,038	$ 300,259	$ 1,056,706	$ 959,141	$ 2,811,270	

Deferred charges are available in the current period and, therefore, are not reported in the funds.	216,421
Net pension asset is not recorded in the governmental fund statements.	399,365
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	64,543,287
Revenue deferred in the governmental funds susceptible to full accural on the government wide statements	465,970
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(22,462,056)
	$ 58,589,343

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

	General	Debt Service	2005 SPLOST	Pedestrian Underpass	TC Facility Improvements	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES								
Property taxes	$ 5,926,092	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,926,092
Franchise taxes	1,777,986	-	-	-	-	-	-	1,777,986
Alcoholic beverage taxes	795,413	-	-	-	-	-	-	795,413
Sales taxes	-	-	1,215,501	-	-	-	305,506	1,521,007
Business taxes	1,465,980	-	-	-	-	-	-	1,465,980
Hotel/motel taxes	-	-	-	-	-	-	475,888	475,888
Other taxes	77,775	-	-	-	-	-	-	77,775
Licenses and permits	368,872	-	-	-	-	-	-	368,872
Intergovernmental revenues	-	-	-	840,000	-	48,223	-	888,223
Charges for services	111,630	-	-	-	-	-	-	111,630
Fines and forfeitures	994,207	-	-	-	-	-	33,814	1,028,021
Investment income	231,289	10,303	49,352	622	51,776	2,499	27,742	373,583
Rental income	-	-	-	-	-	4,375	-	4,375
Contributions and donations	18,392	-	-	-	-	-	82,632	101,024
Miscellaneous revenue	47,448	-	-	-	-	-	-	47,448
Total revenues	11,815,084	10,303	1,264,853	840,622	51,776	55,097	925,582	14,963,317
EXPENDITURES								
Current:								
General government	1,968,513	-	-	-	-	-	-	1,968,513
Judicial	387,298	-	-	-	-	-	-	387,298
Police	3,607,476	-	-	-	-	-	8,715	3,616,191
Public works	1,484,689	-	-	-	-	-	23,749	1,508,438
Culture and recreation	262,857	-	-	-	-	-	87,978	350,835
Housing and development	1,031,681	-	-	-	-	-	-	1,031,681
Tourism and trade	-	-	-	-	-	-	379,703	379,703
Capital outlay	-	-	2,064,871	1,416,278	5,390,085	193,445	1,613,902	10,678,581
Debt service:								
Principal	114,215	665,000	-	-	-	-	-	779,215
Interest and fiscal charges	6,687	957,796	-	-	-	-	-	964,483
Total expenditures	8,863,416	1,622,796	2,064,871	1,416,278	5,390,085	193,445	2,114,047	21,664,938
Excess (deficiency) of revenues over (under) expenditures	2,951,668	(1,612,493)	(800,018)	(575,656)	(5,338,309)	(138,348)	(1,188,465)	(6,701,621)
OTHER FINANCING SOURCES (USES)								
Proceeds from capital lease	94,316	-	-	-	-	-	-	94,316
Transfers in	205,577	1,627,000	-	367,205	-	634,981	1,357,406	4,192,169
Transfers out	(3,234,406)	-	(367,205)	-	(500,000)	-	(240,558)	(4,342,169)
Total other financing sources (uses)	(2,934,513)	1,627,000	(367,205)	367,205	(500,000)	634,981	1,116,848	(55,684)
Net change in fund balances	17,155	14,507	(1,167,223)	(208,451)	(5,838,309)	496,633	(71,617)	(6,757,305)
FUND BALANCES, beginning of year	7,585,561	1,187,335	3,554,694	207,251	6,520,536	288,068	2,840,216	22,183,661
FUND BALANCES, end of year	$ 7,602,716	$ 1,201,842	$ 2,387,471	$ (1,200)	$ 682,227	$ 784,701	$ 2,768,599	$ 15,426,356

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

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

Net change in fund balances-total governmental funds		$ (6,757,305)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements.		228,639
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	$ 12,984,338	
Net effect of deletions	172	
Depreciation expense	(2,113,387)	10,871,123
Capital assets acquired by capital leases are shown as an expenditure and other financing source in the governmental funds. The other financing source must be removed from the statement of activities; principal payments are applied to the lease liability; interest expense is recognized as it accrues.		
Other financing source - capital lease	$ (94,316)	
Principal payments of capital leases	114,215	19,899
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure.		
Principal payment		665,000
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		225,974
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.		
Amortization of:		
Premium/Discount	$ 1,500	
Bond Issuance Cost	(17,270)	
Loss on Refunding	(33,626)	(49,396)
Long-term compensated absences are reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds. This is the change in compensated absence payable.		(36,325)
Change in net assets of governmental activities		$ 5,167,609

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

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Property taxes	$ 5,849,120	$ 5,858,901	$ 5,926,092	$ 67,191
Franchise taxes	1,596,380	1,729,837	1,777,986	48,149
Alcoholic beverage taxes	784,100	739,100	795,413	56,313
Business taxes	1,540,000	1,383,329	1,465,980	82,651
Penalties and interest on delinquent taxes	43,500	12,329	77,775	65,446
Total taxes	9,813,100	9,723,496	10,043,246	319,750
Licenses and permits:				
Alcoholic beverage fees	190,000	172,320	172,340	20
Business licenses	20,800	19,800	19,840	40
Building permits	343,500	171,585	176,692	5,107
Total licenses and permits	554,300	363,705	368,872	5,167
Intergovernmental revenues:				
Federal grants	2,000	500	-	(500)
Total intergovernmental revenues	2,000	500	-	(500)
Charges for services:				
Planning and development fees	45,700	7,832	7,275	(557)
Public safety services	66,000	92,000	89,445	(2,555)
Special events	9,500	11,825	13,260	1,435
Other charges for services	2,500	2,500	1,650	(850)
Total charges for services	123,700	114,157	111,630	(2,527)
Fines and forfeitures	1,209,500	1,046,472	994,207	(52,265)
Investment income	250,000	152,220	231,289	79,069
Contributions and donations	2,000	18,350	18,392	42
Miscellaneous revenue	16,500	41,894	47,448	5,554
Total revenues	11,971,100	11,460,794	11,815,084	354,290
EXPENDITURES				
Current:				
General Government:				
Governing body	122,750	128,660	117,733	10,927
Legislative committees	8,750	7,750	5,328	2,422
Public Arts commission	7,500	-	-	-
Chief executive	396,820	398,640	371,113	27,527
General administration	236,290	219,090	201,342	17,748
Financial administration	613,120	593,320	537,410	55,910
Accounting	30,000	30,100	27,000	3,100
Law	65,000	58,500	49,938	8,562
Data processing	323,090	314,590	276,411	38,179
General government building and plant	295,720	305,070	266,417	38,653
Public information	210,990	134,140	115,821	18,319
Total general government	2,310,030	2,189,860	1,968,513	221,347
Judicial:				
Municipal court	348,610	337,560	307,336	30,224
Red light	98,210	83,960	79,962	3,998
Total judicial	$ 446,820	$ 421,520	$ 387,298	$ 34,222

(continued)

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

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Public safety:				
Police administration	$ 328,330	$ 321,580	$ 294,364	$ 27,216
Criminal investigation	346,380	337,150	309,747	27,403
Patrol	2,393,668	2,329,438	2,152,290	177,148
Records and identification	136,290	153,140	147,082	6,058
Police training	70,220	77,470	66,174	11,296
Special detail services	50,000	75,000	63,705	11,295
Police stations and buildings	216,520	170,750	134,887	35,863
Dispatcher	419,330	419,150	395,266	23,884
Public relations	42,840	44,590	37,977	6,613
Park police	134,960	14,710	5,984	8,726
Total public safety	4,138,538	3,942,978	3,607,476	335,502
Public Works:				
Public works administration	1,538,050	1,560,350	1,411,758	148,592
Paved streets	21,670	21,670	14,809	6,861
Storm drainage	63,000	63,000	35,704	27,296
Street lighting	6,500	6,500	5,325	1,175
Special detail services	11,210	24,210	17,093	7,117
Total public works	1,640,430	1,675,730	1,484,689	191,041
Culture and recreation:				
Playgrounds	11,500	11,500	72	11,428
Special facilities and activities	148,000	137,400	109,554	27,846
Park areas	182,940	184,090	153,231	30,859
Total culture and recreation	342,440	332,990	262,857	70,133
Housing and development:				
Protective inspection administration	331,300	297,700	262,335	35,365
Planning and zoning	525,060	488,260	432,969	55,291
Code enforcement	30,840	3,704	2,418	1,286
Economic development and assistance	380,220	278,230	257,430	20,800
Downtown Suwanee	91,460	82,370	76,529	5,841
Total housing and development	1,358,880	1,150,264	1,031,681	118,583
Debt service:				
Principal retirement	114,215	114,215	114,215	-
Interest and fiscal charges	6,687	6,687	6,687	-
Total debt service	120,902	120,902	120,902	-
Total expenditures	10,358,040	9,834,244	8,863,416	970,828
Excess of revenues over expenditures	1,613,060	1,626,550	2,951,668	1,325,118
OTHER FINANCING SOURCES (USES):				
Proceeds from capital leases	112,050	94,316	94,316	-
Transfer in	224,390	211,040	205,577	(5,463)
Transfer out	(1,952,000)	(3,234,406)	(3,234,406)	-
Sale of capital assets	2,500	2,500	-	(2,500)
Total other financing sources (uses)	(1,613,060)	(2,926,550)	(2,934,513)	(7,963)
Net change in fund balances	-	(1,300,000)	17,155	1,317,155
FUND BALANCES - beginning of year	7,585,561	7,585,561	7,585,561	-
FUND BALANCES - end of year	$ 7,585,561	$ 6,285,561	$ 7,602,716	$ 1,317,155

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

	Major Enterprise Fund Water & Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 304,767
Accounts receivable	3,373
Total current assets	308,140
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	4,055
Capital assets, nondepreciable	7,500
Capital assets, depreciable, net of accumulated depreciation	1,983,212
Total noncurrent assets	1,994,767
Total assets	2,302,907
LIABILITIES	
Current liabilities:	
Accounts payable	464
Notes payable	14,427
Total current liabilities	14,891
Noncurrent liabilities:	
Payable form restricted assets:	
Customer deposits payable	4,055
Notes payable	339,965
Total noncurrent liabilities	344,020
Total liabilities	358,911
NET ASSETS	
Invested in capital assets, net of related debt	1,636,320
Unrestricted	307,676
Total net assets	$ 1,943,996

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

	Major Enterprise Fund Water & Sewer Fund
OPERATING REVENUES	
Water and sewer charges	$ 64,658
OPERATING EXPENSES	
Salaries and benefits	23,860
Contracted services	74,027
Supplies	12,951
Depreciation	38,539
Total operating expenses	149,377
Operating income (loss)	(84,719)
NONOPERATING REVENUES (EXPENSES)	
Investment income	599
Interest expense	(14,586)
Total nonoperating revenues (expenses)	(13,987)
Income (loss) before transfers	(98,706)
Transfer in	150,000
Change in net assets	51,294
Total net assets - beginning of year	1,892,702
Total net assets - ending	$ 1,943,996

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

	Major Enterprise Fund Water & Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 65,522
Payments to employees	(23,860)
Payments to suppliers for goods and services	(86,515)
Net cash provided (used) by operating activities	(44,853)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from other fund	150,000
Net cash provided by noncapital financing activities	150,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital asset	(6,999)
Principal paid on capital debt	(13,858)
Interest paid on capital debt	(14,586)
Net cash used by capital and related financing activities	(35,443)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	599
Net cash provided by investing activities	599
Net increase in cash and cash equivalents	70,303
Cash and cash equivalents - beginning	238,519
Cash and cash equivalents - ending	$ 308,822
Reconciliation of operating income to net cash provided by operating activities:	
Cash flows from operating activities	
Operating income (loss)	$ (84,719)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	38,539
Change in assets and liabilities	
(Increase) decrease in accounts receivable	689
Increase (decrease) in accounts payable not related to a capital assets	464
Increase (decrease) in customer deposits	174
Net cash provided (used) by operating activities	$ (44,853)

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

	Agency Fund
ASSETS	
Cash and cash equivalents	$ 81,680
Accounts receivable	239
Total assets	81,919
LIABILITIES	
Due to others	81,919
Total liabilities	$ 81,919

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 I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It is used to account for 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 ***Pedestrian Underpass fund*** accounts for the financial resources to used to construct a pedestrian tunnel that connects Main Street to Buford Highway. Funding for this project includes federal, local, and SPLOST funds.

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. 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 ***Other Capital Projects Fund*** accounts for the financial resources to be used for the purchase and construction of capital equipment and facilities, other than those accounted for in specific funds. Funding is provided from local non-restricted funds.

The City aggregates other nonmajor governmental funds in a single column in the fund financial statements.

The City reports the following major enterprise fund:

The ***Water and Sewer Fund*** accounts for the operation of the water 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 $22,462,056 difference are as follows:

Capital leases payable	$	(146,615)
Compensated absences payable		(248,051)
Bonds payable		(22,067,390)
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – government activities	$	(22,462,056)

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 26, 2008. The level of legal budgetary control is at the department level. Council approval is required to increase or decrease the total budget of any department.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, Special Revenue Funds, and Debt Service Funds. Project length budgets are adopted for all Capital Projects Funds.

Material supplementary budgetary appropriations were made to reduce overall general government expenditures by ($523,796) and transfers out were increased by ($1,300,000) to provide funding for a parking structure.

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, 2009, 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, 2009 the City has no uncollateralized deposits.

Investments. At June 30, 2009, 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, 2008 and were mailed to taxpayers on October 1, 2008. The due date for these taxes was December 20, 2008, and after that date, both penalty and interest are accrued until the taxes are collected. The lien date was January 1, 2009. Receivables are recorded when taxes are levied and billed (October 1).

Receivables at June 30, 2009 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	Pedestrian Underpass	Other Governmental Funds	Water and Sewer	Total
Receivables:					
Property taxes	$ 311,371	$ -	$ -	$ -	$ 311,371
Sales taxes	-	-	305,506	-	305,506
Due from other funds	167,217	-	-	-	167,217
Other	116,130	166,149	31,661	3,373	317,313
Net total receivables	$ 594,718	$ 166,149	$ 337,167	$ 3,373	$ 1,101,407

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 10,236,082	$ 363,255	$ -	$ -	$ 10,599,337
Construction in progress	6,882,697	9,714,109	-	(6,287,478)	10,309,328
Total	17,118,779	10,077,364	-	(6,287,478)	20,908,665
Capital assets, being depreciated:					
Land improvements	308,110	-	-	2,558,169	2,866,279
Buildings and improvements	12,188,320	-	-	1,266,669	13,454,989
Machinery and equipment	1,529,040	138,070	(24,156)	565,635	2,208,589
Vehicles	1,131,179	177,670	-	-	1,308,849
Infrastructure	34,355,930	2,591,233	-	1,897,005	38,844,168
Total	49,512,579	2,906,973	(24,156)	6,287,478	58,682,874
Less accumulated depreciation for:					
Land improvements	144,807	15,284	-	-	160,091
Buildings and improvements	905,603	221,248	-	-	1,126,851
Machinery and equipment	686,698	151,775	(24,329)	-	814,144
Vehicles	634,988	109,918	-	-	744,906
Infrastructure	10,587,098	1,615,162	-	-	12,202,260
Total	12,959,194	2,113,387	(24,329)	-	15,048,252
Total capital assets, being depreciated, net	36,553,385	793,586	173	6,287,478	43,634,622
Governmental activities capital assets, net	$ 53,672,164	$ 10,870,950	$ 173	$ -	$ 64,543,287

Business capital assets activity for the year ended June 30, 2009 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	7,000	-	-	32,989
Water system	2,452,842	-	-	-	2,452,842
Total	2,483,775	7,000	-	-	2,490,775
Less accumulated depreciation for:					
Land improvements	2,348	247	-	-	2,595
Machinery and equipment	7,599	556	-	-	8,155
Water system	459,077	37,736	-	-	496,813
Total	469,024	38,539	-	-	507,563
Total capital assets, being depreciated, net	2,014,751	(31,539)	-	-	1,983,212
Business-type activities capital assets, net	$ 2,022,251	$ (31,539)	$ -	$ -	$ 1,990,712

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

Governmental activities:	
General government	$ 126,817
Judicial	2,540
Public safety	191,550
Public works	1,671,648
Culture and recreation	114,139
Housing and development	6,693
Total depreciation expenses – governmental activities	$ 2,113,387

NOTE 7 LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2009.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
General obligation bonds	$ 16,795,000	$ -	$ (425,000)	$ 16,370,000	$ 450,000
Add: Issuance premium	28,345	-	(1,873)	26,472	-
Less: Deferred loss on refunding	(509,007)	-	33,626	(475,381)	-
Total general obligation bonds payable	16,314,338	-	(393,247)	15,921,091	450,000
Revenue bonds	6,390,000	-	(240,000)	6,150,000	250,000
Less: Issuance discount	(4,074)	-	373	(3,701)	-
Total revenue bonds payable	6,385,926	-	(239,627)	6,146,299	250,000
Capital leases	166,514	94,316	(114,215)	146,615	87,341
Compensated absences	211,726	189,050	(152,725)	248,051	79,376
Governmental activities long term activities	$ 23,078,504	$ 283,366	$ (899,814)	$ 22,462,056	$ 866,717

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	$ 368,250	$ -	$ (13,858)	$ 354,392	$ 14,427
Business-type activities long term liabilities	$ 368,250	$ -	$ (13,858)	$ 354,392	$ 14,427

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, 2009:

	Governmental Activities
Machinery, Equipment, and Vehicles	$ 306,136

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

Fiscal year ending June 30,	
2010	$ 88,844
2011	52,421
2012	11,113
Total minimum lease payments	152,378
Less amount representing interest	(5,763)
Present value of future minimum lease payments	$ 146,615

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, 2009 is $1,215,000.

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

Year ending June 30,	Principal	Interest
2010	$ 390,000	$ 67,200
2011	405,000	39,375
2012	420,000	12,600
Total	$ 1,215,000	$ 119,175

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

The bonds, maturing in January 2032, have interest rates that range from 4.0% to 4.3%. The amount of general obligation bonds outstanding at June 30, 2009 is $15,155,000.

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

Year ending June 30,	Principal	Interest
2010	$ 60,000	$ 634,280
2011	60,000	631,730
2012	65,000	629,074
2013	505,000	616,330
2014	525,000	593,811
2015 – 2019	2,950,000	2,612,270
2020 – 2024	3,580,000	1,950,851
2025 – 2029	4,350,000	1,132,469
2030 – 2032	3,060,000	200,810
Total	$ 15,155,000	$ 9,001,625

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, 2009, 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, 2009 is $6,150,000.

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

Year ending June 30,	Principal	Interest
2010	$ 250,000	$ 223,073
2011	260,000	214,323
2012	270,000	205,223
2013	275,000	195,773
2014	285,000	186,148
2015 – 2019	1,590,000	773,590
2020 – 2024	1,900,000	467,941
2025 – 2027	1,320,000	102,144
Total	$ 6,150,000	$ 2,368,215

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 outstanding at June 30, 2009 is $354,392.

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

Year ending June 30,	Principal	Interest
2010	$ 14,427	$ 14,017
2011	15,019	13,425
2012	15,636	12,809
2013	16,278	12,167
2014	16,946	11,498
2015 – 2019	95,755	46,470
2020 – 2024	117,090	25,131
2025 – 2027	63,241	3,126
Total	$ 354,392	$ 138,643

NOTE 8 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

1. The composition of interfund transfers for the year ended June 30, 2009 is as follows:

Transfer In	Transfer Out		Amount
General fund	Non-major governmental funds	$	205,577
Debt Service fund	General fund		1,627,000
Pedestrian Underpass fund	2005 SPLOST fund		367,205
Other Capital Projects fund	Town Center Facility fund		500,000
Other Capital Projects fund	Non-major governmental funds		34,981
Other Capital Projects fund	General fund		100,000
Non-major governmental funds	General fund		1,357,406
Water and Sewer	General fund		150,000
		$	4,342,169

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

2. Interfund receivable and payable balances as of June 30, 2009, are as follows

Due To	Due From	Amount
General fund	Pedestrian Underpass Fund	167,217

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

NOTE 9 JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten (10) county Atlanta area, is a member of the Atlanta Regional Commission (Regional Development Center - RDC) and is required to pay annual dues thereto. During its fiscal year ended June 30, 2009, 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 $4,538,403, including $473,398 of payroll covered by this plan. Contributions by the City totaled $20,588 for the fiscal year ended June 30, 2009. 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. Benefits are provided by the GMA plan whereby retirees receive 1.5% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. GMA issued a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street SW, Atlanta, Georgia 30303, or by calling (404) 688-0472.

Membership

At June 30, 2009, the Plan consisted of the following:	
Retired participants and beneficiaries currently receiving benefits	1
Terminated participants and beneficiaries entitled to benefits, but not yet receiving benefits	2
Active participants	76
Total	79

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, 2009
Annual required contribution	$	149,951
Interest on net pension asset		(13,871)
Adjustment of net pension asset		13,871
Annual pension cost	$	149,951

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
7/1/2008	149,951	375,925	100%	399,365

Basis of Valuation	
Valuation date	November 1, 2008
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)
11/01/2008	$	2,110,054	$	1,662,754	$	(447,300)		126.90%	$	3,167,880		0.00%

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

Prior trend information to the extent it exists is presented as required supplementary information. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of November 1, 2008.

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, 2009, the City has contractual commitments on uncompleted construction contracts of approximately $765,678 for road paving, pedestrian improvements, and building construction.

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 $475,888 as reported in the City's Hotel/Motel Tax Fund. Expenditures and transfers totaled $583,648 leaving a fund balance of $104,845 to be used for tourism and trade.



required supplementary information

Required Supplementary Information Schedule of Funding Progress (unaudited)

Actuarial Valuation Date		Actuarial Value of Assets (a)		Actuarial Accrued Liability* (AAL) (b)	Funding 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%
11/01/2008		2,110,054		1,662,754	126.90%		(447,300)		3,167,880	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
330 Town Center Avenue
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 cemetery projects.

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**

2009 SPLOST.....Accounts for the financial resources provided by a one-cent special purpose local option sales tax approved in 2009.

Open/Green Space .....Accounts for the financial resources provided from the 2002 General Obligation Bond Issue.

Public Works Yard Expansion.....Accounts for the financial resources used to purchase an existing warehouse for the Public Works Department

Tax Allocation District.....The tax allocation district was created to revitalize Suwanee's commercial district along I-85, Suwanee's Gateway.

	SPECIAL REVENUE					
	Suwanee Day	Better Parks Campaign	Cemetery	Confiscated Assets	Hotel/Motel Tax	Total
ASSETS						
Cash and cash equivalents	$ 16,699	$ -	$ 14,502	$ 30,485	$ 31,783	$ 93,469
Investments	-	-	-	-	67,457	67,457
Accounts receivable						
Sales taxes	-	-	-	-	-	-
Other	-	-	-	-	31,661	31,661
Total assets	$ 16,699	$ -	$ 14,502	$ 30,485	$ 130,901	$ 192,587
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ 26,056	$ 26,056
Total liabilities	-	-	-	-	26,056	26,056
Fund balances:						
Unreserved, undesignated	16,699	-	14,502	30,485	104,845	166,531
Total fund balances	16,699	-	14,502	30,485	104,845	166,531
Total liabilities and fund balances	$ 16,699	$ -	$ 14,502	$ 30,485	$ 130,901	$ 192,587

CAPITAL PROJECTS

2009 SPLOST	Open/Green Space	Public Works Yard Expansion	Tax Allocation District	Total	Total Non-major Governmental Funds
$ 1,300,000	$ 375,680	$ -	$ 7,497	$ 1,683,177	$ 1,776,646
-	580,000	-	50,000	630,000	697,457
305,506	-	-	-	305,506	305,506
-	-	-	-	-	31,661
$ 1,605,506	$ 955,680	$ -	$ 57,497	$ 2,618,683	$ 2,811,270
$ -	$ 16,615	$ -	$ -	$ 16,615	$ 42,671
-	16,615	-	-	16,615	42,671
1,605,506	939,065	-	57,497	2,602,068	2,768,599
1,605,506	939,065	-	57,497	2,602,068	2,768,599
$ 1,605,506	$ 955,680	$ -	$ 57,497	$ 2,618,683	$ 2,811,270

	SPECIAL REVENUE					
	Suwanee Day	Better Parks Campaign	Cemetery	Confiscated Assets	Hotel/Motel Tax	Total
REVENUES						
Sales taxes	$ -	$ -	$ -	$ -	$ -	$ -
Hotel/motel taxes	-	-	-	-	475,888	475,888
Fines and forfeitures	-	-	-	33,814	-	33,814
Investment income	314	10	291	43	2,297	2,955
Contributions and donations	82,632	-	-	-	-	82,632
Total revenues	82,946	10	291	33,857	478,185	595,289
EXPENDITURES						
Current:						
Police	-	-	-	8,715	-	8,715
Public works	-	-	23,749	-	-	23,749
Culture and recreation	87,978	-	-	-	-	87,978
Tourism and trade	-	-	-	-	379,703	379,703
Capital outlay	-	-	-	-	-	-
Total expenditures	87,978	-	23,749	8,715	379,703	500,145
Excess of revenues over (under) expenditures	(5,032)	10	(23,458)	25,142	98,482	95,144
OTHER FINANCING SOURCES (USES)						
Transfer in	-	-	-	-	-	-
Transfer out	-	(1,632)	-	-	(203,945)	(205,577)
Total other financing sources (uses)	-	(1,632)	-	-	(203,945)	(205,577)
Net change in fund balances	(5,032)	(1,622)	(23,458)	25,142	(105,463)	(110,433)
FUND BALANCES - beginning of year	21,731	1,622	37,960	5,343	210,308	276,964
FUND BALANCES - end of year	$ 16,699	$ -	$ 14,502	$ 30,485	$ 104,845	$ 166,531

CAPITAL PROJECTS

2009 SPLOST	Open/Green Space	Public Works Yard Expansion	Tax Allocation District	Total	Total Non-major Governmental Funds
$ 305,506	$ -	$ -	$ -	$ 305,506	$ 305,506
-	-	-	-	-	475,888
-	-	-	-	-	33,814
-	22,573	2,123	91	24,787	27,742
-	-	-	-	-	82,632
305,506	22,573	2,123	91	330,293	925,582
-	-	-	-	-	8,715
-	-	-	-	-	23,749
-		-		-	87,978
-	-	-	-	-	379,703
-	741,533	872,369	-	1,613,902	1,613,902
-	741,533	872,369	-	1,613,902	2,114,047
305,506	(718,960)	(870,246)	91	(1,283,609)	(1,188,465)
1,300,000	-	-	57,406	1,357,406	1,357,406
-	-	(34,981)	-	(34,981)	(240,558)
1,300,000	-	(34,981)	57,406	1,322,425	1,116,848
1,605,506	(718,960)	(905,227)	57,497	38,816	(71,617)
-	1,658,025	905,227	-	2,563,252	2,840,216
$ 1,605,506	$ 939,065	$ -	$ 57,497	$ 2,602,068	$ 2,768,599

SUWANEE DAY

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment income	$ 1,200	$ 1,200	$ 314	$ (886)
Contributions and donations	81,000	101,000	82,632	(18,368)
Total revenues	82,200	102,200	82,946	(19,254)
EXPENDITURES				
Current:				
Culture and recreation	82,200	102,200	87,978	14,222
Total expenditures	82,200	102,200	87,978	14,222
Excess of revenues (under) expenditures	-	-	(5,032)	(5,032)
Net change in fund balances	-	-	(5,032)	(5,032)
FUND BALANCES - beginning of year	21,731	21,731	21,731	-
FUND BALANCES - end of year	$ 21,731	$ 21,731	$ 16,699	$ (5,032)

BETTER PARKS CAMPAIGN

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment income	$ 650	$ 8	$ 10	$ 2
Contributions and donations	1,000	-	-	-
Total revenues	1,650	8	10	2
EXPENDITURES				
Current:				
Culture and recreation	1,650	-	-	-
Total expenditures	1,650	-	-	-
Excess of revenues over expenditures	-	8	10	2
OTHER FINANCING SOURCES (USES)				
Transfer out	-	(1,650)	(1,632)	18
Net change in fund balances	-	(1,642)	(1,622)	20
FUND BALANCES - beginning of year	1,622	1,622	1,622	-
FUND BALANCES - end of year	$ 1,622	$ (20)	$ -	$ 20

CEMETERY

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	$ -	$ 500	$ 291	$ (209)
Total revenues	-	500	291	(209)
EXPENDITURES				
Current:				
Public works	-	35,500	23,749	11,751
Total expenditures	-	35,500	23,749	11,751
Excess of revenues (under) expenditures	-	(35,000)	(23,458)	11,542
Net change in fund balances	-	(35,000)	(23,458)	11,542
FUND BALANCES - beginning of year	37,960	37,960	37,960	-
FUND BALANCES - end of year	$ 37,960	$ 2,960	$ 14,502	$ 11,542

CONFISCATED ASSETS

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Fines and forfeitures	$ 22,500	$ 22,500	$ 33,814	$ 11,314
Investment income	500	500	43	(457)
Total revenues	23,000	23,000	33,857	10,857
EXPENDITURES				
Current:				
Police	23,000	23,000	8,715	14,285
Total expenditures	23,000	23,000	8,715	14,285
Excess of revenues (under) expenditures	-	-	25,142	25,142
Net change in fund balances	-	-	25,142	25,142
FUND BALANCES - beginning of year	5,343	5,343	5,343	-
FUND BALANCES - end of year	$ 5,343	$ 5,343	$ 30,485	$ 25,142

HOTEL MOTEL TAX

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Hotel/motel taxes	$ 314,940	$ 526,140	$ 475,888	$ (50,252)
Investment income	5,000	5,000	2,297	(2,703)
Total revenues	319,940	531,140	478,185	(52,955)
EXPENDITURES				
Current:				
Tourism and trade	319,940	426,840	379,703	47,137
Total expenditures	319,940	426,840	379,703	47,137
Excess of revenues over (under) expenditures	-	104,300	98,482	(5,818)
OTHER FINANCING SOURCES (USES)				
Transfer out	-	(215,300)	(203,945)	(11,355)
Net change in fund balances	-	(111,000)	(105,463)	5,537
FUND BALANCES - beginning of year	210,308	210,308	210,308	-
FUND BALANCES - end of year	$ 210,308	$ 99,308	$ 104,845	$ 5,537

DEBT SERVICE

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	$ 30,000	$ 30,000	$ 10,303	$ (19,697)
Total revenues	30,000	30,000	10,303	(19,697)
EXPENDITURES				
Debt Service:				
Principal retirement	665,000	672,490	665,000	7,490
Interest	962,010	982,010	957,796	24,214
Fiscal agent fees	2,500	2,500	-	2,500
Total expenditures	1,629,510	1,657,000	1,622,796	34,204
Excess of revenues over (under) expenditures	(1,599,510)	(1,627,000)	(1,612,493)	14,507
OTHER FINANCING SOURCES				
Transfer in	1,599,510	1,627,000	1,627,000	-
Total other financing sources	1,599,510	1,627,000	1,627,000	-
Net change in fund balances	-	-	14,507	14,507
FUND BALANCES - beginning of year	1,187,335	1,187,335	1,187,335	-
FUND BALANCES - end of year	$ 1,187,335	$ 1,187,335	$ 1,201,842	$ 14,507

SPLOST 2001

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, Streets & Bridges	$ 312,618	$ 312,618	$ 295,000	$ 17,618	$ 312,618
Recreational Facilities	44,751	44,751	44,751	-	44,751
	$ 357,369	$ 357,369	$ 339,751	$ 17,618	$ 357,369

SPLOST 2005

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, Streets & Bridges	$ 4,642,660	$ 4,744,989	$ 1,394,753	$ 2,063,181	$ 3,457,934
Recreational Facilities	900,000	900,000	556,262	269,051	825,313
Public Safety Facilities and Equipment	1,054,400	1,054,400	507,859	82,226	590,085
	$ 6,597,060	$ 6,699,389	$ 2,458,874	$ 2,414,458	$ 4,873,332

SPLOST 2009

Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Administrative Buildings	$ 118,780	$ 118,780	$ -	$ -	$ -
Recreational Facilities	2,256,827	2,256,827	-	-	-
Parking Facilities	2,256,780	2,256,780	-	-	-
Public Safety Facilities and Equipment	1,781,710	1,781,710	-	-	-
Roads, Streets & Bridges	5,463,953	5,463,953	-	-	-
	$ 11,878,050	$ 11,878,050	$ -	$ -	$ -



agency fund

agency fund

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



MUNICIPAL COURT

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
Cash and cash equivalents	$ 137,932	$ 1,571,700	$ 1,627,952	$ 81,680
Accounts receivable	-	394	155	239
Total assets	137,932	1,572,094	1,628,107	81,919
Due to others	137,932	1,572,094	1,628,107	81,919
Total liabilities	$ 137,932	$ 1,572,094	$ 1,628,107	$ 81,919



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.



	Downtown Development Authority
ASSETS	
Cash and cash equivalents	$ 30,317
Total assets	30,317
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	-
Total Liabilities	-
Fund Balances:	
Unreserved, undesignated	30,317
Total fund balances	30,317
Total liabilities and fund balances	$ 30,317

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

Fund balance	$ 30,317
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	370,575
Net assets of governmental activities	$ 400,892

	Downtown Development Authority
REVENUES	
Investment income	$ 1,057
Contributions and donations	3,275
Total revenues	4,332
EXPENDITURES	
Current:	
Housing and development	30,053
Total expenditures	30,053
Excess of revenues over expenditures	(25,721)
FUND BALANCES, beginning of year	56,038
FUND BALANCES, end of year	$ 30,317

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

Net change in fund balance	$ (25,721)
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	$ (33,821)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment income	$ 1,250	$ 1,250	$ 1,057	$ (193)
Contributions and donations	5,000	6,000	3,275	(2,725)
Total revenues	6,250	7,250	4,332	(2,918)
EXPENDITURES				
Current:				
Housing and development	6,250	53,250	30,053	23,197
Total expenditures	6,250	53,250	30,053	23,197
Excess of revenues over expenditures	-	(46,000)	(25,721)	20,279
FUND BALANCES - beginning of year	56,038	56,038	56,038	-
FUND BALANCES - end of year	$ 56,038	$ 10,038	$ 30,317	$ 20,279



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-9
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

debt capacity S-12
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-15
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

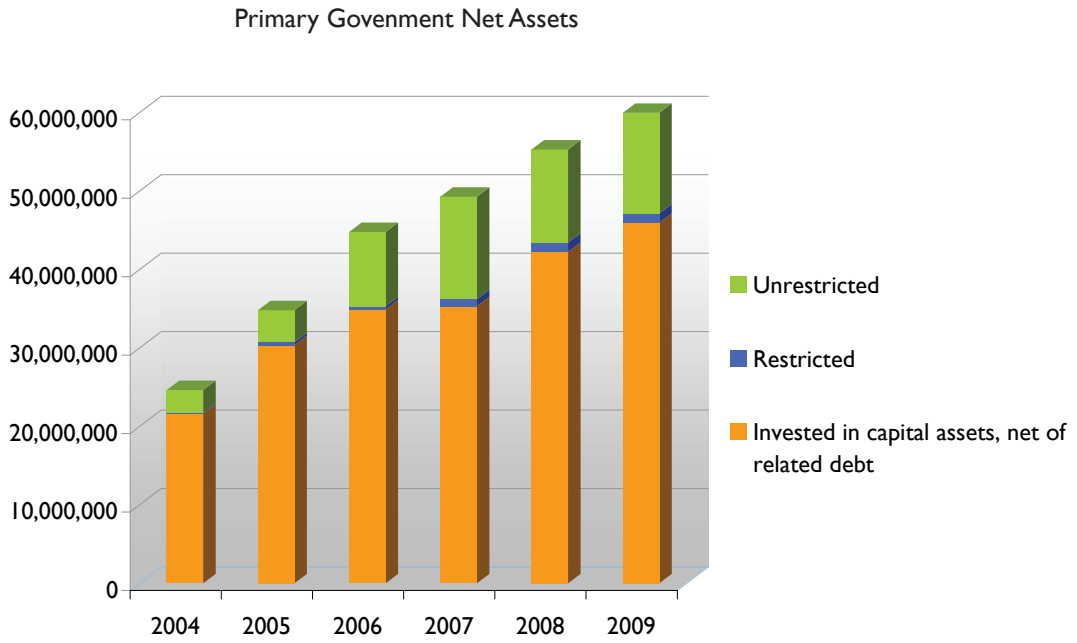
operating information S-17
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

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

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

NOTES:

(1) Unrestricted net assets growth is due to the 2005 special purpose local option sales tax (SPLOST) revenue received from Gwinnett County for future construction projects. Growth in 2008 and 2009 is related to the construction of the New City Hall.



	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Expenses						
Governmental activities:						
General government	$ 1,202,975	$ 1,385,716	$ 1,464,204	$ 1,772,717	$ 2,139,085	$ 2,126,146
Judicial	213,200	236,030	273,744	338,893	375,035	381,887
Police	2,384,653	2,643,854	2,800,988	3,117,470	3,364,444	3,524,548
Public works [1]	1,334,086	1,742,494	1,697,500	3,139,104	3,005,155	3,663,485
Culture and recreation	146,780	185,431	359,366	445,790	523,503	464,973
Housing and development [2]	641,826	1,166,798	811,030	1,030,864	1,172,061	959,983
Tourism and trade	134,362	184,247	95,361	106,490	150,132	379,703
Interest on long-term debt	980,909	943,654	890,884	984,469	1,001,643	964,856
Total governmental activities expenses	7,038,791	8,488,224	8,393,077	10,935,797	11,731,058	12,465,581
Business-type activities:						
Water and sewer	71,267	102,649	89,076	221,391	121,573	163,963
Total business-type activities expenses	71,267	102,649	89,076	221,391	121,573	163,963
Total primary government expenses	$ 7,110,058	$ 8,590,873	$ 8,482,153	$ 11,157,188	$ 11,852,631	$ 12,629,544
Program revenues						
Governmental activities:						
Charge for services:						
General government	$ 164,643	$ 157,176	$ 153,187	$ 191,775	$ 181,725	$ 192,180
Police	977,670	1,049,768	1,099,754	1,598,134	1,398,958	1,119,116
Public works	376	118	3,428	-	-	-
Culture and recreation	-	-	-	44,603	40,017	13,260
Housing and development [3]	298,109	842,076	1,222,129	958,265	940,952	183,967
Operating grants and contributions	1,685,783	70,721	112,663	15,878	56,104	101,024
Capital grants and contributions [4]	1,477,448	9,217,917	5,824,160	1,532,186	2,076,235	3,479,457
Total governmental activities program	4,604,029	11,337,776	8,415,321	4,340,841	4,693,991	5,089,004
Business-type activities:						
Charge for services:						
Water and sewer	56,849	73,964	103,714	97,296	93,405	64,658
Total business-type activities program	56,849	73,964	103,714	97,296	93,405	64,658
Total primary government program revenues	$ 4,660,878	$ 11,411,740	$ 8,519,035	$ 4,438,137	$ 4,787,396	$ 5,153,662
Net (expense)/revenue						
Governmental activities	$ (2,434,762)	$ 2,849,552	$ 22,244	$ (6,594,956)	$ (7,037,067)	$ (7,376,577)
Business-type activities	(14,418)	(28,685)	14,638	(124,095)	(28,168)	(99,305)
Total primary government net expenses	$ (2,449,180)	$ 2,820,867	$ 36,882	$ (6,719,051)	$ (7,065,235)	$ (7,475,882)
General revenues and other changes in net assets						
Governmental activities:						
Taxes						
Property taxes	$ 3,410,401	$ 3,525,468	$ 3,892,897	$ 4,553,033	$ 5,371,353	$ 5,984,107
Franchise fees	618,509	714,216	851,466	982,694	1,521,682	1,777,986
Alcoholic beverage taxes	601,034	646,093	759,968	799,075	794,986	795,413
Sales taxes [5]	780,604	1,134,738	1,767,147	2,214,634	1,779,252	1,521,007
Other taxes	1,363,554	1,592,896	1,720,586	1,894,874	1,976,529	2,019,643
Rental Income	-	-	-	-	-	175,000
Unrestricted investment earnings	249,547	236,064	368,047	741,932	911,384	373,582
Miscellaneous	-	25,982	18,397	18,696	42,697	47,448
Contribution	-	4,290	-	-	-	-
Transfers	-	-	(36,400)	(36,400)	(70,600)	(150,000)
Special item gain on sale of capital asset [6]	-	1,445,096	557,261	-	688,000	-
Total governmental activities	7,023,649	9,324,843	9,899,369	11,168,538	13,015,283	12,544,186
Business-type activities:						
Unrestricted investment earnings	71	437	834	1,393	1,597	599
Transfers	-	-	36,400	36,400	70,600	150,000
Total business-type activities	71	437	37,234	37,793	72,197	150,599
Total primary government	$ 7,023,720	$ 9,325,280	$ 9,936,603	$ 11,206,331	$ 13,087,480	$ 12,694,785
Change in net assets						
Governmental activities	$ 4,588,887	$ 12,174,395	$ 9,921,613	$ 4,573,582	$ 5,978,216	$ 5,167,609
Business-type activities	(14,347)	(28,248)	51,872	(86,302)	44,029	51,294
Total primary government	$ 4,574,540	$ 12,146,147	$ 9,973,485	$ 4,487,280	$ 6,022,245	$ 5,218,903

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.

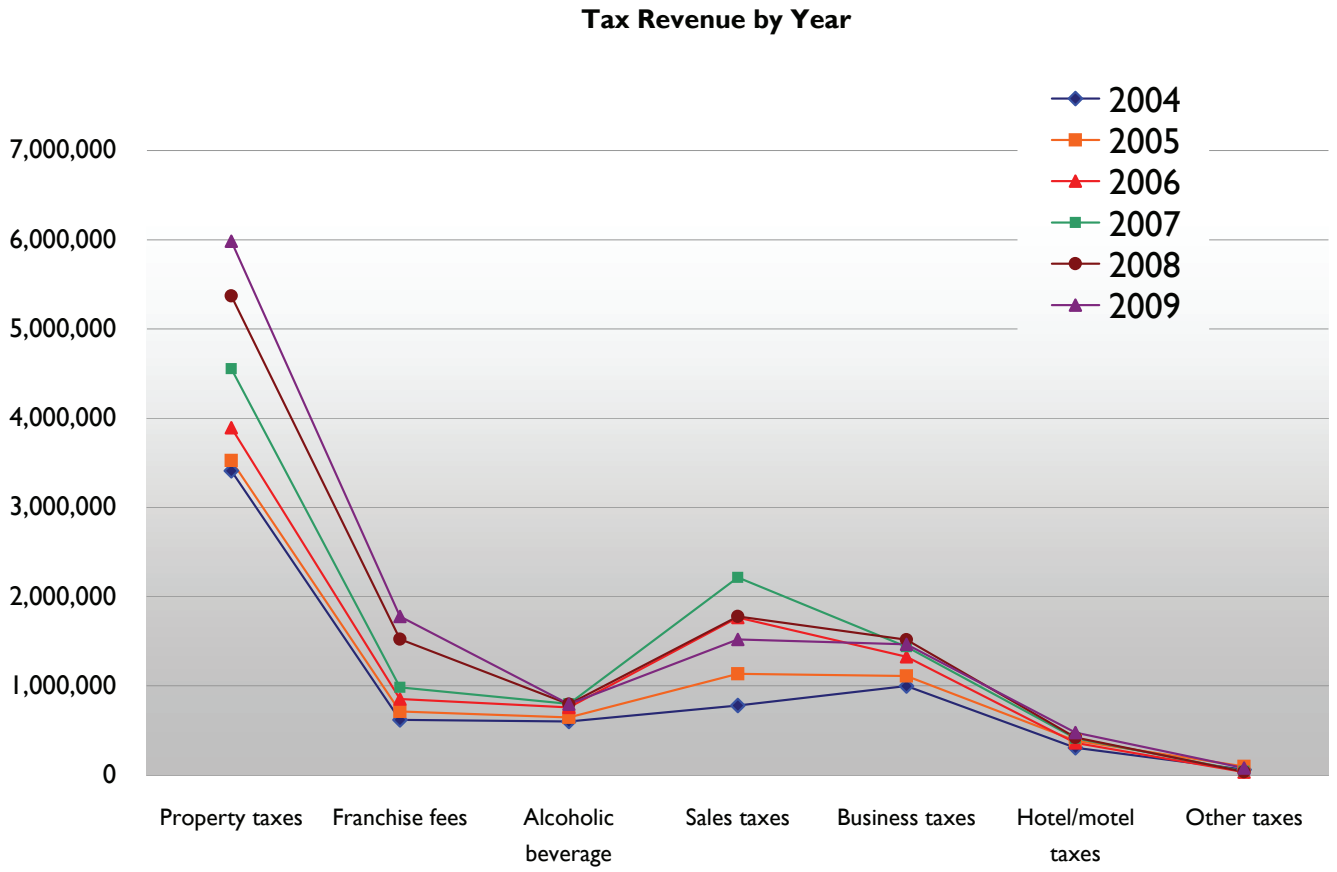
(3) License and permit fees large increase in fiscal year 2005, 2006, and 2007 is due to the significant increase in the number of permits issued. We are anticipating that this growth will continue over the next four years, however, at a slower pace than fiscal year 2006.

(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.

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
2009	5,984,107	1,777,986	795,413	1,521,007	1,465,980	475,888	77,775	12,098,156



	Fiscal Year									
	2000[1]	2001	2002[2]	2003	2004	2005	2006	2007[3]	2008[4]	2009
General fund										
Unreserved	$ 1,574,629	$ 1,946,613	$ 2,135,102	$ 2,340,953	$ 2,766,402	$ 3,372,190	$ 4,811,236	$ 5,580,537	$ 7,585,561	$ 7,602,716
Total general fund	$ 1,574,629	$ 1,946,613	$ 2,135,102	$ 2,340,953	$ 2,766,402	$ 3,372,190	$ 4,811,236	$ 5,580,537	$ 7,585,561	$ 7,602,716
All other governmental funds										
Reserved	$ -	$ -	$ 310,109	$ 63,702	$ 119,246	$ 412,328	$ 431,859	$ 896,330	$ 1,187,335	$ 1,201,842
Unreserved, reported in:										
Special revenue funds	66,732	127,121	150,996	136,657	257,129	118,169	208,092	321,118	276,964	166,531
Capital projects funds	-	514,075	16,451,458	8,908,104	4,307,474	5,768,033	7,748,863	16,900,731	13,133,801	6,455,267
Total all other governmental funds	$ 66,732	$ 641,196	$ 16,912,563	$ 9,108,463	$ 4,683,849	$ 6,298,530	$ 8,388,814	$ 18,118,179	$ 14,598,100	$ 7,823,640

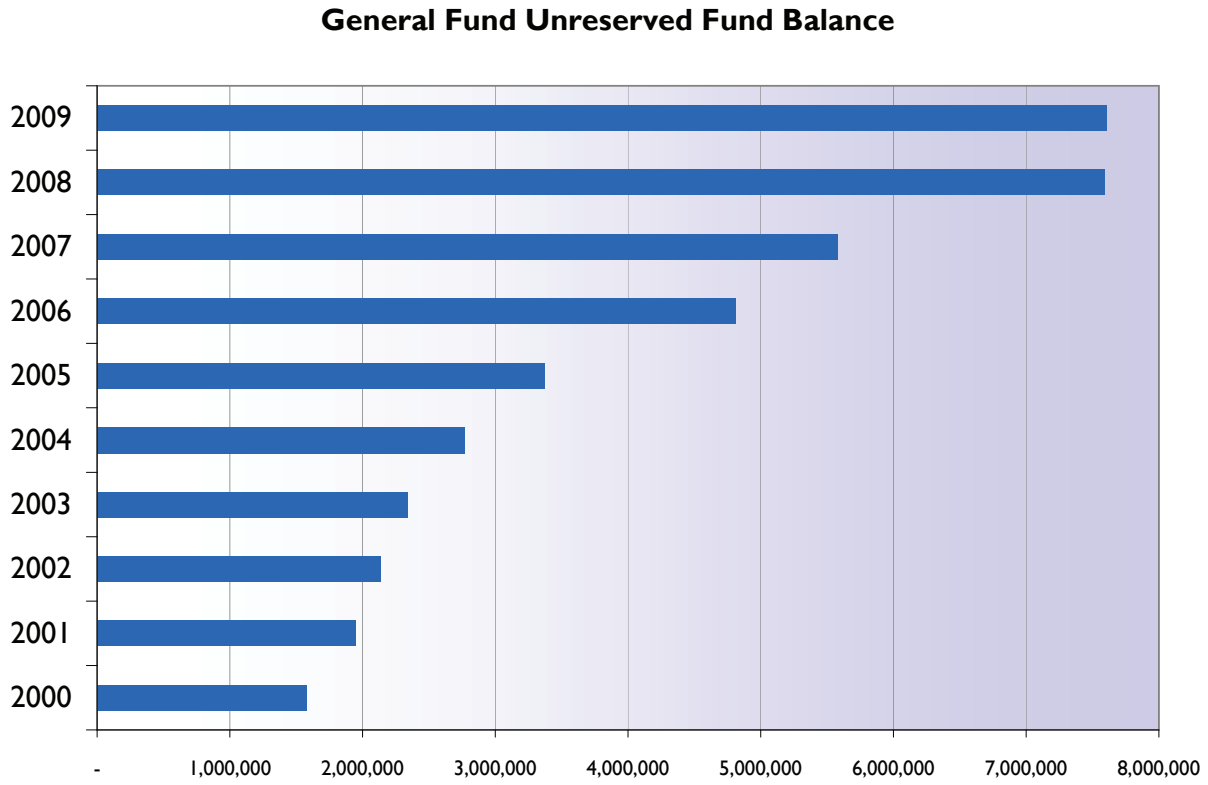
NOTES:

(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.



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

	Fiscal Year				
	2000	2001	2002	2003	2004
Revenues					
Taxes[1]	$ 2,537,179	$ 2,939,938	$ 3,303,845	$ 5,398,952	$ 6,510,250
Licenses and permits	290,614	820,391	477,914	406,198	427,549
Intergovernmental revenues[2]	155,579	10,156	488,316	578,561	1,455,554
Charges for services	-	55,324	48,905	125,183	68,244
Fines and forfeitures[3]	752,000	543,730	821,387	772,931	929,865
Investment income	55,837	171,317	191,296	462,793	249,547
Rental Income	-	-	-	-	-
Contributions and donations	-	11,344	29,803	48,298	232,061
Miscellaneous	224,086	57,202	20,887	116,248	15,140
Total revenues	4,015,295	4,609,402	5,382,353	7,909,164	9,888,210
Expenditures					
General government	713,010	793,424	948,744	1,040,264	1,195,145
Judicial	296,892	151,298	161,403	182,857	218,740
Police	1,231,057	1,604,515	2,001,586	2,251,708	2,376,153
Public works	308,901	401,371	501,163	494,649	617,473
Culture and recreation	39,864	72,394	90,878	51,478	109,103
Housing and development	401,011	454,266	581,551	617,171	623,757
Tourism and trade	104,103	115,575	125,976	160,021	134,362
Capital outlay[4]	415,486	126,925	2,170,610	10,384,662	7,218,559
Debt service:[5]					
Principal	101,918	77,416	115,371	521,610	551,608
Interest and fiscal charges	2,478	8,987	8,966	1,294,263	980,909
Bond issuance costs	-	-	(213,393)	(65,509)	-
Total expenditures	3,614,720	3,806,171	6,492,855	16,933,174	14,025,809
Excess of revenues over (under) expenditures	400,575	803,231	(1,110,502)	(9,024,010)	(4,137,599)
Other financing sources (uses)					
Proceeds from capital lease	164,432	143,216	152,035	92,459	94,266
Transfer in	-	10,200	311,069	1,655,063	1,865,619
Transfer out	-	(10,200)	(311,069)	(1,655,063)	(1,865,619)
Sale of capital assets	-	-	-	-	-
Bond proceeds[6]	-	-	17,845,110	1,464,320	-
Refunded bonds issued[7]	-	-	-	-	-
Bond premium	-	-	-	-	-
Bond discount	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	164,432	143,216	17,997,145	1,556,779	94,266
Special item - Sale of land	-	-	-	-	-
Net change in fund balances	$ 565,007	$ 946,447	$ 16,886,643	$ (7,467,231)	$ (4,043,333)
Total non capital expenditures[8]	$ 2,771,629	$ 3,370,386	$ 4,397,234	$ 4,891,320	$ 5,198,535
Debt service as a percentage of non capital expenditures	3.8%	2.6%	2.8%	37.1%	29.5%

	Fiscal Year				
	2005	2006	2007	2008	2009
$	7,702,971	$ 8,731,935	$ 10,509,421	$ 11,470,810	$ 12,040,141
	944,046	1,295,038	1,112,874	1,057,705	368,872
	111,427	24,073	189,812	60,202	888,223
	124,957	121,907	252,617	227,015	111,630
	980,134	1,061,554	1,427,286	1,276,932	1,028,021
	236,064	368,047	741,932	911,384	373,583
	-	-	-	-	4,375
	107,259	107,765	89,459	120,792	101,024
	25,982	18,397	18,696	35,147	47,448
	10,232,840	11,728,716	14,342,097	15,159,987	14,963,317
	1,269,468	1,425,760	1,790,183	1,819,852	1,968,513
	236,046	293,230	336,751	380,788	387,298
	2,614,816	2,857,796	3,263,380	3,352,436	3,616,191
	855,276	727,045	945,779	1,244,904	1,508,438
	213,019	252,213	397,830	408,287	350,835
	1,158,423	820,148	1,043,695	1,186,880	1,031,681
	184,247	95,361	106,490	150,132	379,703
	1,121,063	1,279,304	1,593,194	7,090,436	10,678,581
	1,697,556	429,648	460,637	737,594	779,215
	943,655	890,884	973,937	1,001,255	964,483
	-	-	260,392	-	-
	10,293,569	9,071,389	11,172,268	17,372,564	21,664,938
	(60,729)	2,657,327	3,169,829	(2,212,577)	(6,701,621)
	68,725	133,403	139,247	72,573	94,316
	4,196,919	2,897,396	2,688,110	2,952,926	4,192,169
	(4,196,919)	(2,933,796)	(2,724,510)	(3,023,526)	(4,342,169)
	4,422	-	-	7,550	-
	-	-	6,620,000	-	-
	-	-	15,250,000	-	-
	-	-	31,216	-	-
	-	-	(4,660)	-	-
	-	-	(14,670,566)	-	-
	73,147	97,003	7,328,837	9,523	(55,684)
	2,208,051	775,000	-	688,000	-
$	2,220,469	$ 3,529,330	$ 10,498,666	$ (1,515,054)	$ (6,757,305)
$	6,540,086	$ 6,552,674	$ 7,973,121	$ 8,641,843	$ 9,346,150
	40.4%	20.2%	21.3%	20.1%	18.7%

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.

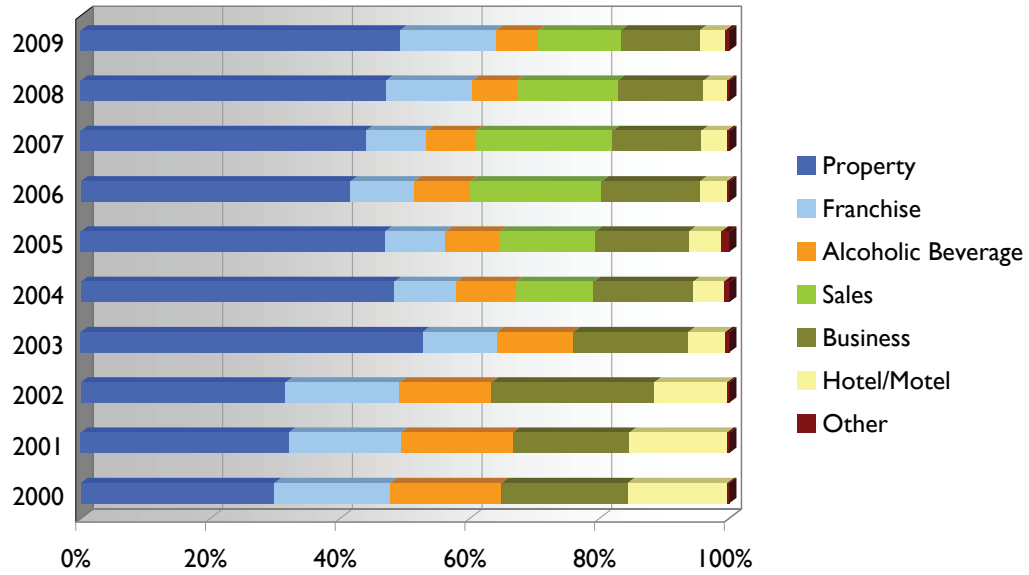
general government tax revenue by source - last ten fiscal years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Franchise Fees	Alcoholic Beverage Taxes	Sales Taxes [1]	Business Taxes	Hotel/Motel Taxes	Other Taxes	Total
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
2009	5,926,092	1,777,986	795,413	1,521,007	1,465,980	475,888	77,775	12,040,141

NOTES:

(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 fiscal year 2009, the City entered into an intergovernmental agreement with Gwinnett County for the 2009 SPLOST.

Tax Revenue Percentage by Year



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)
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%
2008	492,668,794	531,603,102	47,323,460	46,560	30,126,440	1,041,515,476	5.77	2,603,788,690	40%

NOTES:

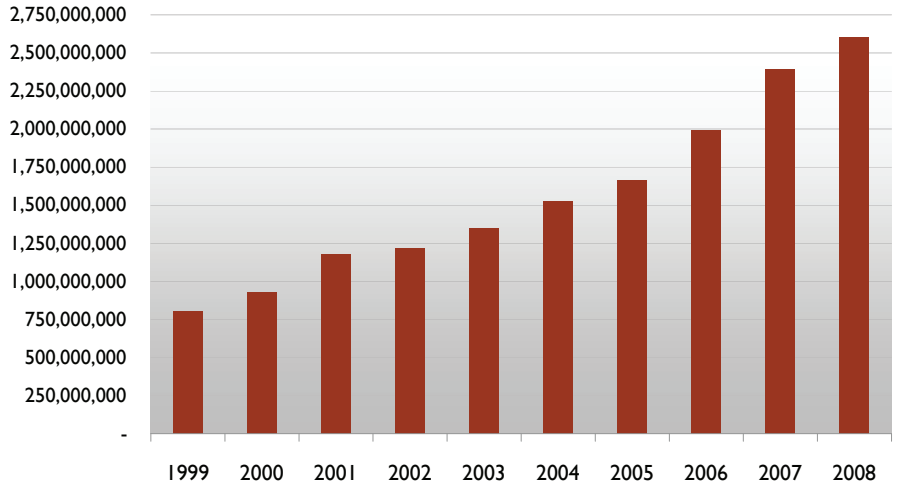
(1) Includes mobile homes, timber, and heavy equipment.

(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.

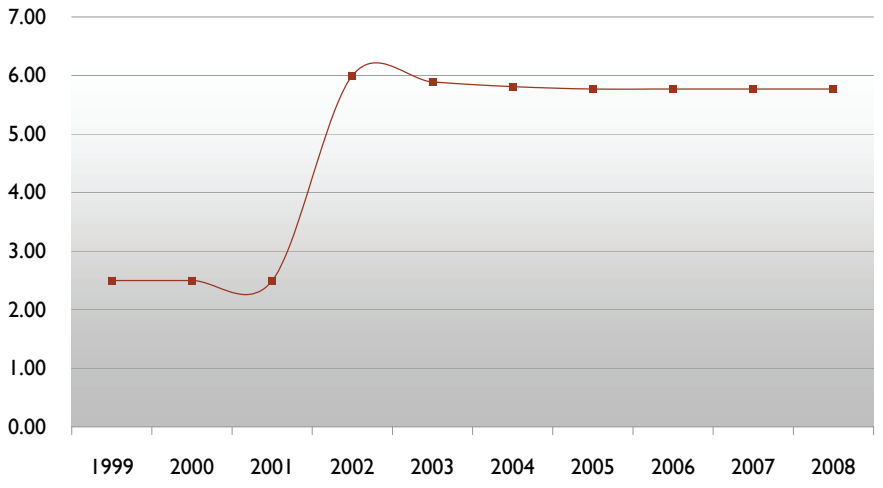
(3) Property in Gwinnett County is reassessed on a rotating three year period by tax district as required by State law. Gwinnett County assesses property at 40% of actual value for all types of real and personal property.

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

Estimated Taxable Value 1999 - 2008

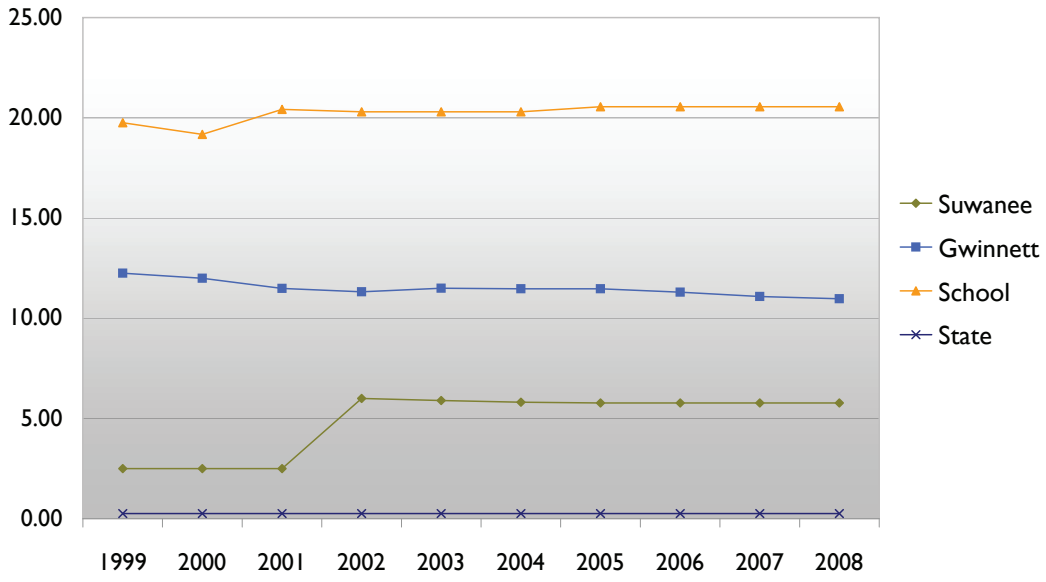


Millage Rate 1999 - 2008



					Overlapping Rates									
	City of Suwanee Millage				Gwinnett County Millage					Gwinnett County School Board Millage				Total Direct &
Calendar Year	Operating	Debt Service	Capital	Total	Operating	Debt Service	Fire Protection	Recreation	Total	Operations	Debt Service	Total	State	Overlapping Rates
1999	2.50			2.50	8.65	0.60	2.10	0.90	12.25	17.45	2.30	19.75	0.25	34.75
2000	2.50			2.50	8.48	0.57	2.06	0.88	11.99	17.12	2.05	19.17	0.25	33.91
2001	2.50			2.50	8.43	0.30	1.90	0.86	11.49	18.62	1.80	20.42	0.25	34.66
2002	2.50	3.242	0.257	5.999	8.30	0.30	1.87	0.85	11.32	18.62	1.68	20.30	0.25	37.869
2003	2.50	2.94	0.45	5.89	8.29	0.49	1.87	0.85	11.50	18.87	1.43	20.30	0.25	37.94
2004	2.50	2.79	0.52	5.81	8.27	0.49	1.87	0.84	11.47	18.87	1.43	20.30	0.25	37.83
2005	3.18	2.25	0.34	5.77	10.14	0.49	-	0.84	11.47	19.25	1.30	20.55	0.25	38.04
2006	3.18	1.87	0.72	5.77	10.00	0.48	-	0.82	11.30	19.25	1.30	20.55	0.25	37.87
2007	3.73	2.04	0.00	5.77	9.81	0.47	-	0.80	11.08	19.25	1.30	20.55	0.25	37.65
2008	4.09	1.68	0.00	5.77	9.72	0.46	-	0.79	10.97	19.25	1.30	20.55	0.25	37.54

Direct and Overlapping Property Tax Rates



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

Taxpayer	2008 Taxable Assessed Value	2008 Rank	2008 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	$ 25,329,600	1	2.4%			
James Campbell Company LLC	20,403,340	2	2.0%			
CRLP McGinnis Ferry Road LLC	15,230,120	3	1.5%			
Carlyle Centennial Suwanee Station LP	14,630,000	4	1.4%			
Flowers Bakery of Suwanee	14,077,190	5	1.4%			
CLPF Horizon Creek LP	11,252,280	6	1.1%			
Wal-Mart	11,179,190	7	1.1%			
SFCO (GA) QRS 16-127 Inc.	8,041,000	8	0.8%			
Google Inc.	7,918,360	9	0.8%			
Lois Suwanee LLC	6,739,200	10	0.6%			
Motorola, Inc (1)				$ 14,229,710	1	4.4%
Hudgens Family Foundation (2)				7,210,510	2	2.2%
Falcons Nest LTD (1)				5,626,340	3	1.7%
Caswyck-McGinnis LLC				5,050,440	4	1.6%
Glass Sherwin Etal (3)				4,603,480	5	1.4%
Klockner Namasco Corporation				4,525,320	6	1.4%
Gwinnett Prado LP				4,194,560	7	1.3%
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	$ 134,800,280		12.7%	$ 52,489,080		16.3%

NOTES:

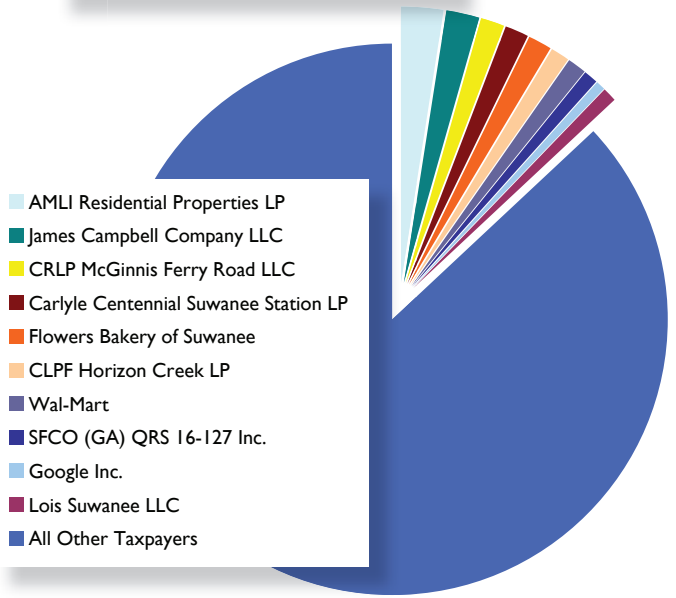
(1) Motorola purchased the Falcons Nest LTD property in 2002. Also in 2002, Motorola closed down an operations warehouse and relocated outside the City limits. Motorola was planning on building a business complex on the Falcons Nest LTD property but due to a change in business plans, this project has 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.

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

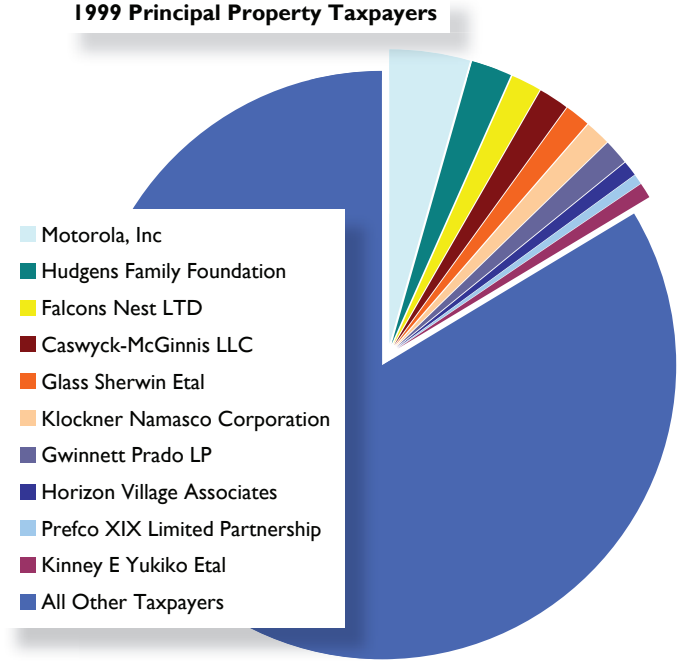
(3) The Glass Sherwin Etal owned one large parcel (750 acres) that has since been development into a golf course residential community.

Source: 2008 and 1999 Tax Digest.

2008 Principal Property Taxpayers



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		
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%
2009	5,655,551	5,441,113	96.2%	152,634	5,593,747	98.9%	311,371	5.5%

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			Business-type Activities	Total Primary Government	Percentage of Personal Income[4]	Per Capita[4]
	General Obligation Bonds[1]	Revenue Bonds[2]	Capital Leases	Note Payable[3]			
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	6,390,000	166,514	368,250	23,719,764	4.46%	1,443
2009	16,370,000	6,150,000	146,615	354,392	23,021,007	4.18%	1,386

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-15 provides information on personal income and population.

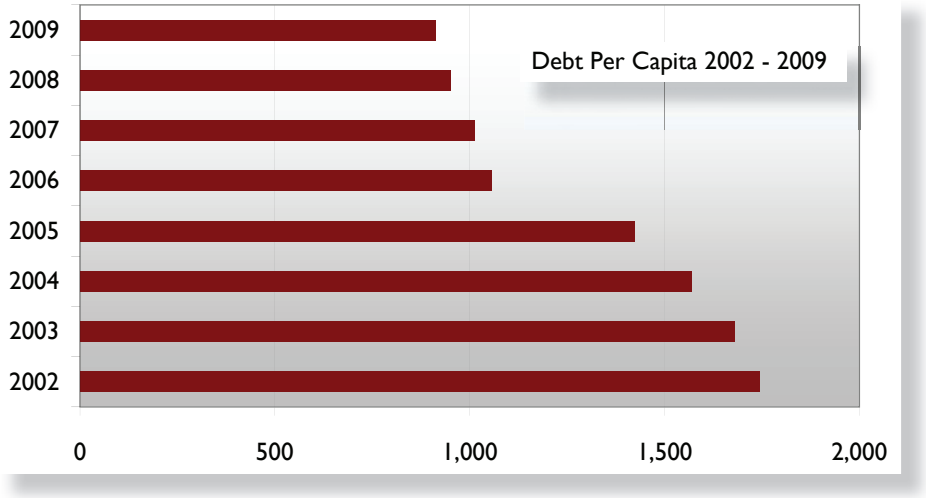
ratio of general bonded debt outstanding - last ten fiscal years

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]
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
2009	16,370,000	1,201,842	15,168,158	0.58%	913

NOTES:

(1) Details of estimated actual taxable value of property can be found on page S-9.

(2) Details of population data can be found on page S-15.



direct and overlapping governmental activities debt as of june 30, 2009

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
City of Suwanee General Obligation Bonds	$ 16,370,000	100.00%	$ 16,370,000
Overlapping Debt: (1)			
Gwinnett County General Obligation Bonds	85,790,000	3.61%	3,097,019
Gwinnett County Board of Education	1,030,355,000	3.61%	37,195,816
Total Overlapping Debt	1,116,145,000		40,292,835
Total Direct General Obligation and Overlapping Debt	$ 1,132,515,000		$ 56,662,835

NOTES:

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

Sources:

Gwinnett County Comprehensive Annual Financial Report for December 31, 2008.
Gwinnett County Board of Education, June 30, 2009.

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assessed value of all taxable property	$ 332,332,451	$ 382,422,531	$ 482,128,736	$ 499,929,472	$ 554,697,180	$ 626,594,654	$ 681,700,534	$ 817,810,247	$ 984,406,123	$ 1,071,641,916
Debt limit: 10% of assessed value	33,233,245	38,242,253	48,212,874	49,992,947	55,469,718	62,659,465	68,170,053	81,781,025	98,440,612	107,164,192
Total net debt applicable to limit	-	-	17,384,891	17,321,298	16,945,754	16,327,672	15,973,141	16,298,670	15,607,665	15,168,158
Legal debt margin	$ 33,233,245	$ 38,242,253	$ 30,827,983	$ 32,671,649	$ 38,523,964	$ 46,331,793	$ 52,196,912	$ 65,482,355	$ 82,832,947	$ 91,996,034
Total net debt applicable to the limit as a percentage of debt limit	-	-	36.06%	34.65%	30.55%	26.06%	23.43%	19.93%	15.85%	14.15%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	$ 1,041,515,476
Add back: exempt real property	30,126,440
Total assessed value	1,071,641,916
Debt limit: 10% of total assessed value	107,164,192
Debt applicable to limit	
General obligation bond	16,370,000
Less: Amount set aside for repayment of general obligation debt	1,201,842
Total net debt applicable to limit	15,168,158
Legal debt margin	$ 91,996,034

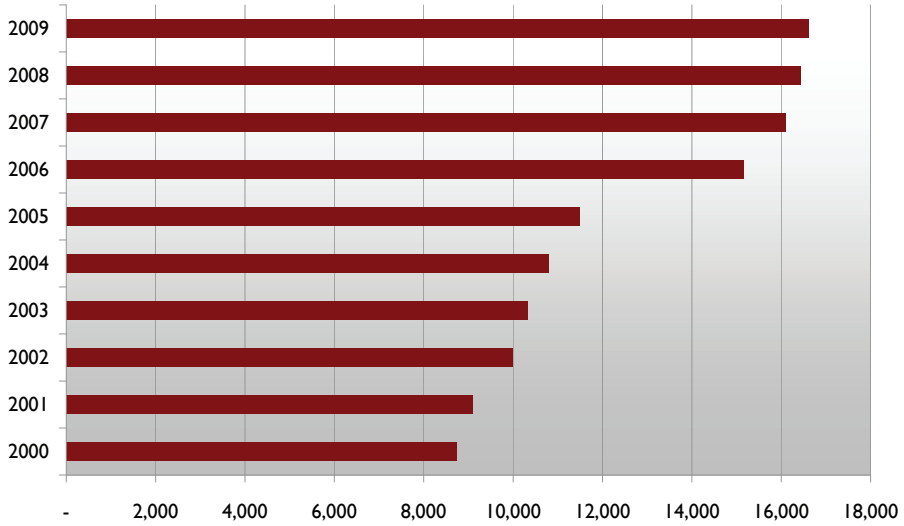
NOTE:

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

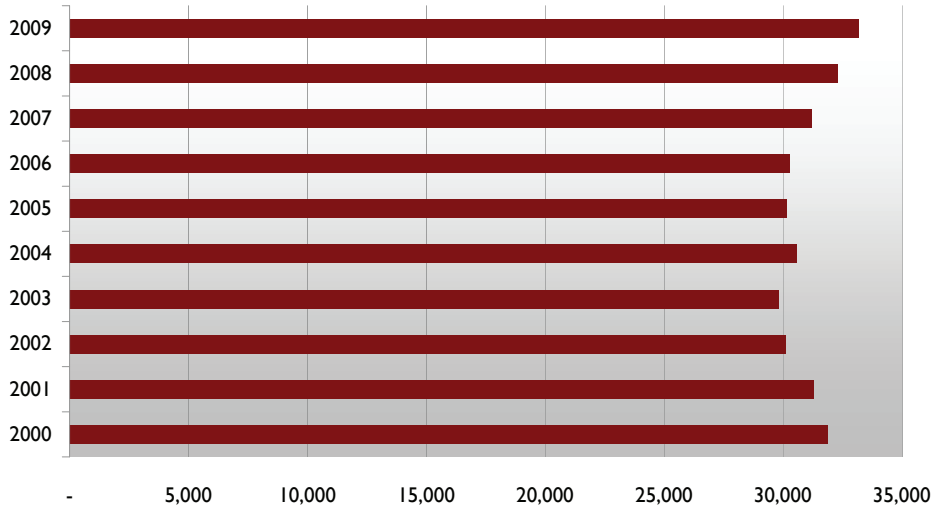
Fiscal Year	Population[(a)]	Personal Income[(b)]	Per Capita Personal Income	Unemployment Rate[(c)]	Residential Construction Value[(d)]	Commercial Construction Value[(d)]
2000	8,725	$ 278,004,675	$ 31,863	2.7%	$ 22,339,400	$ 188,627,686
2001	9,100	284,711,700	31,287	3.2%	45,786,000	72,037,400
2002	9,979	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%	72,932,181	25,619,202
2007	16,102	502,156,972	31,186	3.9%	56,535,984	172,569,393
2008	16,437	531,063,033	32,309	4.1%	35,471,399	91,217,370
2009	16,608	550,771,104	33,163	3.7%	17,641,225	72,360,272

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

Population Changes 2000 - 2009



Per Capita Personal Income 2000 - 2009



principal employers current year and eight years ago[1]

	2009[a]			2001[b]		
Employer	Employees	Rank	% of Total City Employment[c]	Employees	Rank	% of Total City Employment[c]
Wal-Mart	375	1	4.05%			
Southeastern Freight Lines, Inc.	370	2	4.00%	360	1	5.83%
Dish Network/Echosphere Corporation	365	3	3.94%	350	2	5.67%
Meggit Training Systems, Inc.	345	4	3.73%			
Kroger Company	160	5	1.73%	125	7	2.03%
Zebra Construction Company	160	6	1.73%			
Publix Supermarkets (3)	133	7	1.44%	270	5	4.37%
Mitsubishi Electric & Electronics	120	8	1.30%			
Quality Construction Service Inc.	115	9	1.24%			
Lowes of Suwanee GA #2908	114	10	1.23%			
TruGreen Chemlawn				99	10	1.60%
Cracker Barrel Old County Store, Inc.				140	6	2.27%
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 Employees as of June 30, 2009									
Function	**2000[1]**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009[2]**
General Government										
Chief Executive	2	2	2	3	3	3	4	4	4	3
General Administration	1	1	1	2	2	3	2	2	2	2
Financial Administration	4	5	5	5	5	5	5	5	7	7
Public Information	-	-	-	-	-	-	-	1	1	1
Judicial	2	2	2	2	2	2	3	4	4	3
Police										
Police Administration	3	3	3	3	3	3	3	3	3	3
Criminal Investigation	2	2	2	2	2	3	3	3	4	4
Patrol	16	20	22	23	23	23	22	23	24	26
Records and Identification	-	1	1	1	1	1	1	1	1	1
Dispatcher	2	3	4	6	6	6	7	7	7	7
Public Relations	1	1	1	1	1	1	1	1	1	1
Targeted Police	-	-	-	-	1	2	2	2	2	2
Public Works	3	4	4	5	7	8	9	10	13	15
Housing and Development										
Protective Inspection	3	4	4	4	4	4	4	4	4	1
Planning & Zoning	1	2	3	3	3	3	4	4	4	5
Economic Development	1	1	1	1	1	1	1	1	2	3
Total	41	51	55	61	64	68	71	75	83	84

NOTES:

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

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

Sources:
City of Suwanee Payroll Department.

Function	Calendar Year 1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Business licenses issued	600	692	761	1,048	1,319	1,219	1,376	1,501	1,563	1,687
Number of parcels and improvements	5,438	6,013	6,375	6,747	6,902	7,260	7,854	9,018	10,950	11,696
Judicial										
Cases processed	4,546	5,295	7,656	8,400	8,979	8,945	10,941	10,219	10,205	10,226
Red light camera tickets processed(1)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9,595	7,985	7,013
Jury trials	*	144	180	190	210	240	250	130	80	98
Warrants issued	*	*	390	235	250	321	406	510	347	242
Police										
Calls for service(2)	5,739	24,845	28,741	26,340	26,845	26,668	27,125	22,816	25,076	28,153
Traffic accidents	620	745	814	893	1,085	1,099	1,140	1,223	1,219	1,141
Part I offenses	301	395	278	342	368	445	416	408	511	633
Traffic citations	4,676	5,350	7,990	8,103	8,377	9,981	11,407	10,650	10,271	10,627
Public works										
Service order request	*	*	290	513	573	371	244	252	291	339
Street overlay (sq. ft.)	73,413	78,186	66,211	182,092	71,976	79,960	106,695	73,810	324,265	329,220
Hours of litter pick-up service provided	367	388	295	385	499	434	516	538	645	791
Culture and recreation										
Number of annual city- sponsored events	2	6	8	8	13	16	14	16	25	21
Number of annual non-city sponsored events	*	*	*	*	*	2	10	8	7	11
Suwanee Day attendance	6,000	6,000	10,000	4,000	10,000	30,000	30,000	28,000	40,000	42,000
Protective Inspection										
Number of residential permits	98	164	87	82	117	295	557	460	184	101
Number of total construction permits	403	459	392	319	384	538	793	686	538	359
Number of sign permits	144	137	136	223	214	210	250	292	380	373
Planning and Zoning										
Zoning certification letters	19	21	14	11	17	24	29	25	29	12
Rezoning cases processed	25	36	11	21	22	13	14	18	11	2
Special use permits processed	*	*	6	3	6	4	2	4	6	10
Variances processed	34	20	22	23	11	16	13	16	24	17
Development review	40	38	42	32	29	24	35	40	52	26
Development permits	37	38	38	27	26	21	26	34	25	14
Water										
Average daily consumption in gallons	47,325	44,537	50,112	43,049	40,970	45,128	46,848	48,508	46,817	48,739

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.

Sources:

Various City departments

Function	Fiscal Year 2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Administration										
Vehicles	1	1	2	2	2	2	2	2	2	1
Police										
Patrol Units	17	20	21	22	24	27	26	30	32	39
Other Police Vehicles	1	2	2	3	4	4	5	4	4	4
Public Works										
Vehicles	4	5	5	6	6	5	6	8	10	11
Street (miles)[1]	32	35	40	40	44	44	54	59	60	60
Streetlights[1]	340	375	430	510	609	620	710	710	791	835
Culture and Recreation										
Acreage	16	16	141	217	226	233	233	246	293	342
Park sites	3	3	5	10	12	13	13	15	15	15
Water										
Water mains (miles)	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.5	6.5
Storage capacity[2]	60,000	60,000	60,000	60,000	60,000	60,000	150,000	150,000	150,000	150,000
Housing and development										
Vehicles	4	4	4	5	5	5	5	5	5	4

NOTES:

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

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

Sources:
Various City departments

Type of Insurance	Coverage	Liability Limit	Company[2]	Policy Number	Policy Period From	Policy Period To	Annual Premium
LIABILITY							
General Liability	Damages of bodily injury or property caused by an occurrence	$1,000,000 limit each claim with a $5,000,000 aggregate $1,000 deductible	GIRMA	SU-3	05/01/09	04/30/10	$ 25,384
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	05/01/09	04/30/10	50,066
Automobile Liability	Damages of bodily injury or property caused by an occurrence	$1,000,000 combined single limit $1,000 deductible	GIRMA	SU-3	05/01/09	04/30/10	27,003
Law Enforcement Liability	False arrest/wrongful imprisonment Assault & Battery	$1,000,000 limit each claim no aggregate limit $1,000 deductible	GIRMA	SU-3	05/01/09	04/30/10	12,352
PROPERTY							
Property Including Equipment	Blanket building & content Business interruption Property in Transit	$20,298,396 total insured value building & content replacement cost	GIRMA	SU-3	05/01/09	04/30/10	21,477
Boiler & Machinery	Blanket building & content	$20,298,396 total insured value building & content replacement cost	GIRMA	SU-3	05/01/09	04/30/10	3,177
Environment Impairment Liability	Pollution coverage	combined single limit $1,000,000 with a $12,000,000 aggregate per occurrence deductible $1,000	GIRMA	SU-3	05/01/09	04/30/10	24,65
OTHER CASUALTY							
Workers Compensation Self Insurance Fund	While Working		GMA	Cust # 312	01/01/09	12/31/10	120,116
Automobile Physical Damage	All risks for scheduled City vehicles only	Automatic coverage for vehicles up to $100,000 deductible $1,000	GIRMA	SU-3	05/01/09	04/30/10	10,589
Crime Coverage	Public employee dishonesty per loss	$500,000 limit with $1,000 deductible	GIRMA	SU-3	05/01/09	04/30/10	$ 1,553
OTHER INSURANCE							
Employee Life Insurance	Basic Life	Varies by employee salary / max. 75,000	Greater Georgia Life	1M547	07/01/08	06/30/09	$ 11,300
Dependent Life Insurance	Basic Life	$5,000 coverage for the spouse (if covered by medical plan) $2,500 coverage for each child (if covered by medical plan)	Greater Georgia Life	1M547	07/01/08	06/30/09	(3)
Long Term Disability	90 day elimination period 60% benefit until age 65	N/A	Ft. Dearborn Life	MG18818	07/01/08	06/30/09	11,880
Short Term Disability	1st day accident/8th day illness 13 week/ 60% weekly compensation up to $1000	N/A	Ft. Dearborn Life	MG18818	07/01/08	06/30/09	12,231
Medical	1st of the month following 30 days	Lifetime Maximum - Unlimited no deductible 100% coinsurance	Blue Cross/ Blue Shield HMO	1018871	07/01/08	06/30/09	626,640
	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	07/01/08	06/30/09	(4)
Dental	Employee and Family	$1,000 Max benefit per person per year $1,500 Ortho Benefit	Guardian Life	G-359487	07/01/08	06/30/09	$ 74,617

NOTES:

(1) This schedule has been included to satisfy continuing bond disclosure requirements for the 2002 General Obligation bond issue.

(2) Georgia Interlocal Risk Management Agency (GIRMA) Georgia Municipal Association (GMA)

(3) Total cost paid for by the employee.

(4) Premiums for HMO and PPO are included together under the HMO premiums total.

Sources:

City of Suwanee Human Resource Department



single audit section

CITY OF SUWANEE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass-Through Program Title	CFDA Number	Agency or Pass-Through Grantor Number	Expenditures
U.S. Department of Transportation			
Passed through Georgia Department of Transportation:			
Highway Planning and Construction	20.205	STP-0006-00(277)	$ 840,000
Total U.S. Department of Transporation			840,000
Total Expenditures of Federal Awards			$ 840,000

See accompanying note to the Schedule of Expenditures of Federal Awards.

CITY OF SUWANEE, GEORGIA

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2009

(1) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related Fund liability is incurred.

In instances where the grant agreement requires the City to match grant awards with City funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

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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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A 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.

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated December 22, 2009

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 22, 2009

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the **City of Suwanee, Georgia** (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance 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 or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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 22, 2009

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

CITY OF SUWANEE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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(1) Summary of Auditors' Results

(a) The type of report issued on the financial statements: **unqualified opinion**

(b) Internal control over financial reporting:
Material weaknesses identified: **no**
Significant deficiencies identified, not considered to be material weaknesses: **none reported**

(c) Noncompliance material to the financial statements noted: **no**

(d) Internal control over major programs:
Material weaknesses identified: **no**
Significant deficiencies identified, not considered to be material weaknesses: **none reported**

(e) The type of report issued on compliance for major programs: **Unqualified.**

(f) Any audit findings which are required to be reported under Section .510(a) of OMB Circular A-133: **no**

(g) Major Programs:

Highway Planning and Construction, CFDA #20.205

(h) Dollar threshold to distinguish between Type A and Type B programs: **$300,000**

(i)Audit qualified as a low-risk auditee under Section .530 of OMB Circular A-133: **no**

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None reported.

(3) Findings Relating to the Federal Awards

None reported.



city of suwanee
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suwanee, georgia 30024